

Attachment D

WALGETT SHIRE COUNCIL



FLEET

ASSET MANAGEMENT PLAN 2012



Fleet Asset Management Plan

Prepared For: Walgett Shire Council

By: Executive Engineer

Document Control

DOCUMENT I.D.					
Version	Date	Version Details	Author	Reviewer	Approver
1	31/01/2012	Asset Management Plan Template	FBG		Council
2		Completed Plan			Council
3		Adopted minute No. 000			Council

IMPORTANT DOCUMENT DRAFTING NOTES:

Duration: Rolling Ten Year Plan.
Sub Period: Addresses the current council term (4 Years or residual term).
Review: Annual (informing annual operations plan).
Informs: Higher level Strategic Planning - Council Resourcing Strategy.

MUST HAVES - S.403 - (Local Government Act 1993)

1. The Asset Management Plan(s) must encompass all the assets under a council's control.
2. The Asset Management Plan(s) must identify asset service standards.
3. The Asset Management Plan(s) must contain long term projections of asset maintenance, rehabilitation and replacement costs.
4. Councils must report on the condition of their assets in their annual financial statements in line with the Local Government Code of Accounting Practice and Financial Reporting.

ADDITIONALLY

5. Water and Sewerage asset management plans must comply with:
 - *Best-practice Management of Water Supply and Sewerage Guidelines, 2007.*
 - *NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Storm water Assets 2007.*

IMPORTANT DOCUMENT DRAFTING NOTES cont.

INFORMATION SOURCES

IPR GUIDELINES 2010

Councils must comply with the "Essential Elements" of the guidelines when planning and reporting in order to comply with the Local Government Act.

IPR MANUAL 2010

No mandatory requirements. To be considered by council when making decisions on the transition to the new planning and reporting framework.

ASSET MANAGEMENT

Australian Infrastructure Financial Management Guidelines – Version 1.0, 2009.

The International Infrastructure Management Manual (IIMM) 2006 or 2011

WATER SUPPLY AND SEWERAGE – (MANDATORY COMPLIANCE)

Best-practice Management of Water Supply and Sewerage Guidelines, 2007.

NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets 2007.

Guidance

Water Supply and Sewerage Asset Management Guidelines 1991.

RISK MANAGEMENT

The International and Australian Standard *AS/NZS/ISO/31000:2009 – Risk management – Principles and guidelines.*

NSW LEGISLATION / REGULATIONS

Local Government Act 1993	s403
Local Government (General) Regulation 2005	None
Local Government Code of Accounting Practice and Financial Reporting	Yes

OTHER POTENTIAL INFORMATION SOURCES

Prior Council Management Plans.

Draft Plans (Workforce management / Long term Financial plan / Council Asset Management Policy / Council Strategic Asset Management Plan.

Asset Registers.

Asset Condition Assessments.

Existing Asset Maintenance and Management systems.

Local Knowledge.

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1. Executive Summary

What Council Provides

Council provides fleet services to internal user departments. Council's fleet services are one source of mobile plant and equipment and servicing available to user departments for them to provide services to the community.

This asset management plan covers all motor vehicles, plant and mobile equipment of material value owned by council. Property, such as workshops and depots associated with Council's fleet form part of Council's Property Asset management Plan. Fleet owned by Crown Reserves form part of the asset management plan(s) for that Reserve. Any fleet (currently nil) owned by Council's commercial businesses, including water, sewage, and waste services, would be included in the asset management plans for those businesses.

The assets covered as part of this plan include motor vehicles and trailers, earthmoving and road construction plant, landscape care plant, and mobile equipment of material value such as chainsaws, air compressors, generators, and pressure cleaners.

Our Plans for the Future

Council plans to operate and maintain the fleet to achieve the following strategic objectives.

- Ensure user departments have access to necessary fleet to provide community services.
- To provide fleet to user departments in a cost-efficient manner.
- To ensure fleet is maintained in a serviceable condition at all times that it is available for use.
- To ensure the fleet is replaced and upgraded in a manner that promotes safe and efficient service delivery to the community.

Levels of Service

Council has not conducted customer satisfaction surveys to measure the performance of Council fleet services. This or similarly documented community engagement will be required to demonstrate that the adopted levels of service (LOS) in the plan meet with user departments' agreement.

Financial Summary

There are two primary indicators we use to cost the fleet services:

1. The average cost over the life cycle of the asset (Life cycle cost).
2. The total maintenance and capital renewal expenditure required to deliver our desired service levels.

Our lifecycle cost estimates are \$3,927,000 per annum. Council's planned life cycle expenditure for year 1 of the asset management plan is \$3,428,000 which gives a life cycle sustainability index of 0.87.

The total maintenance and capital renewal cost estimates required to provide the fleet services over the next decade are estimated at \$43,233,000. This is an average of \$3,930,000 per annum.

Council's maintenance and capital renewal expenditure for year 1 of the asset management plan is \$3,346,000 giving us a 10 year sustainability index of 0.85.

Next Steps (example)

1. Complete our Asset Management Improvement plan as set out in the table below.
2. Make provision for the completion of the Capital Works Program (See **Appendix A**).
3. Expand our user department consultation prior to this plan's scheduled annual review.

Step	Description	Responsibility	Resources Required	Timeline
1				
2				
3				
4				

2. Introduction

This asset management plan seeks to provide Council Staff, the Executive Management team, and Councilors with an easy-to-read, informative asset management planning document.

Key Stakeholders

This asset management plan is guided by the Walgett Shire Council's overarching "Asset Management Strategy". At the core of the asset management strategy rests Council's commitment to ensuring that Council Assets are well maintained on behalf of current and future generations. Walgett Shire Council staff are accountable for implementing Council approved Asset Management Policies, Strategies and individual Asset Management Plans as follows:

General Manager
Responsible for ensuring the development and resourcing of Council's strategic asset management plans and processes and for their integration with Council's Integrated Planning & Reporting framework under the Local Government Act.

Directors
Responsible for development and implementation of Council's strategic asset management plans and processes and for their integration with Council's integrated Planning & Reporting framework under the Local Government Act.

Divisional Managers
Responsible for implementation of Council's strategic asset management plans and processes and for reporting on performance in delivery.

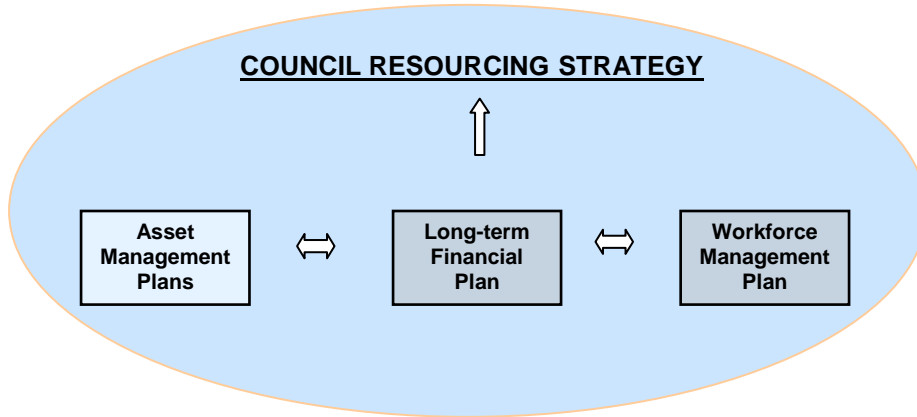
Supervisors
Responsible for the implementation of specific activities identified in the plans.

Council's asset management plans are reviewed and approved by Walgett Shire's elected representatives before being implemented. Asset Management Plans are reviewed annually as part of the new Local Government Act 1993 "Intergrated Planning and Reporting Process".

Plan context and scope

The fleet asset management plan is an asset management plan covering all motor vehicles and mobile plant of material value owned by Walgett Shire Council. Fleet assets owned by Council are one source of equipment used by a range of internal stakeholders to maintain and deliver community assets and services. Asset Management plans provide important information critical to Council's higher level planning responsibilities, in particular, Council's overarching "Resourcing Strategy".

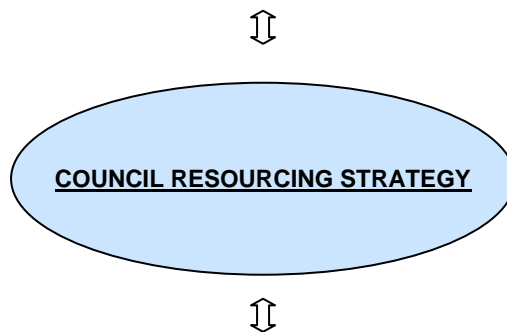
How this plan fits in.



Council's Resourcing Strategy is a large component of the new "Integrated Planning and Reporting Process" legislated through the Local Government Act 1993. The new procedures will be fully adopted by Walgett Shire Council before June of 2012. The Resourcing Strategy and its sub plans shown above, provide critical information enabling Council to plan and deliver services effectively.

The Big Picture

Walgett Shire Council
Community Strategic Plan
Community, Council, Interest Groups, Individuals, related Government Agencies



Assets covered in this plan

Walgett Shire Council owns 46 motor cars and utilities, 22 trucks, 31 heavy plant, 42 trailers, 95 light plant and equipment, and 10 emergency services (EMS) vehicles.

This plan covers the following roads assets:

Table 1

Fleet Classification	Number of Items	Replacement Cost
Cars & Utilities	46	\$1,628,735
EMS Vehicles	10	\$367,835
Plant - Heavy	31	\$4,133,369
Plant - Light Unregistered	95	\$347,973
Trailers - Heavy	7	\$301,770
Trailers - Light	35	\$258,176
Truck	22	\$2,845,140
Grand Total	246	\$9,883,000

The workshop and depot assets appear in the Walgett Shire Council Property Asset Management Plan.

Specific plan objectives

The specific objectives of this plan are to:

- Communicate effectively the efficient delivery of Council's community services utilizing in-house fleet;
- Define how these assets will be managed over the next decade to achieve the strategic objectives for our community;
- Provide costing and justification for planned capital works programs and our asset maintenance programs;
- Assist in cost reductions where possible by optimizing whole of life asset costs;
- Identify environmental, financial and public risks of asset failure;
- Directly support the long term financial planning and workforce management planning components of Councils Resources Strategy; and
- Identify areas where our asset management practices can be improved as we move into the future.

By embracing these objectives, Council believes we can competently and sustainably manage the community's assets into the future.

Plan Structure

<p><u>SECTION 1</u> <u>Executive Summary</u></p>	<p><u>Summarising the plan and key data</u></p> <p><i>What Council Provides</i> <i>Our Plans for the future</i> <i>Levels of Service</i> <i>Financial Summary</i> <i>Next Steps</i></p>
<p><u>SECTION 2</u> <u>Introduction</u></p>	<p><u>Setting the Scene</u></p> <p><i>Key Stake Holders</i> <i>Plan context, scope, assets covered and specific plan objectives.</i> <i>Plan framework at a glance.</i> <i>Moving from a Core capability toward Advanced Asset Management.</i></p>
<p><u>SECTION 3</u> <u>Levels of Service</u></p>	<p><u>Working with our community</u></p> <p><i>Customer Research & Expectations</i> <i>Current Levels of Service</i> <i>Desired Levels of Service</i> <i>Legislative Requirements</i></p>
<p><u>SECTION 4</u> <u>Future Demand</u></p>	<p><u>What does the future hold</u></p> <p><i>Demand Forecast</i> <i>Relevant Trends</i> <i>Impact of technology</i> <i>Demand Management Strategies</i></p>
<p><u>SECTION 5</u> <u>Life Cycle Management</u></p>	<p><u>The core of Asset Management Planning</u></p> <p><i>Asset Hierarchy</i> <i>Physical Parameters</i> <i>Asset Capacity / Performance</i> <i>Asset Condition</i> <i>Asset Valuations</i> <i>Risk Management Plan</i> <i>Routine Maintenance Plan</i> <i>Renewal / Replacement Plan</i> <i>New Works Plan – Creation / Acquisition / Upgrading</i> <i>Disposal Plan</i></p>
<p><u>SECTION 6</u> <u>Financial Summary</u></p>	<p><u>How we came up with our financials</u></p> <p><i>Financial Statements, Forecasts, Funding Strategies, Valuation Forecasts and the assumptions we have used.</i></p>
<p><u>SECTION 7</u> <u>Asset Management Practices</u></p>	<p><u>Where we are now and where we are going</u></p> <p><i>Current Asset Management Resources</i> <i>Planned Areas of Improvement.</i> <i>Standards and Guidelines</i></p>
<p><u>SECTION 8</u> <u>Monitoring and Review Procedures</u></p>	<p><u>How we Plan to Deliver</u></p> <p><i>Performance Measures</i> <i>Improvement Program</i> <i>Monitoring and Review Procedures</i></p>

3. Levels Of Service

Customer Research & Expectations

Customers of Council's fleet services are almost exclusively employees of Council. The predominant purposes for Council owning fleet DO NOT INCLUDE the purpose of public hire. Public satisfaction with the provision of fleet, for the benefit of other services is included in the asset management plans for those services.

Council has not conducted comprehensive customer satisfaction surveys to measure the performance of Council fleet, services, however fleet services staff receive feedback from users on a daily basis. Future plans will include staff surveys of fleet services satisfaction to demonstrate that the adopted levels of service (LOS) in the plan meet the standards agreed with the Executive.

Current Levels of Service

Levels of Service relate to how fleet users receive the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the user service levels are operational or technical measures of performance developed to ensure that the minimum levels of service are met.

These measures of performance include:

Monthly reports to Council's Senior Management.

This report includes a financial overview, operational report and human resourcing overview. Key Performance Indicators reported are:

1. Fleet revenue and expenditure budget analysis.
2. Percent of fleet condition inspections completed on-time.
3. Percent compliance: completion of daily plant inspections (by users).
4. Number of unplanned repairs/damage incidents.
5. Number of plant days items were unavailable.
6. Percent of routine services completed on-time.
7. Progress of annual planned replacement program.

Quarterly Reports – Quarterly versions of the monthly reports noted above.

Annual

This report includes the final financial, function (plant selection), function (plant availability), safety, sustainability (authorization & training), and service & repair backlog for the year.

Council's Current service levels are detailed below:

User Levels of Service

Table 2

Key Performance Area	KPI	Performance Measure Process	Indicator	How Measured	Target
Function	Plant meets or exceeds user department's requirements for suitability .	Interview/Focus Group with key user departmental staff	User department and Workshop agreement with Fleet manager on plant selection	Agreement on plant selection	100% subject to budget
Function	Plant meets or exceeds user department's requirements for quality .	Interview/Focus Group with key user departmental staff	User department and Workshop agreement with Fleet manager on plant selection	Agreement on plant selection	100% subject to budget
Function	Plant meets or exceeds user department's requirements for availability .	Plant availability records	Number of times a plant is unavailable outside service and repair windows	Plant meets agreed availability measures	100%
Function	Plant meets or exceeds user department's requirements for cost .	Interview/Focus Group with key user departmental staff	User department and Workshop agreement with Fleet manager on plant selection, method of costing, and price.	Agreement on plant selection and pricing.	100% subject to budget
Safety/Risk Management	In-service plant is compliant with risk assessment measures and regulatory requirements at all times	Plant defect reports	Number of times a plant is taken out of service to repair a safety hazard due to normal wear and tear	Safety defects logged	Nil
Sustainability	Users are trained in advancements in fleet technology in-use on the Australian market	Plant authorization and training documentation	Individual plant users have authorization and training to use the plant they are operating	Induction and Audit of worksites	100% compliant

Key Performance Area	KPI	Performance Measure Process	Indicator	How Measured	Target
Sustainability	In-service plant is adaptable to future work processes and regulatory requirements	Interview/Focus Group with key user departmental staff	User department and Workshop agreement with Fleet manager on plant selection	Agreement on plant selection	100% subject to budget

Technical Levels of Service

Table 3

Key Performance Area	KPI	Performance Measure Process	Indicator	How Measured	Target
Condition	Defects arising on in-service plant are responded to in a timely manner	User requests, Daily Inspection Reports, Audit reports, Inspection Reports, and Workshop records.	Time between request/inspection and Workshop response is within allowable limits.	Fleet records.	Respond to User requests, scheduled inspection/services, and audits within 10 working days. Note Availability Targets also apply.
Cost Efficiency	The fleet is managed efficiently for the agreed levels of service	Fleet revenue and expenditure are compared against budget and level of service achieved	Fleet financial and performance records	Fleet financial and performance records	Within +/- 10% of agreed budgets. (Revenue & Expenditure)
Safety	In-service fleet is safe and hazard-free at all times	Inspections, training, authorization, and audits planned to meet standards and regulations	Corrective Action Requests initiated by audit or independent/senior management review.	Audit against standards and regulations	Daily inspection by user; Monthly inspection by workshop; annual audit of Fleet Safety Plan.
Availability	Fleet is available to meet users' needs for the delivery of services to the community	Completion of preventative maintenance plans and audits at key seasonal times during the year	Compliance with preventative maintenance plans, completion of audits, and number of times a plant is unavailable outside service and repair windows.	Fleet records.	100% compliance with preventative maintenance plans and repair normal wear & tear within 4 working days; repair damage within 60 working days; and replace plant within 125 working days.
Environmental Impact	Mitigate adverse environmental impacts in-line with industry best practice	Investigate latest plant and processes, audit maintenance and operational efficiency	Audit recommendations	Internal audit	Implement all practical audit recommendations that are financially viable.

Desired Levels of Service

Indications of the desired levels of service are currently obtained from various sources including Executive and users' feedback to Fleet staff, service requests, and correspondence. They may change depending upon the outcomes of future user surveys, interviews, focus groups, or changes in legislation. Council is yet to quantify desired levels of service. This will be done in future revisions of the asset management plan.

The following principles are adopted in delivering levels of service in relation to fleet assets:

- (a) Safe for users
- (b) Appearance is acceptable
- (c) Regularly inspected
- (d) Regular/preventative maintenance is undertaken
- (e) Fit for purpose
- (f) Operational when required
- (g) Accessible to people of all abilities
- (h) Fleet staff respond to requests and complaints

Legislative Requirements

Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Work Health and Safety Act 2011	Impacts all operations. Note public safety – insurance. Cost implications. Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Mine Health and Safety Act 2004	Impacts all gravel pit operations. Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Protection of the Environment Operations Act 1997	Control of run-off or escape of contaminants entering water courses. Regulating pollution activities and issue of licenses as well as the monitoring of and reporting on waste output. This act includes "Due Diligence requirements, disposal procedures for chemicals and sludge and details penalties for causing environmental impacts.
Environment Protection & Biodiversity Conservation Act 1999 Cwth	Provides for the Commonwealth Government's requirements for conserving Australia's biodiversity.
Threatened Species Act 1995	Provides for the conservation of threatened species, populations and ecological communities.
Roads Act 1993	Provides for the administration of roads.
Road Transport (General) Act 2005	An Act to provide for the administration and enforcement of road transport legislation; to make further provision with respect to the use of vehicles on roads and road related areas
Road Transport (Safety & Traffic Management) Act 1999	An Act to facilitate the adoption of nationally consistent road rules in New South Wales; to make provision with respect to other matters concerning safety and traffic management on roads and road related areas
Road Transport (Vehicle Registration) Act 1997	An Act to provide for the registration of vehicles and for related matters as part of the system for nationally consistent road transport laws
Motor Vehicle Standards Act 1989 Cwth	Regulates the standard of new and imported vehicles on the Australian market
Motor Vehicle Repairs Act 1980	An Act to constitute the Motor Vehicle Repair Industry Authority and to confer on it functions with respect to the licensing of repair businesses and the certification of repair tradespeople and loss assessors; and for other purposes
Motor Vehicles Taxation Act 1988	An Act to provide for the imposition, assessment and collection of tax on the registration of motor vehicles

4. Future Demand

Demand Forecast

There are several key demand drivers that may influence fleet demands in Walgett Shire Council.

These include:

1. Decisions to change the arrangements for the provision of standard motor vehicles for executive/professional/technical staff including payment, leasing and private use arrangements;
2. Workload changes including to the level of planned construction of new infrastructure, outsourcing of construction and maintenance activities, and repairs due to natural disasters;
3. Changes in the overall level of care, daily inspection, and reporting on fleet by users;
4. The emergence of efficient local service and repair agents that can reduce turn around times without additional cost.
5. The emergence of competing providers of plant and equipment to Council at a lower whole of life cost.

Most Relevant Trends

There are no identifiable trends relevant to the provision of fleet by Walgett Shire at this time.

Impact of technology

New technology is constantly emerging in the design and maintenance of fleet. This has a number of impacts including:

- 1) Improved fuel efficiency
- 2) Reduced harmful emissions
- 3) Longer service intervals
- 4) Many more in-built safety features are readily available (e.g. electronic traction control)
- 5) Fitments, bodies and the like on fleet items are requiring more formal certification
- 6) The optimum ownership period for most fleet is increasing
- 7) Greater use of electronic data in fault diagnosis and remote monitoring of condition
- 8) Additional controls to avoid negligent use and theft of plant and equipment
- 9) Additional training is required for operators to familiarize themselves with individual plant
- 10) Fleet skill-sets are changing to require more technologically savvy staff (in line with current communications technology)

Demand Management Strategies

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions that modify demand, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4. Further opportunities will be developed in future revisions of this asset management plan.

Table 4

Service Activity	Demand Management Plan
Fleet choice & availability	Meeting fleet users' desire for choice of plant item and availability whilst minimizing the cost of delivering services to the community can be addressed by the following strategies: (a) Highlighting to User Departments fleet that has low levels of utilization; (b) Supporting service delivery strategies that allow for the efficient movement of fleet across the Shire; (c) Highlighting to User Departments the real costs of fleet through accurate pricing structures that reflect the impacts of user choices, neglect & damage; (d) Implementing effective preventative maintenance strategies; and (e) Providing mobile and timely inspection & servicing.
Supplying Fleet Fit-for-purpose	Supplying fleet that is fit-for-purpose whilst minimizing the cost of delivering services to the community can be addressed by the following strategies: (a) Involvement of Fleet staff in the preparation of sound community services delivery plans; (b) Involving Fleet staff in the review of work practices before each fleet item is replaced; and (c) Supporting the selection of 'multipurpose' fleet items to maximize utilization, availability, and adaptability.
Being the Fleet Supplier of Choice to User Departments	To maintain consistent demand for internal fleet provision, all external factors equal, the following strategies should be applied: (a) Provide timely response to users; (b) Maintain a friendly demeanor with users; (c) Provide accurate, sound, and unbiased advice; and (d) Assist users with fleet-specific training needs
Financial Sustainability	Develop long term financial <i>management</i> plans that will ensure financial sustainability

5. Lifecycle Management Plan

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service while optimising life cycle costs. The data below are current at 30 June 2012 valuation and condition assessment.

Asset Hierarchy

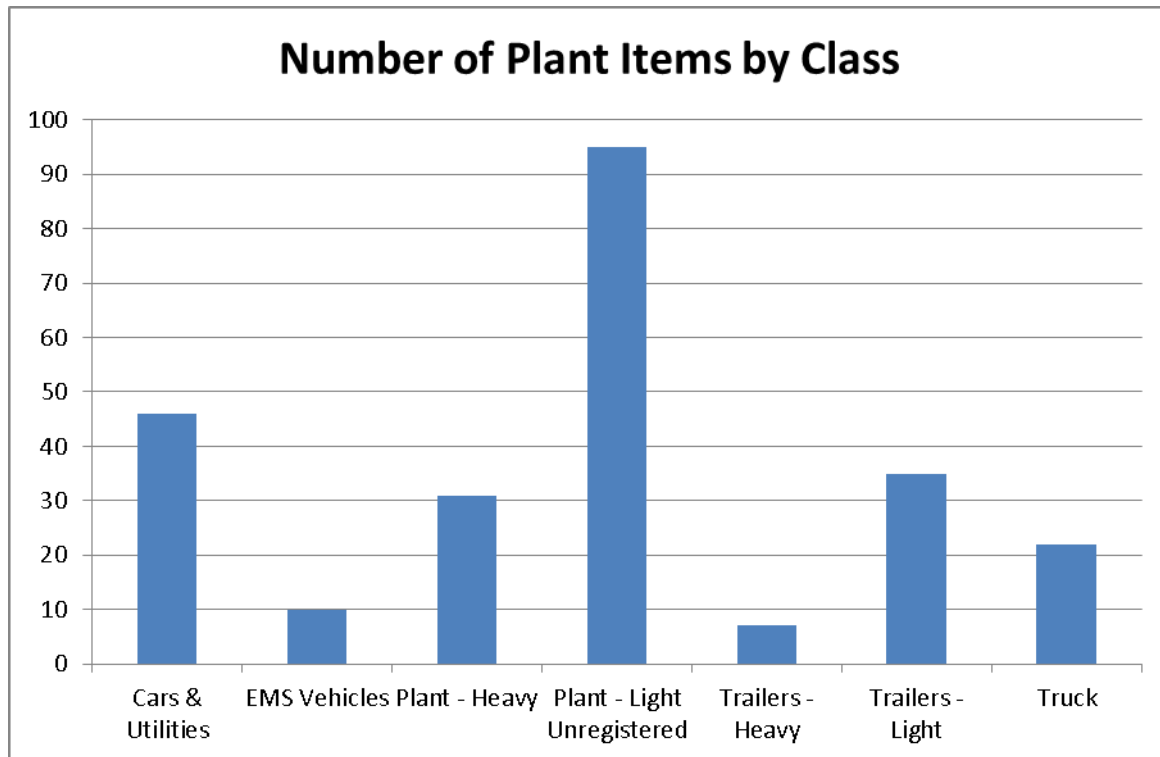


Figure 1

Table 5

Fleet Classification	Number of Items
Cars & Utilities	46
EMS Vehicles	10
Plant - Heavy	31
Plant - Light Unregistered	95
Trailers - Heavy	7
Trailers - Light	35
Truck	22
Grand Total	246

Physical Parameters

The Fleet Asset Management Plan covers the assets show in Figure 2

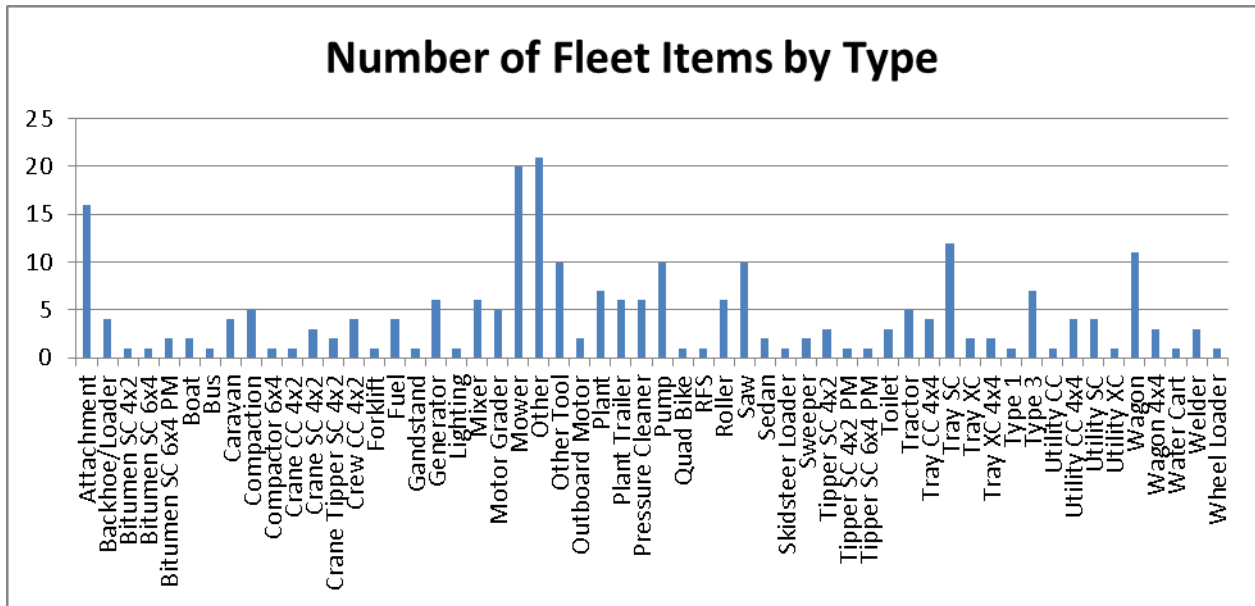


Figure 2

Table 6

Fleet Type	Number of Items
Attachment	16
Backhoe/Loader	4
Bitumen SC 4x2	1
Bitumen SC 6x4	1
Bitumen SC 6x4 PM	2
Boat	2
Bus	1
Caravan	4
Compaction	5
Compactor 6x4	1
Crane CC 4x2	1
Crane SC 4x2	3
Crane Tipper SC 4x2	2
Crew CC 4x2	4
Forklift	1

Fleet Type	Number of Items
Fuel	4
Grandstand	1
Generator	6
Lighting	1
Mixer	6
Motor Grader	5
Mower	20
Other	21
Other Tool	10
Outboard Motor	2
Plant	7
Plant Trailer	6
Pressure Cleaner	6
Pump	10
Quad Bike	1
RFS	1
Roller	6
Saw	10
Sedan	2
Skidsteer Loader	1
Sweeper	2
Tipper SC 4x2	3
Tipper SC 4x2 PM	1
Tipper SC 6x4 PM	1
Toilet	3
Tractor	5
Tray CC 4x4	4
Tray SC	12
Tray XC	2
Tray XC 4x4	2
Type 1	1
Type 3	7
Utility CC	1
Utility CC 4x4	4
Utility SC	4
Utility XC	1
Wagon	11
Wagon 4x4	3
Water Cart	1
Welder	3
Wheel Loader	1
Grand Total	246

Asset Condition

Council currently monitors the condition of its fleet via visual inspection and customer request. Inspection frequency varied depending upon the asset type and utilization. Fleet maintains all items in serviceable condition, unserviceable items are stood down.

Asset conditions currently are NOT recorded in Council's asset management system. Asset age is instead used as the initial indicator of condition and replacement for fleet assets.

The following diagrams show the age profile distribution of the fleet assets. Fleet Items of unknown age have been excluded.

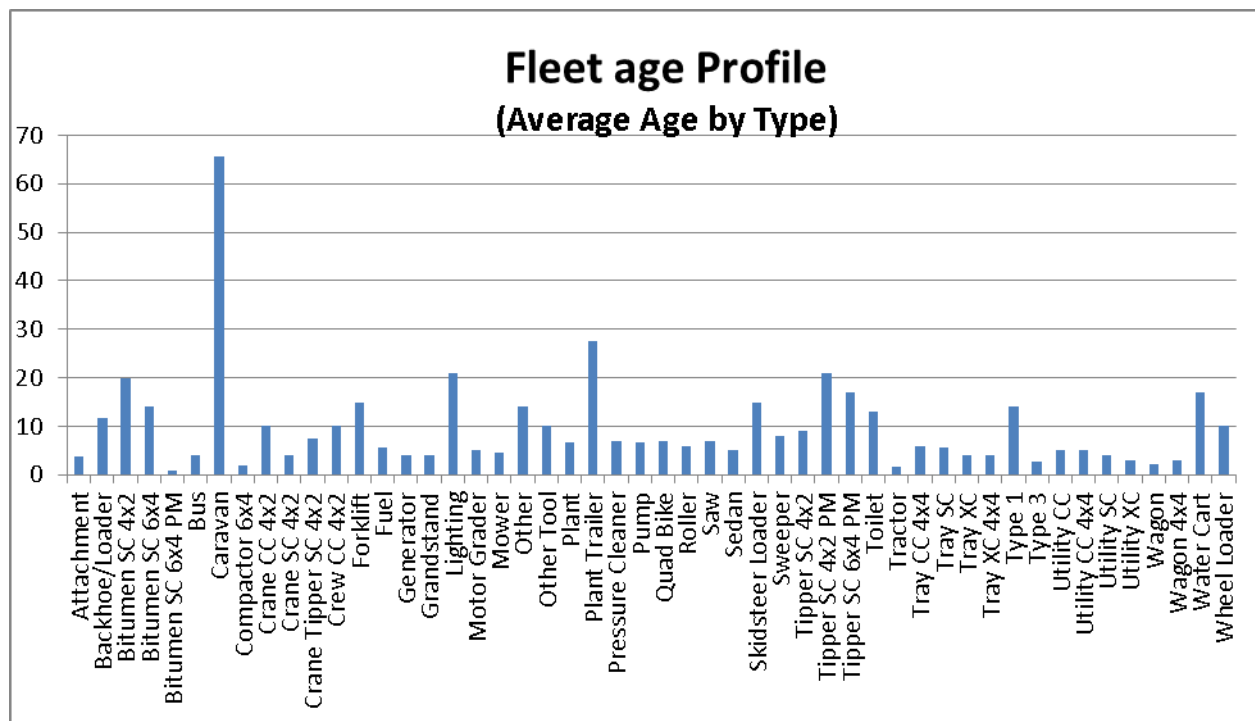


Figure 3

Table 7

Fleet Type	Number	Average Age (years)
Attachment	9	4
Backhoe/Loader	4	12
Bitumen SC 4x2	1	20
Bitumen SC 6x4	1	14
Bitumen SC 6x4 PM	2	1
Bus	1	4
Caravan	4	66
Compactor 6x4	1	2

Fleet Type	Number	Average Age (years)
Crane CC 4x2	1	10
Crane SC 4x2	3	4
Crane Tipper SC 4x2	2	8
Crew CC 4x2	4	10
Forklift	1	15
Fuel	4	6
Generator	2	4
Grandstand	1	4
Lighting	1	21
Motor Grader	5	5
Mower	16	5
Other	10	14
Other Tool	1	10
Plant	7	7
Plant Trailer	6	28
Pressure Cleaner	3	7
Pump	3	7
Quad Bike	1	7
Roller	6	6
Saw	1	7
Sedan	2	5
Skidsteer Loader	1	15
Sweeper	2	8
Tipper SC 4x2	3	9
Tipper SC 4x2 PM	1	21
Tipper SC 6x4 PM	1	17
Toilet	3	13
Tractor	5	2
Tray CC 4x4	4	6
Tray SC	12	6
Tray XC	2	4
Tray XC 4x4	2	4
Type 1	1	14
Type 3	6	3
Utility CC	1	5
Utility CC 4x4	4	5
Utility SC	4	4
Utility XC	1	3
Wagon	11	2
Wagon 4x4	3	3
Water Cart	1	17
Wheel Loader	1	10

Fleet Type	Number	Average Age (years)
Grand Total	172	9

Average age by Fleet Classification and Type are shown in the following figures:

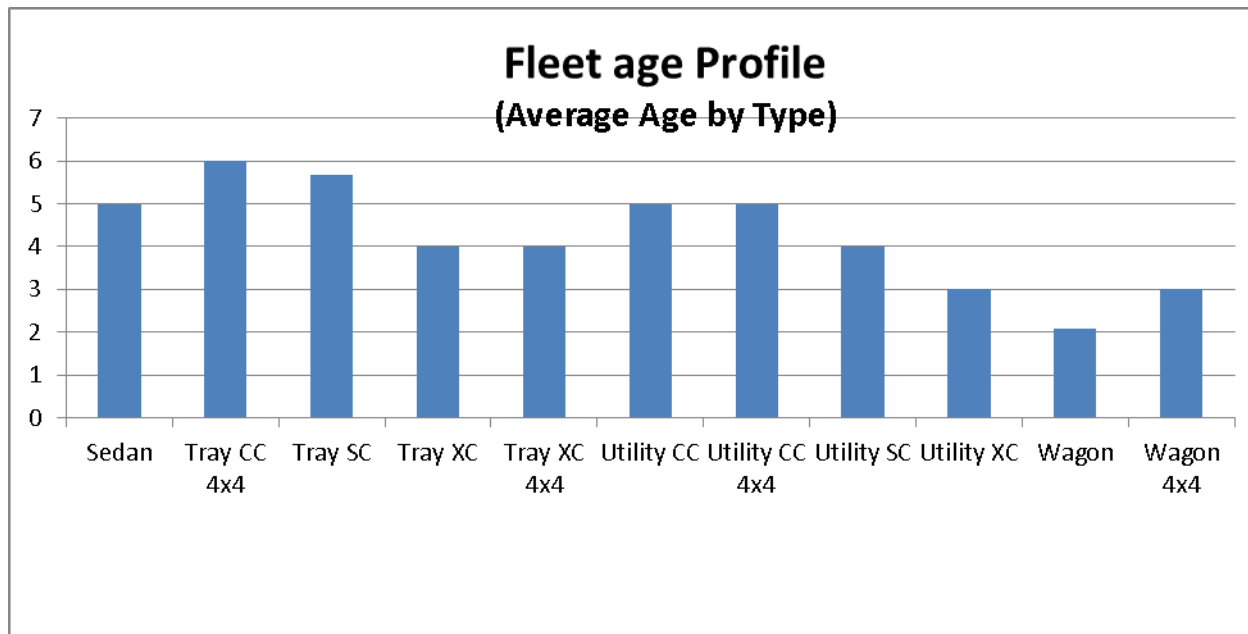


Figure 4 - Cars & Utilities

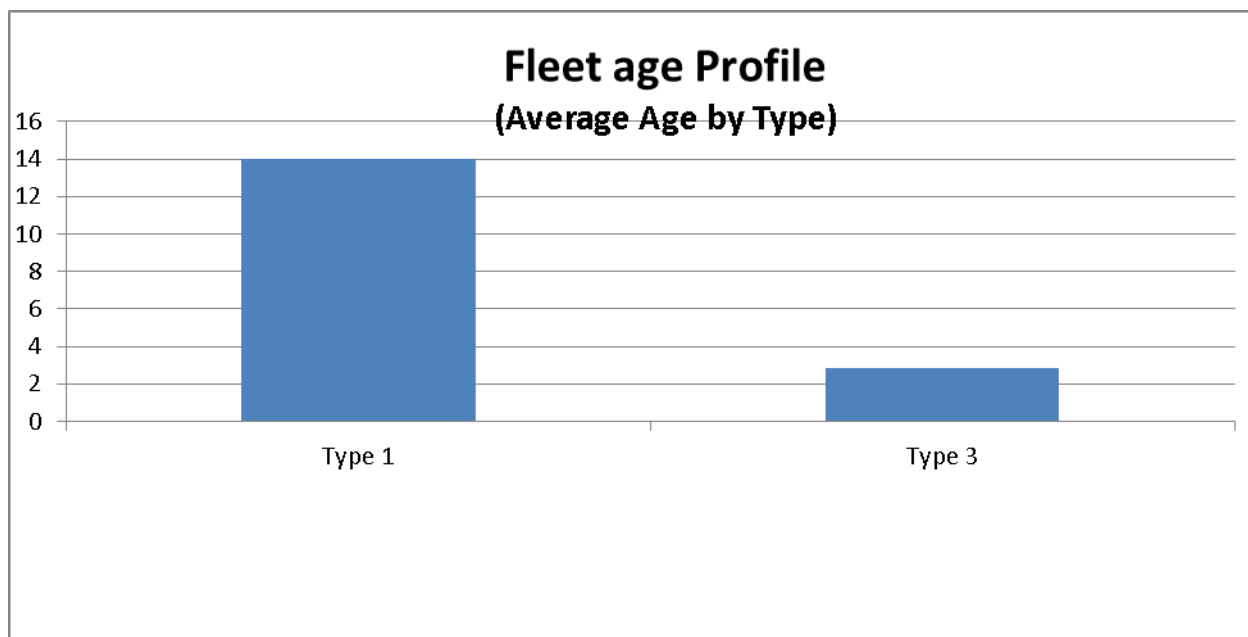


Figure 5 - EMS Vehicles

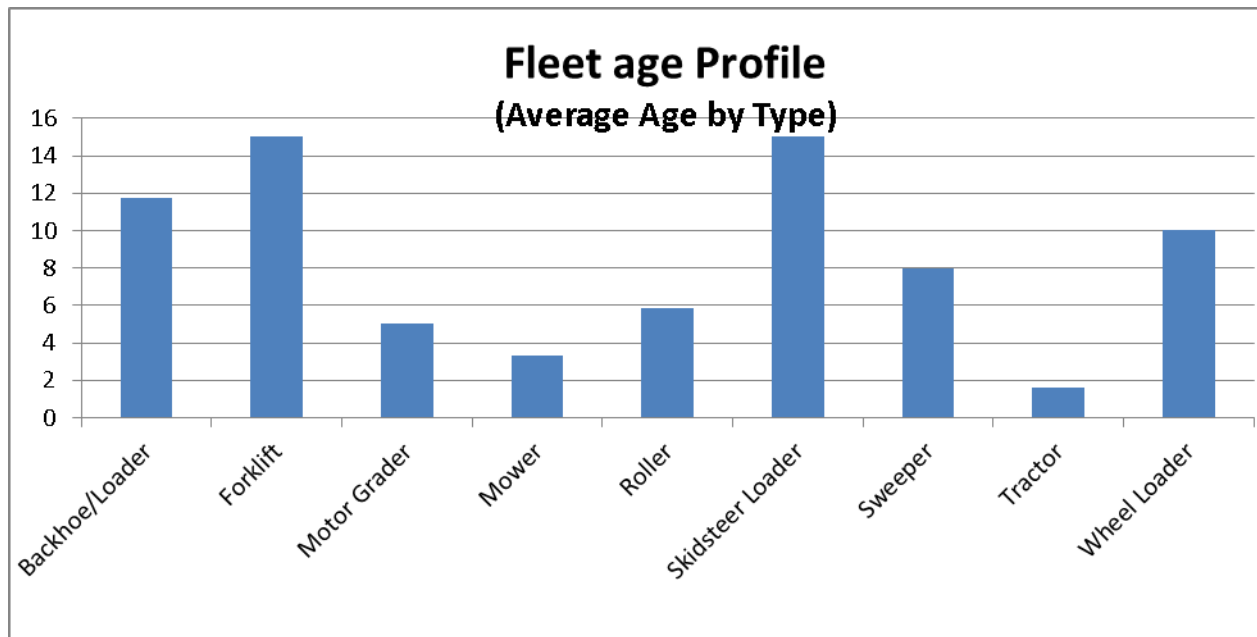


Figure 6 - Plant - Heavy

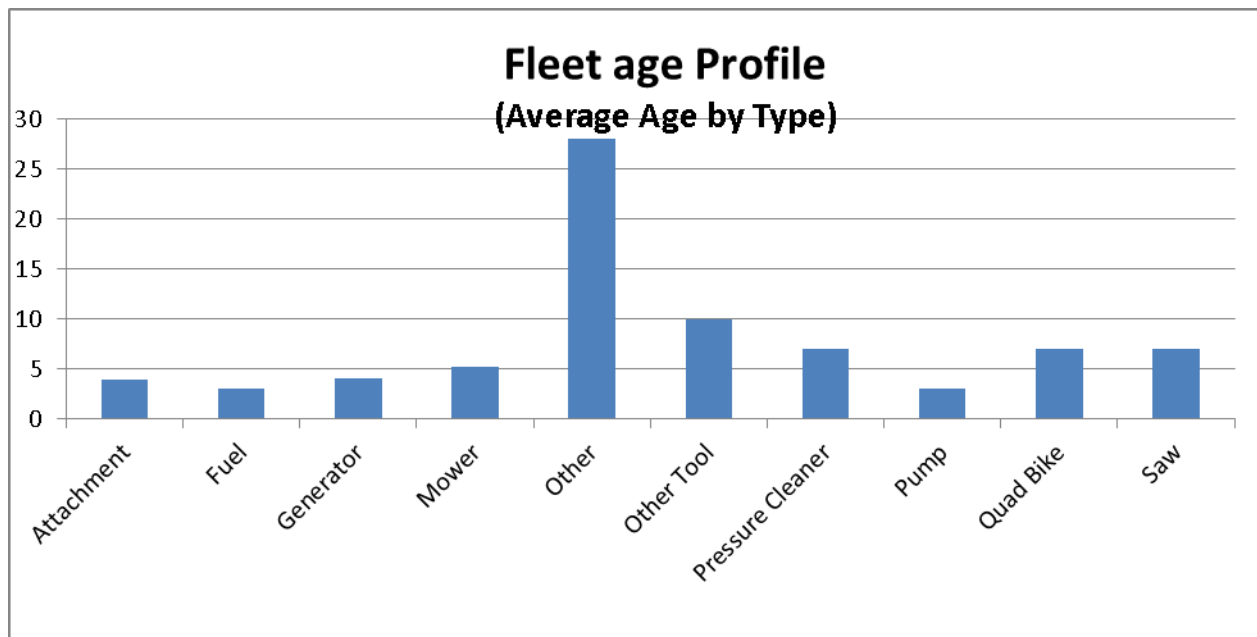


Figure 7 - Plant - Light

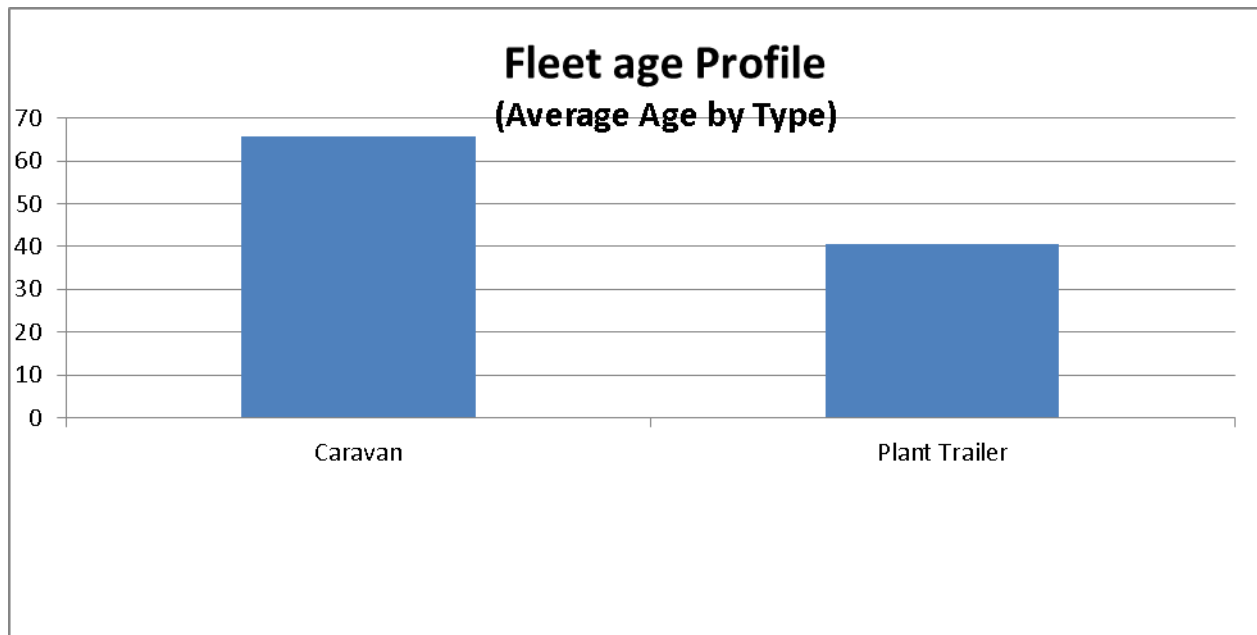


Figure 8 - Trailers - Heavy

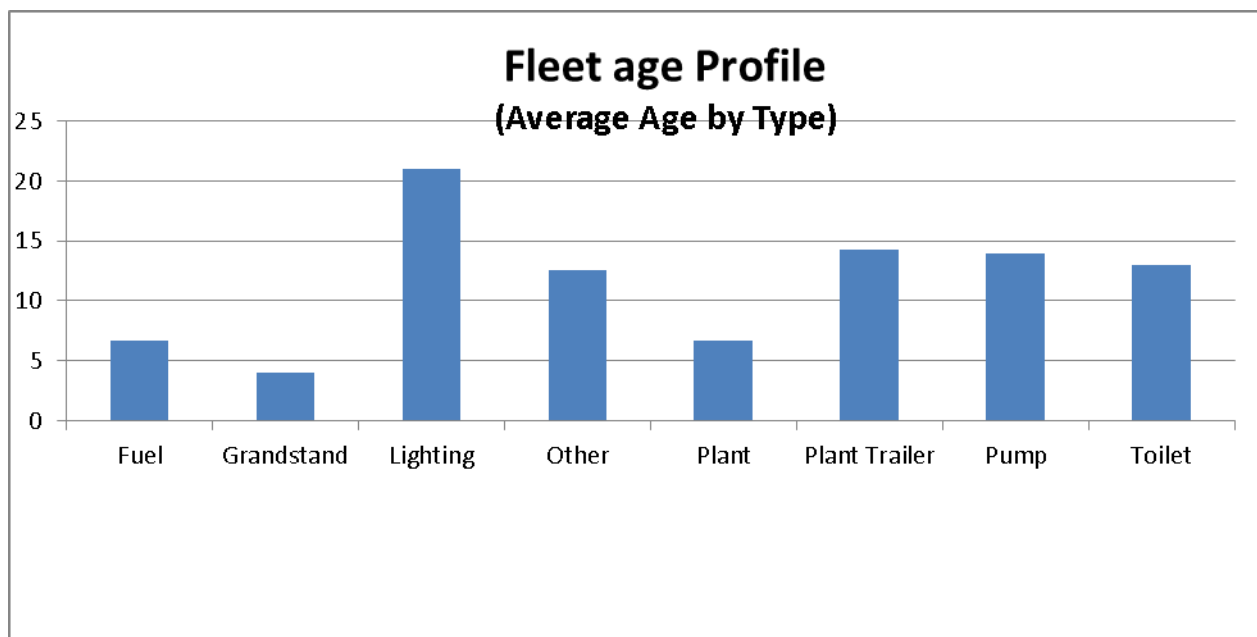


Figure 9 - Trailers - Light

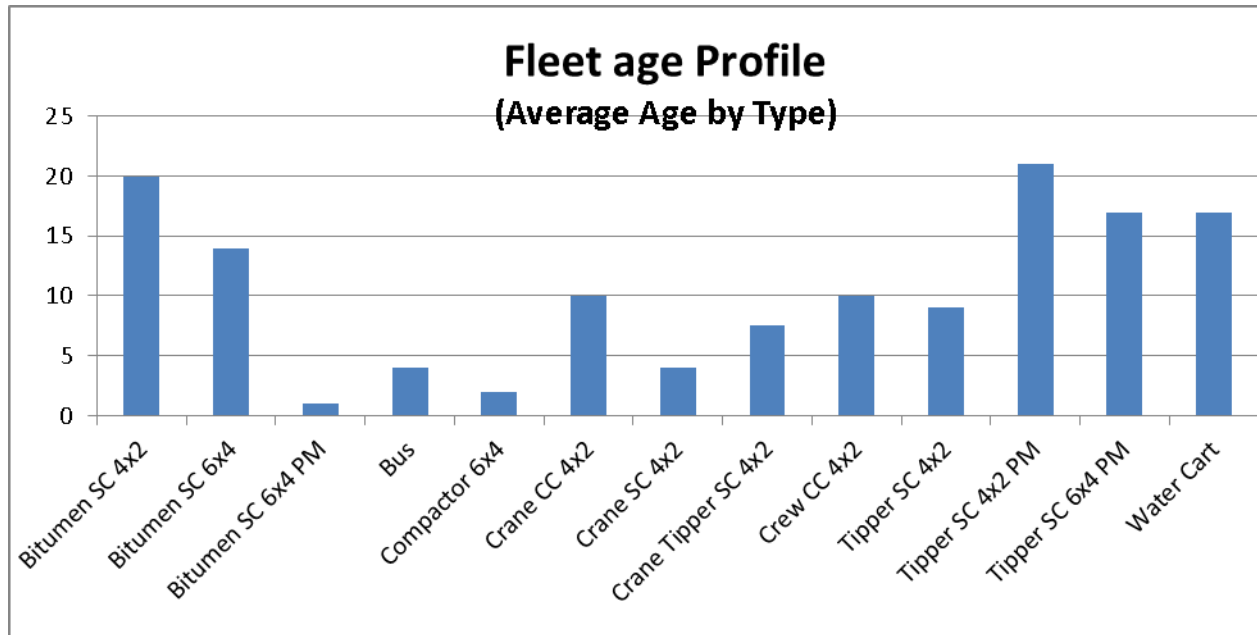


Figure 10 - Trucks

Asset Capacity / Performance

Council's services are generally provided to meet design standards where these are available. Relevant standards and guidelines for fleet assets include the performance requirements of the legislative framework and Australian Standards.

Locations where deficiencies in service performance are known are detailed in the Table 8.

Table 8

Location	Service Deficiency
All Fleet on job	Users often not completing daily inspections and user adjustments effectively – resulting in increased wear, plant failure on the job, unplanned downtime, and increased operating costs
All Fleet on job	Some users have expectations of plant to be “indestructible” and exceed plant design specifications – resulting in increased wear, plant failure on the job, unplanned downtime, and increased operating costs
Waste collection vehicles	Council currently owns only one purpose-designed waste collection vehicle (due to the capital cost) – resulting in the need to hire a replacement from outside the Shire if downtime exceeds 3 days per week
Maintenance Management System	Fleet currently does not use an efficient electronic inspection and maintenance documentation system that maintains data in a readily accessible format
Asset Management System	Fleet currently does not hold all its asset information and valuation data in an electronic, readily accessible, and auditable system
All Fleet	Fleet does not have sufficient expertise in calculating hire rates in an independent and unbiased manner for negotiation with User Departments

Asset Valuations

The value of assets as at 30 June 2012 covered by this asset management plan are summarised below. Assets were valued based on their original purchase price at current values.

Note: Asset values do NOT include the administrative cost of approximately 2-5% to operate the renewal program.

Table 9

Fleet Classification	Replacement Cost	Depreciable Amount	Annual Depreciation	Accumulated Depreciation	Written Down Value
Cars & Utilities	\$1,628,735	\$1,465,862	\$276,885	\$956,473	\$672,262
EMS Vehicles	\$367,835	\$331,052	\$36,784	\$156,140	\$211,696
Plant - Heavy	\$4,133,369	\$3,720,032	\$413,337	\$2,001,969	\$2,131,400
Plant - Light Unregistered	\$347,973	\$313,176	\$34,797	\$110,277	\$237,696
Trailers - Heavy	\$301,770	\$271,593	\$30,177	\$256,089	\$45,681
Trailers - Light	\$258,176	\$232,359	\$25,818	\$172,315	\$85,861
Truck	\$2,845,140	\$2,560,626	\$284,514	\$1,510,454	\$1,334,686
Grand Total	\$9,883,000	\$8,894,700	\$1,102,311	\$5,163,717	\$4,719,283

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Annual Asset Consumption	=	<u>Depreciation</u>	=	<u>\$1,102,000</u>	=	12.39%
		<i>Depreciable Amount</i>		\$8,895,000		
Annual Asset Renewal	=	<u>Renewal Expenditure</u>	=	<u>\$ 630,000</u>	=	7.08%
		<i>Depreciable Amount</i>		\$8,895,000		
Annual Upgrade/expansion	=	<u>Upgrade/ Expansion</u>	=	<u>\$ 15,000</u>	=	0.17%
		<i>Depreciable Amount</i>		\$8,895,000		

Risk Management Plan

Council has not conducted Risk Management Plan for *Fleet Assets*. Future versions of this plan will incorporate risk management.

Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold.

Maintenance Expenditure Over the last three years:

Table 10

Operating & Maintenance Expenditure	2010	2011	2012 (Budgeted)
Expenditure on Dry Hire / Interest Payments	\$1,229,340	\$758,587	\$538,291
Operating Expenditure (excluding Depreciation)	\$1,061,704	\$664,996	\$978,260
Planned Maintenance	\$139,198	\$129,460	\$190,000
Reactive Maintenance	\$617,588	\$689,432	\$560,000
Subtotal - Maintenance	\$756,786	\$818,892	\$750,000
Repair:Service Ratio	4.44	5.33	2.95

Existing maintenance expenditure levels are considered to be *adequate* to meet current service levels.

The repair:service expenditure ratio is well below automotive/plant servicing industry best practice. This can be primarily attributed to the nature of providing wide-ranging maintenance services to the Council, including repairs and servicing of fixed plant and "at-call" demands. However this deficiency is NOT atypical of other local government workshops in rural areas.

The amount of reactive maintenance can also be attributed to the age of the fleet exceeding the planned replacement age.

Council is currently in the process of reviewing maintenance processes and developing inspection and condition rating regimes.

Formalising these maintenance processes will enable Council to increase the amount of planned and cyclic maintenance within existing budget allocations and assist in developing a more proactive approach to maintenance.

Deferred maintenance, ie works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan.

Renewal / Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register worksheets on the '*Planned Expenditure template*'. Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised below.

Note that all costs are shown in current 2011/12 Australian dollar values.

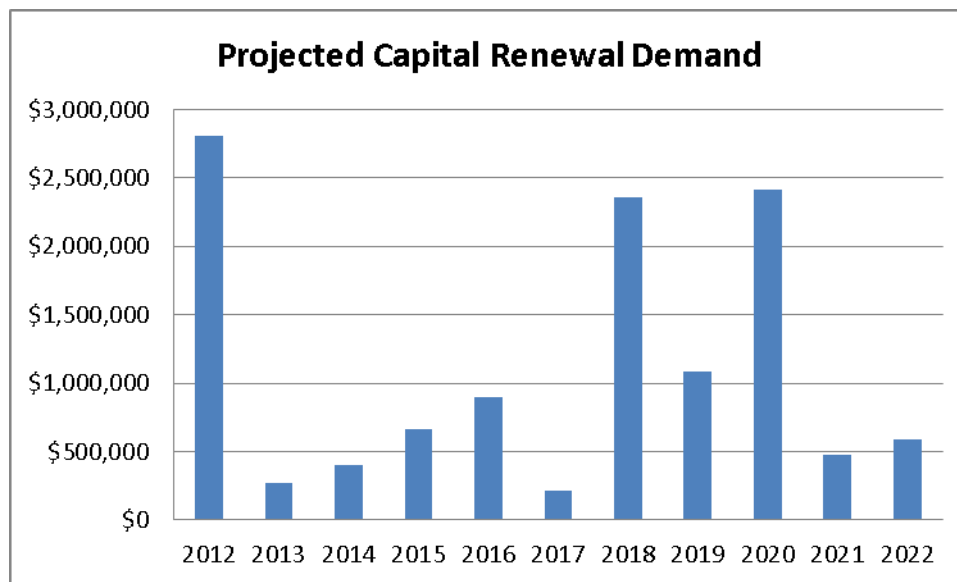


Figure 11

Note: Current renewal expenditure is \$630,000 p.a. excluding 2-5% administration costs. The Plan proposes to maintain this level of expenditure.

The renewal plan is illustrated in Figure 13 including the depreciation expense associated with existing and new/upgraded fleet.

Renewals are to be funded from Council's internal plant hire revenue and loans. This is further discussed in our financial summaries in [Section 6](#).

New Works Plan – Creation / Acquisition / Upgrading

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs.

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are investigated to verify need and to develop a preliminary acquisition estimate. Verified proposals are ranked by priority and available funds and scheduled in future capital programs.

The priority ranking criteria is detailed below.

Table 11

Criteria	Weighting
Required for delivery of essential services	High
Savings in Whole of Life Cost of plant ownership (application of benefits from technology, improved work practices)	High
Plant ownership is below the whole cost of hiring equivalent plant	Medium
Non-Availability of equivalent plant for hire	Medium

Planned upgrade/new asset expenditures are outlined below. The planned upgrade/new capital works program is shown in detail in [Appendix A](#). All costs are shown in current 2011/12 Australian dollar values.

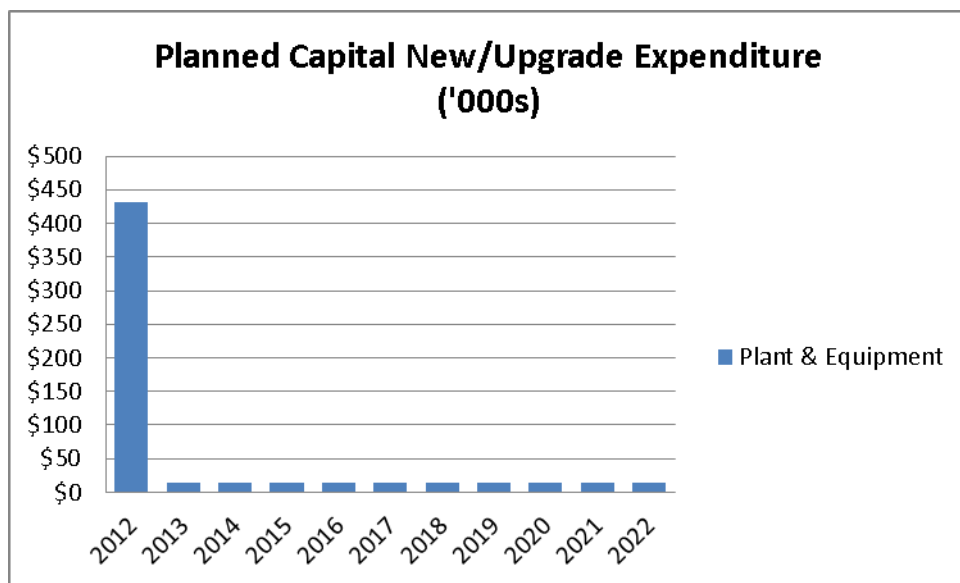


Figure 12

New assets and services are to be funded from Council’s internal plant hire revenue and loans. See Financial Summary further discussed in [Section 6](#).

Note that new and upgraded roads assets will incur additional maintenance and renewal expenditure over their life. However this impact has been assessed as negligible when taking proposed disposals into account.

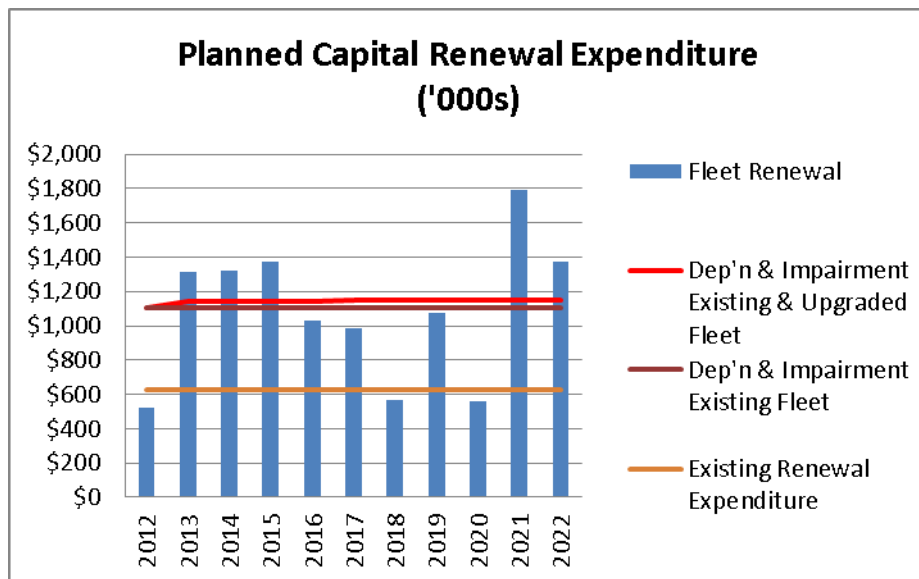


Figure 13

Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

The disposals of fleet items to be replaced have been incorporated in the renewal plan. However a number of fleet items have also been identified to be disposed of and not renewed as shown below:

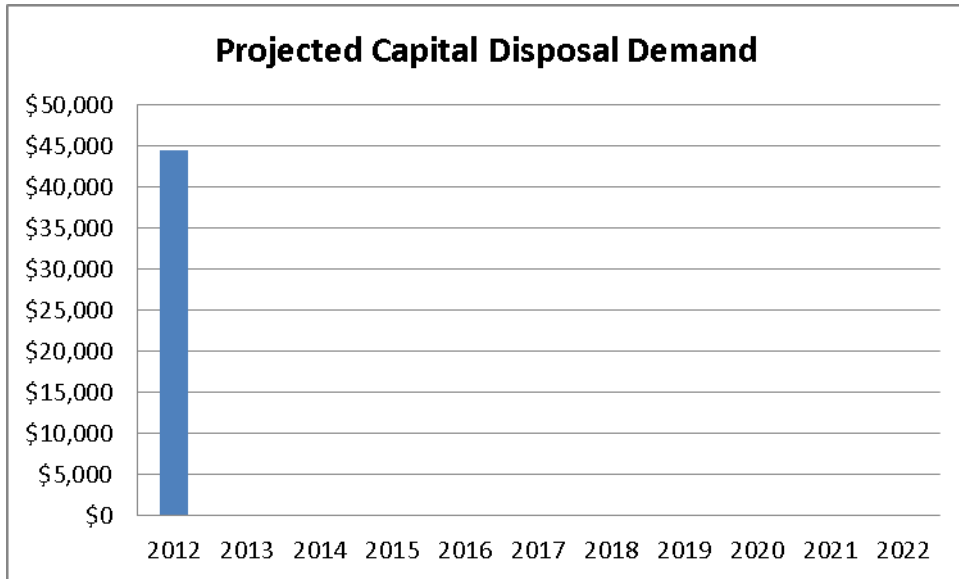


Figure 14

6. Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

Financial Statements and Forecasts

The financial projections are shown for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets) are shown below.

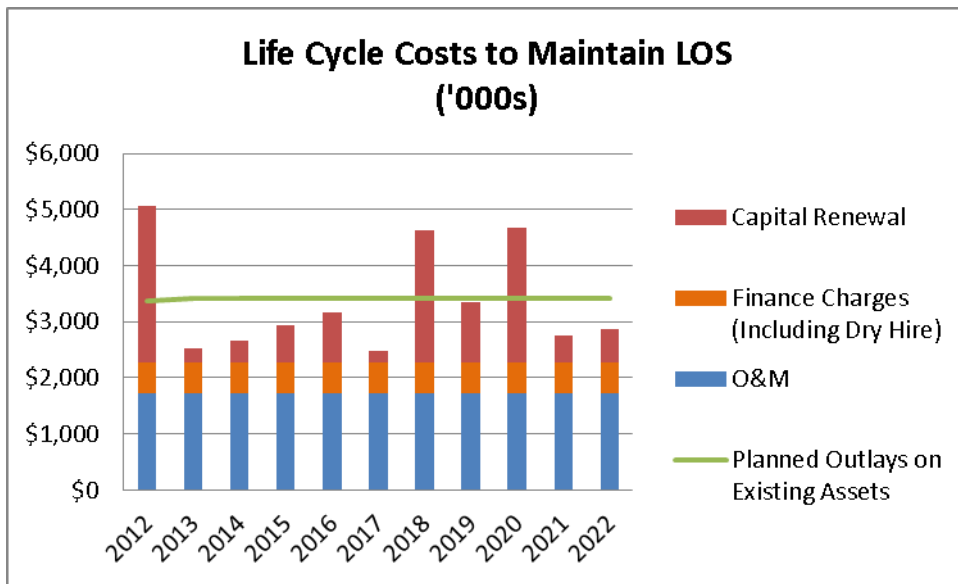


Figure 15

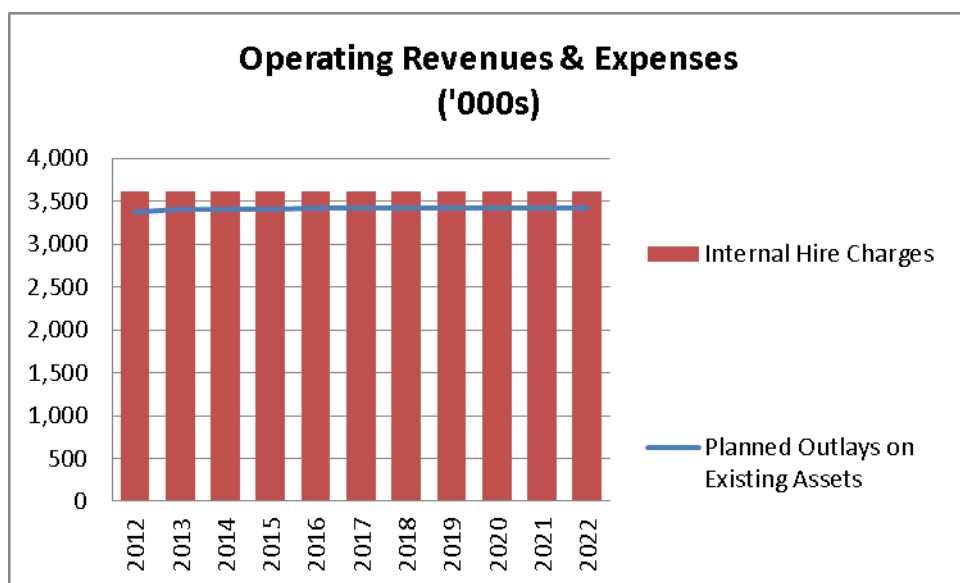


Figure 16

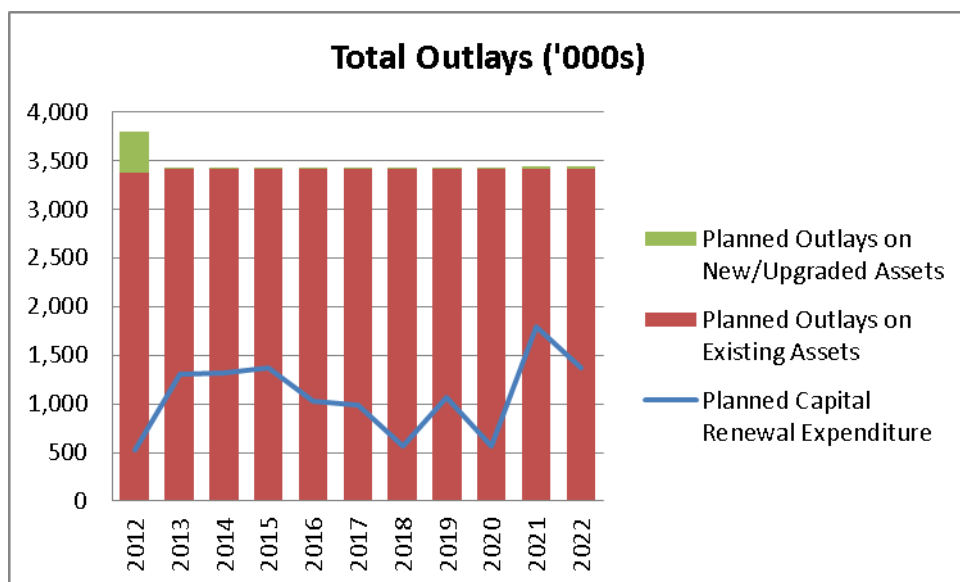


Figure 17

Sustainability of Service Delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 10 year financial planning period.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense). The annual average life cycle cost for the services covered in this asset management plan is **\$3,927,000**.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is **\$3,428,000**.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year. The purpose of this fleet asset management plan is to identify levels of service that the user departments need and can afford and develop the necessary long term financial plans to provide the service in a sustainable manner.

The life cycle gap for services covered by this asset management plan is **\$499,000** per annum. The life cycle sustainability index is **0.87**

The Medium term – 10 year financial planning period

This asset management plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to user departments over a 20 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner. However it should be noted that no fleet assets have an economic life exceeding 10 years, so the outer years have not been specifically modeled.

This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core asset management plan, a gap is generally due to increasing asset renewals.

Figure 18 shows the projected asset renewals in the 10 year planning period from the asset register. The projected asset renewals are compared to planned renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period as shown in Figure 17.

Projected and Planned Renewals and Current Renewal Expenditure

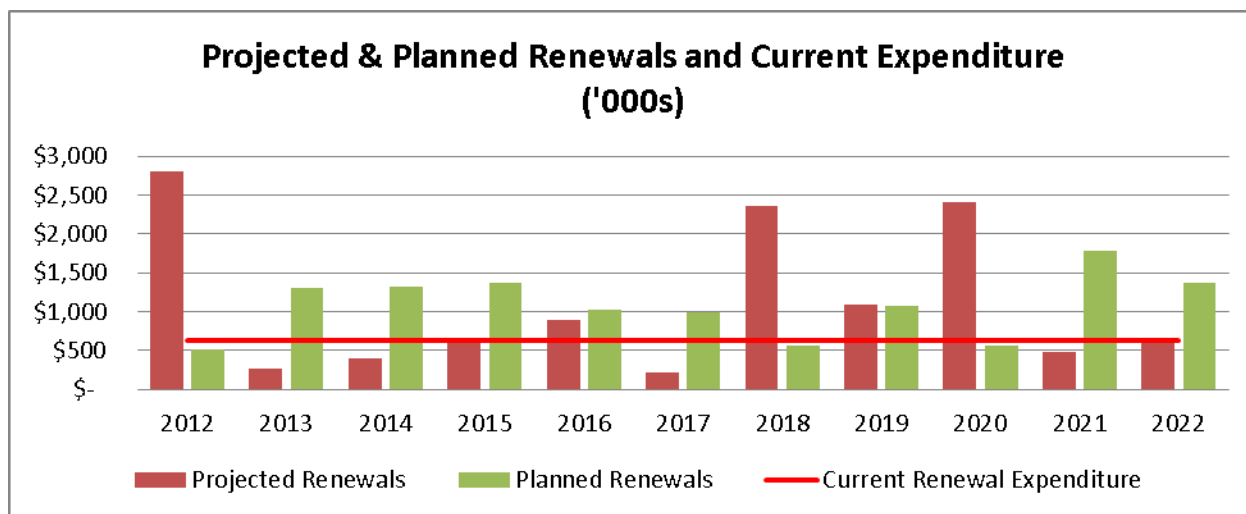


Figure 18

Table 12 shows the annual and cumulative funding gap between projected and planned renewals.

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue. A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue. A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap. Council will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services.

Council's long term financial plan covers the first 10 years of the 20 year planning period. The total maintenance and capital renewal expenditure required over the 10 years is **\$43,233,000**.

This is an average expenditure of **\$3,930,000 p.a.** Estimated maintenance and capital renewal expenditure in year 1 is **\$3,346,000**. The 10 year sustainability index is **0.85**.

Table 12

Projected & Planned Renewals and Current Expenditure ('000s)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projected Renewals	\$ 2,803	\$ 268	\$ 396	\$ 667	\$ 893	\$ 212	\$ 2,358	\$ 1,082	\$ 2,412	\$ 477	\$ 592
Planned Renewals	\$ 521	\$ 1,311	\$ 1,322	\$ 1,370	\$ 1,029	\$ 989	\$ 564	\$ 1,073	\$ 560	\$ 1,790	\$ 1,375
Current Expenditure	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630
Annual Funding Gap	\$ 2,282	\$ (1,043)	\$ (926)	\$ (703)	\$ (135)	\$ (777)	\$ 1,794	\$ 9	\$ 1,852	\$ (1,313)	\$ (783)
Cumulative Gap	\$ 2,282	\$ 1,240	\$ 314	\$ (389)	\$ (524)	\$ (1,302)	\$ 492	\$ 501	\$ 2,353	\$ 1,040	\$ 257

Funding Strategy

Projected expenditure identified in **section 6.0** is to be funded from internal plant hire charges. Council funds construction, maintenance and improvements to infrastructure assets from a variety of sources, these will include recurrent income, grant and loan funding or any combination of these depending on the size and scope of the project.

Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and others and donated to Council. Figure 19 shows the projected replacement cost asset values over the planning period in current 2011/2012 Australian dollar values.

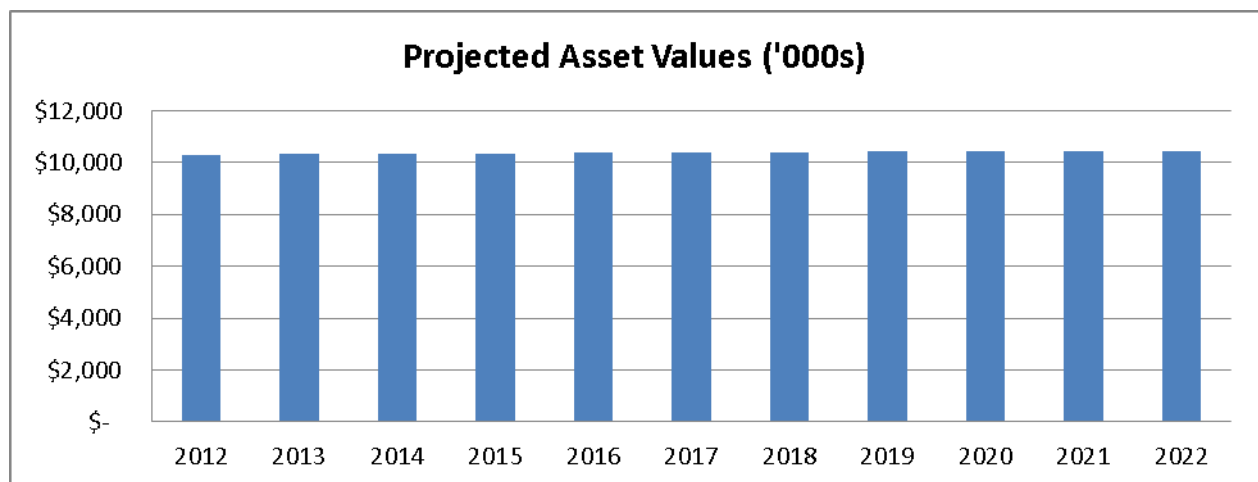


Figure 19

Depreciation expense values are forecast below and are in line with projected asset values above.

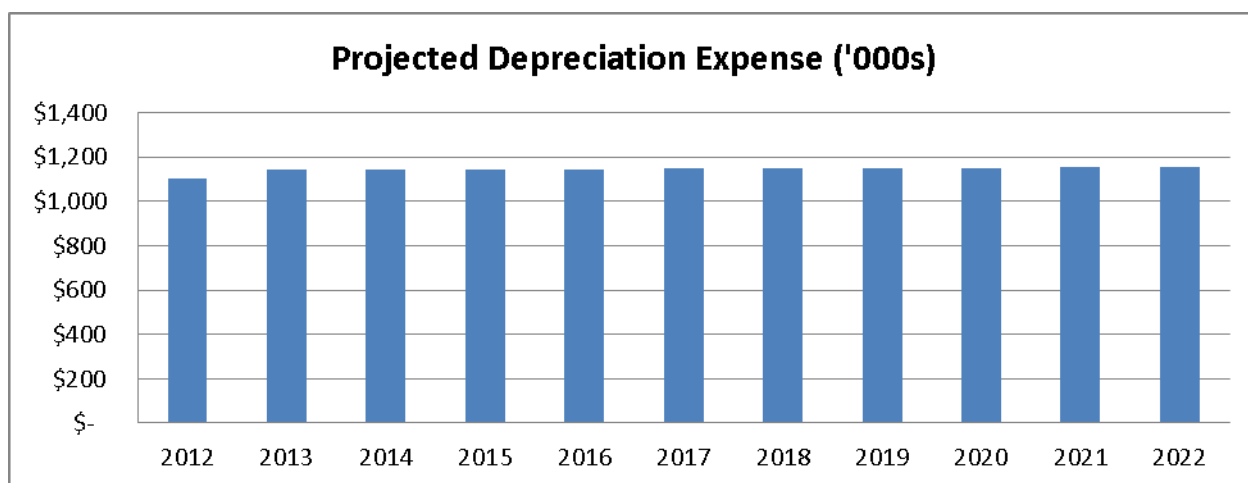


Figure 20

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown below.

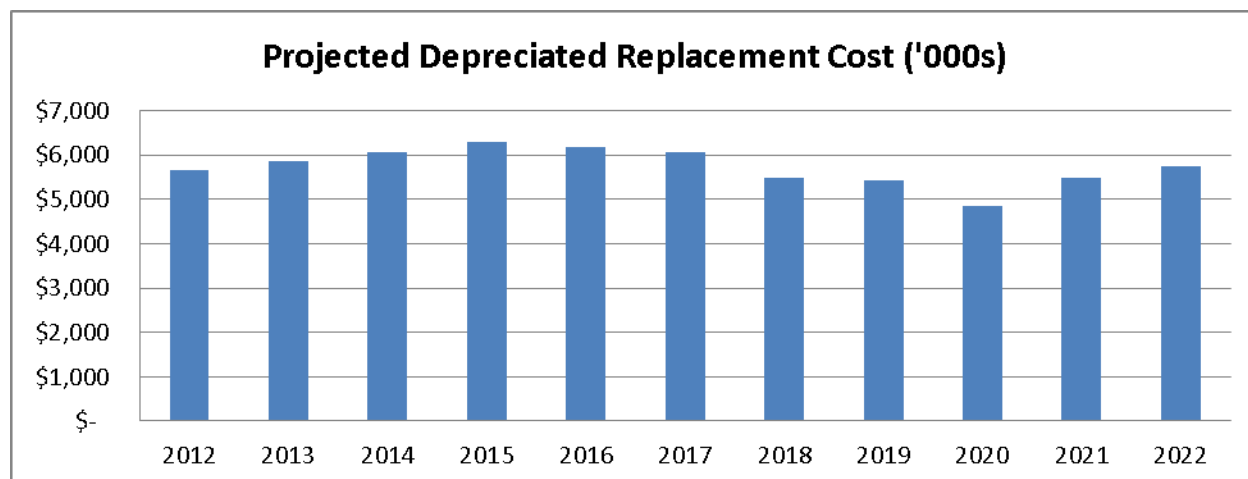


Figure 21

Key Financial Forecast Assumptions

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates.

It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

Depreciation rates

	Cars & Utilities
Planned Life =	3
Life =	5.3
Residual =	10%
	Other Fleet
Planned Life =	8
Life =	9.0
Residual =	10%

Revenue

Fleet revenue is dependent on sustained demand from user departments for internal fleet to deliver services to the community. The assumed revenue will vary from year to year and can be impacted by the following factors:

1. Accuracy in setting the internal hire rates to reflect real costs;
2. Flooding and drought which can have adverse impacts on fleet utilization;
3. Assumed grants for community services not being received.

Accuracy of future financial forecasts may be improved in future revisions of this asset management plan by the following actions:

1. Continual review of depreciation rates as improved condition as asset consumption information becomes available.

7. Asset Management Practices

Walgett Shire Council uses Authority software package for accounting purposes and has Conquest software for asset reporting purposes, however the Conquest data is not current.

Authority contains the General Ledger and Conquest includes an Asset Register. The Asset Register is a subsidiary record supporting the balances of General Ledger control.

The Conquest software Asset Register is set up to achieve reporting to satisfy statutory and internal reporting outcomes.

Current Asset Management Resources

Walgett Shire Council currently uses Conquest Asset Management System.

There are insufficient person hours available for maintaining accurate and current asset information.

Council's asset management systems for fleet rely on professional staff to update maintain the systems as one part of a wide range of technical and managerial responsibilities.

Planned Areas of Improvement.

.....

Standards and Guidelines

'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, 2006 / 2011

AAS27, 'Financial Reporting by Local Governments', Australian Accounting Standards, June 1996

AASB1031, 'Materiality', Australian Accounting Standards Board, July 2004

AASB116, 'Property, Plant and Equipment', Australian Accounting Standards Board, July 2007

8. Plan Improvement and Monitoring

Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

1. The degree to which the required cashflows identified in this asset management plan are incorporated into council's long term financial plan and Strategic Management Plan; and
2. The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan.

Improvement Program

The asset management improvement plan generated from this asset management plan is shown in the following table.

Item	Description	Responsibility	Resources	Timeline
1	Asset Management Processes – Document Maintenance Processes	Engineering	Engineering / Finance / Services	Annual
2				
3				

Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 1 years of each Council election.

9. Appendices

References

Glossary of Terms

Capital Works Program

New Fleet

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tipper/PM SC 6x4 PM		\$247,000										
RT Dolly		\$28,000										
Plant Trailer		\$66,000										
Plant Trailer		\$75,000										
Minor Plant		\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
TOTAL:		\$431,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

Replacement Fleet

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
70		\$0	\$0	\$0	\$0	\$0	\$260,000	\$0	\$0	\$0	\$0	\$0
76		\$0	\$260,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000
121		\$0	\$260,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000	\$0
131		\$0	\$0	\$0	\$0	\$260,000	\$0	\$0	\$0	\$0	\$0	\$0
150		\$0	\$0	\$260,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000
174		\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
187		\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$0
188		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0
189												
200		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000	\$0	\$0
210		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0
220		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0
402												

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
405												
406		\$0	\$17,000	\$0	\$0	\$0	\$11,000	\$0	\$0	\$0	\$11,000	\$0
407		\$0	\$0	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$9,000
408		\$0	\$4,500	\$0	\$4,500	\$0	\$4,500	\$0	\$4,500	\$0	\$4,500	\$0
410		\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$20,000	\$0
411		\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$20,000	\$0
412		\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$0
413		\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$0
414		\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
415		\$0	\$16,000	\$0	\$0	\$0	\$16,000	\$0	\$0	\$0	\$16,000	\$0
501		\$0	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0	\$0
702												
703		\$0	\$0	\$160,000	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$0
729		\$0	\$0	\$0	\$0	\$0	\$0	\$17,000	\$0	\$0	\$0	\$0
731		\$0	\$0	\$0	\$65,000	\$0	\$0	\$0	\$0	\$0	\$65,000	\$0
763		\$0	\$0	\$0	\$230,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
784		\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
785		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$0
791		\$0	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,000	\$0
792		\$0	\$0	\$0	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
794		\$0	\$0	\$0	\$0	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0
816		\$0	\$0	\$0	\$0	\$0	\$130,000	\$0	\$0	\$0	\$0	\$0
817		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110,000	\$0
818		\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0
820		\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
840		\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
845		\$0	\$0	\$0	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0
851		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0
900		\$0	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0	\$0	\$4,500

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
901		\$0	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0	\$0	\$4,500
910		\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
930		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0
937												
938		\$0	\$0	\$0	\$0	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0
939		\$0	\$0	\$0	\$0	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0
940		\$0	\$0	\$0	\$0	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0
961		\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
962		\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$0	\$0
1003a		\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
1003b												
1004a		\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
1004b												
1005a		\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
1005b												
1008		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0
1010		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0
1011		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0
1012												
1020												
1022												
1024		\$0	\$0	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1025		\$0	\$0	\$0	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0
1037												
1053												
1054												
1055												
1056												
1057												

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1058												
1072												
1098												
1129												
1137												
1138												
1145												
1160												
1179		\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0
1194		\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0
1195												
1196												
1197		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0
1198												
1219		\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
1220												
1250												
1251		\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0
1266		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1267		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1268												
1269												
1270												
1276												
1284												
1292												
1307												
1315												
1323												

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1327												
1328												
1331												
1332												
1333												
1340												
1341												
1342												
1344												
1345												
1348												
1373												
1425												
1496												
1501												
1502												
1503												
1528												
1555												
1557												
1640		\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
1641		\$0	\$0	\$0	\$0	\$0	\$12,000	\$0	\$0	\$0	\$0	\$0
1642		\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0
1645												
1670												
1674												
1678		\$0	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0
1680												
1682												

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1690		\$0	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$0
1705												
1706												
1707		\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500
1708												
1780		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1781		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1782		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1783		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1811												
1852												
1900												
1902												
1906												
1944												
1955		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1961		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1962												
1963												
1973												
1975												
1976		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1977		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2101		\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000
2109		\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500
2110		\$0	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$0
2111												
2112		\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0
2113		\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$0	\$0

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2248												
2272												
2275												
2277												
2478												
2486												
2487												
2489												
2490												
2510		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0
2820		\$0	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2821												
4427												
4428		\$15,000	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$0
4448		\$0	\$25,000	\$0	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0
4451		\$0	\$18,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0
4455		\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0
4525		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0
4527		\$15,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000
4528		\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0
4544		\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000
4552		\$0	\$19,000	\$0	\$19,000	\$0	\$0	\$19,000	\$0	\$0	\$19,000	\$0
4553		\$19,000	\$0	\$0	\$19,000	\$0	\$0	\$19,000	\$0	\$0	\$19,000	\$0
4555												
4561												
4562		\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000
4571		\$17,000	\$0	\$0	\$17,000	\$0	\$0	\$17,000	\$0	\$0	\$17,000	\$0
4711												
4713		\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
4715		\$0	\$0	\$20,000	\$0	\$0	\$20,000	\$0	\$0	\$20,000	\$0	\$0
4802												
4804		\$0	\$0	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0
4838		\$15,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000
4839		\$0	\$0	\$31,000	\$0	\$0	\$31,000	\$0	\$0	\$31,000	\$0	\$0
4840		\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000
4842		\$0	\$17,000	\$0	\$17,000	\$0	\$17,000	\$0	\$17,000	\$0	\$17,000	\$0
4843		\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0
4845												
4846												
4847		\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0
4848		\$0	\$0	\$20,000	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$20,000
4849		\$0	\$20,000	\$0	\$0	\$20,000	\$0	\$0	\$20,000	\$0	\$0	\$20,000
4850												
4851		\$40,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000
4906		\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0
4910												
4911												
4912		\$22,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0
5003		\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0
5008												
5009		\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
5210		\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000
5246		\$0	\$0	\$175,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
5272		\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5289		\$0	\$0	\$170,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
5316												
5317		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$0
5318		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$0

Fleet Item	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
5322		\$0	\$0	\$24,000	\$0	\$0	\$0	\$0	\$24,000	\$0	\$0	\$0
5344		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5353		\$0	\$115,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0
5354												
5355		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0
5395		\$0	\$0	\$0	\$0	\$116,000	\$0	\$0	\$0	\$0	\$0	\$0
5420		\$17,000	\$17,000	\$0	\$0	\$17,000	\$0	\$0	\$17,000	\$0	\$0	\$17,000
5473		\$0	\$18,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0
5513		\$0	\$55,000	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0
5514		\$18,000	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$0
5684		\$0	\$18,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0
5696		\$0	\$18,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,000	\$0
5742		\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0
5770		\$0	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000
5775		\$0	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000
5833		\$0	\$25,000	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000	\$0	\$13,000	\$0
5840		\$17,000	\$0	\$0	\$17,000	\$0	\$0	\$17,000	\$0	\$0	\$17,000	\$0
5907		-\$40,000	\$0	\$0	\$220,000	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0
5912		\$0	\$0	\$80,000	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0
5913		\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0
5938		\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0
6003		\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0
6004		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
6005		\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6007		\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0
6009		\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0
6011		\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0
6012												
6013												

Fleet Item 7001	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL		\$521,000	\$1,311,000	\$1,322,000	\$1,370,000	\$1,028,500	\$989,000	\$564,000	\$1,073,000	\$560,000	\$1,790,000	\$1,375,000

10. Further Document Drafting Notes:

Asset Management Strategy

Councils should ensure their asset management planning has a service delivery focus. In other words, the assets that are provided are necessary to meet the needs of the community as identified by the community.

All councils, irrespective of size or location, need to ensure that the sustainable management of assets is a '**whole of council' responsibility**, and that this is recognised at all levels within Council.

As the Strategy is a 'living document' that will include benchmarks and milestones aimed at improving Council's asset management processes and procedures, it must be monitored regularly and amended to reflect progression in its implementation.

1. The Asset Management **Strategy** must include an overarching council endorsed Asset Management Policy.

This outlines why and how asset management will be undertaken. It provides a clear direction for asset management and defines key principles that underpin asset management for the council

2. The Asset Management **Strategy** must identify assets that are critical to the council's operations and outline the risk management strategies for these assets.
3. The Asset Management **Strategy** must include specific actions required to improve Council's asset management capability and projected resource requirements and timeframes.

The key components or tools in a council's asset management system should include:

1. Asset registers
2. Asset condition assessments
3. Asset maintenance and management systems
4. Strategic planning capabilities
5. Predictive modeling
6. Deterioration modeling
7. Risk analysis
8. Lifecycle costing

Asset Management Plans

Minimum core approach must have

1. the best available information and random condition/performance sampling
2. a simple risk assessment to identify critical assets and strategies to manage those risks
3. a description of existing levels of service
4. long-term cash flow predictions for asset operation, maintenance and renewals based on local knowledge of assets and options for meeting current or improved levels of service and for serving the projected population
5. financial and critical service performance measures against which trends and Asset Management Plan implementation and improvement can be monitored.

There are specific asset management planning requirements for water supply and sewerage. They require compliance with the *Best-Practice Management of Water Supply and Sewerage Guidelines 2007* and the *NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets*. Further guidance for councils is provided in the *Water Supply and Sewerage Asset Management Guidelines 1991*.

These requirements include the need to prepare an Asset Register, a 20 to 30 year Operation Plan, Maintenance Plan and a Capital Works Plan which identifies the required renewals, works for improved levels of service and works for serving new growth. Councils must continue to meet these asset management planning requirements for their water supply and sewerage infrastructure.

For those councils that are yet to develop Asset Management Plan(s), they may wish to start off the process by developing a 'first cut' plan based on existing data and documenting existing levels of service, management strategy etc.