GLEN INNES

SEVERN COUNCIL

ASSET MANAGEMENT PLAN PLANT & FLEET 2025-2029

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1. EXECUTIVE SUMMARY

Refer to Core Asset Management Plan.

2. INTRODUCTION

This Asset Management Plan covers plant and fleet that are key to the daily operation of Glen Innes Severn Council; the number of these assets is summarised in table 2.1. While additional plant and fleet items are included on the register, these are not included in financial and lifecycle modelling. The items excluded from modelling include: minor plant (this is small equipment that is below the capitalisation threshold and held on the register for administration purposes only). Quarry plant and fleet assets are included in this plan, noting that the responsibility for funding these items remains within the Quarry business unit. All operational and capital costs are charged directly to the business unit.

The 2024 plant and fleet management review focused on a capability requirements assessment, development of a ten-year procurement and disposal forecast, and verification of plant and fleet internal and external hire rates.

Currently, Council's infrastructure department uses a combination of NAMS+ IPWEA, Plant Assessor, Microsoft Dynamics, and Microsoft Excel to manage plant and fleet assets.

ASSET TYPE	QUANTITY	REPLACEMENT VALUE $	ACCUMULATED DEPRECIATION -$
Heavy Fleet	34	5,204,127	2,631,991
Light Fleet	65	1,322,278	876,985
Mobile Plant	53	6,730,624	4,267,870
Minor Plant	23	66,131	38,925
Attachments	15	260,394	202,470
Trailers	32	632,332	170,315
TOTAL	**222**	**$ 15,215,889**	**-$ 8,188,560**

Table 2.1 Assets Covered by the AMP

2.2 GOALS, OBJECTIVES OF PLANT AND FLEET MANAGEMENT

The purpose of the plant and fleet assets is to provide support for Council staff to undertake the range of services across the whole spectrum of Council's Delivery Plan. The specific goals outlined in Council's Delivery Plan are demonstrated below in Table 2.2.

Whether it be road maintenance and repairs, water services, waste management or community services, items of plant form an essential component of service delivery.
The optimisation of the fleet has multiple facets, including:

1) The provision of equipment that is safe, efficient, and fit-for-purpose.
2) Minimising the "whole of life" cost for plant and fleet assets.
3) Ensuring key staff are engaged in plant and fleet management processes, promoting pride and a sense of ownership/responsibility for the plant and fleet assets that they operate and/or maintain.

GOAL	OBJECTIVE	HOW GOAL AND OBJECTIVES ARE ADDRESSED IN AN AMP
5.2.11 To source, manage and maintain plant, vehicles and equipment to support Council's activities.	• Procurement of plant, vehicles and equipment as per Council's capital plan, • Functioning mechanical workshop for the maintenance and repair of plant, vehicles and equipment, • Fitter and welding services for the maintenance and repairs of plant, vehicles and equipment.	The plan sets the framework for selection and maintenance of plant and fleet items. .

2.3 PLAN FRAMEWORK

Refer to the Core Asset Management Plan.

2.4 CORE AND ADVANCED ASSET MANAGEMENT

Refer to Core Asset Management Plan.

3. LEVES OF SERVICE

3.1 CUSTOMER RESEARCH AND EXPECTATIONS

This Asset Management Plan is prepared to facilitate consultation prior to adoption of levels of service by the Glen Innes Severn Council. Efficient and effective management of Council's plant and fleet is a key factor in meeting the needs of the community, as expressed in the Community Strategic Plan. Safe and fit-for-purpose plant and fleet is essential for achieving and maintaining the communities desired level of service for all Council's areas of delivery.

Internal survey has highlighted that Council staff have a strong desire to be involved in plant and fleet management, particularly procurement. Relevant staff, who operate or maintain plant and fleet assets, are consulted and provide feedback on all stages of plant and fleet management processes.

3.2 LEGISLATIVE REQUIREMENTS

Refer to Core Asset Management Plan.

3.3 CURRENT LEVELS OF SERVICE

Refer to Core Asset Management Plan.

Council's present funding levels are sufficient to continue to provide existing services at current service levels in the medium term.

Council's current levels of service are set out in Table 3.3a. and Table 3.3b. Customer levels of service are considered in terms of quality, function, and capacity/use; while technical levels of services are linked to the activities and annual budgets covering acquisition, operation, maintenance and renewal. Service and asset managers plan implement and control technical service levels to influence the service outcomes.

LEVELS OF SERVICE

TYPE OF MEASURE	LEVEL OF SERVICE	PERFORMANCE MEASURE	CURRENT PERFORMANCE	EXPECTED TREND BASED ON PLANNED BUDGET
CONDITION	Plant and fleet assets are maintained to Manufacturers specification.	Scheduled maintenance, reactive repairs, regular inspection by operator and mechanic staff.	Compliant with manufacturers recommendations and fit-for-purpose for planned useful life.	Compliant with manufacturers recommendations and fit-for-purpose. Functional and available for intended use.
FUNCTION	Plant and fleet assets are fit-for-purpose.	Modern equipment that meets delivery and user requirements.	All Council plant and fleet assets are fit-for-purpose. Staff agree that the plant and fleet they operate/maintain is comfortable and allows them to do their jobs to the best of their ability.	Older assets have been replaced and the fleet is meeting the performance measure. Additional asset requirements are identified yearly due to evolving demands.
COST EFFECTIVENESS	Cost effective fleet, with minimised whole-of-life costs.	Proactive and efficient replacement program, based on lifecycle management, whole-of-life costs, and evolving asset requirements. Effective and skilled maintenance and repairs. Correct internal/external charge out rates.	Minimised whole-of-life costs maintained for planned useful life.	Whole-of-life costs and lifecycle planned for key plant and fleet assets. Maintenance costs not minimised for some older plant and fleet assets; however, yearly replacement schedules are limited due to funding.
RENEWAL	Replace plant and fleet assets at a time that minimises whole-of-life costs.	Replace plant and fleet assets at <=10years.	10-year procurement and replacement plan development.	Execute 10-year procurement and replacement plan development.

TECHNICAL LEVELS OF SERVICE MEASURES

LIFECYCLE ACTIVITY	PURPOSE OF ACTIVITY	ACTIVITY MEASURE	CURRENT PERFORMANCE	RECOMMENDED PERFORMANCE
OPERATION	Provide assets that contribute towards meeting deliverables safely, efficiently and effectively. Effective hire rates.	High utilisation of assets and desired results achieved. Low running costs. Hire rates cover operational cost of assets. **Budget**	Council's outdoor teams are equipped with plant and fleet assets that allow their teams to achieve desired results. Operational costs within budget. Effective hire rates. Assets utilised well. *General Plant: $ 904,500* *Quarry: $ 350, 532*	Further refine plant and fleet assets to increase utilisation and efficiency. *General Plant: $ 904,500* *Quarry: $350, 532*
MAINTENANCE	Proactive maintenance. Efficient reactive maintenance. Fuel and lubricant efficiency. Effective hire rates.	Low maintenance costs. High fuel and lubricant efficiency. Hire rates cover maintenance cost of assets. **Budget**	Maintenance costs within budget. Effective hire rates. *General Plant: $398,000* *Quarry: $316,894*	Refine fuel and lubricant monitoring. *General Plant: $398,000* *Quarry: $316,894*
RENEWAL	Replace plant and fleet assets at a time that minimises whole-of-life costs.	Replace plant and fleet assets at <=10years. **Budget** *(ave. over 10 yr planning period).*	10-year procurement and replacement plan development. *General Plant: $ 1,227,414* *Quarry: $ 409,911.11*	Execute 10-year procurement and replacement plan development. *General Plant: $ 1,227,414* *Quarry: $ 409,911.11*

4. FUTURE DEMAND

4.1 DEMAND FORECASTS

Refer to Core Asset Management Plan.

4.1.2 Demand Factors

Changes to the size and scope of Council's fleet is an ongoing issue that can be driven by changes in work practices, technology or increasing or decreasing workloads or client demands.

There are several unique factors that directly impact the demand for Fleet Assets and services. These factors include:

- Increased Council Service Provision (especially in unsealed road maintenance).
- The advent of new technologies/environmental awareness.
- Council's staffing structure.
- Consumer preferences and expectations.

Of these factors, the advent of new technologies / environmental awareness is predicted to have the most significant effect on Council's plant and fleet demand.

4.2 CHANGES IN TECHNOLOGIES

Technology changes are forecast to affect the delivery of services covered by this plan in the following areas.

TECHNOLOGY CHANGE	EFFECT ON SERVICE DELIVERY
SPECIALISED FLEET EQUIPMENT	Improved efficiency in service delivery and reduction in costs.
ALTERNATIVE FUEL AND HYBRID VEHICLES	No effect on service delivery but reduction of emissions.
ARTIFICIAL INTELLIGENCE INTEGRATION	Improved efficiency in service delivery and reduction in costs.

Table 4.2: *Changes in Technology and Effect on Service Delivery*

4.3 DEMAND MANAGEMENT PLAN

Demand management strategies and techniques provide alternatives to the creation of new or modification of existing assets in order to meet demand. Instead, these strategies and techniques look at ways to modify customer demand so that there are increased opportunities to maximise the utilisation rate of existing assets and therefore the need for new or modified assets is deferred or reduced.

Demand analysis of utilisation rates and availability is reviewed annually to ensure that an over-supply of plant and fleet assets does not exist. Wherever possible, plant and fleet assets that show low utilisation will be disposed or transferred to an alternative capability. Teams are consulted during this process. This process also assists with confirmation of internal hire rates that are calculated prior to the commencement of a new Financial Year.

Plant and fleet assets lifecycle forecast is analysed on a yearly basis with forecast acquisitions and replacements being edited accordingly.

SERVICE ACTIVITY	DEMAND MANAGEMENT PLAN
FINANCIAL	Develop a long-term financial plan to ensure financial sustainability
SERVICE DELIVERY	Ensure services required and utilisation are driving demand for Fleet Assets.
ENVIRONMENT	Anticipated increasing price of fossil fuel derived energy and ensure acquisitions and renewals incorporate necessary modern technology.

Table 4.3: *Demand Management Plan Strategy*

4.4 NEW ASSETS FROM GROWTH

Changes to the size and score of Council's feet is an ongoing issue that can be driven by changes in work practices, technology, staffing levels, or increasing workloads due to a number of factors. Current strategies to address this are triggered when the item of fleet is due for renewal and consultation with the users of the plan occurs.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

5.1 BACKGROUND DATA

5.1.1 Physical Parameters

The age profile of assets included in this AMP are shown in Figure 5.1.1a.

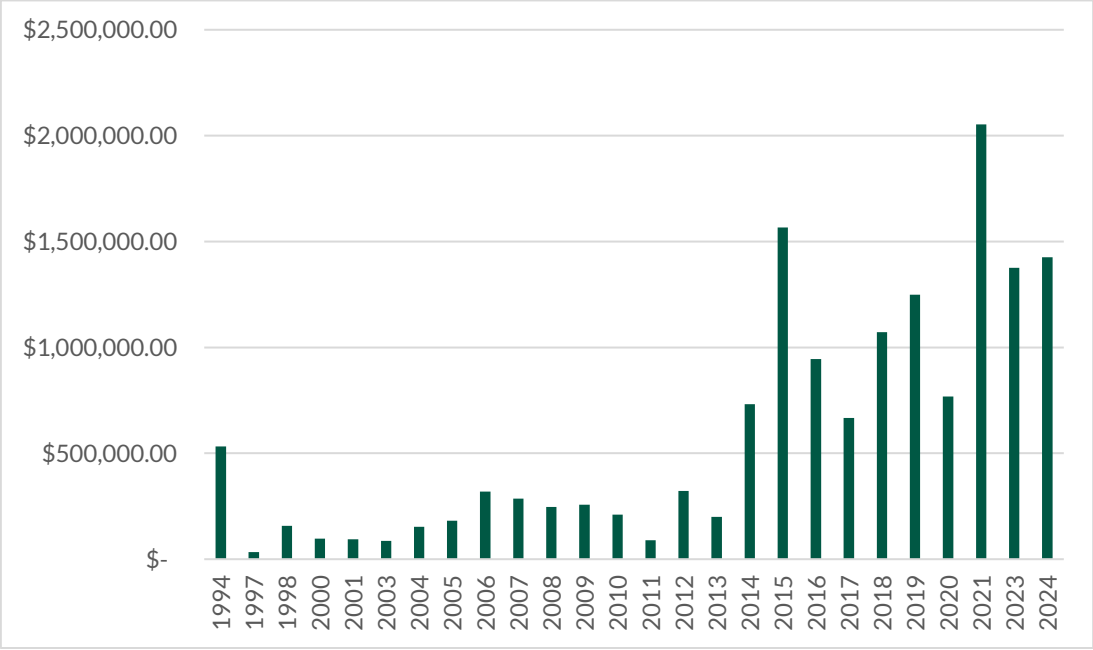

Figure 5.1.1a: *Asset Age Profile*

5.1.2 Asset Capacity and Performance

Council's services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

LOCATION	SERVICE DEFICIENCY
AGE OF EQUIPMENT	The average age of plant items in the fleet is 9 years.
UTILISATION	The 10-year procurement plan developed in conjunction with this AMP review aims to increase utilisation further by disposing but not replacing underutilised assets.

Table 5.1.2: *Known Service Performance Deficiencies*

5.1.3 Asset Condition

Due to the relative short life of Fleet assets, condition is not a key driver for renewal. Whole of life costs, policies and service drive requirements as the performance measure.

5.1.4 Asset Valuations

The value of assets as at 30 June 2024 covered by this Asset Management Plan is summarised below.

ASSET TYPE	QUANTITY	REPLACEMENT VALUE $	ACCUMULATED DEPRECIATION -$
Heavy Fleet	34	5,204,127	2,631,992
Light Fleet	65	2,322,279	876,985
Mobile Plant	53	6,730,625	4,267,871
Minor Plant	23	66,132	38,926
Attachments	15	260,394	202,410
Trailers	32	632,332	170,316
TOTAL	**222**	**$ 15,215,889**	**-$ 8,188,560**

Table 5.4.1a: *Asset Summary*

5.2 RISK MANAGEMENT PLAN

An assessment of risks associated with the service delivery from plant and fleet assets has identified critical risks to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2. There are no critical risks for plant at this time. Although not identified as critical, medium and low risks have also been included in this table.

ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING	RISK TREATMENT PLAN
FLEET	Physical injury to staff, public or assets	M	Safety inspections, signage, engineering, personal protective equipment and training
FLEET	Excessive downtime for repairs effecting user productivity and increase whole of life costs	M	A change in the use of the machine. Operator training, communication between Workshop and Users
FLEET	Inadequate or unsuitable plant and equipment	L	Consultation process to ensure provision of plant matches the needs of the user and is of design and standard that is fit for the purpose of intended use.
FLEET	Safety and efficiency implications of operating aged (10+ years) plant and fleet assets.	M	All Council's major plant and fleet assets are workplace health and safety risk assessed by an external contractor, Plant Assessor, on a yearly basis. Assets aged 10+ years were given priority in the 10-year procurement plan development.

Table 5.2: *Critical Risks and Treatment Plans.*

5.3 OPERATIONS AND ROUTINE MAINTENANCE PLAN

Routine maintenance is the regular ongoing work that is necessary to keep assets operating including instances where portions of the asset fail and need immediate repair to make the asset operational again.

5.3.1 Operations and Maintenance Plan

Operations include regular activities to provide services.

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold.

Operations and maintenance expenditure budgets over the ten-year period covered by this plan are outlined below. All figures are shown in current dollars.

Table 5.3.1a: *Operation and Maintenance Summary – General Plant*

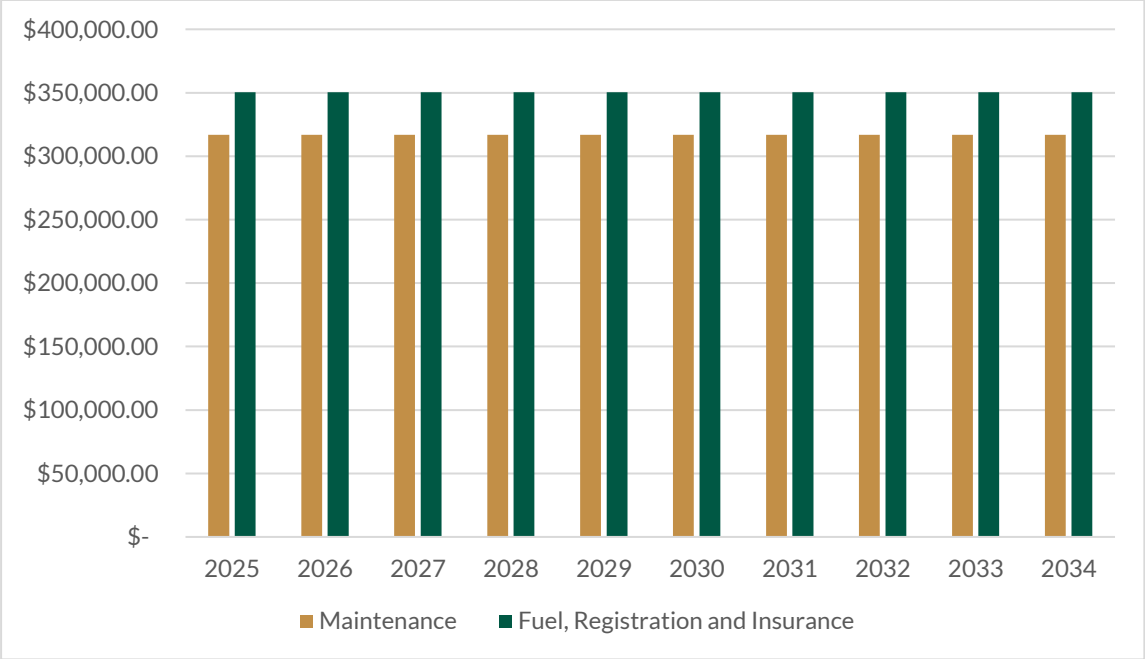

Table 5.3.1b: *Operation and Maintenance Summary- Quarry Plant*

Operations and maintenance expenditure levels are considered to be adequate to meet required service levels. Assessment and prioritisation of reactive maintenance is undertaken by GISC staff using experience and judgement.

5.3.2 Standards and Specifications

Maintenance is carried out in accordance with the following standards and specifications:-

All vehicles are either serviced from Council's depot or drivers are provided with fuel cards and the odometer reading must be supplied to the service station attendant. Drivers must also carry out pre-start checks on heavy fleet, major plant and mobile plant using Plant Assessor software.

Periodic servicing of vehicles shall be in accordance with the manufacturer specifications or lease agreement specifications for the particular vehicle. The leaseback driver of a vehicle is responsible to notify and book in the vehicle for servicing with the Workshop Supervisor. The department manager, in collaboration with the workshop, is responsible for ensuring that the service schedule is maintained.

Accidents must be reported promptly using the appropriate accident report form. Any damage, malfunction or incorrect operation of equipment within the vehicle must be reported and rectified as soon as practicable.

Deferred maintenance i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan.

Maintenance is funded from Council's operating budget and grants where available. This is further discussed in Section 6.2.

5.4 RENEWAL / REPLACEMENT PLAN

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade or new works expenditure.

5.4.1 Renewal Standards

GISC vehicles and plant are generally to be replaced in accordance with the philosophy set out hereunder.

As a first priority, any and all legislative requirements will be adhered to. Vehicles and items of plant will be selected, maintained, and replaced in such a manner as to provide the safest working environment that is practicable in accordance with the SafeWork NSW requirements. All major plant and fleet assets are risk assessed yearly by Plant Assessor, which assists in ensuring that each asset meets safety legislation.
Subject to the above, and within the bounds of the capital replacement budget, plant will be renewed in consultation with relevant staff (management, operator and maintenance) to balance the relative needs of cost minimisation, increased productivity and staff engagement.

5.4.2 Summary of Future Renewal Expenditure

Projected future renewal expenditures vary over the ten-year period, due to the varying age of Council's current assets. Expenditures are summarized Fig 5.4.2a. Note that all costs are shown in current dollar values.

Each asset has been assessed individually and analysed to set a remaining useful life. By ensuring that all of Council's younger assets and future purchases are renewed within the 10-year lifecycle, yearly renewals will eventually be evened out and a uniform renewal budget set.

Renewals are to be funded from Council's self-funding plant reserve, quarry reserve and grants where available. This is further discussed in Section 6.2.

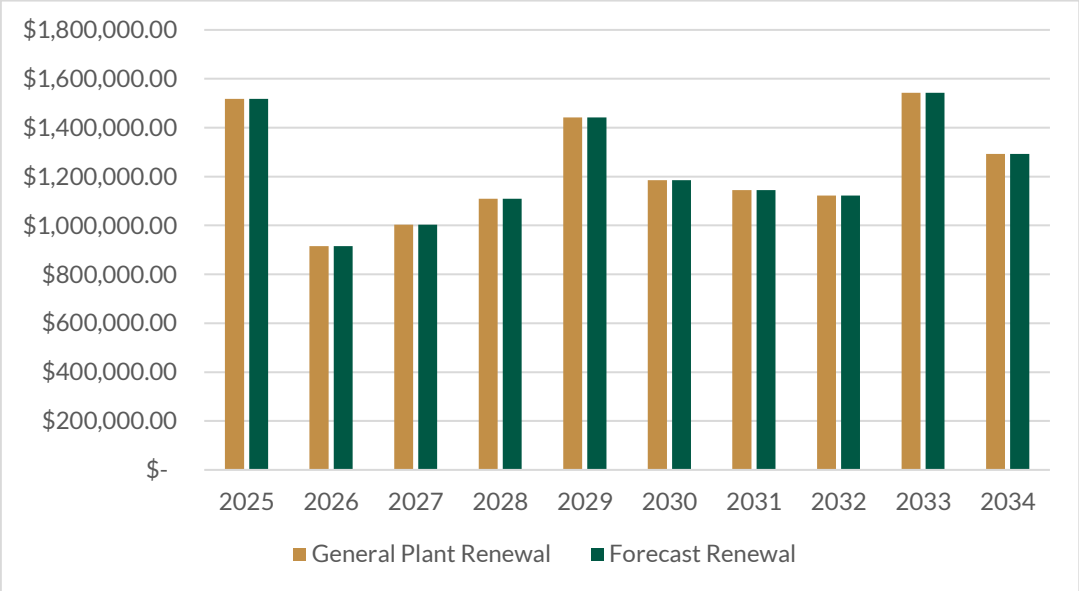

Table 5.4.2a: *Projected Capital Renewal Expenditure – General Plant.*

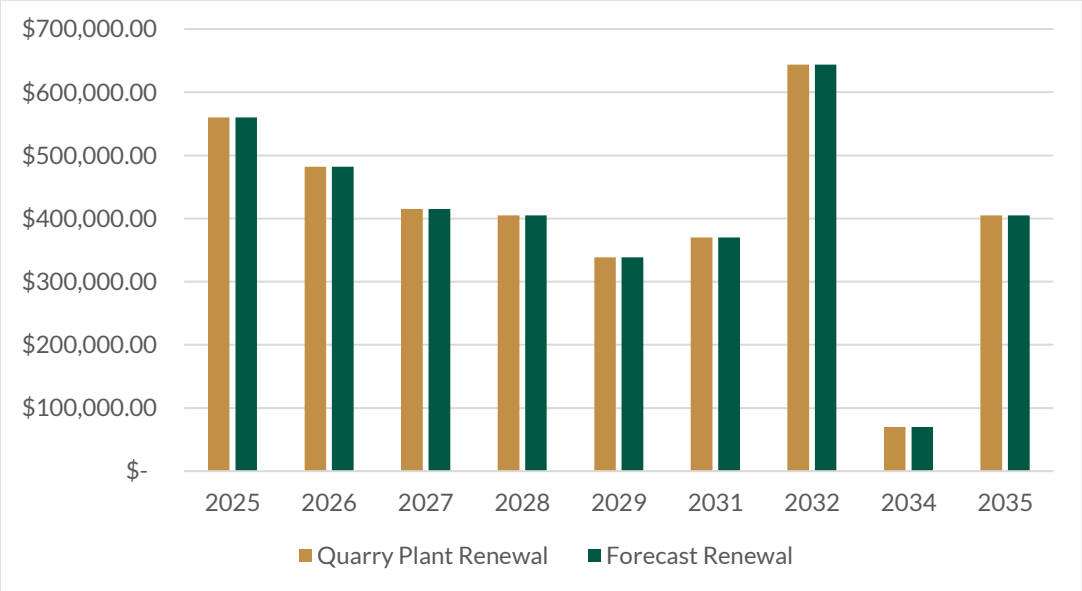

Figure 5.4.2b: *Projected Capital Renewal Expenditure – Quarry Plant*

5.5 CREATION / ACQUISITION / UPGRADE PLAN

New assets are those items of fleet, plant and equipment that did not previously exist, or items which are upgraded or improved beyond their existing capacity. They may result from growth, social or environmental needs. These assets from growth are considered in Section 4.4.

5.5.1 Selection Criteria

New assets and upgrade of existing assets are identified from various sources such as Council staff requests, information from suppliers and technological advancements. Proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future Capital Plans. The priority ranking criteria is detailed below.

CRITERIA	WEIGHTING
WORK HEALTH AND SAFETY	WHS issues are given the first priority when assessing plant items for replacement.
FUNDING WITHIN LONG TERM FINANCIAL PLAN	The total amount of asset replacement in any given year is set by the LTFP
CURRENT SERVICE LEVEL	Operator and maintenance staff feedback is a key driver in the selection of equipment to be replaced.

Table 5.5.1: *New Assets Priority Ranking Criteria*

5.5.2 Standard and Specifications

Standards and specifications for new assets and for upgrade of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of Future Upgrade / New Assets Expenditure

Currently and into the foreseeable future, new asset acquisitions are procured via outright purchase and therefore included in the capital budget. If Council's plant and fleet assets increased significantly in size, the operations and maintenance budgets would be affected; however, this is not expected to happen over the planning period of this AMP.

5.6 DISPOSAL PLAN

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition, or relocation.

Assets to be disposed but not replaced within the 10-year planning period are minimal. The majority of Council's plant and fleet assets are highly utilised the 10-year replacement plan. The plan focuses on maintaining a fleet that is essential for meeting service demands.

6. FINANCIAL SUMMARY

6.1 FINANCIAL STATEMENTS AND PROJECTIONS

The financial projections are shown in Fig 6.1 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets)

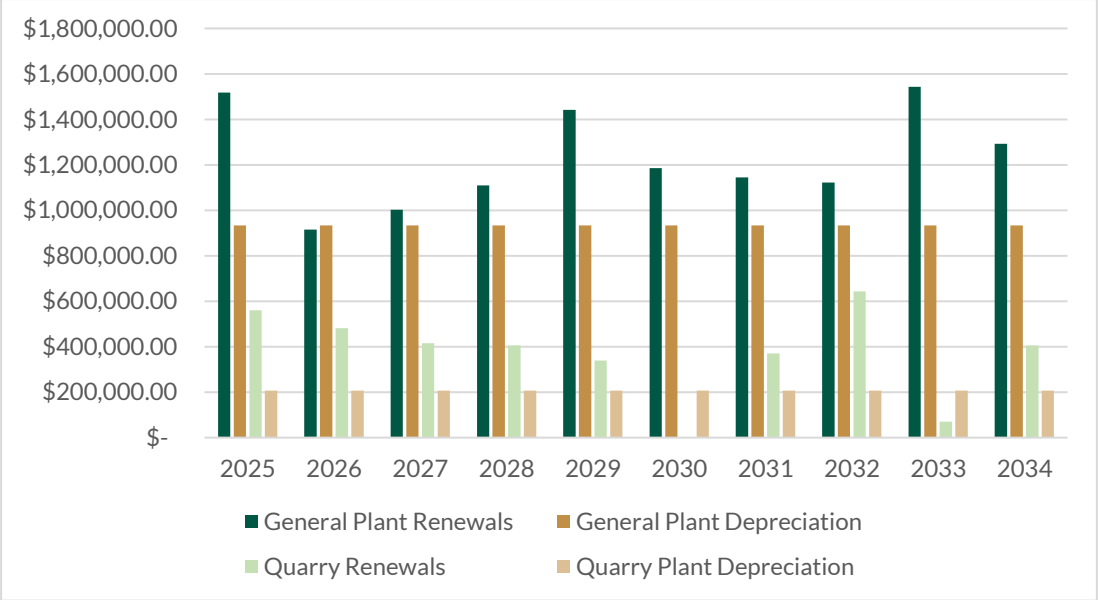

Figure 6.1: *Planned Operating, Maintenance and Capital Expenditure*

6.1.1 Sustainability of Service Delivery

This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

Replacement Cost	$15,215,889
Depreciable Amount	$15,215,889
Depreciated Replacement Cost	$7,027,329
Depreciation	$1,140,421

6.1.2 Sustainability of Service Delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio 100%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 100% of the funds required for the optimal renewal of assets.

Medium term – 10-year financial planning period
This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the 10 year period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $3,607,251.11 on average per year, separated below:

- General Plant Fund: $ 2, 529,914,
- Quarry Fund: $ 1,077,337.11.

The proposed (budget) operations, maintenance and renewal funding is $3,607,251.11 on average per year giving a 10 year funding shortfall or funding excess of $0 per year. This indicates that 100% of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. This excludes acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long-Term Financial Plan.

6.2 FUNDING STRATEGY

Projected expenditure identified in Section 6.1 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in the Council's 10-year long term financial plan.

Achieving the financial strategy will require internal plant and fleet hire rates to be set at a level commensurate with projected average capital and maintenance expenditure. A plant replacement reserve is to be maintained to buffer against variations.

6.3 VALUATION FORECASTS

Asset values are forecast to increase as additional assets are added to the asset stock from acquisition by Council.

Depreciation expense values are forecast in line with asset values as shown in Figure 6.3.

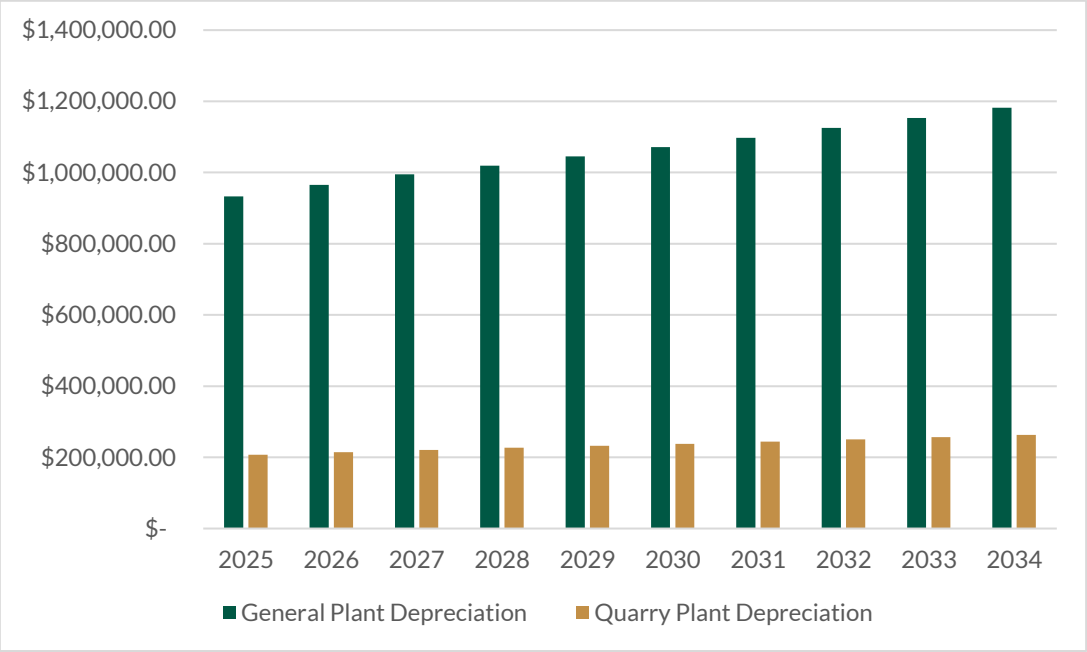

Figure 6.3 *Projected Depreciation Expense*

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

6.4 KEY ASUMPTIONS MADE IN FINANCIAL FORECASTS

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

PARAMETER	DOCUMENT SECTION	ASSUMPTION
DEPRECIATION	Part 1, Section 7	Straight-line method as AASB116 with reviewed useful lives applicable as at June 30 of previous year
LEVELS OF SERVICE	3	That our current fleet activities are our current service level
DEMAND	4	That our current fleet replacement program is based on replacement of existing fleet
MAINTENANCE AND RENEWAL EXPENDITURE	5	Similar pattern to previous years

Table 6.4: *Key Assumptions*

7. ASSET MANAGEMENT PRACTICES

7.1 ACCOUNTING / FINANCIAL SYSTEMS

Refer to Core Asset Management Plan.

7.2 ASSET MANAGEMENT SYSTEMS

Refer to Core Asset Management Plan.

8. PLAN IMPROVEMENT AND MONITORING

8.1 PERFORMANCE MEASURES

Refer to Core Asset Management Plan.

8.2 IMPROVEMENT PLAN

The asset management improvement plan generated from this asset management plan is shown in Table 8.2.

TASK NO	TASK	RESPONSIBILITY	RESOURCES REQUIRED	TARGET COMPLETION DATE
1	Investigate utilisation and develop benchmarks annually.	Manager Asset Services	Staff	Ongoing
2	Undertake an annual review of this Asset Management Plan.	Manager Asset Services	Staff	Ongoing
3	Review costs and internal hire rates annually.	Manager Asset Services	Staff	Ongoing
4	Improved data collection to assist in life cycle cost reduction.	Manager Asset Services	Staff	Ongoing

Table 8.2: *Improvement Plan*

8.3 MONITORING AND REVIEW PROCEDURES

Refer to Core Asset Management Plan.

REFERENCES

Refer to Core Asset Management Plan.