City of Marion
Asset Management Plan
2024-2034

Fleet, Plant and Equipment

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CITY OF MARION


SB 29 01

Contents

Executive summary

Purpose of the plan

The purpose of the Fleet, Plant & Equipment (referred to as fleet) Asset Management Plan (AMP) is to improve Council's long-term strategic management of assets so that they meet the required levels of service. The plan defines the state of the fleet assets, and considers future requirements whilst balancing performance cost and risk. It provides the optimum lifecycle management and costs for the next 10 years.

The Fleet, Plant & Equipment AMP is aligned with the Council Strategic Plan and informs the Long-Term Financial Plan. Information is current as of December 2023.

State of council assets

The table below outlines the quantity of fleet assets held by council together with projected benchmark ownership and replacement values.

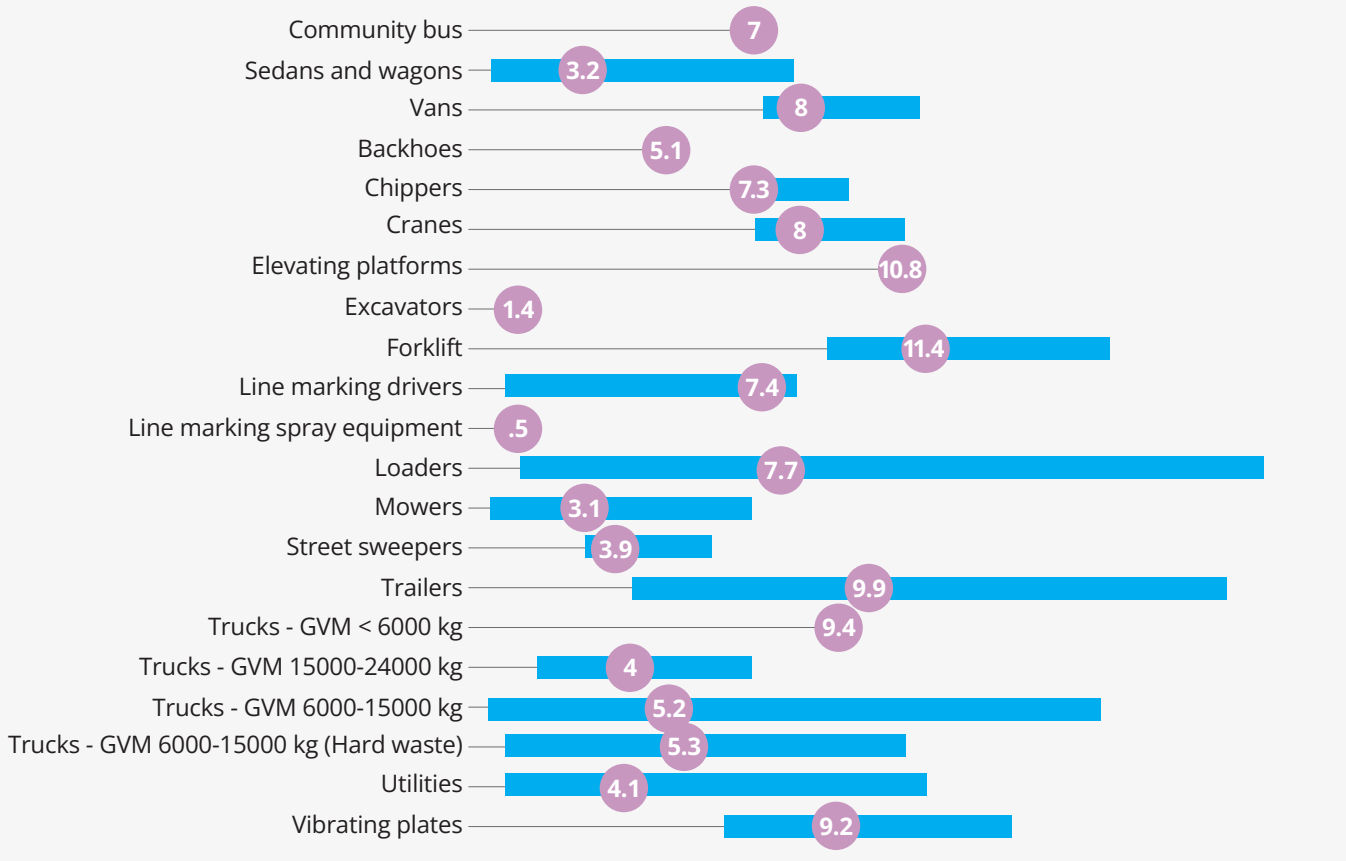
	Asset category	Qty	Benchmark ownership period (yrs)	Avg Projected ** ownership (yrs)	Replacement Cost (,000)
Passenger Fleet	Sedans & wagons *	41	5	4	$1,329
	Vans	7	5	10	$345
	Community bus	2	8	11	$242
Commercial Fleet	Utilities	21	5	5	$768
	Trucks - GVM < 6000 kg	2	8	12	$237
	Trucks - GVM 6000-15000 kg	30	10	13	$4,724
	Trucks - GVM 6000-15000 kg (hard waste only)	2	8	8	$374
	Trucks - GVM 15000-24000 kg	5	10	10	$1,118
	Street Sweepers	2	7	3	$751
	Mowers	8	7	8	$334
	Loaders	3	10	16	$695
	Excavators	1	10	32	$33
	Backhoes	3	7	7	$576
	Elevating work platforms	1	10	-	$182
	Trailers	18	10	-	$220
	Forklifts, cranes, vibrating plates	14	10	-	$262
	Chippers	2	8	15	$221
	Line Marking drivers	3	10	-	$54
	Line marking spray equipment	2	7	-	$40
	Total	167			$12,505

**Sedans currently includes 2 Electric Vehicles (EV). Eight additional EV are due in 2024.*
*** based on current utilisation rates compared with the benchmark – other factors apply.*

Asset performance parameters and expected trends

Measure	Customer level of service	Achieved by	Predicted trend
Condition	Assets are safe and operable.	Proactive maintenance. • Scheduled maintenance. • Resale prior to major overhaul requirement.	Very Good – Maintain.
Function	Assets correctly specified with required features.	• Operations feedback on requirements. • Renewals containing upgraded features.	Very Good – Maintain.
Capacity	Asset utilisation optimal	• Monitoring the resource needs of operations. • Ensuring contingencies exist for loss of fleet.	Good – Maintain.

Average age (years) of fleet together with the age spread within each category, where applicable



Service levels

Our customers include the office staff and the outdoor workforce at City of Marion who have the following service level requirements. Refer to page 11 for more information on Levels of Service.

Customer service requirement	Activities funded to sustain the service requirement
Fleet that is safe, functional, compliant, and able to deliver the community services required.	• Analysis of fleet utilisation against age of fleet to project optimal replacement timing. • Daily pre-start checks of fleet and reporting of defects. • Compliance checks of Fleet, plant, equipment based on intervals of time/hrs use/km travelled. • Specialist supplier scheduled services. • Specialised maintenance by manufacturers at recommended service intervals. • Timely repairs to damaged fleet. • Disposal of fleet in good condition to achieve best value. • Replacement of fleet with required customer functionality

Future demand

Refer to page 17 for more details on demand management.

Demand impact	Demand impact management
Technology – Functionality and efficiency	Customer requirements continually monitored for new innovations to improve the service capability when renewing fleet.
Financial – value through improved utilisation	Tracking utilisation against benchmarks and optimising value through renewal/disposal decisions.
Environment – Carbon neutrality	Improved energy efficiency and fleet and plant transition where practical away from hydrocarbon fuels.

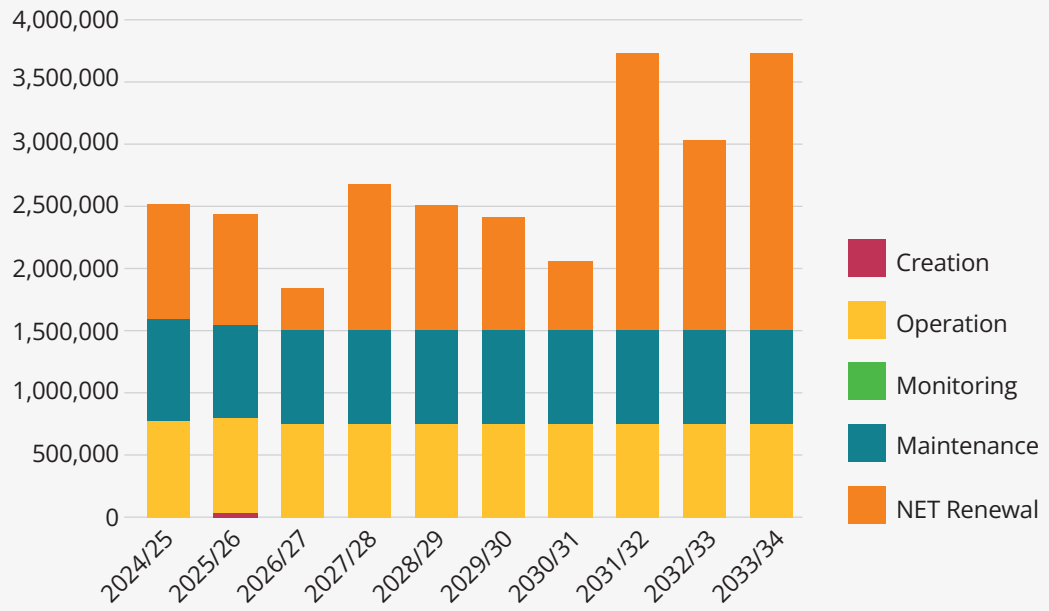
Lifecycle management

What it will cost

The forecast lifecycle costs necessary to provide the services covered by this AMP include those listed in the chart below. Disposal of fleet is incorporated into the Net renewal costs. The forecast expenditure of this plan is used to inform the Long-Term Financial Plan (LTFP). Page 29 contains the costs for each of the 10 years.

Renewal peaks shown in the last three years of the plan correspond to predicted replacement timings based on the age of assets. As these assets age, and more utilisation data becomes available, it is likely that the forecast year of replacement will become more evenly distributed.

Summary forecast expenditure Fleet, Plant and Equipment AMP



The financial funding for the life of this plan is summarised below:

Forecast Expenditure	10-Year forecast	Average Annual Cost
Operational Cost (OpEx)	$15,058,797	$1,505,880
Capital Cost (CapEx)	$11,600,880	$1,160,088
Total	**$26,922,480**	**$2,665,968**

Managing the risk

Risks are managed in accordance with Council's Risk Management Policy.

- Risks are managed in accordance with Council's Risk Management Policy.
- No high or above level risks have been identified for fleet, plant, and equipment assets.
- There are no critical assets as part of the fleet as a loss of service from any is manageable.
- The forecast budget allows us to achieve all our service delivery objectives.

Improvement

The Improvement Plan is found on page 32. These initiatives have been included in the forecast budget and include:

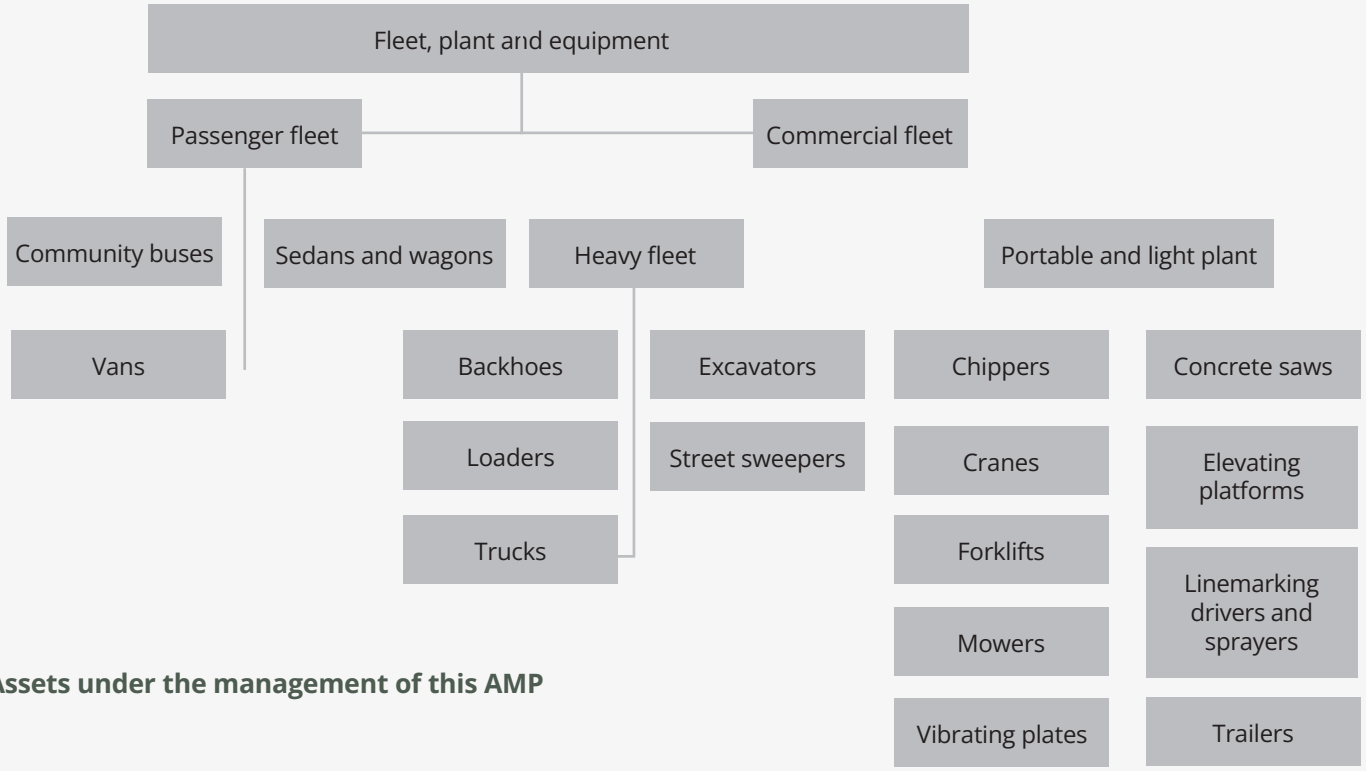
- Continue with the implementation of the CoM EV transition plan.
- Transition to Asset Management Information System (AMIS) tool.
- Finalise transition of minor plant to battery power away from hydrocarbon fuels.
- Establish reporting functionality from the AMIS to enable fleet management decision making.

Introduction

Background

The Fleet, Plant & Equipment Asset Management Plan (AMP) serves as a comprehensive framework outlining the management of our Fleet, Plant & Equipment assets (collectively referred to as fleet) essential in delivering the services that enhance the well-being of the community. This plan outlines how these assets are utilised, the way services are rendered, and the financial resources allocated for a fleet replacement program over the next 10 years.

This AMP complies with the requirements of Section 122 of the *Local Government Act 1999*; and is an input for the City of Marion (CoM) Long-Term Financial Plan. Information contained in this plan is current as of October 2023.



Assets under the management of this AMP

The total replacement cost of our Fleet Assets is $12,505,000.

Of note is a decision by Council during the life of this AMP to transition the light passenger fleet from Internal Combustion Engines (ICE) to battery Electric Vehicle (EV).

Minor Plant and equipment consisting of items such hand operated power tools are typically replaced when they fail with an estimated value of $250,000 are not considered a material component of this AMP and are only briefly referred to.

Planning documents

- The 30-Year Plan for Greater Adelaide (Plan SA)
- Local Government Association Mutual Liability Scheme
- CoM Environment Policy
- CoM Climate Change Policy
- CoM Carbon Neutral Plan 2030
- CoM Long-Term Financial Plan
- CoM Strategic Plan 2019-2029
- IPWEA NAMS+ AMP template and Plant and Vehicle Management Manual
- CoM EV Transition Plan
- CoM Fleet Replacement Policy
- CoM Disposal of Excess Plant and Equipment, Stores and Salvaged or Recycled Materials Procedure

Key stakeholders

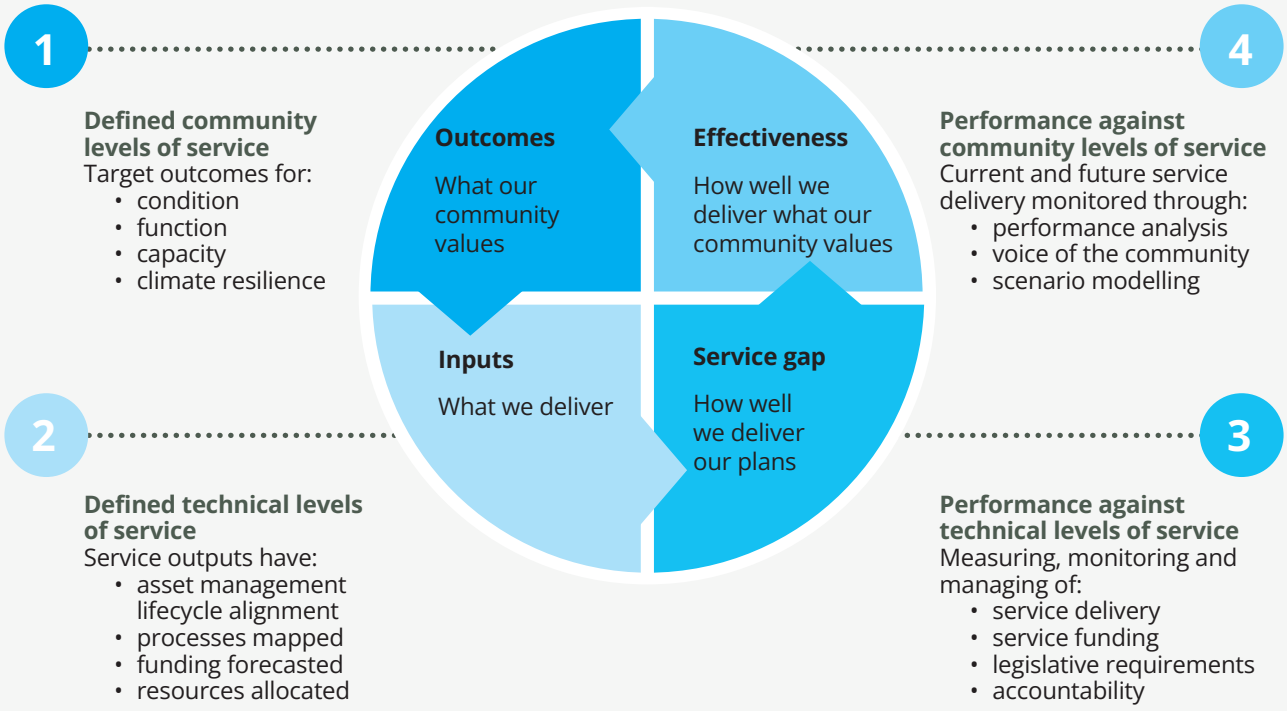
- Council Members - Represent community needs and endorse levels of service and this AMP.
- Executive Leadership - Allocate resources to ensure the fleet assets service is sustainable. Ensure risks are managed while meeting the objectives of the plan.
- CoM Operations Teams - Users of the fleet to support operational activities and provide feedback on performance.
- CoM Asset Solutions - provide support in AMP content and in the management of asset information systems.
- CoM Finance - allocate budgets according to forecasts and ensure alignment with the LTFP.
- External Suppliers – provide equipment to meet requirements and are the source of information to develop budgets based on market conditions.

Levels of service

Levels of service ensure we meet customer expectations by describing what we deliver. The primary reason assets exist is to deliver services.

Levels of service underpin asset management decisions. Defining and measuring levels of service is a key activity in developing Asset Management Plans. When levels of service are considered collectively, they provide clarity and assist with meeting council's strategic objectives.

Using levels of service to measure service delivery performance



When defining levels of service, council takes into consideration:

- the external context, including legislative requirements which may impose minimum standards.
- the internal context including strategic objectives, the availability of resources and financial constraints.
- community expectations of the quality of service, balanced against the price they are willing and able to pay for that service.

These drivers influence council's decisions about the range, quality and quantity of services provided.

Strategic and corporate goals

Our purpose: To improve our resident's quality of life; continuously, smartly, and efficiently.

Our community vision: A community that is (L) Liveable, (VN) Valuing Nature, (E) Engaged, (P) Prosperous, (I) Innovative, and (C) Connected

Council Strategic Objective		How the Objectives are addressed in the Plan
VN3	We will operate more efficiently and sustainably in terms of energy and water use, using the best technologies and methods to be as self-sufficient as possible	As a key step to becoming carbon neutral 2030, council has committed to a transition to Electric Vehicles for our light passenger fleet from 2023. This will enable our fleet to utilise sustainable energy. Council also is also committed to exploring alternate technologies, and moving towards battery operated handheld equipment, charging from solar panels mounted to vehicles. Council has a watching brief to take up future technologies for alternative fuel and energies for our fleet assets
I1	We will use data to provide evidence for resource allocation relating to our services	Council will reference and consult on industry best practice through Institute of Public Works Engineering Australasia, Department for Energy and Mining, Flinders University and other Councils to leverage emerging technologies in battery and charging.
I2	We will use the best technology possible to improve efficiency of our operations and delivery of our services	Our fleet asset management and energy efficiency systems enable us to use data driven evidence to analyse utilisation and cost. This allows for data analysis supporting fleet replacement and allocation decisions.

Legislation

The legislation and relevant Standards that inform the Service is outlined in the table below.

Legislation	Relevance to this AMP
Aboriginal Heritage Act (1988)	Provides for the protection and preservation of Aboriginal heritage including the discovery, acquisition, damage or sale of sites, objects, or remains of Aboriginal significance.
Australian Accounting Standards	Sets out the financial reporting standards relating to the valuation and depreciation of infrastructure assets.
Copyright Act 1968	Provides for the protection of rights of creators of creative and artistic works under Australian law.
National Heavy Vehicle Regulations	Specifies requirements related to safe and compliant management of heavy fleet, including maintenance and operation.
Heritage Places Act (1993)	sustainable use and adaptation of heritage places in a manner consistent with high standards of conservation practice.
Intellectual Property Laws Amendment Act 2015 (Australia)	Encourage innovation and protect businesses that develop original intellectual property to have a competitive advantage.
Local Government Act (1999)	Requires the preparation of an asset management plan and a Long-Term Financial Plan.
Planning, Development, and Infrastructure Act (2016)	Sets requirements for development and building approval and requirements.
Work Health and Safety Act 2012 (SA)	Provides for the health, safety, and welfare of persons at work. Implies use of Codes of Practice such as Managing Risks of Plant in the Workplace.

Service Statement

Fleet assets are used to construct and maintain infrastructure and land, move materials and equipment and transport council staff and community members.

What our community values

Fleet customers are inwards facing and include office staff as well as the Operations teams that utilise fleet to provide the services. The community bus is the only fleet asset to have a direct community interface.

Feedback from internal customers is informal as part of day to day operations and can also be formal when new fleet is planned for purchase and where user input requirements are required. The users of the fleet assets have the experience of delivering the community service.

Community levels of service

Levels of Service detail what is important to our customers in council's operations teams. These teams understand the service they are providing the community and in turn, inform their requirements for fleet assets service to be provided. Council adopts the following service parameters for these assets:

Condition: Does the asset provide a safe and quality service?

Function: Is the asset fit for purpose?

Capacity: Is the service over or under used?

Climate Resilience: Is the asset's design resilient against projected climate stressors.

By listening and understanding what services are important to our internal customers, we have developed Customer Levels of Service for the Fleet, Plant and Equipment AMP that will support our teams in the delivery of those services to the community. Performance is monitored against targets, using 1-5 rating scales using industry standard ratings where available. An outline of the fleet customer levels of service is provided below.

Parameter	Community level of service	Achieved by	Predicted trend
Condition	Assets are safe and have all manufacturers features operable.	Assets are kept in operational condition by proactive maintenance. Strategic replacement is undertaken while the asset is in good working condition to maintain value.	Maintain
Function	Assets are correctly specified and have the desired features to meet future demand.	Feedback from the operations teams on fleet capabilities. Monitoring external drivers such as energy efficiency and ease of use.	Maintain
Capacity	Assets are optimal in quantity to meet council's service to community with contingency for equipment failure.	Monitoring the needs of the operations teams' outlook on delivery of community services. Ensuring contingencies exist in place the event of unplanned fleet loss.	Maintain
Climate Resilience	Not applicable		

Technical levels of service

Technical Levels of Service detail what we do to deliver our services. Council manages and operates assets at the agreed levels of service while managing whole-of-life costs to ensure the best value for resources used. It is important to monitor the levels of service regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

Business Process Manuals will be developed to define the best practice industry standards and legislation requirements criteria that demonstrate efficiency and effective organisational performance. Building on industry good practice, service outputs will have asset management lifecycle alignment, processes mapped, and funding forecasted. Performance against Business Process Manuals will be monitored and reviewed to ensure delivery against technical levels of service.

Lifecycle phase

Planning

- Preparation of reports for fleet replacement strategy.
- Analysis of fleet utilisation against age of fleet to project optimal replacement timing.

Creation

Fleet assets are procured to ensure internal operational requirements can be safely and effectively met. Assets are purchased within the scope of Councils Procurement & Contract Management Policy and adhere to our WHS procedures.

- Creation occurs when ever an increase in total number of fleet assets is made. This contrasts with renewal which is the replacement/upgrade/ to existing quantities.
- Creation can only occur with the provision of a robust business case process driven by the community service areas requirement for additional fleet assets. For example, if there is a need to increase resourcing to water a higher number of trees planted, a business case will outline the additional fleet assets in addition to human resources - ie additional water truck and driver. The service areas determine the trigger point at which the business case is required.

Operation

Utilisation of the fleet assets is performed by the operations teams.

- Fleet operating costs include fuel, insurance, finance costs.
- Cleaning activities to workshops and to vehicles.

Monitoring

- Scheduled routine compliance Inspections of fleet.
- Non-routine safety inspections based on incidents.

Note: monitoring costs are included as part of maintenance costs.

Maintenance

Maintenance is partitioned between Reactive and Proactive. Reactive Maintenance includes unplanned events which result in a required repair to an asset.

- Repairs to damaged fleet as a result of an unplanned event or accidents.
- Fault repairs carried out by specialists.

Proactive Maintenance involves work on an asset that is regular and routine which aims to prevent unplanned breakdown, or which completes a compliance requirement.

- Daily pre-start checks of fleet and reporting of defects.
- Half year safety checks.
- Specialist supplier scheduled services.
- Tyre and battery changeover for vehicles.
- Compliance checks of fleet assets based on intervals of time/hrs use/km travelled.
- Specialised maintenance by manufacturers at recommended service intervals.

Renewal

Fleet Assets are renewed in accordance with the CoM Fleet Policy Optimised Utilisation Fleet Replacement Matrix which takes into consideration whole of life costs. In the event that the replacement utilisation benchmarks are not met prior to the guide replacement timing, a review of the asset will be undertaken to consider whether to hold onto the asset until the benchmarks are met. (note: EV infrastructure is provided under the Buildings and Structures AMP.)

Disposal

- Disposal of fleet occurs routinely as utilisation thresholds are reached often when the asset is in good condition to maximise resale value.
- Disposal of an item is usually linked to its replacement to ensure the same service function is provided or upgraded.
- Disposal decisions are based on reaching utilisation thresholds but other factors such as asset age, service life, resale potential, and the optimised cost of ownership may be considered where assets are disposed of earlier or later than the utilisation thresholds being reached.
- In some instances where a service is being reduced or alternative service delivery options are progressed, there may be a reduction in the level of Fleet assets. This decision will be driven by the community service areas.
- Commercial contracts are in place with auction providers to ensure that Council is achieving the best possible result at the end of an assets lifecycle.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Future demand

The impact of demand drivers that may affect future service delivery is shown in the table below along with the how we will manage this.

Demand Driver group	Driver and projection	Impact on services	Demand Management Plan
Social	Community asking for efficiency improvements in the assets council uses.	Request for changes to the type of assets purchased to improve efficiencies.	Approved business cases for all initiatives.
Social	Increasing change in asset technology. Changing asset technologies with increasing our workforce to remain current in their skills.	Workforce needing to remain current with operation skills required.	Continue to implement operator training as part of new purchases and identify new skill required at time of purchase.
Technological	Rapid changes in technology results in obsolescence of the support for existing equipment.	Limited opportunities for spare parts availability and ongoing support for aging equipment.	The Fleet Policy reduces the impact of obsolescence within an asset's useful life.
Financial	Greater scrutiny on Asset Management decisions to ensure best value to Council.	Minimal impact due to existing alignment with procurement policies and procedures.	Continue with existing established procurement practices.
Environmental	City of Marion Carbon Neutral Plan sets a goal to achieve a net-zero emission fleet by 2030.	Potential changes to types of assets purchased. Increased costs due to immature markets and emerging technologies. Speed of adoption of new technologies will be determined by commercially available fit-for - purpose options which are determined by manufacturers and federal government legislation/policies.	Undertake an annual review of reduced emission options to ensure that council can make informed decisions on incorporation into the asset portfolio.

Climate change adaptation

Climate trends projected for a 10 to 30 year outlook:

- Temperature – warmer springs, hotter and more frequent hot days, average temperature increases.
- Rainfall – declining rainfall, lower spring rainfall, more drought.
- Storms – more intense heavy rainfall events with intensified winds.
- Evaporation – evapotranspiration (through tree canopy) increase.
- Fire – drier fuels.

Climate change factors are not considered to have an impact for the life of this AMP and are not considered.

Lifecycle management

Preliminary information

Our fleet assets are utilised every day by our council teams to enable them to provide the community services to the required standard.

Fleet assets are used by council employees to construct, maintain, and upgrade infrastructure and land, and enable the transport of materials, equipment, council staff, and community members. The community bus is the only asset of fleet that has a direct community interface.

Our fleet portfolio is sized to service our internal customers' needs so that they can deliver the community service. Any increase to the size of fleet requires a business case to justify the need. This business case responding to increasing or changing demand for the specific community service level is driven by the service area as it.

In some cases, a fleet asset will be reduced if it is no longer required to deliver a community service due to that service being reduced or the implementation of alternative service delivery options.

The table below outlines for each fleet category, the council holdings, age information, and target utilization. An inventory of council's fleet holding together with replacement cost is shown in the table below.

A fleet telematics tool provides information to enable analysis and decision making on fleet. The following information is available:

- Utilisation: reporting of fleet utilisation.
- Location: GPS tracking of fleet location including historical reporting.
- Safety: WHS management features.

	Asset category	Qty	Benchmark ownership period (yrs)	Avg Projected ** ownership (yrs)	Replacement Cost (,000)
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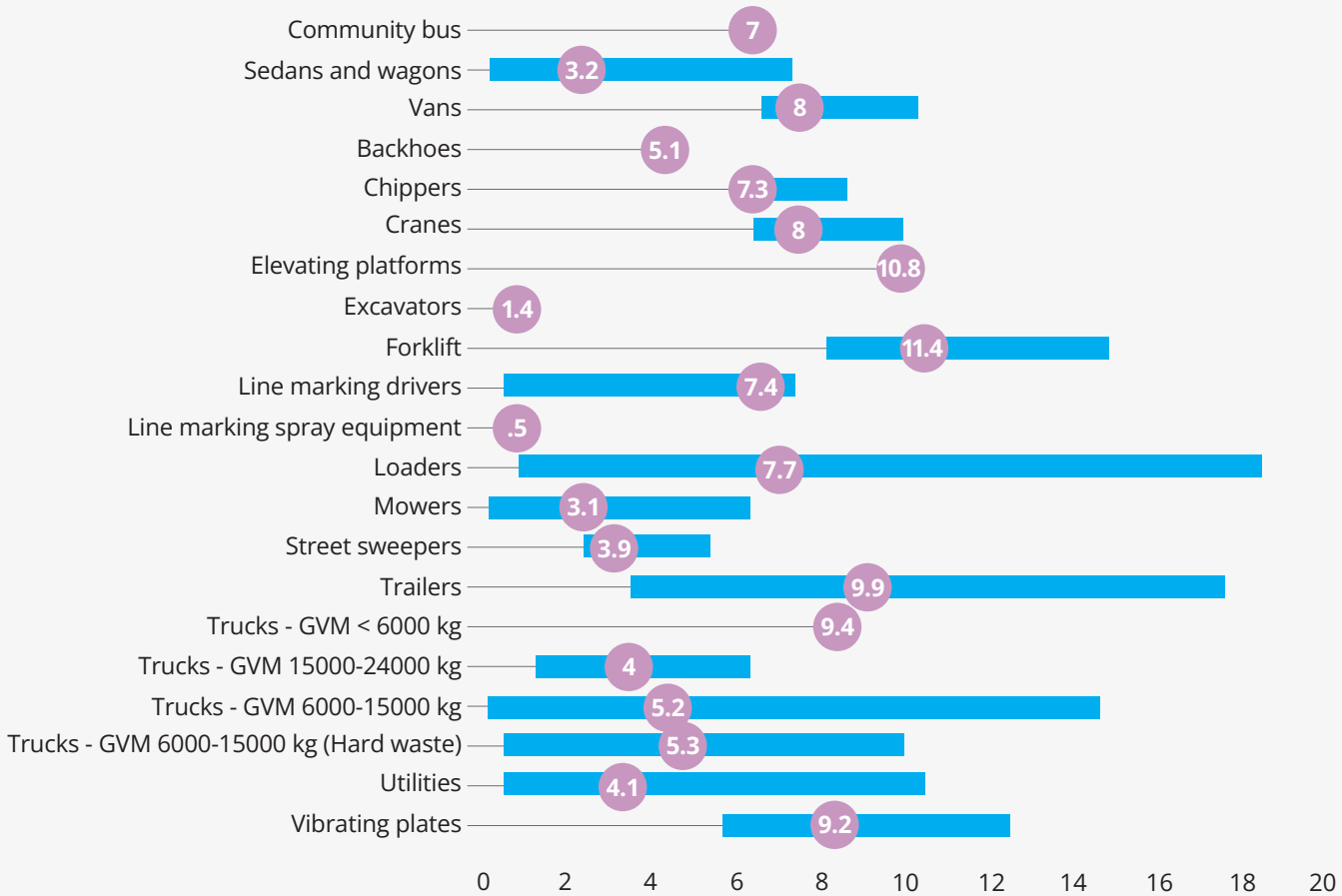
	Chippers	2	8	15	$221
	Line Marking drivers	3	10	-	$54
	Line marking spray equipment	2	7	-	$40
	Total	167			$12,505

Age profile

The figure below shows the average age in years for fleet together with the minimum and maximum age range where applicable. Utilisation rate becomes a key factor in determining the length of time assets are held before renewal. Other factors also apply.

Average age (years) of fleet together with the age spread within each category, where applicable



Asset performance

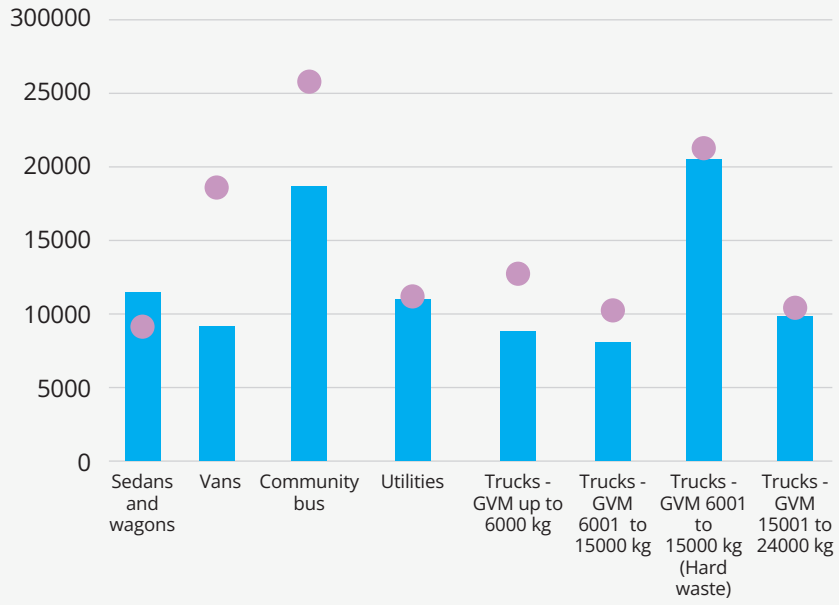
The table below shows our fleet performance against benchmark utilisation targets. From this we can project our average ownership length which can be used for strategic decision making on fleet renewal or other use.

Asset group	Asset category	Benchmark ownership period (years)	Current avg age (years)	Benchmark replacement utilisation	Current avg annual utilisation	Projected avg holding (years)
Passenger fleet	Sedans & wagons	5	3.4	50,000km	12,500km	4
	Vans	5	8.1	100,000km	10,000km	10
	Community bus	8	7	220,000km	20,000km	11
Commercial fleet	Utilities	5	4.1	60,000km	12,000km	5
	Trucks - GVM to 6000 kg	8	9.4	110,000km	9,500km	11
	Trucks - GVM 6001 to 15000 kg	10	5.2	110,000km	8,750km	13
	Trucks - GVM 6001 to 15000 kg – Hard Waste Truck only	8	5.3	180,000km	22,000km	8
	Trucks - GVM 15001 to 24000 kg	10	4	110,000km	10,500km	10
	Street sweepers	7	3.9	5,000hrs	1500hrs	3
	Mowers	7	3.1	2,000hrs	250hrs	8
	Loaders	10	7.6	8,000hrs	500hrs	16
	Excavators	10	1.4	8,000hrs	200hrs	32
	Backhoes	7	5.1	4,000hrs	550hrs	7
	Elevating work platforms	10	10.8	-	-	-
	Trailers	10	9.9	-	-	-
	Forklifts, cranes, vibrating plates	10	9.4	-	-	-
	Chippers	8	7.3	3750hrs	250hrs	-
	Line marking drivers	10	2.8	-	-	-
	Line marking spray equipment	7	0.5	-	-	-

The figures below provide an indicative view for how the current rate of utilisation is tracking against recognised benchmarks.

Of note is the apparent under use of vans against this benchmark. The Community Van travels minimal distances, but it is highly valued by the user group. For this van, the whole of life costs is favourable for it to be held past its benchmark holding age particularly given the low total utilisation.

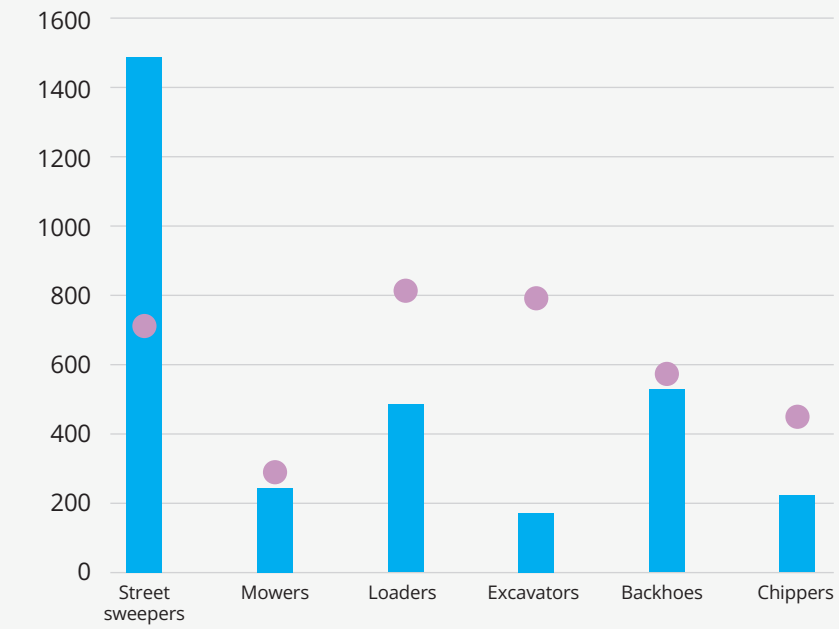
The over-utilisation against benchmarks for the Street Sweepers, as seen in bottom figure, suggests the need for another sweeper. At this stage, the sweeping resource is sufficient to maintain the current street sweeping levels of service. It is seen that benchmarks are used as a guide only, and that actual utilisation timings are used together with optimising lifecycle costs and service levels for the community services being supported by the Fleet asset for decisions on fleet replacement. Page 25 describes asset renewal criteria.



Average annual utilisation (km) of fleet assets against benchmark

Benchmark annual utilisation

Average annual utilisation



Average annual utilisation (hrs) of fleet assets against benchmark

Benchmark annual utilisation

Average annual utilisation

Asset condition

Council assets are kept in very good operational condition through effective maintenance. The ratings shown below is indicative of the asset renewal policy which ensures fleet is renewed prior to the need for major maintenance overhauls. The rating of 10% for a condition of good reflects that from time to time assets are unavailable for use whilst those repairs and planned maintenance is being undertaken.

Asset condition grading criteria and performance

Rating	Condition description	Performance (% of fleet)
1	Very good: Only planned operation and maintenance required .	90
2	Good: Minor defects only. Repairs as needed plus planned maintenance.	10
3	Fair: Significant maintenance required to Return to Accepted Level of Service.	
4	Poor: Significant maintenance or renewal required. Asset requires review to determine optimal action. Consider Renewal and/or Disposal.	
5	Very Poor: Approaching Unserviceable. Consider Renewal, Removal and/or Disposal.	

Asset function

Function indicates if the service is suitable for its intended purpose and if the asset is providing the right type of service. The rating below suggests that nearly all fleet is valued for its function by our internal customers. Where more features are requested, these are provided as part of normal cycles of renewal. The table below shows the fleet largely is fit for purpose. Where fleet is lacking in its ability to provide the service, or improvements in features or capability are identified by the customers, this is taken into consideration for the next iteration of renewals.

Rating	Condition description	Performance (% of fleet)
1	Very good: meets program/service delivery needs in a fully efficient and effective manner.	92
2	Good: meets program/service delivery needs in an acceptable manner.	7
3	Fair: meets most program/service delivery needs with some inefficiencies and ineffectiveness present.	1
4	Poor: limited ability to meet program/service needs.	
5	Very Poor: critically deficient, does not meet program/service needs, neither efficient nor effective.	

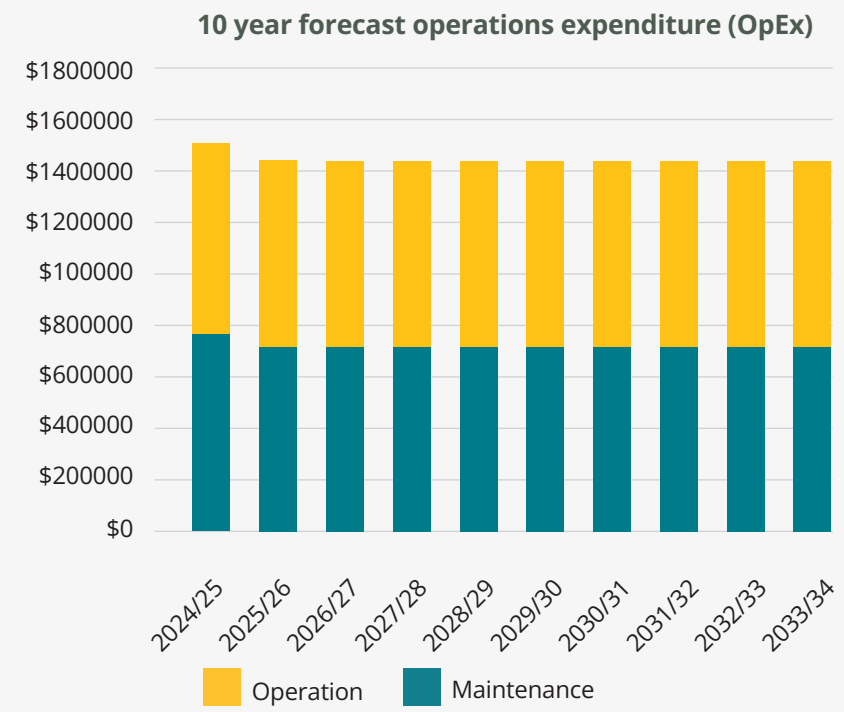
Asset capacity

Capacity helps us understand future needs due to demand and helps us understand if the service is under or over utilised. From the utilisation charts it can be seen that our excavators, vans, loaders and chippers have some extra capacity when measured against industry benchmarks, whilst sweepers are over utilised against the same benchmark. Other factors influence decisions on utilisation.

Asset capacity rating

Rating	Condition description	Performance. (% of fleet)
1	Very good: usage corresponds with design capacity.	90
2	Good: usage is within design capacity.	9
3	Fair: demand is approaching design capacity.	
4	Poor: demand exceeds or is well below design capacity.	1
5	Very Poor: demand exceeds design capacity or is little used.	

Operating expenditure (OpEx)



Maintenance

Costs include the scheduled routine compliance work on mobile fleet as well as repairs. Included is the cost of 4 of council's trained mechanics, one acting in a supervisory capacity as well as various manufacturers' specialists.

Small plant and minor equipment is supplied/ replaced through maintenance. Year 1 of the plan is budgeted for an upgrade to mobile fleet telematics system from the 3G network.

Note: monitoring and inspection costs are included as part of the maintenance category.

Current maintenance expenditure levels are adequate to meet required service levels.

Operations

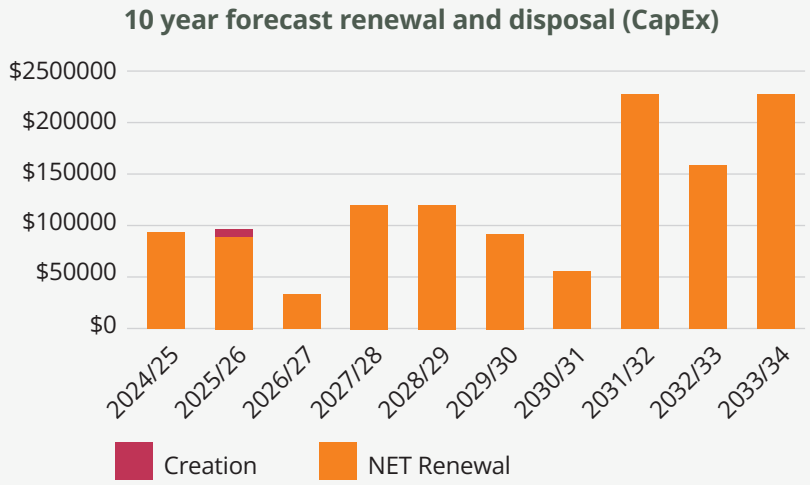
Costs include registrations, insurances, fuel, subscriptions.

Operations expenditure is impacted predominantly by the cost of fuel. Fuel pricing is highly volatile and determined by international events and supply chains. Reductions in fuel costs are expected to eventuate over the next 5 years as the light fleet transitions to EVs. The uptake of the EV fleet is expected to providing operating cost savings in the order of $30k/yr.

The cost of registration and insurance has remained stable or reduced slightly over the past four years due to reductions in overall fleet numbers.

At this stage no additional maintenance funds are envisaged to maintain fleet assets at current service levels; however the maintenance costs of the light fleet will reduce due to the lower cost of maintaining EVs. This will be monitored over time and considered as part of the annual review of the 10-year Fleet Replacement Program.

Capital expenditure (CapEx)



The creation item shown in year 2025/26 is for $35,000 for the installation of equipment vehicles to enable charging of battery operated tools whilst out in the field.

Asset renewal planning

The Fleet Replacement Policy outlines the objectives required to manage Assets to ensure internal operational requirements can be safely and effectively met, optimise cost of ownership to council, and minimise its impact on the environment and is in line with IPWEA guidelines.

Utilisation of Fleet Assets is a key consideration impacting on council's replacement decision making processes. In the event Replacement Utilisation benchmarks are not met prior to the "Estimated Replacement Timing" timeframe, a review of the asset occurs with its operators to consider whether to continue to hold the asset until the utilisation benchmarks are met. This includes consideration the asset remains in good condition with low maintenance costs, meets our functional requirements, and retention is unlikely to result in material risk to council.

Operators are consulted upon replacement of fleet. Safety requirements are considered by applying the hierarchy of hazard controls to ensure hazards are eliminated, or where that is not reasonably practicable, are effectively controlled. Operational and functional requirements are weighed, and where possible innovation is sought that may provide greater efficiency or effectiveness in undertaking services or reduce the risk of downtime.

Whole of life costs factor into decision making. Council considers a range of factors such as purchase cost, future resale value, cost of maintenance over the life of an asset, warranty and value adds. Cross council opportunities are discussed where possible to maximise procurement value for money through an aggregated tendering process. Emissions, alternative fuel sources and other environmental factors are also considered as per Councils commitment to the 2030 carbon neutral plan.

In 2023, Council adopted a strategy to transition our light passenger fleet (Sedans & Wagons) to Electric Vehicles (EV's). This will occur once a vehicle reaches its replacement utilisation benchmark. Due to the immature nature of the EV market flexibility has been allowed to defer or advance the replacement of passenger fleet asset's dependant on the current technology and market conditions. All other fleet assets will be considered on a case-by-case basis to minimise carbon emissions.

Once a Fleet asset is replaced, it is sold as per the Disposal of Excess Plant and Equipment, Stores and Salvaged or Recycled Materials Procedure. Generally, for Fleet assets, this is done through a third-party auction service. A register is maintained of all sold assets to allow for estimates of future returns to be estimated. This estimate, along with data taken from public marketplaces is used to set auction reserves and ensure that Council is receiving best value returns.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Vermeer

Risk management

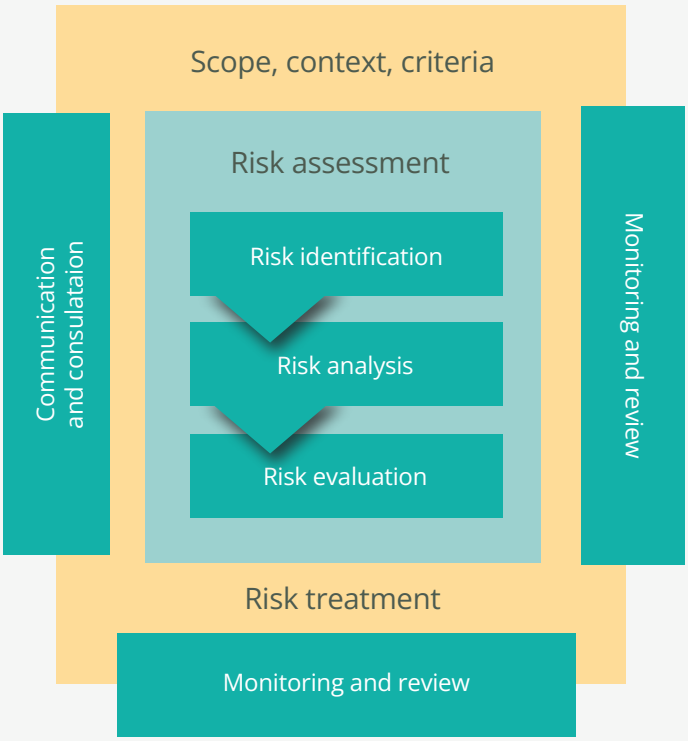
Council's Risk Management Policy sets the overall framework for addressing risk within the framework of ISO31000.

The elements of this framework are:

- Risk Management Context- Establishes the objectives, stakeholders, key issues, and criteria against which risks will be evaluated.
- Identify the Risk: Identifies what risk events are likely to impact on assets and services.
- Analyse the risk: Reviews the existing controls and then analyses the likelihood of an event occurring and the consequence of the event to determine the level of risk.
- Evaluate the Risk: Assesses and ranks the identified risks in a Risk Register.
- Treat the Risks: Identifies actions to reduce/ control the risk.

There are currently no high-level risks identified for fleet assets.

Risk Management Process from ISO 31000:2018



Critical assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service.

For Fleet, no assets are considered critical as the failure of any equipment is managed by the ability to repair, or hire temporary equipment without loss of service.

What we cannot do

The forecast budget of this AMP is used to inform the LTFP. It is expected that through this process of alignment with the LTFP, the objectives of this AMP will be achieved.

Financial summary

Financial sustainability

Sustainability of service delivery

Two key indicators of sustainable service delivery are considered in the Fleet, Plant and Equipment AMP:

1. The forecast renewals are funded over the life of this plan to ensure the continuity of function that the asset provides. Assets are scheduled for renewal based on the end an end of estimated useful life.
2. OpEx is funded to ensure the day to day management and integrity of the asset to ensure the required levels of service are met.

This AMP is used to inform the LTFP, through an iterative process balancing cost, performance, and risk. As a part of its Annual Business Planning process, CoM undertakes a review of forecast asset management expenditures. This revised forecast annual funding requirements is incorporated into Council's currently adopted Annual Business Plan and Long-Term Financial Plan.

10-year financial planning period

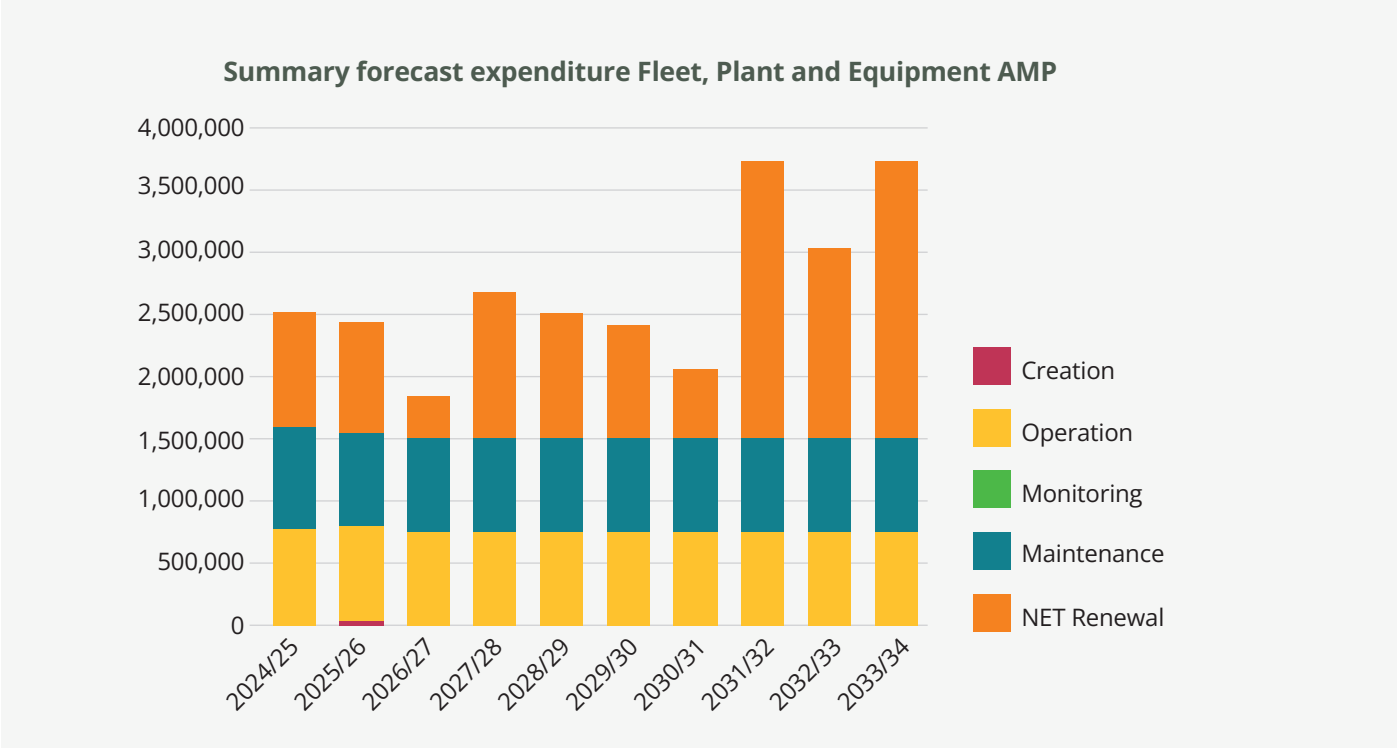
This AMP identifies the forecast OpEx and CapEx required to provide an agreed level of service to our customers over a 10-year period.

Forecast Expenditure	10-Year forecast	Average Annual Cost
Operational Cost (OpEx)	$15,058,797	$1,505,880
Capital Cost (CapEx)	$11,600,880	$1,160,088
Total	**$26,659,677**	**$2,665,968**

Forecast outlays for the LTFP

Forecast 10-year expenditure - Fleet, Plant and Equipment

Year	Planning	Creation	Operation	Monitoring	Maintenance	Gross Renewal	Disposal	Forecast Total
2024/25	0	0	772,121	0	801,340	1,267,760	-353,000	$2,488,221
2025/26	0	35,000	756,902	0	746,340	1,182,480	-308,000	$2,412,722
2026/27	0	0	752,330	0	746,340	410,800	-92,000	$1,817,470
2027/28	0	0	751,292	0	746,340	1,834,560	-681,000	$2,651,192
2028/29	0	0	751,292	0	746,340	1,711,840	-724,000	$2,485,472
2029/30	0	0	751,292	0	746,340	1,261,520	-373,000	$2,386,152
2030/31	0	0	751,292	0	746,340	955,760	-415,000	$2,038,392
2031/32	0	0	751,292	0	746,340	3,390,400	-1,201,000	$3,687,032
2032/33	0	0	751,292	0	746,340	2,324,400	-816,000	$3,006,032
2033/34	0	0	751,292	0	746,340	3,311,360	-1,122,000	$3,686,992
Total	$0	$35,000	$7,540,397	$0	$7,518,400	$17,650,880	($6,085,000)	$26,659,677



Valuation forecasts

The best available estimate of assets included in this AMP are shown below. This estimate is based on recent purchases of equivalent assets (what it would cost to replace the asset today), or an indexed value (the original purchase cost of the asset in today's dollars).

Replacement Cost (Current/Gross):	**$12,505,000**
Depreciable Amount:	**$7,040,000**
Depreciated Replacement Cost:	**$6,725,000**
Depreciation:	**$585,000**

Key assumptions in financial forecasts

- All data used in this AMP is current as of December 2023.
- The forecast 10-year expenditure profile is provided in 2024 dollars.
- Long-Term Financial Plan will be adjusted annually to account for cost index increases and utility cost anomalies.
- Forecasting assumes a like-for-like replacement of our existing fleet. Replacement values are based on recent purchases of equivalent assets (i.e. what it would cost to replace the asset today), or an indexed value (i.e. the original purchase cost of the asset in today's dollars).
- Disposal values reflecting our historical returns achieved (reflecting asset consumption over time) consistent with the percentage provided by the Fleet Replacement Policy. First replacement is forecast returns apply to the original purchase price, and all future apply to 2024 dollars.
- Disposal value estimates are a % set by the fleet renewal policy of the original purchase value, not the 2024 dollars.
- Operation and Maintenance costs for new assets will be consistent with the operation and maintenance costs of existing assets.
- Delivery of fleet purchase are determined by the manufacturers' timeframes which may result in the disposal delays to ensure service is not impacted.

Forecast reliability and data confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified in accordance with the table below.

Confidence grade	Description
A. Very high	Data based on sound records, procedures, investigations, and analysis, documented properly, and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%.
B. High	Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%.
C. Medium	Data based on sound records, procedures, investigations, and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%.
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%.
E. Very low	None or very little data held.

Data	Confidence Assessment
Asset Condition	B
Asset Function	C
Asset Capacity	B
Asset Age Profile	A
Replacement Value	B
Service Levels	B
Demand drivers	C
Capital Expenditure Forecasts	B
Operational Expenditure Forecast	B

Monitoring and review

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The summary expenditure table on page 29 will be updated annually as required and published separately to this AMP.

The AMP will be reviewed and updated every four years to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, creation and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed.

Improvement plan

Alignment	Task	Resource	Completion
I2	Transition to an improved industry standard fleet management tool (AMIS).	Procurement Unit Manager Operational Support Manager Operations AMIS Project team	2025
I1	Adopt battery powered small plant as predominant old for new replacement option.	Unit Manager Operational Support Coordinator Stores	2025
I1	Upgrade telematics system to 4G/5G network.	Unit Manager Operational Support	2025
I2	Transition from hard copy to electronic copy maintenance workshop records.	Unit Manager Operational Support Supervisor Workshops	2025
I1	Install equipment on vehicles to enable field battery charging of portable powered tools.	Unit Manager Operational Support	2025
I2	Implement a new business workflow to record, verify & approve the replacement of an asset prior to Utilisation Benchmarks being achieved.	Procurement Unit Manager Operational Support	2025
I2	Prepare standardised templates for reporting on maintenance downtime of an asset (AMIS).	Unit Manager Operational Support AMIS Project team	2025
E2	Review and revise chart of accounts to facilitate consistent and accurate cost allocation for all asset expenditure aligned with the Asset Management Lifecycle.	Unit Manager Operational Support AMIS Project team	2025
E2	Implement a process to update this Asset Management Plan during annual budget planning processes to show any material changes in service levels and/or resources.	Manager Operations	2025
E4	Prepare reporting schema to Council on progress of EV transition.	Procurement Unit Manager Operational Support	2026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