

PLANT & EQUIPMENT

ASSET MANAGEMENT PLAN 2020



Welcome



Amanda Wilson
Mayor
City of Holdfast Bay

Asset Management Plans are important documents that help us to plan and invest wisely to maintain our assets and infrastructure so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the City of Holdfast Bay and include the streets we drive on, the parks and reserves our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay.

Here we present the Plant and Equipment Asset Management Plan, which covers 190 plant and equipment, including 31 cars, 37 heavy vehicles, 67 minor plant, and 55 major plant assets.

Asset Management Plans provide a snapshot of the current and future state of our Council's infrastructure. The plans ensure we maintain and renew assets in a cost-effective and sustainable manner that meets our community's expectations.

In the management of assets, we have to balance the service standard expectations of the community with the cost of delivering the service. While we would all like the highest standard of our assets this comes at a cost, the long-term impact of which needs to be carefully considered.

Behind the plans is a significant amount of investigation, planning and financial modelling to help Council staff to maintain our assets cost-effectively. The Asset Management Plans also highlight that when we build new assets or upgrade assets, we must plan for the ongoing maintenance and ultimate replacement of the assets at the end of their life.

I encourage you to have a look at the Asset Management Plans and review whether the service levels presented here are consistent with your vision for the future of Holdfast Bay.

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TRADITIONAL CUSTODIANS

We acknowledge the Kurna people as the traditional custodians of this land. We respect their spiritual relationship with the country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to the Kurna people today.

Abbreviations

Asset Management Plan	AMP
Levels of Service	LoS
Long Term Financial Plan	LTFP

Executive Summary

City of Holdfast Bay own, operate and maintain 190 pieces of plant and equipment with a replacement value of \$7.6 million. These assets support the delivery of a number of services, including 31 car fleet as pool vehicles for administrative and depot staff, 37 heavy vehicles, 67 minor plant, and 55 major plant assets which deliver Field Service's civil, rapid response, and open space programs, as well as Community Wellbeing's home maintenance and bus programs.

Council is committed to the maintenance, repair and replacement of its plant and equipment assets, to ensure they are able to operate safely and efficiently. Council has adopted a cyclical approach to plant and equipment replacement, ranging from 3 years for car fleet, to 10 years for major plant assets. The service life is timed to occur with the best return for investment for plant and equipment. It has been identified that the extended service life of high use heavy vehicles, such as road sweepers and community buses, has caused escalating maintenance costs and a disruption to critical services over the last four years. To address this, the service life of these vehicles has been shortened to five years in this Asset Management Plan (AMP).

Council's plant and equipment portfolio is currently meeting the service level requirements of Council, and it is anticipated the cost to maintain Council's plant and equipment will remain consistent. This is, however, dependent upon organisation structure and capacity. Council's projected expenditure necessary to provide the services covered by this AMP includes operational, maintenance, renewal and disposal of existing assets over the 10-year planning period is \$17.2 million or \$1.72 million on average per year. It is anticipated renewal costs will be partially offset by disposal proceeds (trade in) estimated at \$3.68 million.

The performance and function of the plant and equipment assets will be maintained at a safe standard at all times, through regular inspections and servicing that is compliant with legislative requirements and manufacturing specifications. Risk assessments are regularly completed on all plant and equipment.

As Council replaces vehicles we will continue to embrace new and emerging technology and low emission options in support of our strategic plans (Environment Strategy, Strategic Plan). For example, a future improvement item identified in this asset plan is to work towards fully electric car fleet and executive vehicles, and hybrid options for heavy or utility vehicles, as well as advanced safety features. There may be a slight increase in forecast capital and acquisition expenditure over the medium term to allow for these improvements.





Plant & Equipment Asset Management Plan

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

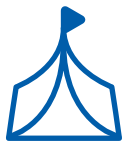
TOTAL VALUE OF ASSETS: \$7.6M



CAR FLEET
\$1.13M



HEAVY VEHICLE
\$3.97M



MAJOR PLANT
\$1.29M



MINOR PLANT
\$1.24M

LEVELS OF SERVICE



COMMUNITY

- › Quality
- › Function
- › Capacity
- › Safety



TECHNICAL

- › Condition
- › Function/Capacity
- › Safety

IMPROVEMENT PLAN

Review existing plant and equipment policies & procedures.

Undertake electric vehicle feasibility study.

Reduce useful life of high use vehicles.

Conduct risk assessment.

Improve disability access & safety of Community Bus Program.

A community connected to our natural environment

- › Using resources efficiently



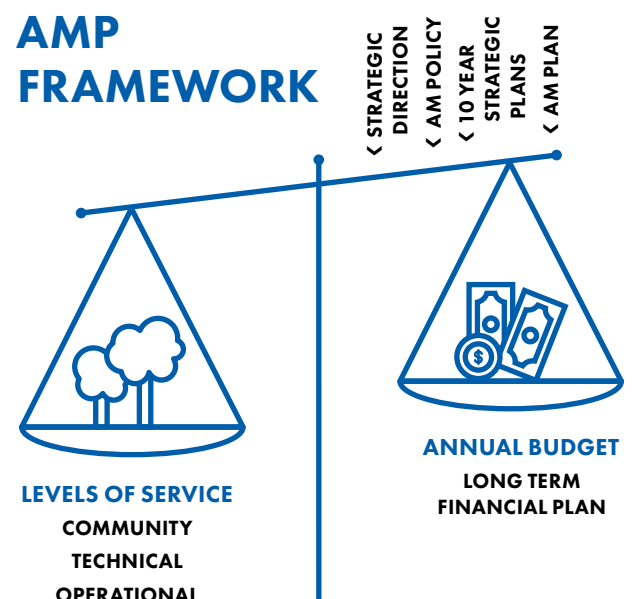
An effective customer-centred organisation

- › Providing customer centred services
- › Enabling high performance
- › Being financially accountable
- › Supporting excellent, efficient operations

A healthy, creative, connected community

- › Building a healthy, active and resilient community
- › Providing welcoming, accessible facilities

AMP FRAMEWORK



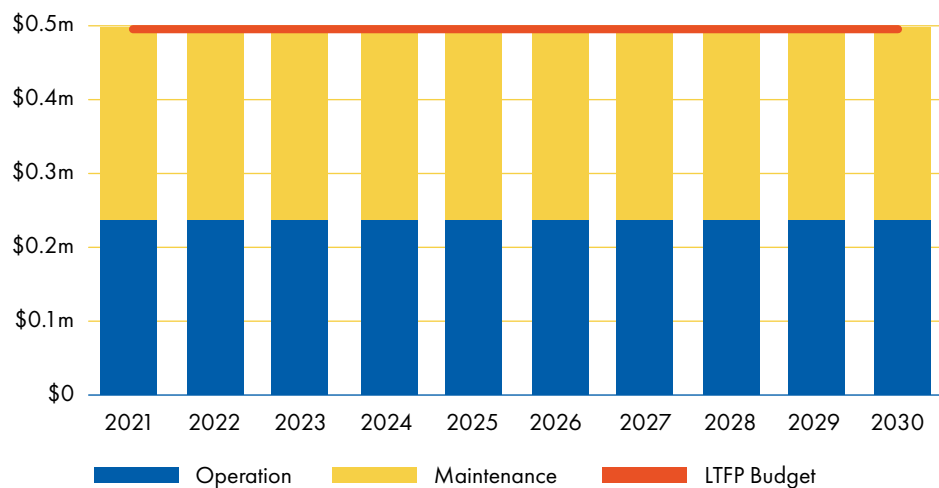
ASSET RENEWAL FUNDING RATIO: 100%

The Asset Renewal Funding Ratio indicates whether Council has the financial capability to fund the asset management strategy in this 10 year plan.

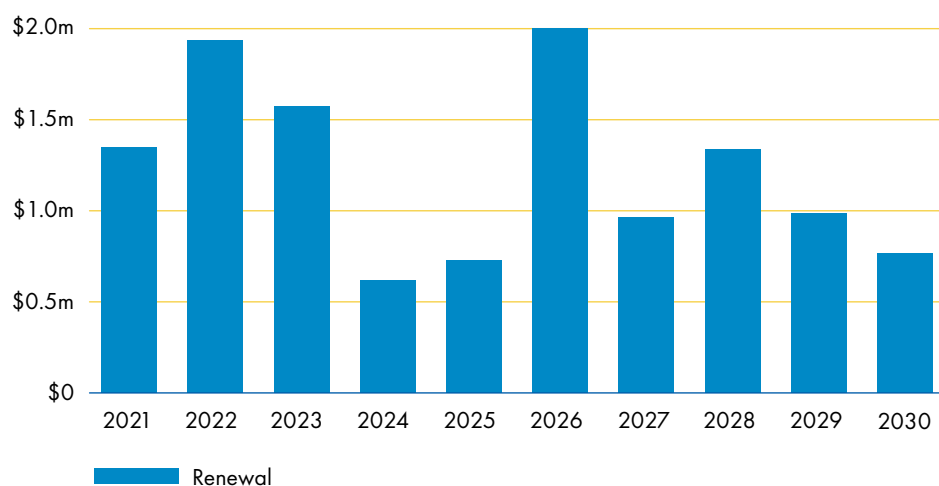
Over the next 10 years of forecasting, City of Holdfast Bay expects to have 100% of the funds required for the optimal renewal and replacement of plant and equipment assets.

COUNCIL TARGET:
90–110%
OVER 5 YEARS

10 YEAR OPERATIONS & MAINTENANCE EXPENDITURE FORECAST



10 YEAR RENEWAL EXPENDITURE FORECAST



1. Introduction



PLACEMAKING

An accessible, vibrant and safe coastal city that celebrates our past to build for our future

In accordance with the *Local Government Act 1999* (the Act) and the Strategic Plan (*Our Place 2030*), the Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services, stormwater drainage services, and coastal and beach management services.

Under the Act, Council is required to develop and adopt an infrastructure and AMP covering a period of at least 10 years. In addition, Council is required to adopt a Long Term Financial Plan (LTFP) associated with such service plans also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed within these plans. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises.

The primary intent of asset management is to meet a required Level of Service (LoS) in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The Plant and Equipment Asset Management Plan will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required LoS over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document aims to align the delivery of asset management activities with the organisation's goals and objectives; this process is known as the "line of sight" with asset management. The ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The Plant and Equipment Asset Management Plan works in conjunction with the following Council's plans, strategies and policies (Table 1.1):

Plans, Strategies and Policies

Our Place 2030 Strategic Plan

The Annual Business Plan

Asset Management Policy

Long Term Financial Plan

Disposal Policy

Use of Vehicle Policy

Table 1.1 Plans, Strategies and Policies





DEFINITIONS

Asset: A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. This typically includes infrastructure, property, buildings, plant and equipment.

Infrastructure assets: Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths, cycle-ways, stormwater drainage, and buildings.

Level of service: The defined service quality for a particular service/activity against which service performance may be measured.

Operational: Activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life. Includes cleaning and minor repairs, such as stormwater GPT cleaning, street sweeping, and pothole repairs. Includes overheads, such as wages and utility costs incurred during operational activities.

Renewal: Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.

Acquisition: Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.



1.1 LEGISLATION AND RELEVANT ACTS

Council considers the following legislative framework in the management of its plant and equipment assets (Table 1.1.1):

Legislation	Requirements
<i>Australian Accounting Standards</i>	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of Stormwater assets.
<i>Disability Discrimination Act 1992 and other relevant disability legislation</i>	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
<i>Highway Act 1926</i>	Sets out the legislative framework for roads and road authorities in SA.
<i>Local Government Act 1999</i>	Sets out role, purpose, responsibilities and powers of local governments including the preparation of LTFP supported by asset management plans for sustainable service delivery.
<i>Local Government (Financial Management and Rating) Amendment Act 2005</i>	Impetus for the development of a Strategic Management Plan, comprising an Asset Management Plan, and LTFP.
<i>Motor Vehicles Standards Act 1989 (Australian Design Rules)</i>	National standards for vehicle safety, anti-theft, and emissions.
Relevant Australian Standards	Standards relating to requirements to inspect and certify cranes, elevated work platforms and lifting devices.
Relevant Heavy Vehicle National Law and Regulations	Laws and regulations related to heavy vehicles over 4.5 tonnes gross vehicle mass.
<i>Road Traffic Act 1961</i>	To provide for vehicle standards, mass and loading requirements and other safety measures in relation to light vehicles. Contains powers for Council to install and remove traffic control devices.
SafeWork SA relevant to fleet management	Registering relevant plant with Safework SA. Code of Practice – Managing risks of plant in the workplace.
<i>Work Health and Safety Act 2012</i>	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

Table 1.1.1 Legislative Requirements – Plant and Equipment Assets

2. Asset Class Information

PLANT & EQUIPMENT ASSET CLASS

HEAVY VEHICLE

Total Replacement Value: \$3.97m

Average Useful Life: 8.24 years

Quantity: 37

- › Bus (2): \$293k
- › Beach Cleaner (1): \$93k
- › Chipper (2): \$148k
- › Construction Machinery (7): \$735k
- › Ride on Mower (2): \$50k
- › Street Sweeper (4): \$770k
- › Truck (19): \$1.88m

CAR FLEET

Total Replacement Value: \$1.13m

Average Useful Life: 3 years

Quantity: 31

- › Passenger Vehicle (17): \$536k
- › Light Commercial (14): \$592k

MAJOR PLANT

Total Replacement Value: \$1.29m
Average Useful Life: 10 years
Quantity: 55

- › Cleaning Machine (4): \$63k
- › Car Park Equipment (18): \$511k
- › Defibrillator (1): \$8k
- › Event Equipment (1): \$8k
- › Generator (1): \$3k
- › Construction Machinery (5): \$148k
- › Golf Buggy (2): \$19k
- › Parking Ticket Machine (5): \$210k
- › Motorcycle (1): \$5k
- › Trailer (5): \$46k
- › Parks & Garden Machinery (9): \$189k
- › Traffic Equipment (2): \$82k
- › Other (1): \$3k

MINOR PLANT

Total Replacement Value: \$1.24m
Average Useful Life: 5 years
Quantity: 67

- › Air Conditioner (3): \$38k
- › Audio System (7): \$34k
- › Depot Tools & Equipment (16): \$104k
- › Event Equipment (2): \$18k
- › Caravan Park Equipment (6): \$71k
- › IT Equipment (12): \$655k
- › Parks & Garden Machinery (11): \$131k
- › Security System (3): \$138k
- › Other Equipment (7): \$51k



2.1.1 PHYSICAL PARAMETER

This asset plan covers the class of plant and equipment assets for the City of Holdfast Bay. These assets are classified into four major asset groups including:

- › **Heavy Vehicles** – For example trucks > 4.5 tonne GVM, etc
- › **Car Fleet** – For example sedans, wagons, utilities, etc
- › **Minor Plant** – For example push mowers, edgers, chainsaws, generators
- › **Major Plant** – For example ride on mowers, crane attachment, hydrovacuum

For a list of significant plant and equipment (replacement value >\$50k), see Appendix 1.



Figure 2.1.1: Example of Heavy Vehicle



Figure 2.1.2: Example of Car Fleet

2.2 ASSET HIERARCHY

An asset hierarchy provides a framework for structuring data in an information system to assist in the collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

At City of Holdfast Bay, Plant & Equipment Target Service Lives are based on several criteria:

- › Potential business interruption
- › Re-sale value
- › Escalating maintenance costs
- › Safety
- › Fit for purpose – able to undertake tasks required
- › Condition/Council's image

For example, those vehicles critical to the organisation, such as street sweepers, are replaced earlier in their life cycles to reduce the risk of unexpected asset failure and improve re-sale return, as well as ensuring they benefit from modern technological advancements.

Table 2.1 below summarises Council's service levels for each level of hierarchy:

Hierarchy Level	Criticality	Description
A	High	High usage, public facing, complex and/or expensive to repair, critical to the core operations of Council, or failure would pose a hazard to the community.
B	Medium	Typical usage, not public facing, standard maintenance and servicing.

Table 2.1 Asset Hierarchy

This framework was produced internally, and as part of Council's Plant and Equipment Asset Improvement Plan, community consultation will be undertaken upon the next criticality framework review.

2.3 ASSET EXPECTED LIFE

All assets are provided with a baseline straight line 'useful life' value, used for the purposes of life cycle cost planning and accounting for asset valuation and depreciation.

The 'service life' of plant and equipment assets differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical LoS, and also incorporates the most cost efficient point at which to replace the plant and equipment, as outlined above.

Plant and Equipment Category	Service Life (Years)
Car Fleet	3
Heavy Vehicles (High)	5
Heavy Vehicles (Medium)	9
Major Plant	10
Minor Plant	5

Figure 2.3.1 Service Life – Plant and Equipment by Categories and Types

2.4 ASSET QUALITY AND DISTRIBUTION

Council does not use condition assessment for its plant and equipment assets, unless the condition renders vehicle unsafe or unserviceable during an inspection or risk assessment. It instead uses the acquisition date-based approach where assets are replaced at the end of their service life.

Given the acquisition date-based approach to plant and equipment asset renewal, it is therefore critical for Council to ensure its plant and equipment assets are inspected and maintained in accordance with design specifications and timeframes.

Risk assessments are regularly completed on all plant and equipment assets.



3. Stakeholders

Key Stakeholders	Roles in Asset Management Plan
Residents and Ratepayers	<ul style="list-style-type: none">› Ultimate beneficiaries of the AMP process› Feedback collected throughout the year› Annual satisfaction survey undertaken
Visitor / Tourists	<ul style="list-style-type: none">› Regular satisfaction surveys undertaken, and feedback collected
Business Owners; Traders; Service Providers	<ul style="list-style-type: none">› Play a significant role in providing services› Feedback is collected through regular consultation› Suppliers provide the goods and services to manage the assets and infrastructure
Council	<ul style="list-style-type: none">› To act as custodians of community assets› To set asset management policy and vision› Allocate resources to meet Council objectives in providing services while managing risks
Chief Executive Officer/Senior Leadership Team	<ul style="list-style-type: none">› To provide leadership and strategic direction› Review Asset Management Policy and Asset Management Strategies› To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long-Term Financial Plan› To ensure that training of Councillors and staff in financial and asset management practices is provided› To ensure that accurate and reliable information is presented to Council› To ensure appropriate delegations and approval processes are followed



Key Stakeholders	Roles in Asset Management Plan
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Asset Management Leadership Team	<ul style="list-style-type: none">› Facilitate development of Asset Management Plans› To oversee the implementation of the Asset Management Policy and Asset Management Strategies› To oversee the ongoing development and review of service plans and asset management plans› To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans› To promote and raise awareness of asset management within the organisation› To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration› To develop and implement asset management improvement plan› To provide and manage the asset management information system(s)› Integrate asset management and financial plans and reporting
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Asset Manager(s) and Staff	<ul style="list-style-type: none">› To lead the development of the Asset Management Plans› To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations.› Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal)› To deliver levels of service to agreed risk and cost standards and expectations› To report asset related risk and damage› To establish and monitor asset compliance and risk inspection regimes› To manage asset condition assessments› To provide technical expertise to Asset Management Leadership Team
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4. Current and Desired Levels of Service (LoS)

Levels of service and the way these are benchmarked and measured annually and quarterly, are the single biggest point of difference between previous asset management plans and ISO 55000 standard plans. By its very definition ISO 55000 is measurable and definable outcome that typifies an outcomes-based paradigm.

The *International Infrastructure Management Manual* (IIMM) describes Levels of Service (LoS) as 'defined service quality for an activity or service area against which service performance may be measured'.

The City of Holdfast Bay have 2 defined LoS for plant and equipment assets:

- › Community Level of Service
- › Technical Level of Service

The above defined LoS are designed to support continued performance and function of the plant and equipment assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are also intended to ensure that the plant and equipment assets are appropriate to meet service levels set by Council's annual budgets.

Community Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Quality	Operations of the plant and equipment including passenger vehicles.	Internal Staff Survey.	7 or above – satisfaction
Culture: Supporting excellent, efficient operations	Function	Maintain all plant and equipment in good working order.	Breakdowns/down time reports.	0 per year
Culture: Supporting excellent, efficient operations	Capacity	Availability of appropriate plant and equipment.	Community and Internal Staff Survey.	7 or above – satisfaction
Placemaking: Creating lively and safe places	Safety	No preventable injuries to staff or members or public.	Number of injuries or accidents.	0
Placemaking: Creating lively and safe places	Safety	No preventable injuries to staff or members or public.	Up to date risk assessments for all plant and equipment.	100% compliance

Technical Level of Service

Strategic Goal(s)	Performance Measure	Level of Service Objective	Performance Measure	KPI
Culture: Supporting excellent, efficient operations	Condition	Ensuring the fleet is in good working condition and meet all industry standards.	Assets compliant with required turnover cycles.	95% compliance
Culture: Supporting excellent, efficient operations	Condition	Ensuring the fleet is in good working condition and meet all industry standards.	No lost time due to unavailable plant and equipment.	95% compliance
Placemaking: Creating lively and safe places Placemaking: Developing walkable, connected neighbourhoods	Function/Capacity	Plant and equipment assets have the capacity to meet the service level needs.	Community and Internal Staff Survey. No lost time due to plant and equipment failure.	7 or above – satisfaction
Placemaking: Creating lively and safe places	Safety	Council fleet are inspected on an annual basis by a suitable trade qualified workshop.	Proactive maintenance program.	100% compliance



5. Future Demand

The community's demand for the services changes over time. The reason for change can be varied, some of the common drivers are environmental and technology. As service demand changes, the Council's assets may also need to change to meet the changing demand.

Climate Change

Current Position	Demand Forecast	Demand Impact	Demand Management Plan	Impact on Assets
Council and the community are increasingly aware of our impact to the environment and Council's role in environmental sustainability.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations. This goal is shared by our community and is a primary objective of most governments across the world.	We are committed to using fewer of our precious resources, reducing our carbon footprint, and looking for smarter ways to achieve this objective.	<ul style="list-style-type: none">› Implement actions from the environmental strategy› Climate Adaptation Risk Assessment› Investigate alternative fuels on Council's car fleet, heavy vehicles, major and minor plant assets.	<p>Higher costs associated with plant and equipment assets that are environmentally sustainable.</p> <p>Electric vehicles with reduce noise for sensitive areas and after hours.</p>

Technology Change

Current Position	Demand Forecast	Demand Impact	Demand Management Plan	Impact on Assets
Testing new research and technologies being developed for plant and equipment, including a recent driverless bus trial.	Looking for efficient and effective ways to improve plant and equipment's delivery of services.	Taking advantage of opportunities through studies and grants to progress plant and equipment technology.	<p>Investigate new and emerging technologies during the procurement of new plant and equipment assets including:</p> <ul style="list-style-type: none">› Driverless Vehicles› GPS Tracking› Advanced Safety Technology› Electric and Hybrid Options.	Higher costs associated with plant and equipment that have advanced technological features.

6. Life Cycle Planning/Strategies

The life cycle management plan details how the City of Holdfast Bay plans to manage and operate the assets at the agreed LoS while managing life cycle.

The assets covered by this Plant and Equipment Asset Management Plan is shown in section 2, Asset Class Information.

This section presents an analysis of Council's available plant and equipment assets information and the life cycle management plans covering the four key work activities to manage plant and equipment assets:

- › **Routine Maintenance** – Activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- › **Capital Renewal/Replacement** – Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.

- › **Decommission** – Any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. Any costs or revenue gained from asset disposals is included in the LTTP.
- › **Creation/Acquisition** – Provides a program of works to create new assets or substantially upgrade existing assets. This is primarily driven by community, growth, social and/or environmental needs/desires.

The major stages can be further divided into specific processes as presented in the figure below. In each stage of the life cycle, varying events will trigger the need to begin the next phase of the cycle. Further details on the processes of these life cycle stages for plant and equipment assets is provided in the following sections.

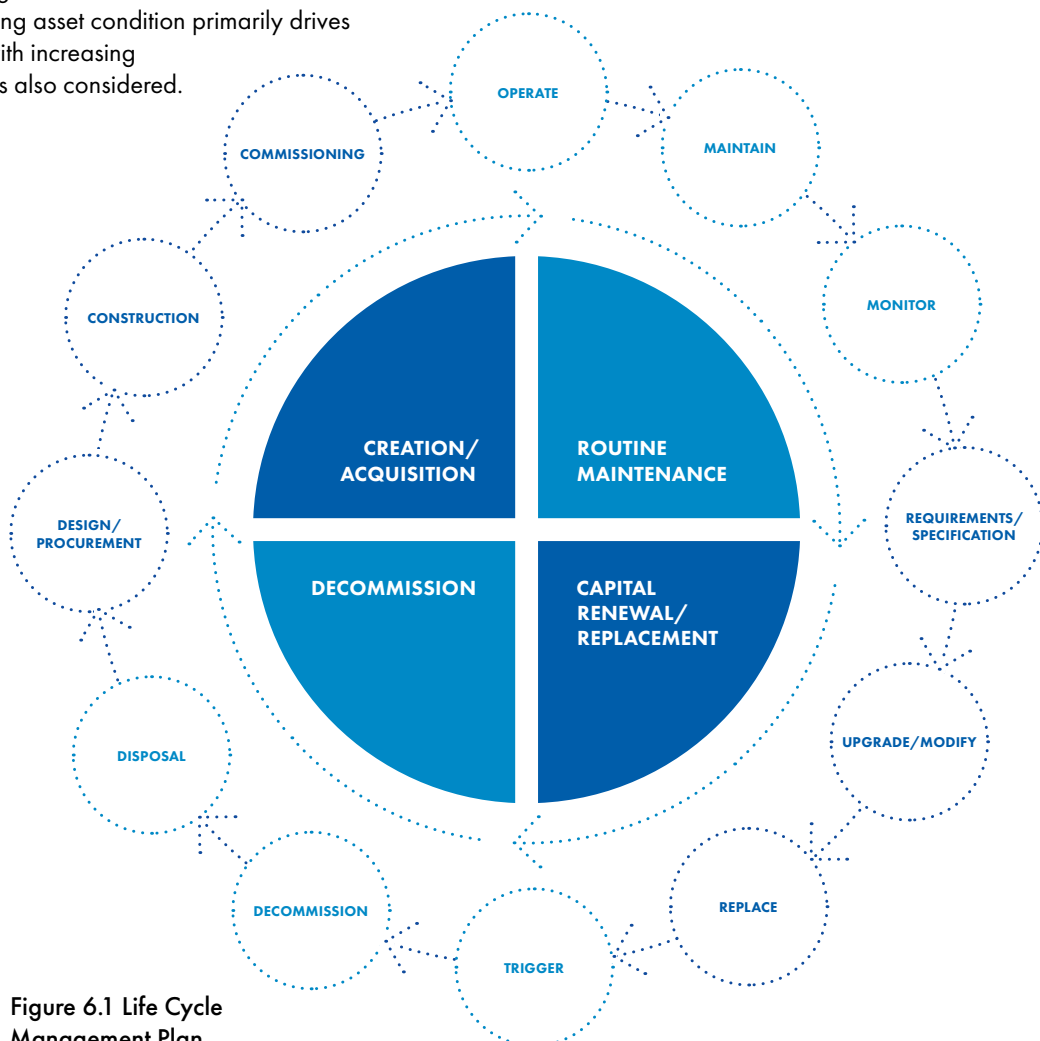


Figure 6.1 Life Cycle Management Plan

6.1 OPERATIONS & MAINTENANCE PLAN

Operations include regular activities to provide services. Examples of typical operational activities include cost of fuel, registration, insurance, vehicle batteries and tires.

Maintenance include all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include servicing and repairs.

As the years progress, the maintenance budget is projected to increase due to inflation and an asset portfolio growing in technological complexity.

Maintenance can be further classified into:

› **Reactive Maintenance**

Reactive maintenance is unplanned repair work carried out in response to failure of the plant and equipment e.g. breakdown, accidental damage, safety repairs (non-scheduled servicing). Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement to minimise downtime.

› **Planned Maintenance**

Planned maintenance is identified and managed through an Asset Management System (AMS). AMS activities include inspection, scheduled servicing, condition assessment against breakdown experience, priority of works and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

6.2 RENEWAL PLAN

Renewal is major capital work which does not significantly alter the original service provided by the asset, 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 considered to be an acquisition resulting in additional future operations and maintenance costs.

Renewal is the replacement¹ of an existing car fleet, heavy vehicle, major plant or minor plant. The decision for replacing these plant and equipment assets rely on Council's plant and equipment replacement program where:

- › Car fleets are replaced every 3 years
- › High Use Heavy Vehicles are replaced every 5 years
- › Medium Use Heavy Vehicles are replaced every 9 years
- › Minor plant assets are replaced every 5 years
- › Major plant assets are replaced every 10 years.

Renewal may occur prior than expected service life due to safety, capacity, or functionality concerns. For a full summary of forecast renewals (>50k) see Appendix 1.

1. AASB116 Property Plant and Equipment

6.3 ACQUISITION PLAN

Acquisitions are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the City of Holdfast Bay.

We are planning upgrades to:

- › Improved disability access for the large community buses
- › Street Sweepers, to improve safety, efficiency and performance
- › Digital Scales on all Heavy Vehicles
- › New, upgraded Jetting Unit
- › Elevated Work Platform
- › Small Footpath Sweeper.

Additionally we are moving towards hybrid and electric vehicle options for all fleet vehicles, and heavy vehicles where possible.

6.4 DISPOSAL PLAN

Car fleet, heavy vehicle, major plant and minor plant assets are typically disposed of at end of life and are being replaced or identified as surplus to requirements. All assets disposed of are in accordance with Council's Disposal of Assets Policy.

Expected Disposal Proceeds are outlined in Table 7.4.1 Disposal Proceeds Estimate.



7. Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. The financial projections will be improved as further information becomes available with the introduction of a new strategic asset management modelling system in future asset plans, on desired LoS and current and projected future asset performance.

7.1 ASSET VALUATIONS

Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value', and 'AASB116 Property Plant and Equipment'. These valuations are required every three to five years, with an independent audit required every five years. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

The valuation of Council's plant and equipment assets is summarised in Table 7.1.1.

Asset Category	Replacement Cost	Accumulated Depreciation
Car Fleet	\$1,128,705	\$425,949
Heavy Vehicle	\$3,971,671	\$2,790,040
Major Plant	\$1,296,747	\$691,979
Minor Plant	\$1,242,199	\$931,753
Total	\$7,639,322	\$4,839,721

Table 7.1.1 Plant and Equipment Asset Valuation

7.2 MAINTENANCE AND OPERATIONS TRENDS AND FORECASTS

Figure 7.2.1 displays the maintenance and operational expenditure trend of City of Holdfast Bay's plant and equipment assets.

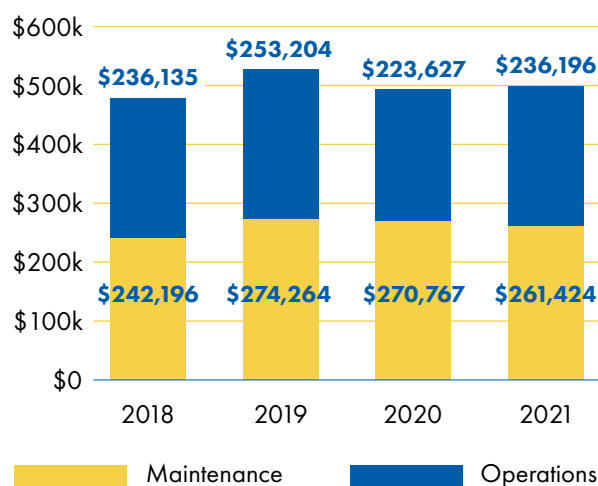


Figure 7.2.1 Maintenance and Operational Budget Trend Graph

7.3 FUTURE OPERATIONS AND MAINTENANCE FORECAST

The operation and maintenance costs of Council's plant and equipment assets are forecast to trend in line with the value of the asset stock shown in Figure 7.3.1 with an adopted 2020–21 financial year budget of \$497,620 (including fuel and maintenance costs). 2020–21 financial year costs are the baseline costs used in the preparation of this AMP. No CPI increase has been added to subsequent years.

Operational costs assume fuel and registration costs remains at current day prices (\$1.12/L Petrol and \$1.14/L Diesel).

As plant and equipment assets age, their maintenance costs will increase, but this will be offset by younger plant and equipment assets purchased through the cyclical program.

Whole of life cost will be considered for all new vehicles, including comparisons with the operational, maintenance, reliability, and capital costs of electric and hybrid vehicle options.

7.4 FUTURE RENEWAL FORECAST

Future Plant and Equipment renewal program identified in this asset plan are necessary to manage safety risks, operational requirements and maintain the plant and equipment assets at an acceptable level.

As shown in Figure 7.4.1, the forecast renewal costs are relatively consistent with the planned LTFP budget over the next 10 years. This assumes the plant and equipment are currently sufficient to deliver required service to the community and internal staff, and only minor upgrades, outlined in Section 6.3, are required over the 10 year period.

As services change, for example if additional street sweeping or tree watering is required, this may have a significant impact on the renewal forecast, due to the high capital, maintenance, and operating costs of specialist heavy machinery and vehicles.

It is anticipated that the two large community buses will require improved DDA access features during future renewal. Additional funds are outlined in Appendix 1: Financial Summary. As an upgrade, these will be requested through the new initiative process.

Year	Renewal Spend Budget	Disposal Proceeds Budget	Net Budget
2021	\$1,349,500	\$400,000	\$949,500
2022	\$1,936,436	\$580,000	\$1,356,436
2023	\$1,573,960	\$470,000	\$1,103,960
2024	\$615,181	\$180,000	\$435,181
2025	\$727,752	\$220,000	\$507,752
2026	\$2,001,553	\$600,000	\$1,401,553
2027	\$965,310	\$290,000	\$675,310
2028	\$1,334,402	\$400,000	\$934,402
2029	\$987,337	\$300,000	\$687,337
2030	\$767,466	\$230,000	\$537,466

Table 7.4.1 Disposal Proceeds Estimate

7.5 ASSUMPTIONS

The following key assumption(s) were applied in this financial forecast:

- › Acquisition date-based renewal program.
- › No CPI was added to subsequent years.
- › No acquisition of new assets.
- › No decommissioning of existing assets.
- › Current Operational and Maintenance Budget are sufficient to maintain LoS.

7.6 DATA CONFIDENCE

The expenditure and valuations projections in this AMP are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. This plant and equipment data confidence is classified as 'B – Reliable' based on the IPWEA data confidence scale² (Appendix 2). Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, e.g. 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%.

See Appendix 2 for data confidence grading system.

2. IPWEA, 2011, IIMM, Table 2.4.6 p2 | 59.

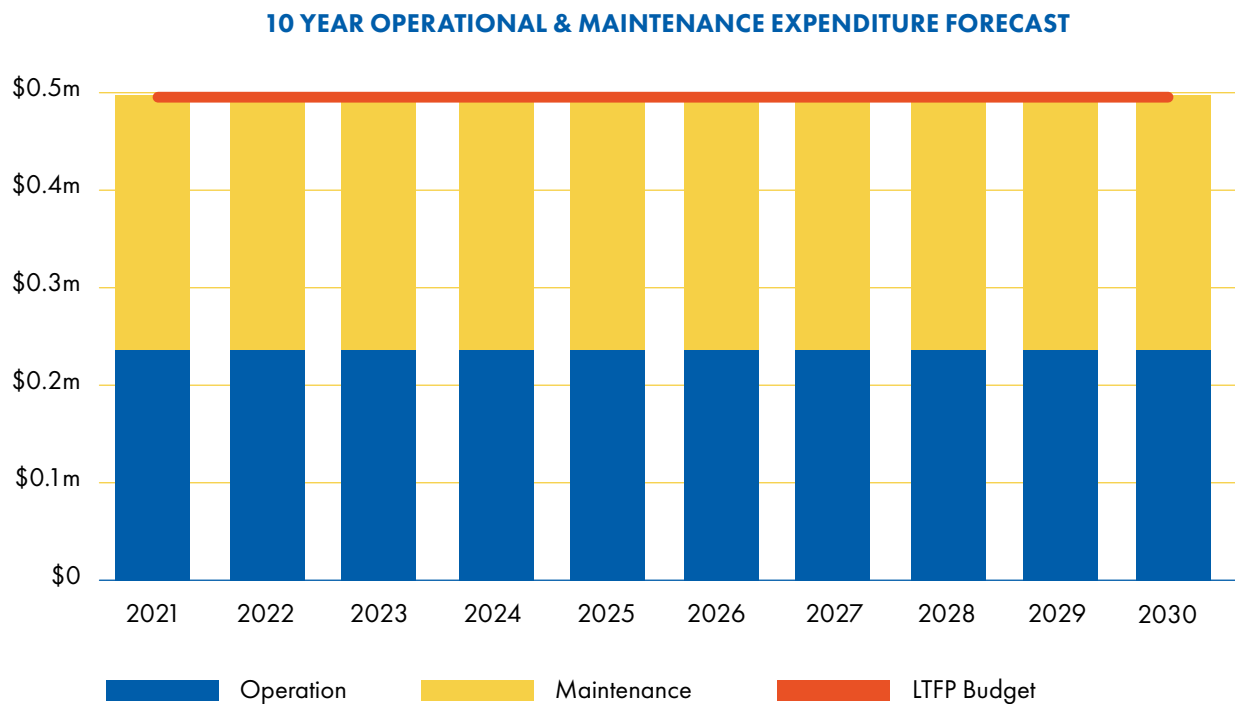


Figure 7.3.1 10 Year Operational & Maintenance Forecast

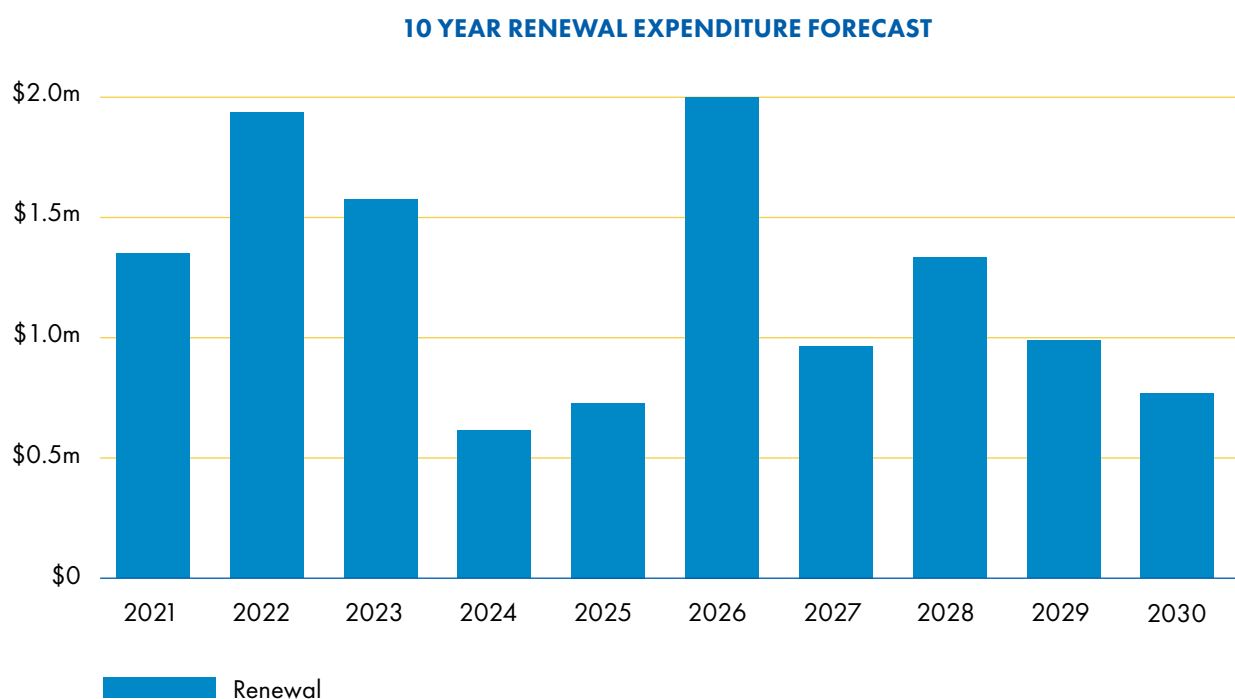


Figure 7.4.1 10 Year Renewal Forecast



8. Risk Management

The objective of the risk management process with regards to plant and equipment assets is to ensure that:

- › All significant operational and organisational risks are understood and identified
- › The highest risks that need to be addressed in the short to medium term are identified
- › Strategies and treatments to address risks are identified and applied.

An assessment of risks associated with service delivery from plant and equipment assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating, and develops a risk treatment plan for non-acceptable risks.

High and Very High Risks that have been identified are:

- › Long service life for high use machinery causes escalating maintenance costs and reduced reliability. This has been addressed in the asset replacement cycles of this asset plan
- › Disposal proceeds (trade in) are subject to the market and may vary
- › A lack of availability of specialist plant and equipment
- › Rise in fuel costs and tariffs will increase operational costs.

A risk treatment action has been included in the forecast costs for this asset plan, and in some cases is already underway. For a full list of risks and treatment plans see Appendix 3.

9. Plan Improvement and Monitoring

9.1 MONITORING AND REVIEWING

The Plant and Equipment Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements. To keep this asset plan current, Council will schedule the plan review into its strategic and annual planning and budget processes. This AMP has a life of 4 years.

9.2 IMPROVEMENT PLAN

Improvement items that form a part of Council's ongoing business as usual improvements include:

- › Continue to refine asset register – review useful lives and unit rates used for valuation purposes
- › Generate project based rolling works program spanning 3 to 5 years for plant and equipment assets based on detailed visual inspection
- › Ensure Maintenance Standards and Plan align with agreed LoS
- › Ensure appropriate budget lines to capture maintenance expenditures
- › Implement regular internal inspections of plant and equipment assets.

Specific Business Improvement Actions that will be a focus for the next three years include:

- › Review plant currently beyond its service life, with a view to amending the remaining life or possible disposal without replacement
- › Update use of Vehicles Policy
- › Reduce the service life of high-use heavy vehicles, such as road sweepers, to address escalating maintenance costs
- › Improve the disability access and safety of City of Holdfast Bay's community bus program
- › Review alternate plant and equipment procurement including leasing or dry hire.

All improvement actions have been included in the forecast costs for this asset plan, and in some cases are already underway. For a full list of improvement items see Appendix 4.



Appendix 1

Financial Summary

AMP 2020

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Acquisition (Total Project Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance & Operation cost of existing assets	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620	\$497,620
Maintenance & Operation costs of new assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewal	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466
Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Improved Disability Access Community Bus	\$0	\$0	\$80,000		\$80,000	\$0	\$0	\$80,000	\$0	\$80,000
COUNCIL FUNDING REQUIRED	\$1,847,120	\$2,434,056	\$2,151,580	\$1,112,801	\$1,305,372	\$2,499,173	\$1,462,930	\$1,912,022	\$1,484,957	\$1,345,086

Figures are in nominal (current Year) values.

AMP 2020 RENEWAL WORKS

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Car Fleet	\$35,000	\$277,971	\$616,904	\$233,830	\$277,971	\$616,904	\$233,830	\$277,971	\$616,904	\$233,830
Heavy Vehicles	\$755,000	\$1,448,831	\$407,946	\$84,207	\$367,679	\$757,712	\$667,862	\$305,604	\$173,235	\$468,561
Major Plant	\$127,000	\$22,834	\$68,266	\$125,164	\$62,027	\$569,437	\$11,818	\$269,983	\$25,218	\$45,000
Minor Plant	\$57,500	\$51,800	\$480,844	\$171,980	\$20,075	\$57,500	\$51,800	\$480,844	\$171,980	\$20,075
Office Furniture and Equipment	\$375,000	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466

Figures are in nominal (current Year) values.

DISPOSAL PROCEEDS ESTIMATE

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Renewal Spend Budget	\$1,349,500	\$1,936,436	\$1,573,960	\$615,181	\$727,752	\$2,001,553	\$965,310	\$1,334,402	\$987,337	\$767,466
Disposal Proceeds Budget	\$400,000.00	\$580,000.00	\$470,000	\$180,000	\$22,000	\$600,000	\$290,000	\$400,000	\$300,000	\$230,000
NET BUDGET	\$949,500	\$1,356,436	\$1,103,960	\$435,181	\$705,752	\$1,401,553	\$675,310	\$934,402	\$687,337	\$537,466

Figures are in nominal (current Year) values.



Financial Summary (cont.)

MAJOR PROJECTS (>50K)

Asset	Description	Type
102574.0	Car Fleet - S382BTF - Toyota Hiace Bus - White - Community Services	Car Fleet
102575.0	Car Fleet - S383BTF - Toyota Hiace Bus - White - Community Services	Car Fleet
102474.0	Car Fleet - TBA - Mitsubishi Canter 515 MWB	Heavy Vehicles
102583.0	Heavy Vehicles - SB41NC - Fuso Concrete Truck 1 2017 Model	Heavy Vehicles
102584.0	Heavy Vehicles - S342BMG - Fuso Canter 2T 2016 Model 6500kg GCM 3300kg GVM 3200kg KW	Heavy Vehicles
102585.0	Heavy Vehicles - SB45JU - Hino Paving 2T 2014 Model 1980kg KW	Heavy Vehicles
102586.0	Heavy Vehicles - SB94JN - Hino Paving 2T 2014 Model 1980kg KW	Heavy Vehicles
102587.0	Heavy Vehicles - SB27MZ - Fuso Cutting 4T 2017 Model	Heavy Vehicles
102589.0	Heavy Vehicles - S24SBY - Caterpillar Loader 2016 Model	Heavy Vehicles
102590.0	Heavy Vehicles - S16SVS - Case Backhoe 2012 Model	Heavy Vehicles
102591.0	Heavy Vehicles - SB26MZ - Fuso Tipper 6T 2017 Model	Heavy Vehicles
102594.0	Heavy Vehicles - S341BMG - Fuso Canter 2016 Model - Handy Man	Heavy Vehicles
102596.0	Heavy Vehicles - S724BDP - Hino Sign Truck 2014 Model	Heavy Vehicles
102597.0	Heavy Vehicles - SB90LP - Rosmech Scarab Roadsweeper 2016 Model	Heavy Vehicles

MAJOR PROJECTS (>50K)

Asset	Description	Type
102598.0	Heavy Vehicles - S23SCV - Asura Mathieu Sweeper 2016 Model	Heavy Vehicles
102599.0	Heavy Vehicles - SB26KO - Macdonald J Road Sweeper 2015 Model	Heavy Vehicles
102601.0	Heavy Vehicles - S67SER - Boss Beach Cleaner 2017 Model - Clean Team	Heavy Vehicles
102602.0	Heavy Vehicles - S70SER - Kubota Tractor 2017 DHC 70hp Model	Heavy Vehicles
102603.0	Heavy Vehicles - SB62KO - Hino Small Tree 2015 Model - Trees	Heavy Vehicles
102604.0	Heavy Vehicles - SB46ET - Mitsubishi Fighter Chipper 6T 2011 Model - Trees (City Trees)	Heavy Vehicles
102605.0	Heavy Vehicles - SSB44ET - Mitsubishi Water Truck 6T 2011 Model - Trees	Heavy Vehicles
102607.0	Heavy Vehicles - SB01GX - Hino EWP 2013 Model - Trees	Heavy Vehicles
102617.0	Heavy Vehicles - SB76LV - Hino Canter 2016 Model	Heavy Vehicles
102618.0	Heavy Vehicles - SB45ET - Mitsubishi Fighter 2011 Model	Heavy Vehicles
102619.0	Heavy Vehicles - S73SAI - Volvo Loader 2014 Model	Heavy Vehicles
102631.0	Heavy Vehicles - SB22HE - Hino 816 Graffiti Truck 2013 Model - Graffiti	Heavy Vehicles
102636.0	Heavy Vehicles - TBA - Toyota Coaster Bus 2020 Model – Community Services	Heavy Vehicles
102637.0	Heavy Vehicles - SB30DW - Toyota Coaster Bus No 1 2017 Model – Community Services	Heavy Vehicles
105818.0	Heavy Vehicles - XS13AQ - Mitsubishi Canter	Heavy Vehicles



Financial Summary (cont.)

MAJOR PROJECTS (>50K)

Asset	Description	Type
105819.0	Heavy Vehicles - XS66AO - Mitsubishi Fuso Fighter Tipper 7.5T 2018 Model	Heavy Vehicles
106256.0	Heavy Vehicles - S57SGK - John Deere Tractor 5085M with lawn edger - 2018 Model	Heavy Vehicles
106256.0	Heavy Vehicles - S57SGK - John Deere Tractor 5085M with lawn edger - 2018 Model - Reserves	Heavy Vehicles
111415.0	Heavy Vehicles - SX64CC - Mitsubishi Fuso with Flocon Unit 2019 Model	Heavy Vehicles
111009.0	Major Plant - Partridge St Car Park East - Automatic Pay Stations	Major Plant
111011.0	Major Plant - Partridge St Car Park East - Licence Plate Recognition System	Major Plant
111018.0	Major Plant - Partridge St Car Park West - Automatic Pay Stations	Major Plant
111020.0	Major Plant - Partridge St Car Park West - Licence Plate Recognition System	Major Plant
111027.0	Major Plant - Licence Plate Recognition Kit - Attached to Toyota Yaris	Major Plant
110977.0	Minor Plant - Fibre Link Connection Brighton Library	Minor Plant
110998.0	Minor Plant - RFID Collection Security System - Brighton Library	Minor Plant
110999.0	Minor Plant - RFID Collection Security System - Glenelg Library	Minor Plant

Appendix 2

Data Confidence Grading System

Confidence Level	Description
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A - Highly Reliable	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 $\pm 2\%$.
B – Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, e.g. 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 $\pm 10\%$.
C - Uncertain	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 $\pm 25\%$.
D - Very Uncertain	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 $\pm 40\%$.
E – Unknown	None or very little data held.



Appendix 3

Plant and Equipment Risk Plan

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Heavy Vehicles, Plant and Equipment	Damage plant due to incorrect use	Moderate	<p>Ensure all plant and equipment has correct SWMS, SOPS, and Manuals.</p> <p>For new or complex machinery ensure training at handover and plant specific risk assessment has been completed.</p>	Asset Manager(s) and Staff	Ongoing
Heavy Vehicles	Injury to operators	Moderate	<p>Ensure all plant and equipment has correct SWMS, SOPS, and Manuals.</p> <p>Ensure all machinery has up to date risk assessments.</p>	Asset Manager(s) and Staff	Ongoing
Heavy Vehicles, Plant and Equipment	Breakdown causing downtime for operators and loss of service to the community	Low	<p>Turnover vehicles as per allocated service life.</p> <p>Maintenance and inspections program to agreed service levels and equipment specifications.</p>	Asset Manager(s) and Staff	2023
Plant and Equipment	Unnecessary, and/or inefficient plant and equipment	Moderate	Review and assess utilization and capacity of plant and equipment every two years.	Asset Manager(s) and Staff	2023
Plant and Equipment	Long service life for high use machinery causes escalating maintenance costs	High	Reduce life of high use machinery.	Asset Management Leadership Team	2021

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Plant and Equipment	Council may not have sufficient funds for required capital and maintenance	Moderate	<p>Apply a criticality framework to vehicles to ensure essential services can be delivered.</p> <p>Ensure there is an option to lease or borrow vehicles from neighboring councils or private companies in case of extended disruption.</p>	Asset Manager(s) and Staff	2023
Plant and Equipment	Loss of key staff and operators, leading to downtime of plant and equipment	Low	Develop succession plans.	Chief Executive Officer/ Senior Leadership Team	2023
Heavy Vehicles	Non-compliance with HV Laws	Moderate	Ensure all vehicles are compliant with HV Laws, including digital scales and correct dimensions.	Asset Manager(s) and Staff	2022
Car Fleet, Heavy Vehicles	Out of Date Use of Vehicles Policy causes confusion or incorrect use of vehicle	Moderate	Update Use of Vehicles Policy.	Asset Manager(s) and Staff	2022
Specialist Plant and Equipment	Specialist plant and equipment unavailable	Moderate	Maintenance for existing specialist equipment, and consider share arrangements with other councils or leasing options to reduce business disruption during long lead times.	Asset Manager(s) and Staff	2023

Plant and Equipment Risk Plan (cont.)

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Responsibility	Completion Date
Plant and Equipment	Changes to disposal proceeds (trade in)	Moderate	Update expected disposal proceeds regularly in line with market prices. Consider net cost when changing useful lives.	Asset Manager(s) and Staff	2022
Plant and Equipment	Rise in fuel costs and tariffs	Moderate	Ensure sufficient budget to allow for expected rises in fuel costs and tariffs.	Asset Manager(s) and Staff	2022



Appendix 4

Plant and Equipment Improvement Plan

Task No	Task	Responsibility	Resources Required	Established	Due
1	Develop a rolling 3 year works program identifying assets to be renewed.	Asset Manager(s) and Staff	Medium	2020	2022
2	Implement the risk mitigation strategies identified in this plan.	Asset Leadership Team	Medium	2020	2023
3	Review plant currently beyond its service life, with a view to amending the remaining life or possible disposal without replacement.	Asset Manager(s) and Staff	BAU	2020	2022
4	Review Use of Vehicles Policy.	Asset Manager(s) and Staff	BAU	2020	2021
5	Undertake an Electric Vehicles Feasibility Study.	Asset Manager(s) and Staff	Medium	2020	2022
6	Reduce the service life of high-use heavy vehicles, such as road sweepers, to address escalating maintenance costs.	Asset Management Leadership Team	Medium	2020	2021
7	Improve the disability access and safety of City of Holdfast Bay's community bus program.	Asset Manager(s) and Staff	Medium	2020	2022
8	Develop continuity planning in case of failure of high criticality plant and equipment. Lease options or sharing arrangements with neighbouring Councils.	Asset Manager(s) and Staff	Medium	2020	2022
9	Review alternate plant and equipment procurement including leasing or dry hire.	Asset Manager(s) and Staff	BAU	2020	2022

