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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	19/6/2026	Endorsed	Executive Leadership Team	Fleet, Plant and Equipment Asset Management Plan Final Draft 23-33 v1.1.docx
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Approval

Name	Date	Details
Executive Leadership Team	19/6/2026	As per minutes of the meeting held on 19 June 2023

Approval Process

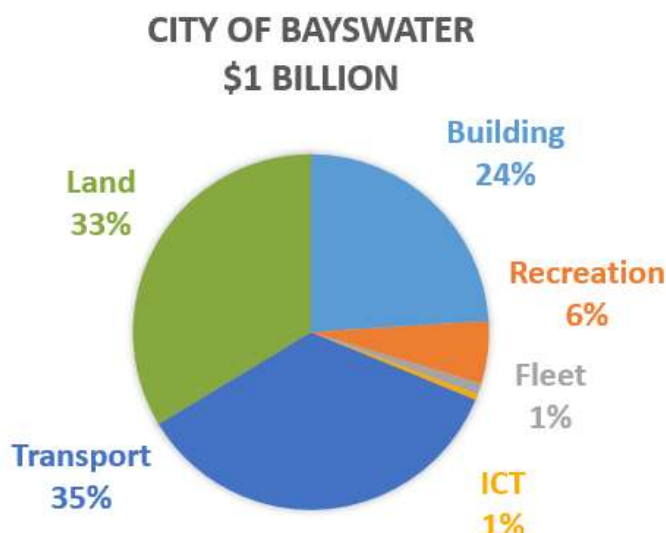
The City's Executive Leadership Team (ELT) to endorse an annual internal review with a full review every 4 years to be adopted by Council according to the *Asset Management Policy (2019)*.

A Fleet Asset Management Plan was drafted in October 2022 as an operational document, but was not endorsed by ELT.

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 billion.

In order to ensure that the City effectively manages this large portfolio of assets, the City's Asset Management Working Group renewed their commitment 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 acquisition, upgrade, maintenance, renewal, 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 2022, the City's fleet, plant and equipment assets, held at historic cost, was valued at \$9.4m with a written down value of \$7.8m. The available data indicates that approximately \$1.9m 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 also attracts an income when they are traded-in or sold. Current estimates are that this amounts to 26% of the renewal cost or \$0.5m on average per annum. This excludes ongoing operation and maintenance expenditure and in 2021/22 financial year it amounted to approximately \$2.3m.

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 as informing strategies to the Strategic Community Plan (SCP) and the Long Term Financial Plan (LTFP).

This document is an 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 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 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.

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, Table 2A and Table 2B. 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	Includes smaller motorised equipment

The City's finance system has reported the historic cost of \$9.4 Million for Fleet, Plant and Equipment as on 30 June 2022 as detailed in Table 2A. This includes \$90,000 of fixed plant associated with the Bayswater Waves recreation facility, but excludes items below the \$5,000 threshold.

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

Asset Type	Quantity	Historic Cost (Purchased Cost)
Fleet	109 items	\$3,674,043
Plant	147 items	\$5,739,240
Equipment	Items below the \$5000 threshold are not required to be reported in the financial system.	\$0
Total	256 items	\$9,413,283

Table 2B details the current replacement cost of \$14m for Fleet, Plant and Equipment as on 30 June 2022 from the City's fleet asset management system. This does not include fixed plant associated with the Bayswater Waves recreation facility, but includes items below the \$5,000 threshold.

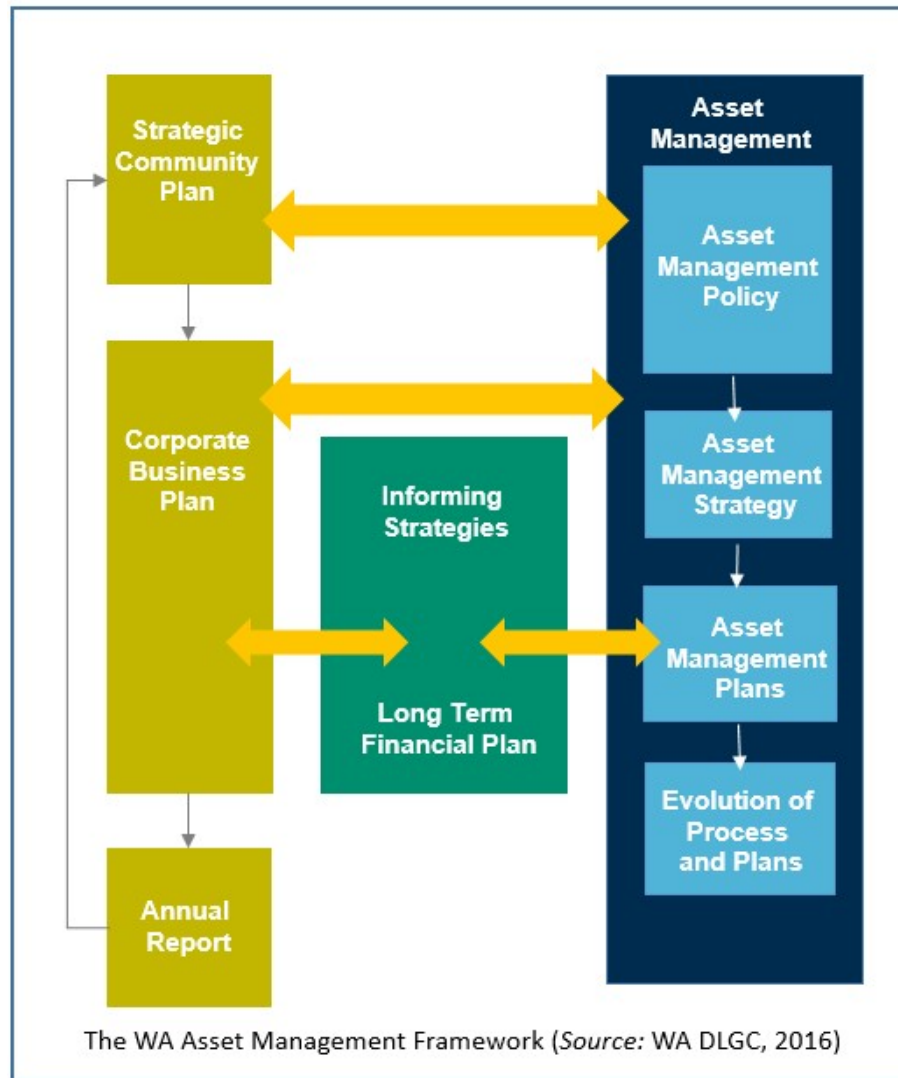
Table 2B: Assets covered by the Fleet, Plant and Equipment AMP (Asset System)

Asset Type	Quantity	Current Replacement Cost
Fleet	110 items	\$4,982,515
Plant	92 items	\$7,944,130
Equipment (includes items below \$5000)	265 items	\$1,105,937
Total	467 items	\$14,032,582

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
- City of Bayswater: Emission Reduction and Renewable Energy Plan 2021
- 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 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) with a full review every four years for the approval of Council, as per the *Asset Management Policy (2019)*. The Asset Management Plan review will inform the annual review of the LTFP/Budget process as part of the integrated planning and reporting framework.

The next review will commence shortly after 1 July 2023. The Asset Management Plans for 2024 to 2034 will inform the LTFP 2024-34, and the 2024-25 budget process to commence in January 2024.

Service Levels

Introduction

Service levels describe the outputs that the City provides from its recreation 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 (2021) 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.

Lifecycle Management

Lifecycle management refers to how the City intends to manage and operate its recreation 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 following information is obtained from the City's finance system that is only required to carry fleet, plant and equipment assets at historic cost.

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

Asset Type	Quantity	Historic Cost	Written Down Value	Annual Depreciation
Fleet	109	\$3,674,043	\$2,975,529	\$548,402
Plant	147	\$5,739,240	\$4,806,610	\$725,979
Equipment				
Total	256	\$9,413,283	\$7,782,140	\$1,274,381

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	110	\$4,982,515	\$1,957,983	\$831,278	\$1,680,182
Plant	92	\$7,944,130	\$3,821,963	\$1,067,193	\$1,588,826
Equipment	265	\$1,105,937	TBC	TBC	TBC
Total	467	\$14,032,582	\$5,779,946	\$1,898,471	\$3,269,008
Total Excluding Equipment	202	\$12,926,645	\$5,779,946	\$1,898,471	\$3,269,008

Fleet, plant and equipment attract an income when they are disposed of and this is also 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	110	\$3,302,333	\$1,226,015	\$555,095
Plant	92	\$6,355,304	\$3,057,571	\$853,754
Equipment	265	\$1,105,937	TBC	TBC
Total	467	\$10,763,574	\$4,283,586	\$1,408,850
Total Excluding Equipment	202	\$9,657,637	\$4,283,586	\$1,408,850

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) 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 2021/22 financial year amounted to approximately \$2.3m.

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 10. 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	Sub Type	Useful life in months based on Usage Level				Residual Value at disposal
		Very High (40,000-60,000 km p.a.)	High (20,000-40,000 km p.a.)	Normal (10,000-20,000 km p.a.)	Low or NA (<10,000km p.a.)	
Buses	Buses	42	60	120	120	20%
General Plant	Turf Renovator Attachment				108	20%
	Other Miscellaneous				120	20%
	Mini Loader				132	20%
	Off Road Utility Vehicle				48	20%
	Forklift				60	20%
	Compact Utility Loader				64	20%
	Off Road Sprayer				72	20%
	Aerator Attachment				84	20%
Mowers	Mowers	42	60	120	120	20%
	Mowers - Attachments				60	20%
Sedan	Sedan	30	48	60	72	20%
	Sedan - Electric	36	36	48	60	20%
Sweepers	Sweepers	30	48	48	120	20%
	Sweepers - Small Electric	60	72	72	84	20%
Tractors	Tractors	48	72	96	96	20%
Trailers	Trailers	48	72	120	120	20%
Trucks	Trucks	48	72	120	120	20%
Utilities	Utilities	48	72	72	120	50%
Vans	Vans	48	72	60	120	40%

Grey indicates no plant or vehicles currently matching these criteria.

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	<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"> • Key design and operational requirements (functional requirements) unique to the various operators of fleet, plant and equipment; • 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; • 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; • 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 • Commercial fleet is more likely to be kept past its warranty period and therefore is more of a risk to the organisation. <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"> • ensure the full economic impact of various vehicle types is evaluated; • enable a comparison of costs between make/model of vehicles; and • 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. <p>Other considerations include:</p> <ul style="list-style-type: none"> • Utilise state common use agreements; • Utilise WALGA vendor panel suppliers; • Maintain transparency in procurement with multiple quotes; • Consider post- sales support and ease of maintenance; • Consider non-asset solutions especially for low usage items; <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>	
Plant		
Equipment		

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	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.
Plant	
Equipment	

Disposal Strategy

The City frequently disposes 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	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.
Plant	
Equipment	<p>Should 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 has 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 LTFP 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 report on historical expenditure for operation and maintenance, renewal, upgrade and new expenditure.

Table 13 provides a summary of capital expenditure related to fleet, plant and equipment for the 2021-22 financial year:

Table 13: Fleet, Plant and Equipment Capex 2021 - 22

Cost Centre - Branch	Project Description	Capital Expenditure 2021-22
Fleet Management	Plant and Fleet Replacement Program – actual replacements expenditure	\$1,394,881
	Plant and Fleet Replacement Program – actual disposal income (which came to 30% of the actual replacement cost)	-\$423,154
Total		\$971,727

The actual disposal income from the replacement of the above resulted in being 30% 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 25.7%. See Table 10 for a breakdown of these residual value percentages.

Projected Expenditure Requirements

Projected Renewal Expenditure

Widely used indicators for long-term renewal requirements are annual depreciation figures calculated from current replacement cost (and not historic cost as used in the financial asset register). These figures represent the annual replacement cost to maintain the service at current service levels.

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 next 10 years.

All replacement costs are presented as they were in June 2022, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

A projected annual required renewal of \$1,898,471 (before disposal income has been subtracted) will be required.

On average an estimated disposal income of 25.7% has been provided for which will bring the nett required funds required for renewal to \$1,408,850 per annum to sustain the current level of service.

Table 14 provides a summary of estimated renewal requirements as described above.

Table 14: Fleet, Plant and Equipment Projected Renewal Expenditure Requirements

Asset Type	Estimate Annualised Current Replacement Cost	Estimate Nett Annualised Current Replacement Cost after disposal income has been accounted for
Fleet	\$831,278	\$555,095
Plant	\$1,067,193	\$853,754
Equipment	TBC	TBC
Total required	\$1,898,471	\$1,408,850

Projected Upgrade and New Expenditure

Future revisions of the Fleet, Plant and Equipment Asset Management Plan will identify upgrade and new projects that will impact the fleet, plant and equipment asset portfolio.

Planned Expenditure Requirements

In future revisions of this plan, the 10-year Forward Capital Works Program (FCWP) and the Long Term Financial Plan (LTFP) will provide information on planned expenditure.

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

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 below 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 Type	Depreciated Replacement Cost (Fair Value) DRC (FV)	Current Replacement Cost of Depreciable CRC	Asset Consumption Ratio ACR
Fleet	\$1,957,983	\$4,982,515	39.3%
Plant	\$3,821,963	\$7,944,130	48.1%
Equipment	TBC	\$1,105,937	TBC
Total Excluding Equipment	\$5,779,946	\$12,926,645	44.7%

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 depreciation expense of the recreation asset portfolio, by the average annual renewal expenditure. The ratio has a target band of between 90%-110%.

According to the available data these ratios indicate that overall the City's fleet, plant and equipment assets fall below 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 16: Fleet, Plant and Equipment Asset Sustainability Ratios

Asset	Asset Renewal Expenditure 1 Year Average	Asset Annual Depreciation	Asset Renewal Funding Ratio ARFR
Fleet, Plant and Equipment	\$1,394,881	\$1,898,471	73.5%
Fleet, Plant and Equipment Nett (after accounting for income from disposals)	\$971,727	\$1,408,850	69.0%

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%.

Future revisions of this plan will collect planned renewal from the LTFP and refine the required renewal expenditure required. Once data reliability has improved these ratios can be calculated.

Table 17: Fleet, Plant and Equipment Asset Renewal Funding Ratio

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	TBC	\$831,278	TBC
Plant	TBC	\$1,067,193	TBC
Equipment	TBC	TBC	TBC
Total	TBC	\$1,898,471	TBC

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	Timeline
1	Identify main risks for assets and asset management practices.	Dec 2023
2	Improve inventory reliability. Review functional classification and definitions to form the basis of a review of the inventory. Consideration for an improved software system is also required.	Dec 2023
3	Improve valuation reliability by reviewing replacement cost estimates and renewal triggers.	Dec 2023
4	Improve condition/performance data reliability and review the renewal strategy and programme to align with current practices.	Dec 2023
5	Improve reporting on historic renewal expenditure to allow for calculating the Asset Sustainability ratios	May 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.	May 2024
7	Review Council vehicle fleet policy.	May 2024
8	Future plans will monitor whole of life cost of various categories of Fleet, Plant and Equipment Assets.	May 2024