City of
Bayswater

Fleet, Plant and Equipment Asset Management Plan

2025/26–2034/35

CITY OF BAYSWATER
The Garden City - Quality Lifestyle

Contents

Version Control

Version	Date	Details	Authors	Ref.
1	19/6/2023	Endorsed	Executive Leadership Team	Fleet, Plant and Equipment Asset Management Plan Final Draft 23-33 v1.1.docx
2	23/01/2025	Endorsed	Executive Leadership Team	Fleet, Plant and Equipment Asset Management Plan 24-34 v1.1docx
3	10/02/2025	Draft AMP 2025/26-2034/35	Correy Jansen van Vuuren, Asset Management Specialist Data and Systems	Fleet, Plant and Equipment Asset Management Plan 25/26-2034/35 Draft docx
4	27/08/2025	Reviewed draft	Sonja Pienaar, Manager Assets	Fleet, Plant and Equipment Asset Management Plan 25/26-2034/35 Draft docx
5				

Approval

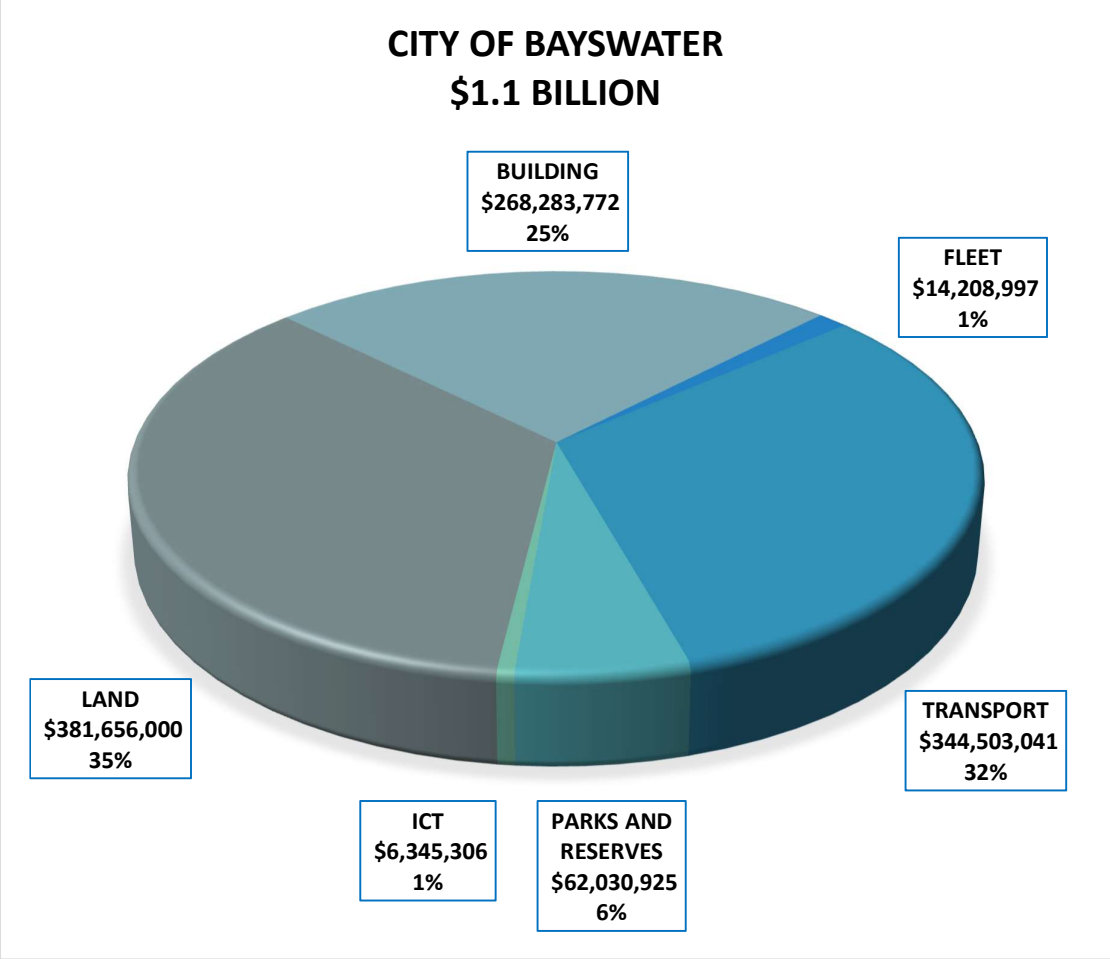
Name	Date	Details
Executive Leadership Team	6/10/2025	Endorsed

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).*

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

The purpose of an AMP 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 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 AMP for fleet, plant and equipment assets.

On 30 June 2024, the current replacement cost of the City's fleet, plant and equipment assets (Asset Management System) was $14.2m with a written down value of $5.5m.

The available data indicates approximately $2.3m 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). With residual value included, the annual renewal cost reduces to approximately $1.6m annually. Ongoing operation and maintenance expenditure in 2023/24 financial year amounted to approximately $2.4m.

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 AMP's 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 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 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 asset management system also records the replacement cost additional to the historic cost of fleet, plant and equipment assets. The system is also used to manage smaller motorised equipment not considered financial assets as they cost less than $5000 and will be excluded from this AMP.

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

Focus of this Asset Management Plan

This AMP focus 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.

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

Asset Type	Description
Fleet	Motorised vehicles including busses, sedans, utility vehicles, vans and their attachments for example trailers.
Plant	Motorised plant including sweepers, tractors, trucks, trailers, mowers and general plant which includes all terrain vehicles (ATV), compact loaders and their attachments. This category 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

Table 2 details the current replacement cost for fleet, plant and equipment. This includes $90,000 of fixed plant (2 items) associated with the Bayswater Waves recreation facility and excludes items below the $5,000 threshold.

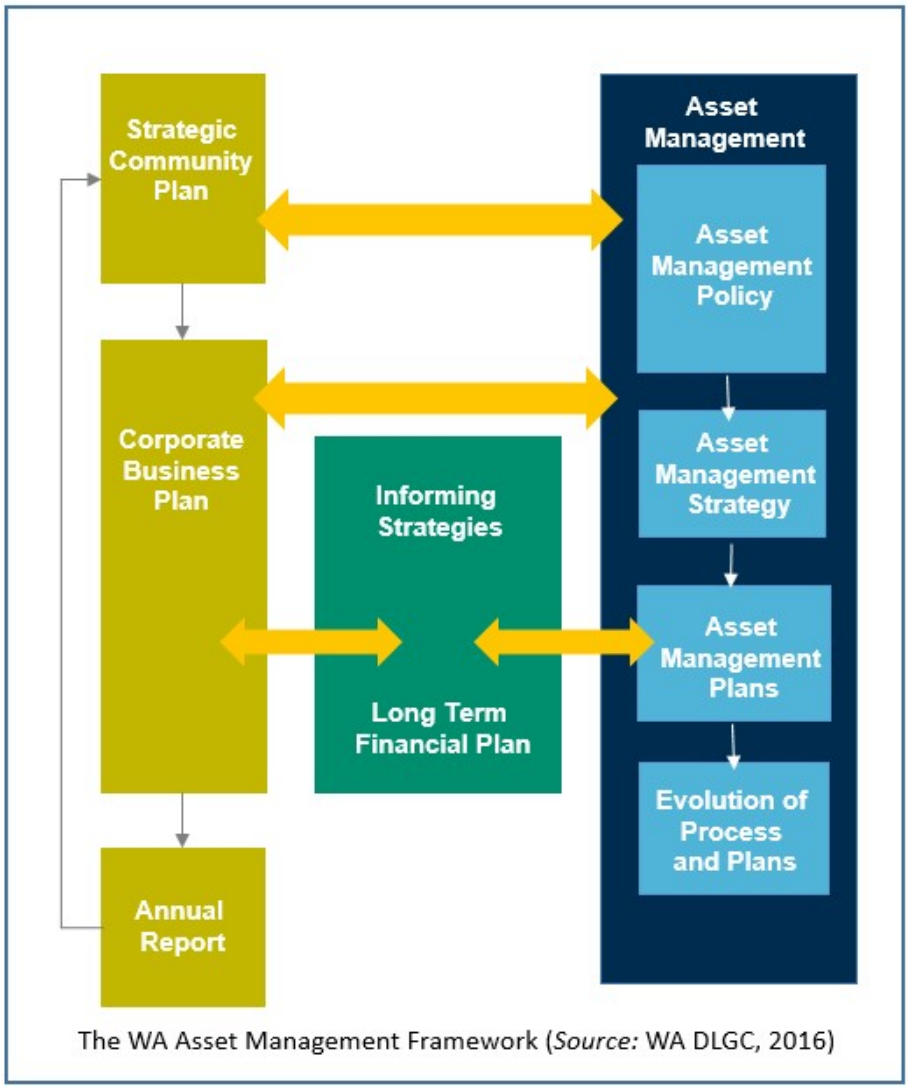
Table 2: Assets covered by the Fleet, Plant and Equipment AMP (Asset System)

Asset Type	Quantity	Current Replacement Cost
Fleet, Plant & Equipment	309 items	$14,208,997
Total	309 items	$14,208,997

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 Policy
- Annual Budget



The WA Asset Management Framework (*Source:* WA DLGC, 2016)

The Fleet, Plant and Equipment AMP 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 2025/26 to 2034/35 covers a 10-year period and is subject to annual review by the City's Executive Leadership Team (ELT), after which it is presented to Council in accordance with the Asset Management Policy (2024).

The AMP, together with the supporting Forward Capital Works Program (FCWP), informs the annual review of the Long-Term Financial Plan (LTFP) and 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 services such as Mobile Library services and community transport. The effectiveness of the City's service delivery largely depends on how well staff and Council are supported by suitable 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.

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	CO2 emissions, air pollution, safety are all minimum requirements of the motor industry regulations.	Monitoring and Reporting Annually. Passenger Fleet – 23 of the 31 vehicles (74%) are Hybrid/EV (20 Hybrid and 3 EV)
Reliability	The City will target a 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 (Asset System).	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 AMP's.

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 Growth	The population grew from 69,283 in 2021 (Census data) to an estimated total of 75,981 in 2024 (ABS Estimated Residential Population - next census in 2026). This figure is expected to grow to 100,000 people by 2050.	Increase
Staff Numbers	Staffing use fleet, plant and equipment assets in conducting their duties. Staffing numbers have increased from 370 in 2023 to 385 (permanent and fixed term employees) in 2024. 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

*Next Census will take place in 2026 (5-year cycle)

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 due to 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	Increase

	extend useful life due to good second-hand pricing and high reliability of Fleet, Plant and Equipment.	
Social	Population growth will have a directly effect on 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 have increased with more modern approach to working.	Increase
Legal	Continual improvement based on evolution of workplace legislation and responsibilities of employers. Increase in 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 Budget with the AMP supported 10-year FCWP will ensure that demand is managed in a sustainable way.

Risk Management

The City 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.

The following critical assets were identified, defined as assets that will have a significant impact on the day to day operations if they break down or are unavailable:

1. Diesel tank at the Depot
2. Water trucks
3. Rangers vehicles
4. Mowers (specifically broad-acre and ride-on)
5. Street sweepers.

Fleet, Plant and Equipment Assets' Physical Parameters

The City's Asset Management System provides the current replacement cost to support the replacement of fleet, plant and equipment.

Table 6: Fleet, Plant and Equipment Portfolio Physical Parameters (Asset System)

Asset Type	Quantity	Current Replacement Cost	Depreciated Replacement Cost	Annual Depreciation	Estimated Disposal Income (Residual value) *
Fleet, Plant & Equipment	243	$14,208,997	$5,545,569	$2,309,513	$3,909,704
Total	243	$14,208,997	$5,545,569	$2,309,513	$3,909,704
30 June 2023 Total	254	$13,882,314	$8,214,983	$1,880,783	$3,527,588

*Estimated Disposal Income has been updated based on latest actual data.

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

Table 7: Fleet, Plant and Equipment Portfolio Physical Parameters (Asset System)

Asset Type	Quantity	Nett Current Replacement Cost (after disposal income)	Nett Depreciated Replacement Cost	Nett Annual Depreciation
Fleet, Plant & Equipment	243	$10,299,293	$7,299,869	$1,635,765
Total	243	$10,299,293	$7,299,869	$1,635,765
30 June 2023 Total	254	$10,354,726	$7,107,559	$1,627,393

Fleet, Plant and Equipment Portfolio Condition

The performance of the fleet, plant and equipment portfolio is 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	1	2	2
Plant	1	2	2
Equipment	1	2	2
Total	1	2	2

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 get serviced and maintained at their appropriate time/km intervals according to manufacturer specifications.

The operation and maintenance expenditure in 2023/24 financial year amounted to approximately $2.4m. as defined by Plant, Fleet and Equipment service category operating expenditures.

The current fleet management system triggers maintenance activities based on vehicle (fleet and plant) odometer readings (km/hr) 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 driven primarily 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 can be extended 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 is provided in Table 9.

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

Type	Average Asset Life (months)	Average Residual Value at Disposal
Buses	180	25.00%
Mower	68	21.85%

Plant General	87	21.85%
Sedan	54	43.70%
SES Vehicles	60	21.85%
Sweeper	55	21.85%
Tractor	96	21.85%
Trailer	113	21.85%
Truck	119	21.85%
Utility	62	43.70%
Van	68	43.70%

The purpose of the AMP 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	The City has a flexible approach to the changeover of its vehicle fleet and due consideration is given to the make and model of vehicles and the kilometres travelled to ensure the most cost-effective outcome for the City. Consideration is given to the following: • Key design and operational requirements (functional requirements) unique to the various operators of fleet, plant and equipment. • Regular review of renewal strategies, i.e. Consideration should be given to extending the useful life of electric 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 FCWP review; and • Commercial fleet is more likely to be kept past its warranty period and therefore poses a bigger risk to the organisation. The average annual whole of life cost is used to determine the value of vehicles provided to City staff to: • Ensure the full economic impact of various vehicle types get 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 is calculated over the life of the vehicle (based on optimum changeover) and include depreciation, fuel, repairs and maintenance, tyres and fringe benefits tax. Other considerations include: • 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. A similar approach will apply to mobile plant. For equipment, whole of life cost and safety will is the drivers for a renewal strategy.

Upgrade/New Strategy

The City does not frequently require new or upgraded fleet, plant and equipment assets. Where a need for additional assets is identified, it will be considered by the Executive Leadership Team as part of annual AMP review process. In line with the City's Council

endorsed Emissions Reduction and Renewable Energy (ERRE) Plan, the City is required to invest in new EV charging stations, details and costs are summarised in Table 14C.

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 is evaluated on a case-by-case basis as part of the AMP, FCWP 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 FCWP.

Table 12: Fleet, Plant and Equipment Disposal Program

Asset Class	Disposal Strategy
Fleet, Plant & Equipment	Once fleet, plant or equipment items are 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. If an asset identified for disposal or replacement gets 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. Disposals are to be identified in the AMP and in consequent works programs that feeds into the LTFP and Budget process. 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. Any other disposals that are not in an endorsed program should adhere to disposal delegation requirements which refers to the City's *Management Practice: Disposal of Surplus Goods and Equipment – Minor Assets (below $20,000 in value).*

Financial

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

Current operation & maintenance, renewal, upgrade and new expenditure

Table 13 provides a summary of capital expenditure related to fleet, plant and equipment for the 2023-24 financial year:

Table 13: Fleet, Plant and Equipment Capex 2023/24

Cost Centre - Branch	Project Description	Capital Expenditure 2023-24
Fleet Management	Plant and Fleet Replacement Program – actual replacements expenditure	$1,667,340
Fleet Management	Plant and Fleet Replacement Program – actual disposal income	-$548,317
Total		$1,119,023
30 June 2023 Total		$875,539

The actual disposal income from the replacement of the above resulted in being 33% 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 27.5%. Table 9 summarise the breakdown of residual value percentages per asset type.

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.

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 2024, and no consumer or construction price index (CPI) has been applied to adjust for inflation.

A projected annual required renewal of $2.3m (excluding disposal income) will be required.

On average an estimated disposal income of 27.5% 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 System)

Asset Type	Required Renewal Expenditure – Long Term	Nett Required Renewal Expenditure – Long Term (including disposal income)
Fleet, Plant & Equipment	$2,309,513	$1,635,765
Total required	$2,309,513	$1,635,765
30 June 2023 Total	$1,880,783	$1,627,393

Projected required Renewal Expenditure – Long Term 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 - *excluding disposal income*.

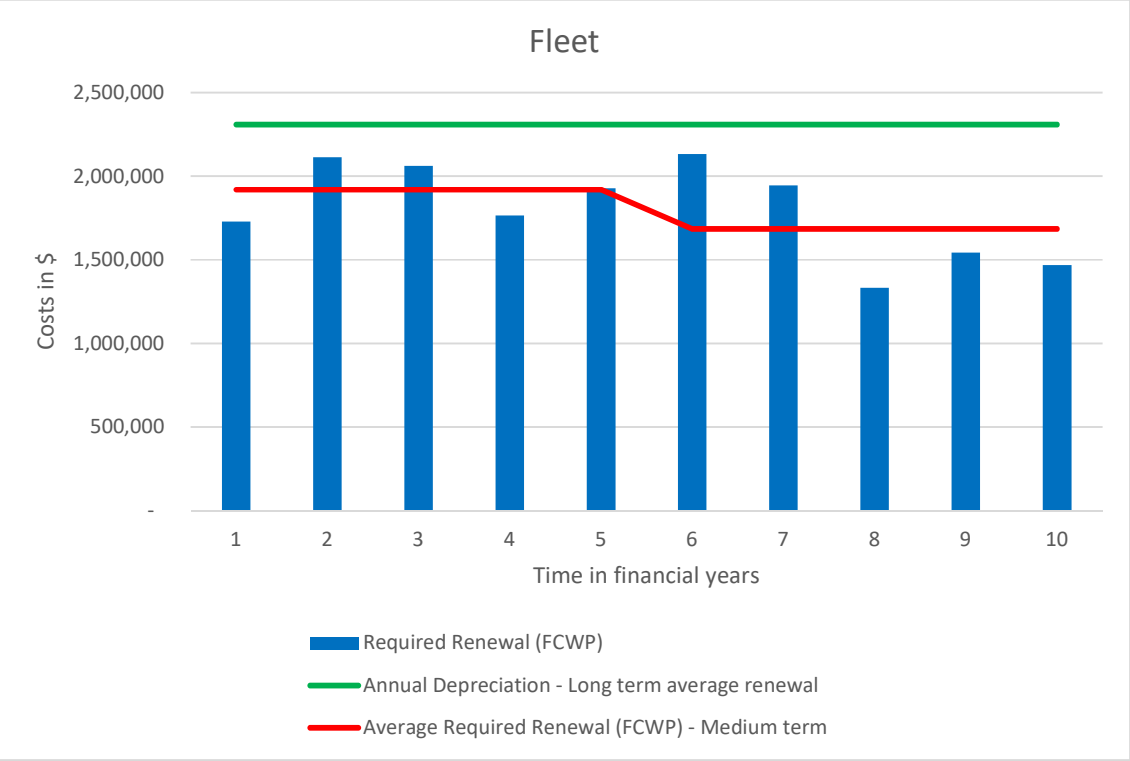


Table 14B: Fleet, Plant and Equipment Assets Projected Renewal Expenditure Requirements (*Excluding disposal income*).

Asset Class	Required Renewal Expenditure – Long Term	Long Term - 10 Year Average Annual Required FCWP	Short Term – 2024/25 Annual Required FCWP
Fleet, Plant & Equipment	$2,309,513	$1,802,755	$1,729,476
Total	$2,309,513	$1,802,755	$1,729,476

Projected Upgrade and New Expenditure

The 10-year FCWP has identified upgrades and new projects that will impact the Parks and Reserves asset portfolio:

- New EV Charging Station 2025/26 @$22,500.00.
- New EV Charging Stations – Civic Centre 2028/2029 @ $200,000.00

Table 14C: Fleet, Plant and Equipment Assets New and Upgrade Expenditure – Long Term to Short Term

Asset Type	Long Term – 10 Year Average Annual New/Upgrade FCWP	Short Term – Annual New/Upgrade 2024/25 FCWP
Fleet, Plant & Equipment	$0	$0
Total	$0	$0

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 – Long term.

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

For more detail on which projects 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 AMP is 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.
- the sufficiency of past renewal expenditure; and
- whether sufficient future renewal expenditure is being allowed for.

Asset Consumption Ratio (ACR)

The Asset Consumption Ratio is used to assess the extent to which the useful life of the assets has been consumed. The ACR provides insight into the age and condition of the City's assets, and assist to monitor asset aging, inform renewal planning and support long-term financial sustainability assessments.

ACR = (Depreciated Replacement Cost of Assets) / (Current Replacement Cost of Assets)

The City has a target band of between 50% and 75% for this ratio.

Non-depreciating assets are excluded from this calculation.

Table 15: Fleet, Plant and Equipment Asset Consumption Ratios

Asset Type	Depreciated Replacement Cost (Fair Value) DRC (FV)	Current Replacement Cost CRC (FV)	Asset Consumption Ratio ACR
Fleet, Plant & Equipment	$5,545,569	$14,208,997	39%
Total	$5,545,569	$14,208,997	39%
30 June 2023 Total	$8,214,983	$13,882,314	59%

Conclusion:

The ratio has declined by 20% year-on-year, now sitting below the target range. The may indicate that additional investment would be required to maintain service levels.

Asset Sustainability Ratio (ASR)

The Asset Sustainability Ratio is used to assess whether the City is investing enough in its assets to maintain their current value over time. The ASR assists the City to evaluate the long-

term sustainability of infrastructure, informs budgeting and investment decisions and communicates asset renewal needs to stakeholders.

ASR = (Capital Expenditure on Asset renewal) / (Depreciation Expense)

The City has a target band of between 90% and 110% for this ratio.

For the below calculations Average Annual Renewal Expenditure are planned expenditure figures to project sustainability into the future. In future, actual expenditure will also be used to measure if planned renewal resulted in actual renewal.

Table 16: Fleet, Plant and Equipment Asset Sustainability Ratios

Asset	Average Annual Renewal Expenditure	Annual Required Renewal	Asset Renewal Funding Ratio ARFR
Fleet, Plant and equipment	$1,802,755	$2,309,513	78%
Total	$1,802,755	$2,309,513	78%

Conclusion:

This ratio falls below the target range, indicating additional investment may be required to maintain service levels.

Asset Renewal Funding Ratio (ARFR)

The Asset Renewal Funding Ratio measures whether the City is planning and allocating sufficient funds to renew its assets at the rate they are wearing out. It helps determine if the current funding strategy is sustainable in the long term.

ARFR = (Planned Capital Expenditure on Asset Renewal over a period) / (Required Capital Expenditure on Asset Renewal over the same period)

The City has a target band of between 95% and 105% for this ratio.

Currently the City is funding 100% of all required renewal. The City will ensure processes are refined to identify any gaps in funded and unfunded required renewal by supporting asset management improvements.

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, Plant & Equipment	$18,027,546	$18,027,546	100%
Total	$18,027,546	$18,027,546	100%

Conclusion:

The City is maintaining this ratio at 100%, indicating no gap between planned and required renewal expenditure over the next 10 years.

Improvement Plan

It is important to further develop the City's AMP's. 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.	Completed
2	Improve inventory reliability. Review classification and definitions to form the basis of a review of the inventory. (Inventory improvement program).	Completed
3	Improve valuation reliability by reviewing replacement cost estimates and useful life triggers. (Inventory improvement program).	June 2027
4	Improve condition data reliability and review the renewal and other lifecycle strategies to align with current practices. (Condition assessment framework).	June 2027
5	Improve reporting on historic/actual renewal cost to allow for calculating the asset sustainability ratios. (Ongoing improvements are being made to refine actual expenditure reporting).	June 2026
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 2026
8	Future plans will monitor whole of life cost of various categories of Fleet, Plant and Equipment Assets.	June 2027
9	Clearly identify informing strategies that impact the management of assets and identify where strategies are lacking.	Completed