

# Fleet, Plant and Equipment Asset Management Plan 2024/25 – 2033/34



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## Version Control

Version	Date	Details	Authors	Ref.
1	8/05/2023	AMWG review of previous endorsed plan	Sam Latella, Coordinator Fleet Services Sonja Pienaar, Principal Asset and Mapping Services	Fleet, Plant and Equipment Asset Management Plan Draft 23-33 v1.0.docx
2	26/5/2023	Reviewed draft	Luke Botica, Director Works and Infrastructure	Fleet, Plant and Equipment Asset Management Plan Draft 23-33 v1.1.docx
3	19/6/2023	Endorsed	Executive Leadership Team	Fleet, Plant and Equipment Asset Management Plan Final Draft 23-33 v1.1.docx
4	28/08/2024	Updated AMP 2024/25-2033/34	Correy Jansen van Vuuren, Asset Management Specialist Data and Systems	Fleet, Plant and Equipment Asset Management Plan Final Draft 24-34 v1.0.docx
5	30/9/2024	Reviewed draft	Sonja Pienaar, Manager Assets	Fleet, Plant and Equipment Asset Management Plan Final Draft 24-34 v1.0.docx
6	29/10/2024	Reviewed draft	Luke Botica, Director Infrastructure and Assets	Fleet, Plant and Equipment Asset Management Plan Final Draft 24-34 v1.1.docx
7	23/01/2025	Endorsed	Executive Leadership Team	Fleet, Plant and Equipment Asset Management Plan 24-34 v1.1.docx

## Approval

Name	Date	Details
Executive Leadership Team		

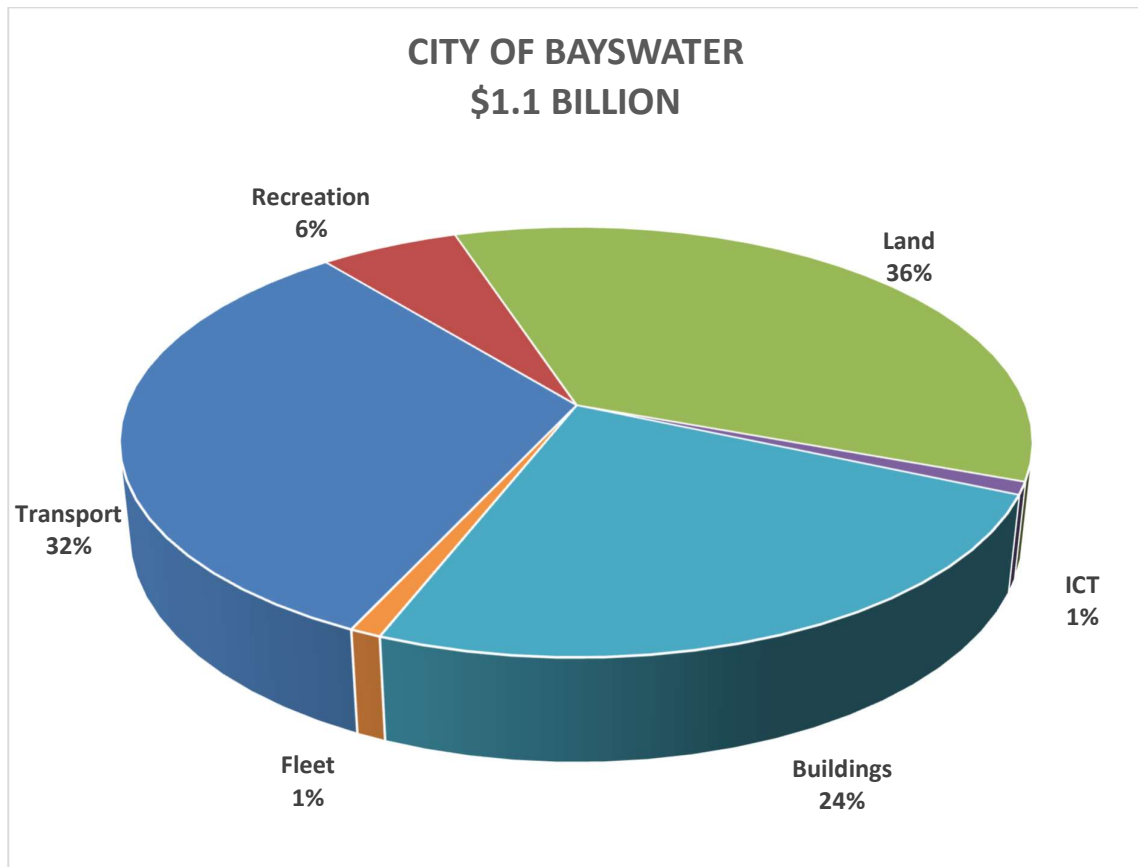
## Approval Process

The City's Executive Leadership Team (ELT) to endorse the annual review and present outcomes to Council according to the *Asset Management Policy (2024)*.

The previous Fleet, Plant and Equipment Asset Management Plan 2023-2032 was endorsed by the City's Executive Leadership Team (ELT) in June 2023.

## Executive Summary

The City of Bayswater maintains a range of assets to provide an integrated approach to the delivery of service. The City is responsible for community infrastructure with a replacement value of close to \$1.1 billion.



In order to ensure that the City effectively manages this large portfolio of assets, the City's Asset Management Working Group is committed to continuous improvement of its asset management practices, including preparing a suite of asset management plans as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan (LTFP).

The purpose of an asset management plan is to assist the City to manage its infrastructure and other assets to an agreed level of service, and to ensure this is sustainable into the future. It is a plan for the appropriate renewal, upgrade, acquisition, maintenance, and disposal of assets that balances aspirations with affordability.

The City of Bayswater owns and maintains a range of fleet, plant and equipment assets to support an integrated approach to the delivery of the City's services. This is the City's Asset Management Plan (AMP) for fleet, plant and equipment assets.

On 30 June 2023, the City's fleet, plant and equipment assets, held at historic cost, was valued at \$10.1m with a written down value of \$7.9m. The available data indicates approximately \$1.9m (gross based on current replacement cost) will be required annually to renew fleet, plant and equipment assets to sustain the current service levels. The replacement of fleet, plant and equipment assets attracts an income when they are traded-in or sold (referred to as residual value). When residual value is taken into account, the annual renewal cost reduces to approximately \$1.6m annually. Ongoing operation and maintenance expenditure and in 2022/23 financial year amounted to approximately \$2.6m.

It is anticipated that a number of likely changes will occur to fleet, plant and equipment service demand. Some of the more significant changes will be market conditions, functional requirements, the City's and government policy, legislation and compliance requirements.

While care has been taken to represent available information accurately, the City is committed to continuous improvement to ensure that the organisation's asset management maturity continues to evolve.

In order to improve asset management practices and the accuracy of this plan, a number of key tasks have been identified. These have been listed within the Improvement Plan for future implementation.

All readers of this asset management plan must understand its limitations and applied assumptions before acting on any information contained within it.

## **Background and Objectives**

### **Purpose of this Asset Management Plan**

As part of the Integrated Planning and Reporting Framework, the City has prepared asset management plans and Forward Capital Works Program (FCWP) as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan (LTFP).

This document is the Asset Management Plan (AMP) for the City's fleet, plant and equipment portfolio and documents the related management practices, processes and strategies. The objective of the Fleet, Plant, Equipment AMP is to ensure that fleet, plant and equipment assets are maintained to agreed service levels, balanced against long term resource availability and sustainability.

### **Information used in the Asset Management Plan**

The City's financial asset register for fleet, plant and equipment is required to hold assets at the historic cost or price paid when purchased. Financial regulations also require the City to adopt a threshold for assets values. The City of Bayswater considers assets below \$5000 as non-financial assets and are not required to report on them, but to consider it as part of operational expenditure.

The City's fleet, plant and equipment asset management system used for estimating cost to renew fleet, plant and equipment assets also records the replacement cost should the asset need to be replaced. The system is also used to manage smaller motorised equipment not considered financial assets as they cost below \$5000 and will be excluded from this asset management plan.

Future improvements will allow for the two systems to use the same definitions and report the same number of items per category. Regular stocktakes will also allow for reconciliation of the two systems so their reporting can be aligned.

By reporting from both systems, the importance of aligning them can be highlighted and monitored in future.

## Focus of this Asset Management Plan

The AMP focuses on assets that support the fleet, plant and equipment service. The key assets that make up the service and their values are detailed in Table 1 and Table 2. The below definitions are to be refined in future revisions of the plan.

**Table 1: Fleet, Plant and Equipment Assets covered by this AMP**

Asset Type	Description
Fleet	Includes motorised vehicles such as busses, sedan, utility vehicles, vans and their attachments such as trailers.
Plant	Includes motorised plant such as sweepers, tractors, trucks, trailers, mowers and general plant which includes all terrain vehicles (ATV), compact loaders and their attachments. This category currently includes fixed plant, such as Bayswater Waves boiler and recirculation pump for the swimming pool heating system.
Equipment	Non-motorised equipment more than \$5,000

The City's finance system has reported the historic cost of \$10.1 Million for Fleet, Plant and Equipment as on 30 June 2023 as detailed in Table 2. This includes \$90,000 of fixed plant associated with the Bayswater Waves recreation facility but excludes items below the \$5,000 threshold.

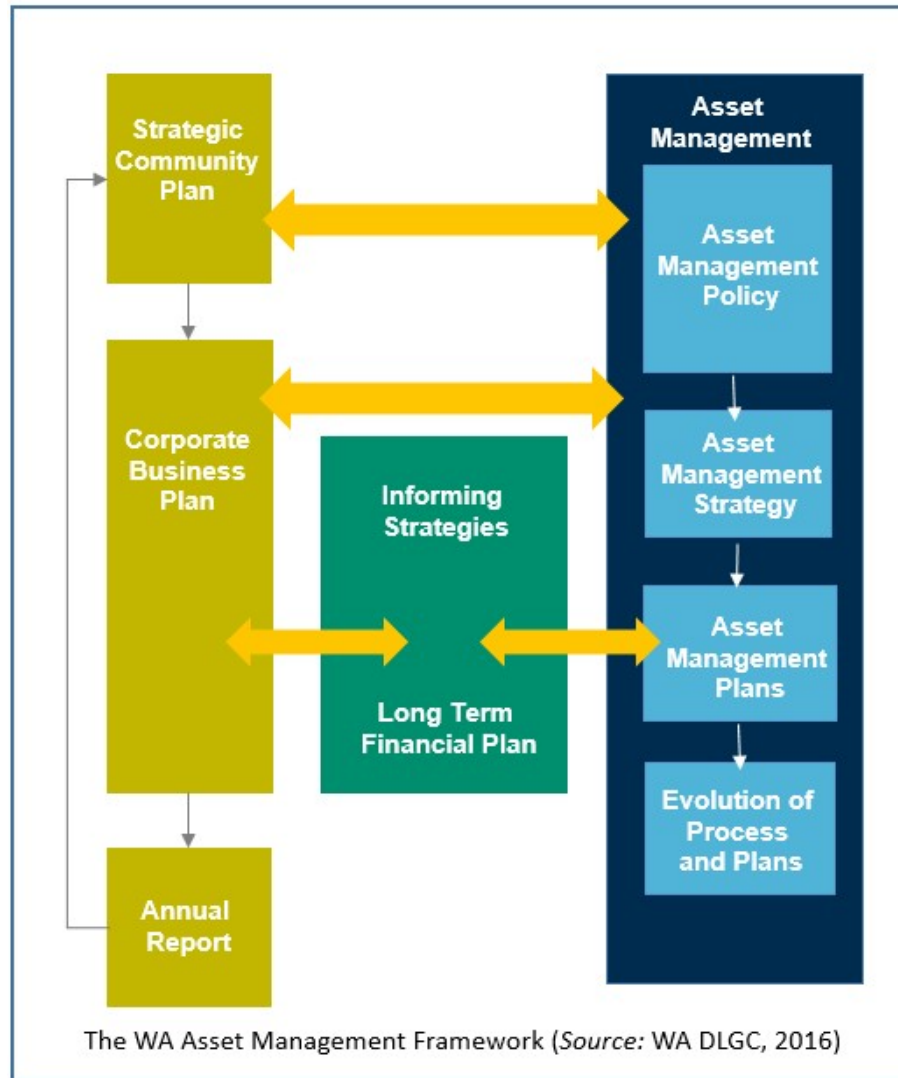
**Table 2: Assets covered by the Fleet, Plant and Equipment AMP (Finance System)**

Asset Type	Quantity	Historic Cost (Purchased Cost)
Fleet, Plant & Equipment	254 items	\$10,119,901
Total	254 items	\$10,119,901

## Corporate Document Relationships

This AMP integrates with the following City documents as part of an integrated planning and reporting framework:

- Strategic Community Plan
- Corporate Business Plan
- Long Term Financial Plan
- Asset Management Strategy
- Annual Budget



The Fleet, Plant and Equipment Asset Management Plan is also guided by the following informing strategies and other City documents:

- Council Vehicle Fleet Policy
- Emission Reduction and Renewable Energy Plan 2021 - 2040
- Management practice for the disposal of surplus good and equipment – minor assets
- Management practice for Motor Vehicle Use
- Management practice for Community Bus Hire

## Time Period of the AMP and Review Process

The Fleet, Plant and Equipment AMP 2024/25 – 2033/34 covers a 10-year period and will be reviewed annually.

An internal review will be conducted annually and endorsed by the City’s Executive Leadership Team (ELT) and the outcomes will be presented to Council as per the Asset Management Policy (2024). The Asset Management Plan and the supporting forward capital works program informs the annual review of the LTFP/Budget process as part of the integrated planning and reporting framework.

## Service Levels

### Introduction

Service levels describe the outputs that the City provides from its fleet, plant and equipment assets. These have been developed through the consideration of strategic and policy inputs, customer perceptions and needs.

### Community Perceptions Survey

In the case of fleet, plant and equipment services, the community is an important customer using fleet, plant and equipment services provided by the City, such as Mobile Library services and community transport. Most of the City services to the community rely on how effective staff and council are supported by appropriate fleet, plant and equipment assets.

The City's last Community Perceptions Survey (2023) did not seek feedback on fleet, plant and equipment asset performance.

### Service Level Performance

Fleet, plant and equipment assets should provide a service level that efficiently enables work, facilitates collaboration and enhances community interaction with the City and its services.

In future revisions of this plan Table 3 will detail the service level targets and the performance that the City is achieving.

**Table 3: Service Level Performance**

KPI	Service level - Target	Service level - Performance
Compliance	Ensure assets are operated, serviced and repaired to industry standards and manufactures specification	Monitoring and Reporting Annually
Performance	Measured as condition and/or fit for purpose/functionality	Monitoring and Reporting Annually
Emission Reduction and Renewable Energy	Use fleet fuel efficiency information to influence driver behaviour and inform vehicle needs.  CO2 emissions, air pollution, safety are all minimum requirements of the motor industry regulations.	Monitoring and Reporting Annually, i.e. Fleet utilisation reports; % of hybrid passenger cars, number of EVs, total passenger fleet size
Reliability	The City will target high % of availability, by ensuring assets are maintained appropriately according to manufacturer specification and replaced according to renewal strategies.	Monitoring and Reporting Annually
Financial Sustainability	Asset Ratios.	Monitoring and Reporting Annually



## Service Demand

This section summarises likely factors that may affect the demand for fleet, plant and equipment assets over the life of the AMP. Demand drivers are consistent with previous asset management plans.

Some of the more significant changes will be market conditions, functional requirements, the City's and government policy, as well as legislation and compliance requirements.

## Historic Demand

The following table outlines the key factors that have affected historical service demand change.

**Table 4: Historic Demand Drivers**

Driver Type	Effect	Demand Change
Population	The population grew from 64,677 (2016) to 69,283 (2021). This is consistent with the growth rate between 2006 and 2016.	Increase
Staff Numbers	Staffing use fleet, plant and equipment assets in conducting their duties. Staffing numbers (FTE) have increased from 307.6 in 2021 to 318.4 in 2022 to 328.8 in 2023. The exact impact this has on the demand for fleet, plant and equipment assets will be quantified in future revisions of this plan. Fleet also plays a role in salary packaging in a competitive labour market.	Increase
Technology & Usage Changes	Reliance and use of Technology has increased with more modern approaches to working. Increase requirements for ergonomics to prevent injury.	Increase
Policy Changes	Sustainability and preference for Hybrid / Electric Vehicle Solutions	Increase

## Future Demand

Consideration was given to six possible future demand drivers that may influence demand on the provision of fleet, plant and equipment.

**Table 5: Future Demand Drivers**

Driver Type	Effect	Demand Change
Political	Possible increased demand for additional assets because of increased external grant funding.	Increase
Economic	Monitor shifts away from internal combustion engines, and advances in technology for diesel powered engines. Recent market conditions and increase in manufacturer warranties has impact on the whole of life cost and ability to extend useful life due to good second-hand pricing and high reliability of Fleet, Plant and Equipment.	Increase

Social	Population growth will directly affect demand for municipal services, although the exact quantum and the existing fleet asset portfolio's ability to meet demand is unclear.	Increase
Technological	Further developments and integration of electric vehicles. Reliance and use of technology has increased with more modern approach to working.	Increase
Legal	Continual improvement based on evolution of workplace legislation and responsibilities of employers. Increase requirements for ergonomics to prevent injury.	Increase
Environmental	Increased demand to move away from fossil fuels to green technology, for example using Hybrid / Electric Vehicle Solutions.	Increase

## Demand Management

A review of past and future demand factors shows that service demand change has occurred and will also likely occur into the future. Looking forward, the following initiatives are proposed in order to meet demand changes.

- Review the City's asset management resources (i.e. staff, software systems) to ensure that it can continue to deliver currently required tasks, as well as to develop and implement future practice improvements.
- Develop operation and maintenance service levels.
- Identify future technologies that can facilitate more effective and cost-efficient fleet, plant and equipment management practices.
- Aligning the Long-Term Financial Plan (LTFP) and annual budgets with the AMP supported 10-year Forward Capital Works Programs (FCWP) will ensure that demand is managed in a sustainable way.

## Risk Management

The City intends to proactively monitor the condition of fleet, plant and equipment assets. Having sufficient warning and understanding the likelihood and consequence of an asset failing, will allow the City to take corrective action to avoid unplanned failures and meet agreed service levels.

A risk analysis of current fleet, plant and equipment assets and asset management practices has not been included in this document and has been identified in the improvement plan as a high priority to be addressed in future plans. Future reviews of the 10-year Forward Capital Works Program will address asset criticality as a step towards improving risk management.

## Lifecycle Management

Lifecycle management refers to how the City intends to manage and operate its fleet, plant and equipment assets at the agreed service levels. It considers the information and strategies used to guide lifecycle decisions, including decisions regarding acquisition, maintenance, renewal, upgrade and disposal. Future revisions of this AMP will consider the implementation of these lifecycle management strategies which will feed into the 10-year Forward Capital Works Program.

## Fleet, Plant and Equipment Assets' Physical Parameters

The City's financial asset registers are only required to carry fleet, plant and equipment assets at historic cost as reported in the Annual Financial Report.

**Table 6: Fleet, Plant and Equipment Portfolio Physical Parameters (Historic Cost)**

Asset Type	Quantity	Historic Cost	Written Down Value	Annual Depreciation
Fleet, Plant & Equipment	254	\$10,119,901	\$7,856,120	\$801,559
Total	254	\$10,119,901	\$7,856,120	\$801,559
30 June 2022 Total	256	\$9,413,283	\$7,782,140	\$740,479

The City also uses a Fleet Asset Management System that provides a current replacement cost revaluation to support the replacement of fleet, plant and equipment. Future revisions of this plan will also refine the categories of fleet, plant and equipment.

**Table 7A: Fleet, Plant and Equipment Portfolio Physical Parameters (Fair Value)\***

Asset Type	Quantity	Current Replacement Cost	Depreciated Replacement Cost	Annual Depreciation	Estimated Disposal income (Residual value)
Fleet, Plant & Equipment	254	\$13,882,314	\$8,214,983	\$1,880,783	\$3,527,588
Total	254	\$13,882,314	\$8,214,983	\$1,880,783	\$3,527,588
30 June 2022 Total	467	\$14,032,582	\$5,779,946	\$1,898,471	\$3,269,008

\*These figures include projected replacements for the 2023/24 financial year to better inform 2024/25 budget.

Fleet, plant and equipment attract an income when they are disposed of. This is referred to as a residual value. When this residual value is accounted, the following nett figures apply summarised in Table 7B.

**Table 7B: Fleet, Plant and Equipment Portfolio Physical Parameters (Fair Value)\***

Asset Type	Quantity	Nett Current Replacement Cost (after disposal income)	Nett Depreciated Replacement Cost	Nett Annual Depreciation
Fleet, Plant & Equipment	254	\$10,354,726	\$7,107,559	\$1,627,393
Total	254	\$10,354,726	\$7,107,559	\$1,627,393
30 June 2022 Total	467	\$10,763,574	\$4,283,586	\$1,408,850

\*These figures include projected replacements for the 2023/24 financial year to better inform 2024/25 budget.

## Fleet, Plant and Equipment Portfolio Condition

In future revisions of this plan the fleet, plant and equipment assets performance will be described in terms of condition rating information (rating 1-5 with 1 being very good or new) and referencing age and usage statistics of the portfolio.

## Fleet, Plant and Equipment Portfolio Data Confidence and Reliability

Table 8 details the reliability and confidence levels of the current asset data the City holds (1-5 with 1 being very good and 5 being very poor). It is the City’s intention to progress towards a position whereby data confidence levels for all areas are classified as either a 1 or 2.

**Table 8: Fleet, Plant and Equipment Portfolio Data Confidence Levels**

Asset Class	Inventory	Condition	Valuation
Fleet	2	TBC	3
Plant	2	TBC	3
Equipment	3	TBC	3
Total	2	TBC	3

## Lifecycle Management Strategies

This section details all the strategies and practices that are currently employed to manage fleet, plant and equipment assets at the lowest lifecycle cost.

### Operation & Maintenance Strategy

The City currently operates and maintains fleet, plant and equipment assets in line with manufacturer specifications. All fleet, plant and equipment are serviced and maintained at their appropriate time/km intervals according to manufacturer specifications.

The operation and maintenance expenditure in 2022/23 financial year amounted to approximately \$2.6m. as defined by Plant, Fleet and Equipment service category operating expenditures.

Currently a fleet management system is used to trigger maintenance activities based on vehicle (fleet and plant), odometer readings (km) and age (months) or a combination. External contractors are used for some maintenance work based on capacity of the workshop and complexity of task.

### Renewal Strategy

The City’s renewal strategy for fleet, plant and equipment assets is primarily driven through the establishment of optimal replacement triggers as part of the Fleet Policy. Triggers are typically based upon age and/or usage intervention points. These usually strive to balance cost, safety, reliability and functionality.

Recent market conditions and increase in manufacturer warranties has impacted on the whole of life cost and the ability to extend useful life due to good second-hand pricing and high reliability of fleet, plant and equipment. Sedans are proposed to be replaced around 80,000 to 100,000 and even 150,000 km, while Utilities and Vans can be extended to 120,000 to 150,000 km.

Trucks and tractors on the other hand can be extended even further to up to 200,000km although the need to comply with ergonomic requirements has meant that this should not be extended for more than 8 years. Useful life estimates of various fleet, plant and equipment are provided in Table 9.

Future plans will monitor whole of life cost of various categories of fleet, plant and equipment assets.

**Table 9: Fleet, Plant and Equipment Assets – useful life estimates**

Type	Average Asset Life (months)	Average Residual Value at Disposal
Buses	180	25%
Mower	67	20%
Plant General	84	20%
Sedan	59	40%
SES Vehicles	60	20%
Sweeper	60	20%
Tractor	89	20%
Trailer	113	20%
Truck	118	20%
Utility	70	40%
Van	74	40%

The purpose of the asset management plan is to ensure that these renewal strategies are effective to maintain an agreed level of service. Table 10 list all the individual renewal programs that will apply.

**Table 10: Fleet, Plant and Equipment Renewal Programs**

Asset Class	Renewal Strategy
Fleet, Plant & Equipment	<p>The City has a flexible approach to the changeover of the City's vehicle fleet and due consideration will be given to the make and model of vehicles and the kilometres travelled to ensure the most cost-effective outcome for the City.</p> <p>Consideration is given to the following:</p> <ul style="list-style-type: none"> <li>• Key design and operational requirements (functional requirements) unique to the various operators of fleet, plant and equipment;</li> <li>• Regularly review renewal strategies, i.e. Consideration should be given to extending the useful life of electrical vehicles with low usage from 3 years to possibly longer depending on risk;</li> <li>• Consideration should be given to reducing the useful life of tractors from 10 years to 8 years to address compliance with functional requirements (including ergonomic requirements) and with relevant industry standards;</li> <li>• Due to procurement delays it can take up to 2 years from budget approval to the delivery of vehicles and this should be considered as part of the Forward Capital Works Plan review; and</li> <li>• Commercial fleet is more likely to be kept past its warranty period and therefore is more of a risk to the organisation.</li> </ul> <p>The average annual whole of life cost shall be used to determine the value of vehicles provided to City staff to:</p> <ul style="list-style-type: none"> <li>• ensure the full economic impact of various vehicle types is evaluated;</li> <li>• enable a comparison of costs between make/model of vehicles; and</li> <li>• enable a comparison with other options for providing vehicles to staff such as novated leasing. The average annual whole of life cost shall be calculated over the life of the vehicle (based on optimum changeover) and include depreciation, fuel, repairs and maintenance, tyres and fringe benefits tax.</li> </ul> <p>Other considerations include:</p> <ul style="list-style-type: none"> <li>• Utilise state common use agreements;</li> <li>• Utilise WALGA vendor panel suppliers;</li> <li>• Maintain transparency in procurement with multiple quotes;</li> <li>• Consider post- sales support and ease of maintenance;</li> <li>• Consider non-asset solutions especially for low usage items;</li> </ul> <p>A similar approach will apply to mobile plant.</p> <p>For equipment whole of life cost and safety will be the drivers for a renewal strategy.</p>

**Upgrade/New Strategy**

The City does not often require either new or upgraded fleet, plant and equipment assets. Where it is identified that there may be a need for additional assets this will be considered by the Executive Leadership Team as part of annual AMP reviews.

**Table 11: Fleet, Plant and Equipment Upgrade/New Programs**

Asset Class	Upgrade/New Strategy
Fleet, Plant & Equipment	Any identified improvements or changes to stakeholder key design and operational requirements due to functional, technology or ergonomic requirements may result in an identified upgrade or new request. Currently no standards are set for these, and each case will be evaluated on a case-by-case basis as part of the AMP, Forward Capital Works Program and Service Plan reviews.

**Disposal Strategy**

The City frequently dispose of fleet, plant and equipment assets (this is part of the AMP lifecycle where the asset is replaced/renewed as part of the approved lifecycle strategy). Disposal of assets must be in accordance with the City’s disposal policy and should be included in the 10-year forward capital works programs.

**Table 12: Fleet, Plant and Equipment Disposal Program**

Asset Class	Disposal Strategy
Fleet, Plant & Equipment	<p>Once fleet, plant or equipment items has been identified for renewal the old item will be disposed of. In some cases, items might be identified for disposal and not replaced as part of rationalisation.</p> <p>If an asset identified for disposal or replacement be repurposed, it can be brought on as a “new” asset as it extends the portfolio, or its status as disposed or renewed may be revisited. Currently no specific criteria for this have been identified and each case is assessed on its own.</p> <p>Disposals are to be identified in the AMP and in consequent works program that feeds into the LTFFP and Budget process.</p> <p>All fleet and plant are disposed of either by public auction or through a trade-in process, whichever gives the best outcome to the City.</p> <p>Any other disposals that are not in an endorsed program should adhere to disposal delegation requirements which refers to the City’s <i>Management Practice: Disposal of Surplus Goods and Equipment – Minor Assets (below \$20,000 in value)</i>.</p>

## Financial

This section contains the financial requirements resulting from all the information presented in this AMP.

### Current operation & maintenance, renewal, upgrade and new expenditure

Future revisions of this plan will refine the reporting on operation and maintenance, renewal, upgrade and new expenditure.

Table 13 provides a summary of capital expenditure related to fleet, plant and equipment for the 2022-23 financial year:

**Table 13: Fleet, Plant and Equipment Capex 2022/23**

Cost Centre - Branch	Project Description	Capital Expenditure 2022-23
Fleet Management	Plant and Fleet Replacement Program – actual replacements expenditure	\$1,496,956
Fleet Management	Plant and Fleet Replacement Program – actual disposal income	-\$621,417
Total		\$875,539
30 June 2022 Total		\$971,727

The actual disposal income from the replacement of the above resulted in being 42% of the replacement cost. For forward planning purposes a range between 10% and 50% is predicted for the various types of fleet, plant and equipment with the average over the portfolio being estimated at 25.4%. See Table 9 for a breakdown of these residual value percentages.

### Required Capital Expenditure Requirements

#### Projected Renewal Expenditure Required over the – Long Term

The average long term renewal requirement is calculated using the Current Replacement Cost (CRC) of an asset divided by the asset's Useful Life (UL). Over the entire asset class, this provides a good indicator on the level of investment required to maintain assets for future generations.

More refined estimates of the required renewal expenditure require data that is reliable in terms of inventory, valuation and condition.

As the City's asset management maturity, data reliability and systems improve, the reliability of these estimates will improve.

For purposes of this document, the annualised replacement cost will present the official indicators of required renewal expenditure as an annual average over the next 10 years.

This number excludes the impact of any growth of the portfolio due to new and upgrade projects over the long term.



All replacement costs are presented as they were in June 2023, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

A projected annual required renewal of \$1.9m (before disposal income has been subtracted) will be required.

On average an estimated disposal income of 25.4% has been provided for which will bring the nett required funds required for renewal to \$1.6m per annum to sustain the current level of service over the long term.

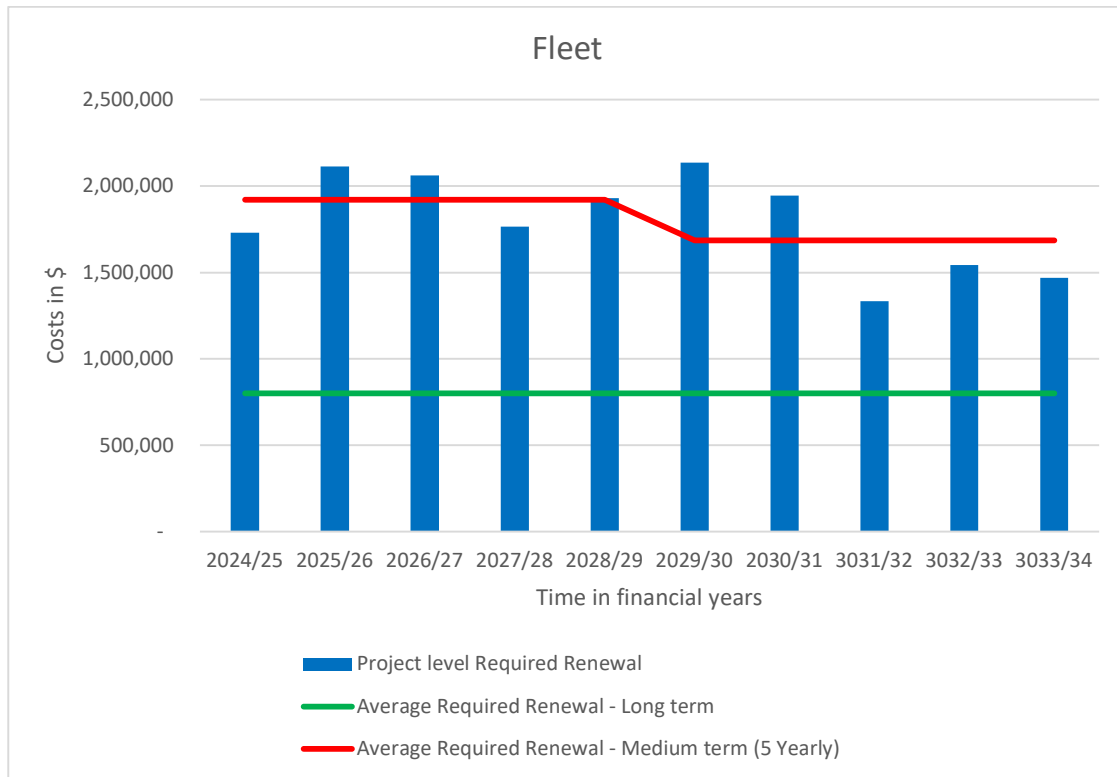
Tables 14 A provides a summary of the projected renewal expenditure required over the long term as described above.

**Table 14A: Fleet, Plant and Equipment Required Renewal Expenditure – Long Term**

Asset Type	Required Renewal Expenditure – Long Term	Nett Required Renewal Expenditure – Long Term (after disposal income has been accounted for)
Fleet, Plant & Equipment	\$1,880,783	\$1,627,393
Total required	\$1,880,783	\$1,627,393
30 June 2022 Total	\$1,898,471	\$1,408,850

**Projected required Renewal Expenditure – Short to Medium Term**

The City conducted its project level renewal program, by programming specific asset renewals based on asset information and engineering considerations. The below illustrate how the project level required renewal fluctuates around the long-term average required renewal measured by annual depreciation.



**Table 14B: Fleet, Plant and Equipment Assets Projected Renewal Expenditure Requirements.**

Asset Class	Required Renewal Expenditure – Long Term	Medium Term - 10 Year Average Annual Required FCWP	Short Term – 2024/25 Annual Required FCWP
Fleet, Plant & Equipment	\$1,880,783	\$1,802,755	\$1,729,476
<b>Total</b>	<b>\$1,880,783</b>	<b>\$1,802,755</b>	<b>\$1,729,476</b>

### Projected Upgrade and New Expenditure

Future revisions of the Fleet, Plant and Equipment Asset Management Plan will identify upgrades and new projects that will impact the fleet, plant and equipment asset portfolio. The current FCWP only made provision for renewal expenses.

**Table 14C: Fleet, Plant and Equipment Assets New and Upgrade Expenditure – short to medium term**

Asset Type	Medium Term – 10 Year Average Annual New/Upgrade FCWP	Short Term – Annual New/Upgrade 2024/25 FCWP
Fleet, Plant & Equipment	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>

### Planned Expenditure Requirements (renew, upgrade, new)

The LTFP indicates to what extent the 10-year FCWP has been funded and what is planned to be delivered.

City of Bayswater LTFP 2024/25 – 2033/34 has funded 100% of 10-year FCWP 2024/25 – 2033/34.

**Table 14D: Fleet, Plant and Equipment Assets Planned Expenditure – medium term.**

Asset Type	10 Year Average Annual New/Upgrade LTFP	10 Year Average Annual Renew LTFP
Fleet, Plant & Equipment	\$0	\$1,802,755
<b>Total</b>	<b>\$0</b>	<b>\$1,802,755</b>

For more detail on which project are planned to be funded see the City of Bayswater LTFP 2024/25 – 2033/34 on the City’s website.

## Plan Improvement and Monitoring

This section of the plan outlines the degree to which this AMP is an effective and integrated tool for asset management. It also details the future tasks required to improve its accuracy and robustness.

## Performance Measures

The effectiveness of this asset management plan will be monitored by the performance of three statutory asset management ratios that the City reports on.

These KPIs are useful in determining:

- the current physical state of the asset portfolio;
- how sufficient past renewal expenditure was; and
- whether sufficient future renewal expenditure is being allowed for.

## Asset Consumption Ratio (ACR)

This ratio is a measure of the condition of the City's physical assets, by comparing their depreciated replacement cost or fair value (replacement cost, less deductions, for physical deterioration) against their current replacement cost (cost to replace). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-75%. Non-depreciating assets should be excluded from the calculation.

According to the available data these ratios indicate that overall the fleet, plant and equipment assets fall within the target range. The reliability of the ratios will improve as the reliability of the data improves. It is still important to report on these ratios. If technical indicators such as condition ratings and the City's customer satisfaction levels do not reflect the same trends as the ratios the valuation methodologies should be reviewed.

**Table 15: Fleet, Plant and Equipment Asset Consumption Ratios (Asset System)**

Asset Type	Depreciated Replacement Cost (Fair Value)	Current Replacement Cost	Asset Consumption Ratio
	DRC (FV)	CRC (FV)	ACR
Fleet, Plant & Equipment	\$8,214,983	\$13,882,314	59%
Total	\$8,214,983	\$13,882,314	59%
30 June 2022 Total	\$5,779,946	\$12,926,645	45%

## Asset Sustainability Ratio (ASR)

This ratio is a measure of the extent to which assets managed by the City are being replaced as they reach the end of their useful lives. The ratio is essentially based on information from previous years and is calculated by dividing the average annual renewal expenditure by the annual required renewal expenditure. The ratio has a target band of between 90%-110%.

Future revisions of this plan will collect and refine the reporting of actual renewal expenditure. Once data reliability has improved these ratios can be calculated. Progress has been made to improve reporting and it will be possible to report the actual renewal expenditure in the next review.

**Table 16: Fleet, Plant and Equipment Asset Sustainability Ratios (Asset System)**

Asset	Average Annual Renewal Expenditure	Annual Required Renewal	Asset Renewal Funding Ratio ARFR
Fleet, Plant & Equipment	TBC	\$1,880,783	TBC
Fleet, Plant & Equipment Nett (after accounting for income from disposals)	TBC	\$1,627,393	TBC

**Conclusion:**

Processes have been put in place to be able to report on this ratio at the next annual review.

**Asset Renewal Funding Ratio (ARFR)**

This ratio is a measure as to whether the City has the financial capacity to fund asset renewal as and when it is required over the future 10-year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 10 years in the LTFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

**Table 17: Fleet, Plant and Equipment Asset Renewal Funding Ratio (Asset System)**

Asset	NPV of LTFP Planned Renewal Expenditure over the next 10 years according to LTFP	NPV of AMP Required Renewal Expenditure over the next 10 years according to AMP	Asset Renewal Funding Ratio ARFR
Fleet, Plant & Equipment	\$18,027,546	\$18,027,546	100%
Total	\$18,027,546	\$18,027,546	100%

**Conclusion:**

This is the first time the City has been able to report this ratio at Asset Class level and the City is within the target band of between 95%-105%.

## Improvement Plan

It is important to further develop the City's Asset Management Plans. This will ensure that the City's asset management continues to mature and can provide accurate data and information for effective decision-making to ensure that the City's fleet, plant and equipment assets are managed sustainably into the future.

The asset management improvement plan generated from this AMP is shown in Table 18.

**Table 18: Fleet, Plant and Equipment AMP Improvement Plan**

Task No	Task	Revised Timeline
1	Identify main risks for assets and asset management practices.	June 2025
2	Improve inventory reliability. Review functional classification and definitions to form the basis of a review of the inventory.	June 2025
3	Improve valuation reliability by reviewing replacement cost estimates and renewal triggers.	June 2027
4	Improve condition/performance data reliability and review the renewal strategy and programme to align with current practices.	June 2027
5	Improve reporting on historic renewal costs to allow for calculating the Asset Sustainability ratios.	Dec 2024
6	Prepare 10 year Forward Capital Works Programs that feed into the Long-Term Financial Plan and allow for calculating asset renewal funding ratios.	Completed
7	Review Council vehicle fleet policy.	June 2025
8	Future plans will monitor whole of life cost of various categories of Fleet, Plant and Equipment Assets.	June 2025
9	Clearly identify informing strategies that impact the management of assets and identify where strategies are lacking.	June 2025