ASSET MANAGEMENT PLAN

Southern Mallee District Council Plant and Equipment 2023

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Document Control		Asset Management Plan				
Document	ID :					
Rev No	Date	Revision Details	Author	Reviewer	Approver	
V1	17/05/2018	Asset Management Plan	VM	Audit C/tee	Council	
V2	12/01/2019	Update	VM	Audit C/tee	Council	
V3	24/02/2020	Update	VM	Audit C/tee	Council	
V4	21/06/2023	Update	VM	Audit C/tee	Council	

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AM Plan) details information about plant and equipment assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the ten (10) year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the Plant and Equipment including:

- Heavy Vehicles
- Heavy Plant
- Light Plant
- Trailers
- Commercial Vehicles
- Passenger Vehicles
- Furniture & Fittings
- IT Equipment

The above infrastructure assets have a replacement value estimated at \$5,982,525.

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planned period.

The main service consequences of the Planned Budget are:

- Provide a fleet which is operational
- Provide sufficient fleet assets to meet the communities desired levels of services
- Ensure assets are operated, maintained, serviced and repaired to industry standards.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population and demographics
- Regulations
- Development
- Technological changes
- Economic factors
- Environmental awareness
- Industry

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

 Increase fleet base to meet the additional road maintenance requirements resulting from new subdivisions

- Increase fleet base to meet the additional road maintenance requirements as a result of extreme weather
- Increased cost associated with purchasing environmentally friendly fleet assets
- Increase to fleet base to meet the additional road maintenance requirements as a result of increased heavy vehicle use.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the plant and equipment assets is estimated as \$14,929,124 or \$1,492,912 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$15,078,835 or \$1,507,883 on average per year as per the Long-Term Financial Plan or Planned Budget. This is 100.0% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Plant and Equipment Assets leaves a shortfall of \$0 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.



Forecast Lifecycle Costs and Planned Budgets

Figure Values are in current dollars.

We plan to provide Plant and Equipment Asset services for the following:

Operation, maintenance, renewal and acquisition of Heavy Vehicles, Heavy Plant, Light Plant, Trailers, Commercial Vehicles, Passenger Vehicles, Furniture & Fittings and IT Equipment to meet service levels set by Southern Mallee District Council in annual budgets.

1.6.2 What we cannot do

We currently do not allocate enough budget to provide all new services being sought.

1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Insufficient resources including funding to replace/renew assets in accordance with renewal forecasts
- Ageing fleet or technical obsolescence
- Plant and Equipment reduced safety

We will endeavour to manage these risks within available funding by:

- Conducting regular condition assessments to determine the remaining useful life of the assets and maintenance requirements
- Request funding for renewals as required and monitor trends of maintenance

1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

- Reviewed annually during annual budget preparation
- No changes to service levels and or/resources has been assumed.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal.
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternate Method was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- Plant and equipment assets will be maintained in good useable condition
- Defects found or reported that are outside our service standard will be repaired
- Plant will be provided and maintained in safe working order at all times
- Safety checks will be maintained of Council plant with priority repairs carried out to ensure plant is fit for use

2.0 REFERENCES

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- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
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- IPWEA, 2014, Practice Note 8 Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, <u>https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8</u>
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management Guidelines
- Southern Mallee District Council 'Strategic Plan 2021 2025',
- Southern Mallee District Council 'Annual Business Plan and Budget'.

3.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Summary

Council does not anticipate acquiring any assets free of charge during the plan period.

Table A1 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Figures within this asset management plan are reviewed annually as part of Council's long term financial plan review process and amended to recognise any changes in service levels, valuations, conditions and/or resources available to provide those services. Below are the anticipated operating costs based on actuals for 2022 financial year.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2023	325,000	0	325,000
2024	413,000	0	413,000
2025	425,390	0	425,390
2026	438,152	0	438,152
2027	451,296	0	451,296
2028	464,835	0	464,835
2029	478,780	0	478,780
2030	493,144	0	493,144
2031	507,938	0	507,938
2032	523,176	0	523,176

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Figures within this asset management plan are reviewed annually as part of Council's long term financial plan review process and amended to recognise any changes in service levels, valuations, conditions and/or resources available to provide those services. Below are the anticipated operating costs based on actuals for 2022 financial year.

C.2 – Maintenance Forecast Summary

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Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	234,405	0	234,405
2024	228,748	0	228,748
2025	235,611	0	235,611
2026	242,679	0	242,679
2027	249,959	0	249,959
2028	257,458	0	257,458
2029	265,182	0	265,182
2030	273,137	0	273,137
2031	281.331	0	281,331
2032	289,771	0	289,771

Table C2 - Maintenance Forecast Summary

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Replacement of plant and equipment has been based on 2022 actual costs and indexed by 3% CPI rate per year

D.Z – Kenewa	in Project Summary	
Year	Project	Estimate
2023		
	Manager Infrastructure Services	
2023	vehicle changeover	\$ 50,000.00
	Manager Property & Development	
2023	Services vehicle changeover	\$ 50,000.00
2023	Loader (Changeover)	\$280,000.00
2023	4x4 Crew cab ute (Changeover)	\$ 43,000.00
2023	S/C Ute (Changeover)	\$ 30,000.00
2023	S/C Ute (Changeover)	\$ 30,000.00
2023	S/C Ute (Changeover)	\$ 30,000.00
2023	lpads	\$ 15,750.00
2023	Surface Pro	\$ 18,000.00
2023	Photocopier Renewals x2	\$ 20,000.00
2023	Phone System	\$ 20,000.00
2024		
2024	Volvo Tipper Truck	\$440,000.00
2024	Co-Ordinator Ute	\$ 45,000.00
	Manager Corporate Services	
2024	Vehicle Changeover	\$ 55,000.00
2025		
2025	Grader	\$434,969.00
2025	Kubota Mower	\$ 37,131.50
2025	Kubota Mower	\$ 37,131.50
2025	Ute / Cab	\$ 28,644.30
2025	CEO Vehicle Changeover	\$ 58,349.50
	Manager Property & Development	
2025	Services vehicle changeover	\$ 53 045 00
2023	Manager Infrastructure Services	Ş 33,0 4 3.00
2025	vehicle changeover	\$ 53,045.00
2026		
2026	Garbage Truck	\$437,090.80
2026	Manager Corporate Services	
2026	Vehicle Changeover	\$ 60,099.99
2026	Combination Roller	\$109,272.70

D.2 – Renewal Project Summary

Year	Project	Estimate	
2027			
2027	Ipads	\$ 17,726.76	
2027	Surface Pro	\$ 20,259.16	
2027	Mower	\$ 39,392.81	
2027	Mower	\$ 39,392.81	
2027	Skid Steer Loader	\$112,550.88	
2027	Backhoe	\$225,101.76	
2027	Ute / Cab	\$ 33,765.26	
2027	Single Cab Ute	\$ 30,388.74	
2027	Co-Ordinator Ute	\$ 50,647.90	
2027	CEO Vehicle Changeover	\$ 61,902.98	
2027	Manager Property & Development Services vehicle changeover Manager Infrastructure Services	\$ 56,275.44	
2027	vehicle changeover	\$ 56,275.44	
2027	Crew Cab 4x4	\$ 45,020.35	
2028			
2028	Grader	\$463,709.63	
2028	Ute S/Cab	\$ 37,096.77	
2028	Ute S/Cab	\$ 37,096.77	
2028	Ute S/Cab	\$ 37,096.77	
2028	Co-Ordinator Ute	\$ 52,167.33	
2020	Manager Corporate Services	\$ 62 760 07	
2028	venicie Changeover	\$ 05,700.07	
2029	CEO Vehicle Changeover	\$ 65 672 88	
2025		Ş 03,072.00	
2029	Manager Property & Development Services vehicle changeover	\$ 59,702.61	
2029	Manager Infrastructure Services vehicle changeover	\$ 59,702.61	
2029	Cat Vibrating Roller	\$270,572.25	
2030			
2030	Kubota Mower	\$ 43,045.59	
2030	Kubota Mower	\$ 43,045.59	
2030	Isuzu Truck	\$110,688.65	
2030	Isuzu Small Truck	\$ 79,941.80	
2030	Tipper	\$430,455.85	
2030	Ute S/Cab	\$ 33,206.59	
2030	Manager Corporate Services Vehicle Changeover	\$ 67,643.06	

Year	Project	Estimate
2031		
2031	lpads	\$ 19,951.62
2031	Surface Pro	\$ 22,801.86
2031	Grader	\$633,385.04
2031	Tipper	\$570,046.54
2031	Co-Ordinator Ute	\$ 53,204.34
2031	CEO Vehicle Changeover	\$ 69,672.35
2031	Manager Property & Development Services vehicle changeover	\$ 69,672.35
2031	Manager Infrastructure Services vehicle changeover	\$ 69,672.35
2032		
2032	Grader	\$652,386.59
2032	Mower	\$ 45,667.06
2032	Mower	\$ 52,190.93
2032	Prime Mover	\$300,097.83
2032	Ute S/Cab	\$ 41,752.74
2032	Ute S/Cab	\$ 41,752.74
2032	Co-Ordinator Ute	\$ 54,800.47
2032	Manager Corporate Services Vehicle Changeover	\$ 71,762.53
2032	Crew Cab 4x4	\$ 52,190.93

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	586,750	586,750
2024	540,000	540,000
2025	702,316	702,316
2026	606,464	606,464
2027	788,700	788,700
2028	690,927	690,927
2029	455,650	455,650
2030	808,027	808,027
2031	1,508,407	1,508,407
2032	1,312,602	1,312,602

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

Changeover of plant and equipment has been based on trade-in prices from 2022 and forecast with a 3% CPI increase.

E.2 – Disposal Project Summary

Changeover of plant and equipment per D.2 no disposals of surplus equipment has been included.

E.3 – Disposal Forecast Summary

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2023	141,000	141,000
2024	133,900	133,900
2025	159,136	159,136
2026	103,810	103,810
2027	195,839	195,839
2028	220,262	220,262
2029	71,643	71,643
2030	211,538	211,538
2031	335,694	335,694
2032	314,450	314,450

Appendix F Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	0	325,000	234,405	586,750	141,000	1,287,155
2024	0	413,000	228,748	741,600	133,900	1,517,248
2025	0	425,390	235,611	702,316	159,136	1,522,453
2026	0	438,152	242,679	606,464	103,810	1,391,104
2027	0	451,296	249,959	750,714	195,839	1,647,809
2028	0	464,835	257,458	690,927	220,262	1,633,483
2029	0	478,780	265,182	185,078	71,643	1,000,683
2030	0	493,144	273,137	808,027	211,538	1,785,846
2031	0	507,938	281,331	1,465,653	335,694	2,590,617
2032	0	523,176	289,771	1,312,602	314,450	2,440,000

Table F1 – Budget Summary by Lifecycle Activity