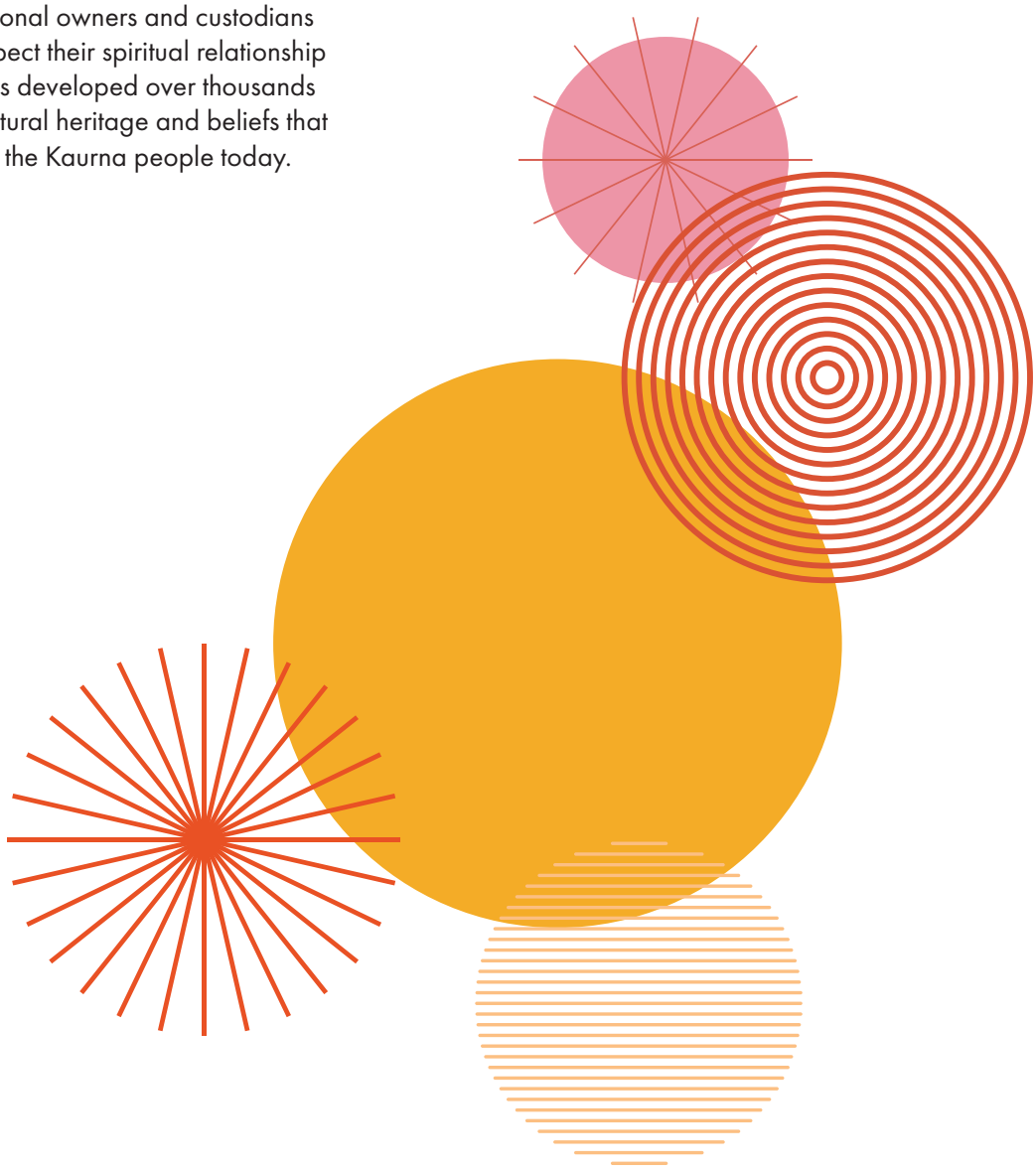
Plant and Equipment Asset Management Plan

2024

CITY OF
HOLDFAST BAY

Acknowledgement to Country

The City of Holdfast Bay acknowledges the Kaurna People as the traditional owners and custodians of the land. We respect their spiritual relationship with country that has developed over thousands of years and the cultural heritage and beliefs that remain important to the Kaurna people today.



Contents

Executive Summary

The City of Holdfast Bay owns and maintains 31 cars, 36 heavy vehicles, 31 major plant, 92 minor plant assets, and 439 pieces of minor equipment worth over $8.7 million. These assets support our civil, rapid response, and open space programs, and Community Wellbeing bus program.

The objective of asset management is to ensure the City of Holdfast Bay's assets are managed in the most cost-effective and sustainable way, so we can continue to deliver valuable services for our community now and into the future.

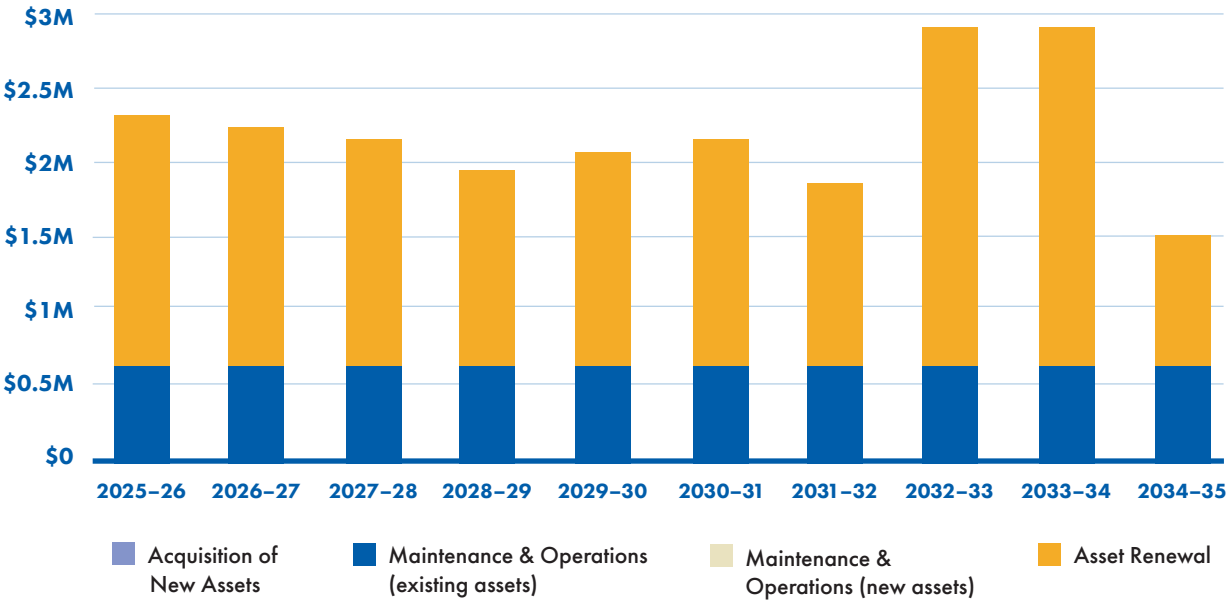
To ensure our assets are providing the appropriate service to the community, levels of service are tracked each year. These levels of service are defined under quality, function, capacity and climate.

Asset lifecycle planning outlines how Council plans to manage plant and equipment assets in an optimised cost-effective manner while ensuring delivery of the agreed service levels. The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal.

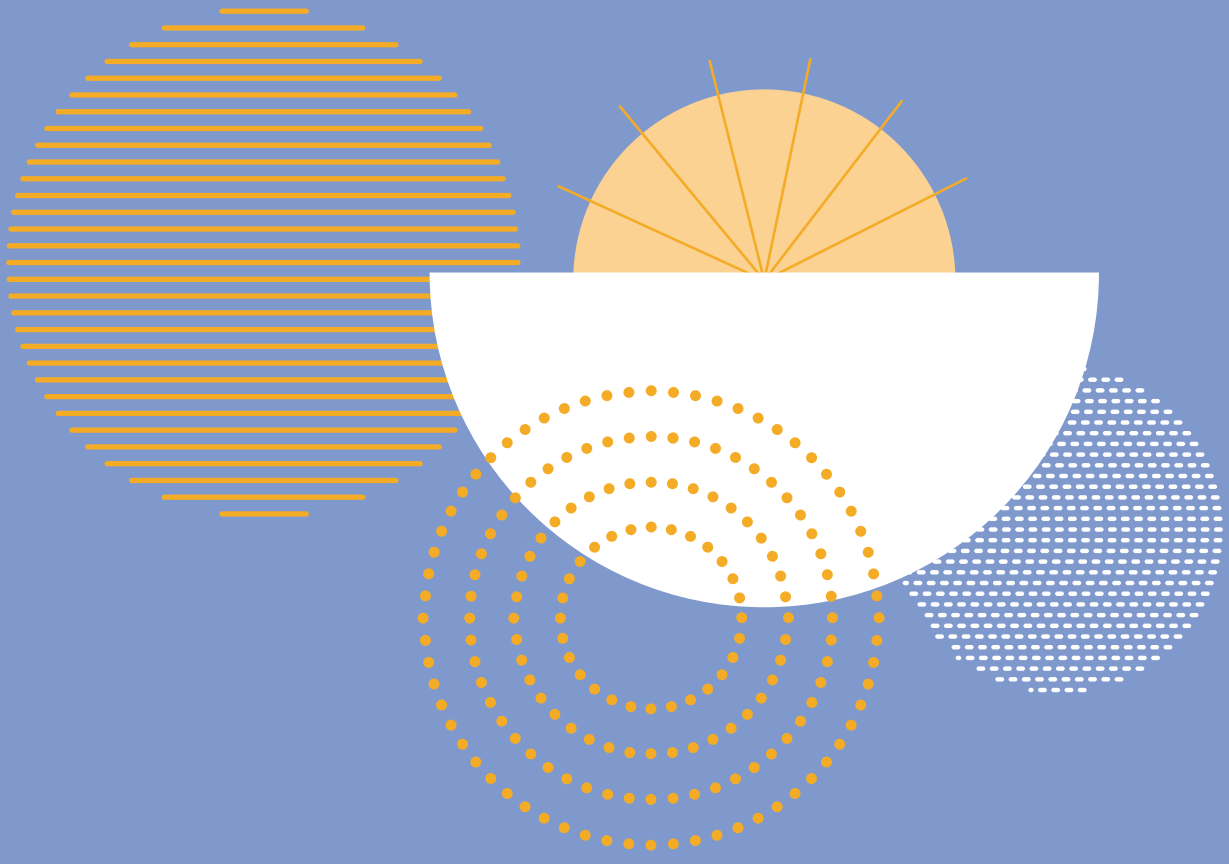
The expenditure forecast for all four stages of the asset lifecycle is summarised below.

FORECAST EXPENDITURE – PLANT AND EQUIPMENT



Council is committed to continuously improving the quality and maturity of its asset management practices. The plant and equipment improvement program has been developed as a roadmap for these improvements in conjunction with the Asset Management Strategy.

1. Introduction



1.1 Purpose

City of Holdfast Bay owns and maintains a portfolio of plant and equipment assets for the purpose of providing a large variety of services to the community.

Our plant and equipment assets allow us to:

- Undertake civil maintenance and capital works projects
- Maintain our open space reserves and sporting facilities
- Clean our streets and open space areas
- Undertake our buildings and facilities management and maintenance work
- Inspect and manage our capital works projects
- Deliver equipment for our numerous events that are held annually.

The assets covered in this plan include four categories of plant and equipment:

- Car fleet
- Heavy vehicles
- Major plant
- Minor plant (commissioned and non-commissioned).

The plan aims to demonstrate proactive management of assets in compliance with regulatory requirements to sustainably meet the present and future community needs through:

- Aligning with industry best practice for asset management ISO 55000:2014 without seeking accreditation as an ISO document or process
- Aligning delivery of asset management activities with organisational goals and objectives
- Creating transparency and accountability through all aspects of asset management
- Meeting the agreed Levels of Service in the most cost-effective way through creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets.

1. Introduction

1.2 Strategic Context

In accordance with the *Local Government Act 1999* (the Act) and the Strategic Plan (*Our Holdfast 2050+*), Council provides a range of community services to the local community and visitors.

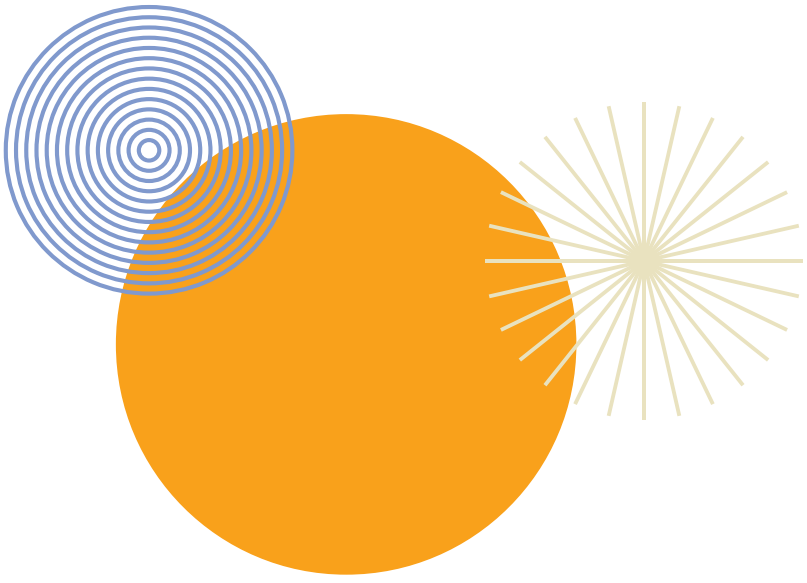
Assets are the foundation stones of the Council and management of assets is essential to achieve our Council's vision of:

Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

The plan is developed and implemented in conjunction with the following plans, strategies and policies:

- Strategic Plan (*Our Holdfast 2050+*)
- Corporate Plan (Four-year delivery plan)
- Long Term Financial Plan (LTFP)
- Asset Management Policy
- Asset Management Strategy
- Asset Management plans (AMPs)
- Carbon Neutral Plan
- Fleet Transition Plan.

City of Holdfast Bay's planning framework is outlined in Figure 1.1.



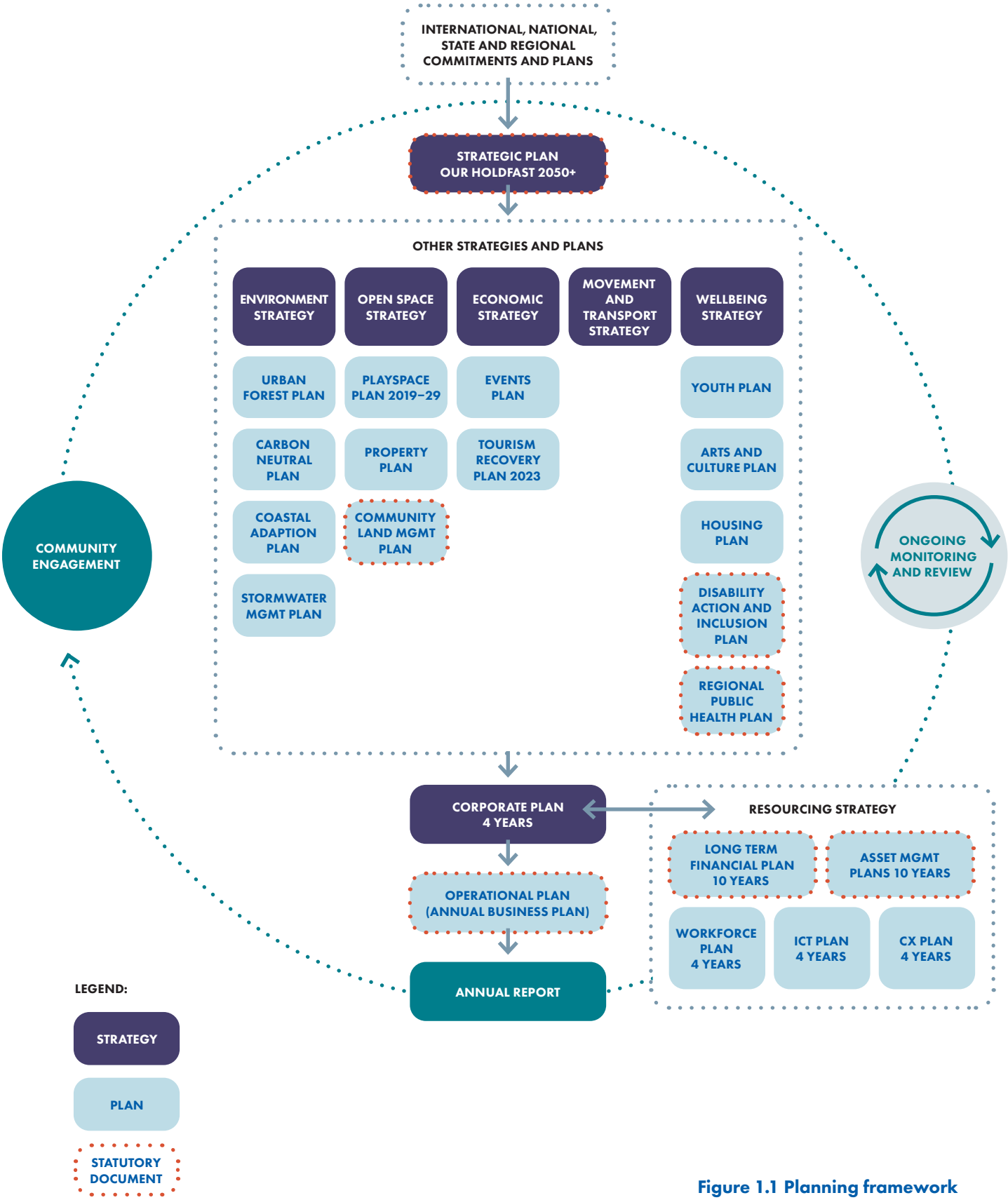
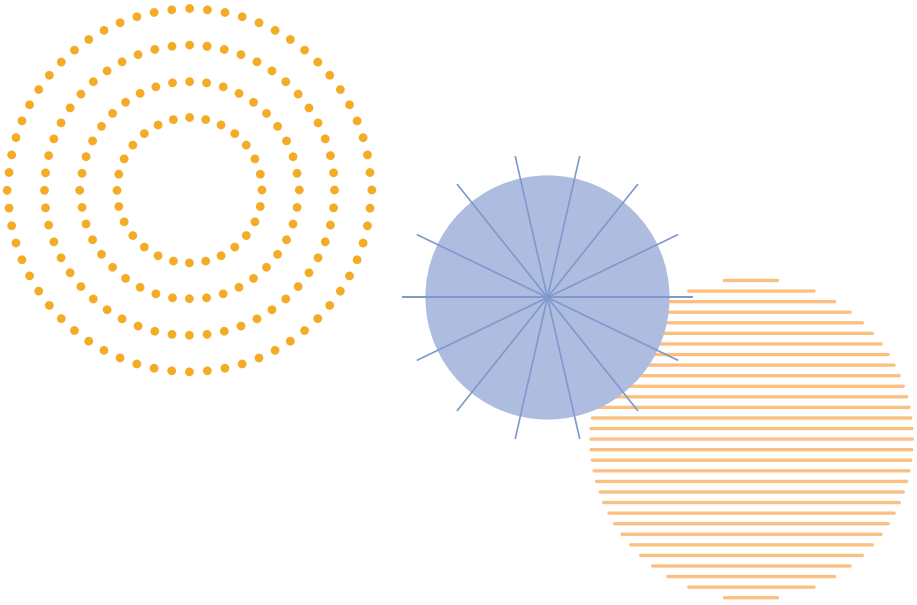


Figure 1.1 Planning framework

1.3 Stakeholders

Key stakeholders responsible for asset management and end users of transport assets are provided in Table 1.1.

Key stakeholders	Role in Asset Management Plan
Residents / community	End users of the services provided directly and indirectly by the assets. Provide feedback collected throughout the year, including the annual satisfaction survey.
Elected Members	Act as custodians of community assets. Set asset management policy and vision. Allocate resources to meet council objectives in providing services while managing risks.
Audit Committee	Reviews, and makes recommendations and observations to Council on the financial outcomes of the asset management plans.
Chief Executive Officer and Senior Leadership Team	Provide leadership and strategic direction regarding management of assets and service provision. Review Asset Management Policy and Asset Management Strategy. Ensure community needs and agreed service levels are incorporated into asset management planning and the Long Term Financial Plan. Ensure councillors and staff are provided with training in financial and asset management practices. Ensure accurate and reliable information is presented to Council. Ensure appropriate delegations and approval processes are followed.



Key stakeholders	Role in Asset Management Plan
Manager Engineering	Manages development, implementation and review of asset management plans, the Asset Management Policy and Asset Management Strategy. Responsible for advancing asset management within the organisation.
Asset Management Lead	Prepares asset management plans. Manages the asset register and spatial systems. Coordinates data collection. Coordinates annual renewal budget planning. Delivery of asset management improvement programs. Provide technical asset management expertise to the organisation.
Assets and Delivery	Deliver plant and equipment capital works program.
Field Services	Ensure the maintenance programs are achieving service standards.

Table 1.1 Stakeholder responsibilities

1. Introduction

1.4 Asset Management Framework

The Asset Management Strategy aims to align delivery of asset management activities with the organisation's goals and objectives; this process is known as the "line of sight" with asset management.

The asset management framework consists of the three key asset management documents - the Asset Management Policy, Asset Management Strategy and asset management plans. These documents create transparency and accountability through all aspects of asset management to ensure all stakeholders understand their roles and responsibilities.

The Council's asset management system is outlined in Figure 1.2. The asset management system is the end-to-end process of asset management within Council. The asset management framework connects Council's strategic vision and goals to the on-the-ground delivery of our services.

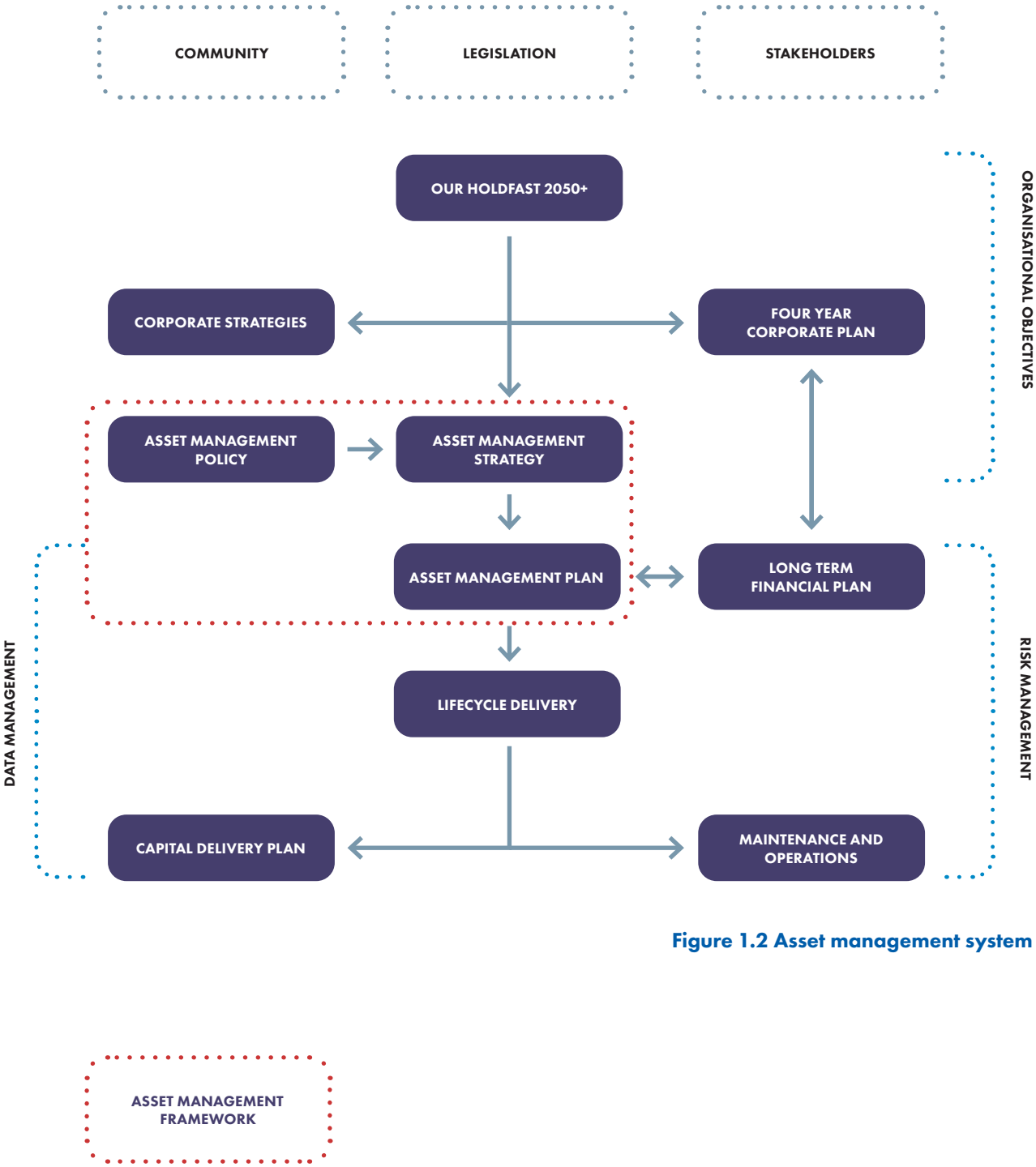
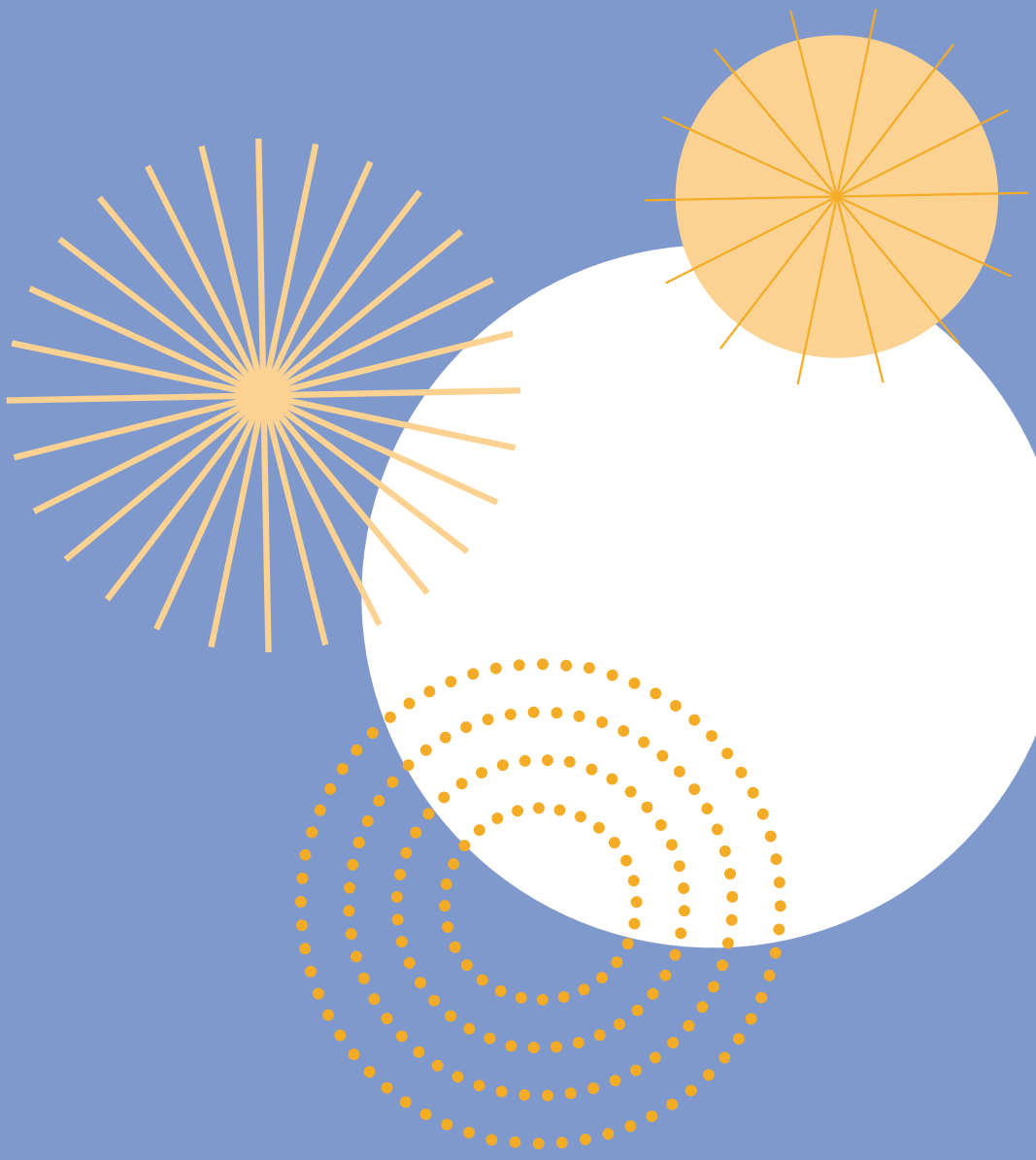


Figure 1.2 Asset management system

2. Asset Class Information



2.1 Asset Hierarchy

The asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class, asset category and subcategory used for asset planning, financial reporting and service level hierarchy used for service planning and delivery.

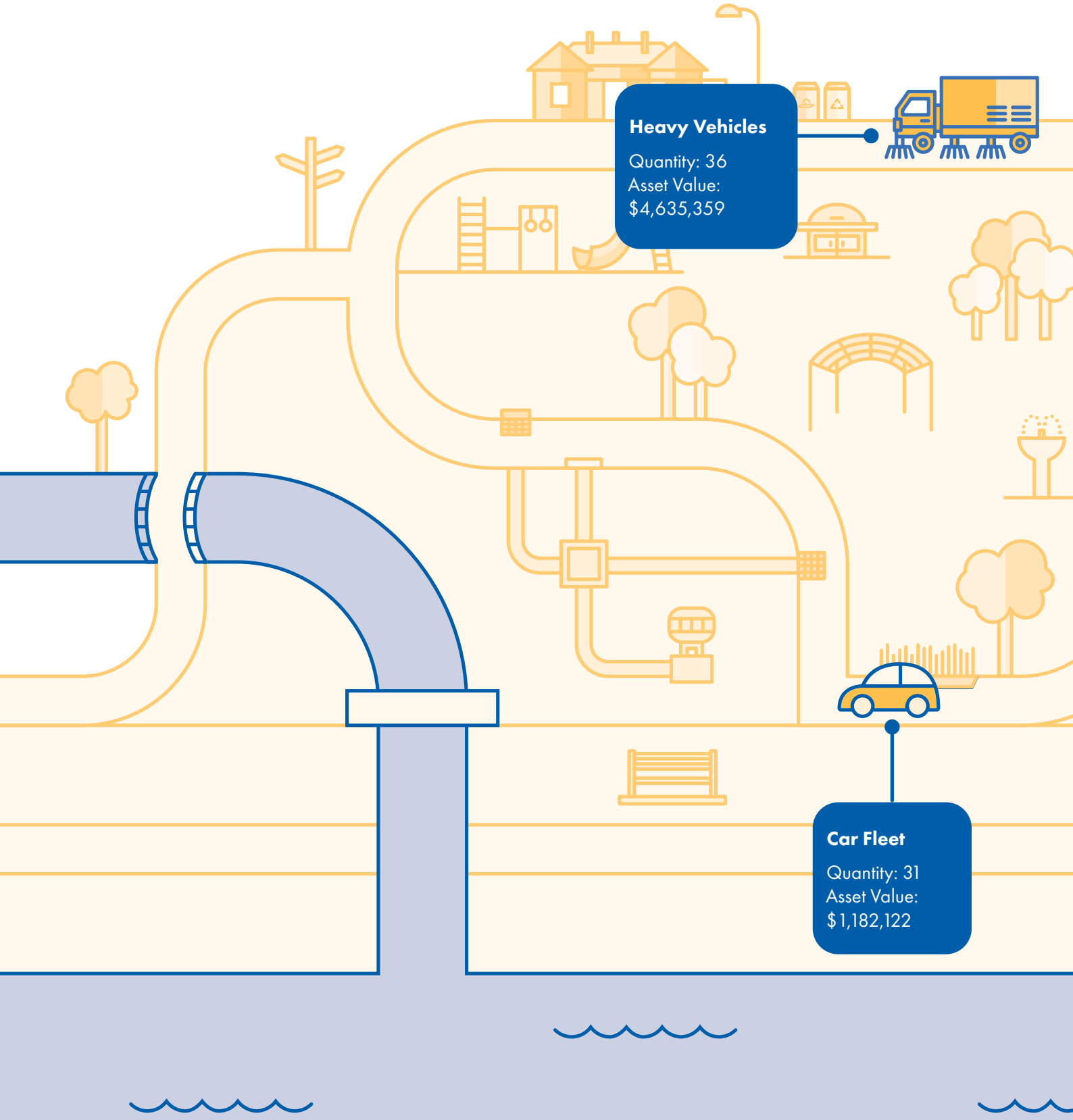
The plant and equipment asset class is defined in four categories for car fleet, heavy vehicles, major plant and minor plant. Within each asset category the assets are defined into hierarchy levels based on criticality of service.

Key stakeholders	Critically	Description
Car fleet—standard	Medium	Typical use, standard maintenance and servicing, simple vehicle replacement. Includes pool vehicles, utility vehicles and personal use vehicles.
Car fleet—complex	Medium	Typical use, standard maintenance and servicing, vehicle replacement requires specialised build. Includes community safety vehicles and specific-use vehicles.
Heavy vehicles—standard	Medium	Typical use, standard maintenance and servicing, vehicle replacement requires specialised build.
Heavy vehicles—critical	High	High use, complex maintenance and repair requirements, critical to Council's core service delivery, vehicle replacement requires specialised build. Includes three sweeper vehicles, a ride-on scrubber unit, two large community buses and a tractor that works on the beach.
Major plant	Medium	Typical use, standard maintenance and servicing.
Minor plant—minor	Low	Variety of non-commissioned minor plant assets that are replaced only as required.
Minor plant—standard	Medium	Variety of commissioned minor plant assets with varying service lives.

Table 2.1 Asset hierarchy

2. Asset Class Information

PLANT AND EQUIPMENT



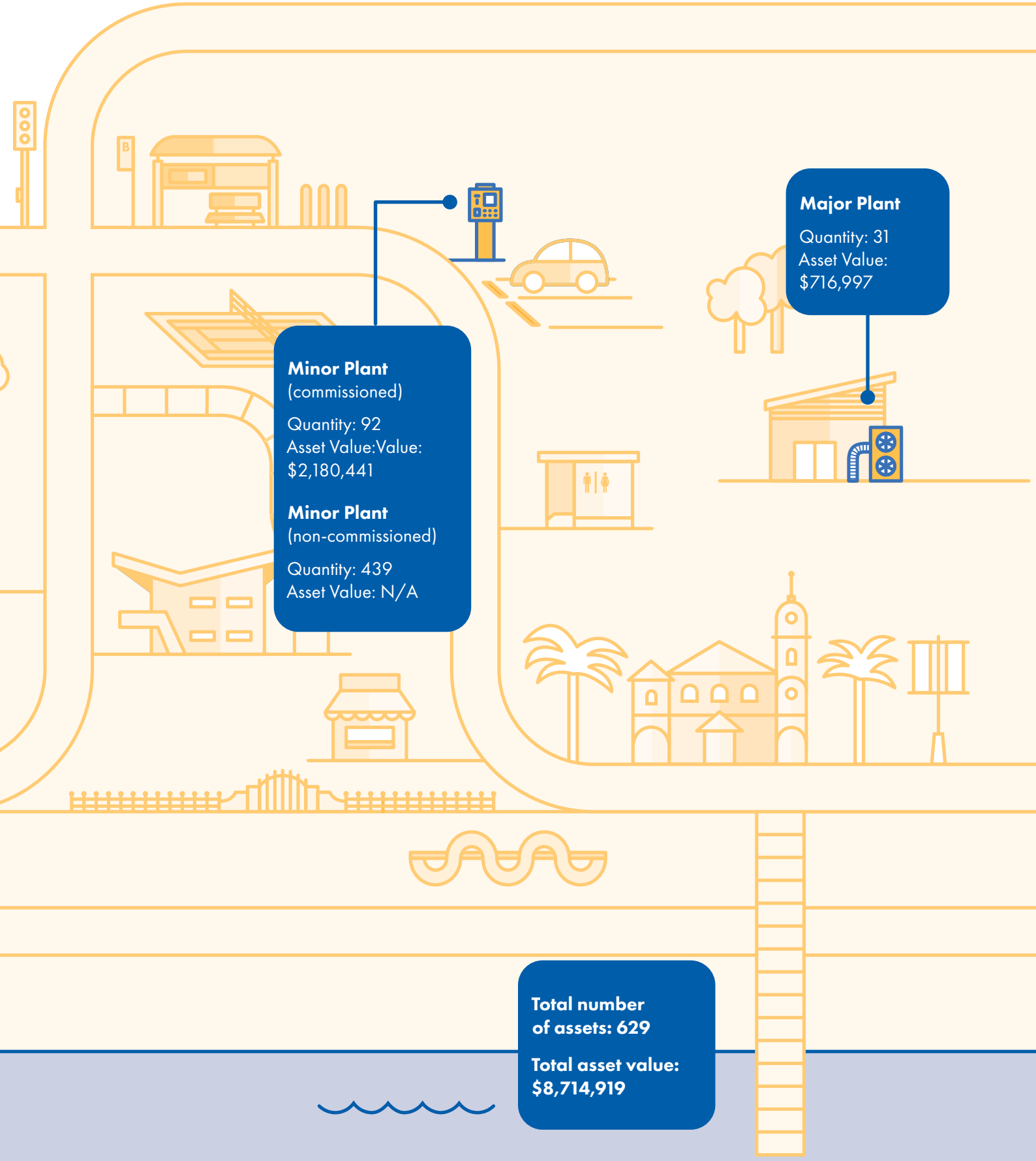
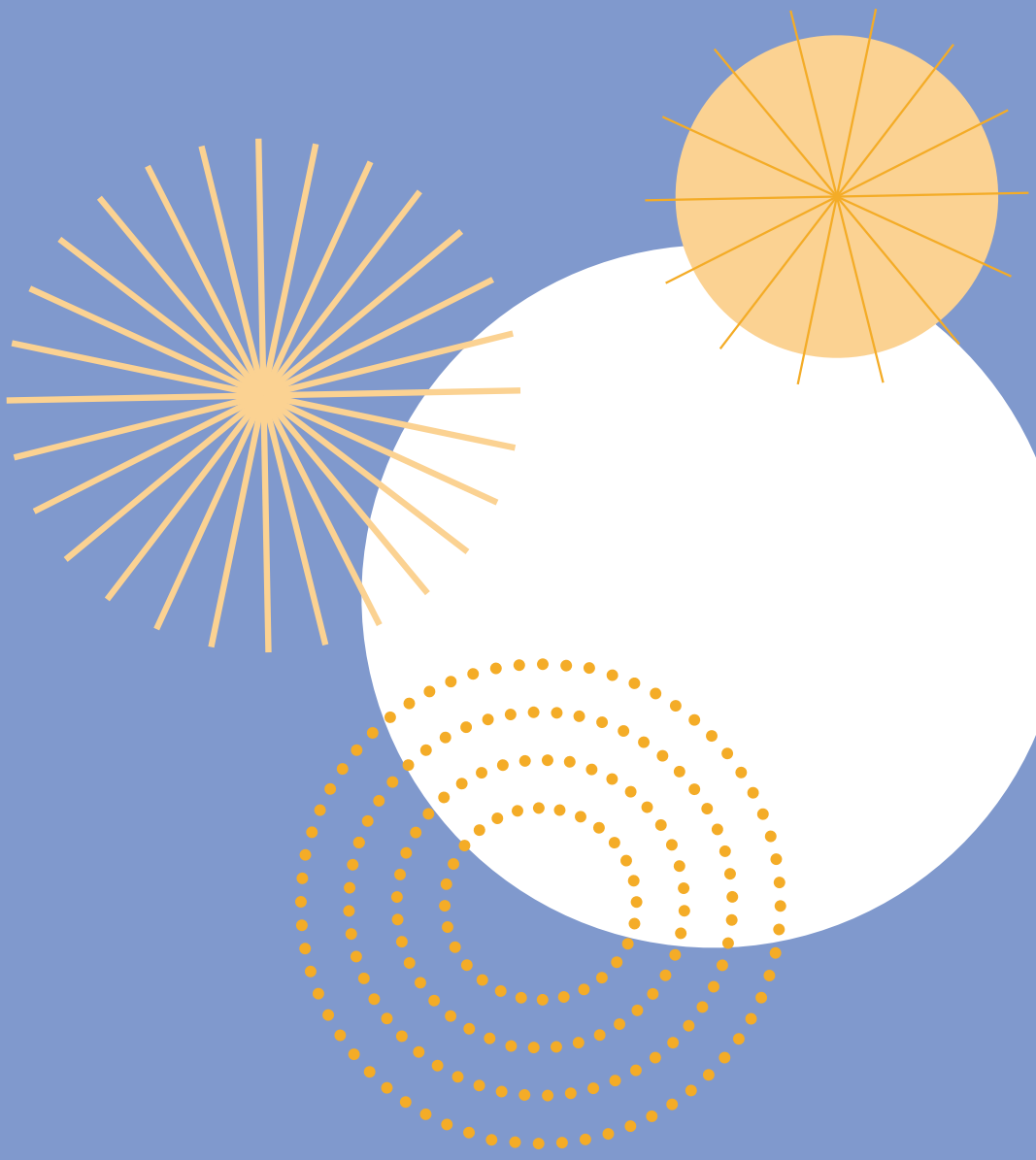


Figure 2.1 Plant and equipment asset class information

3. Levels of Service



The International Infrastructure Management Manual (IIMM) describes Levels of Service (LoS) as "defined service quality for an activity or service area against which service performance may be measured".

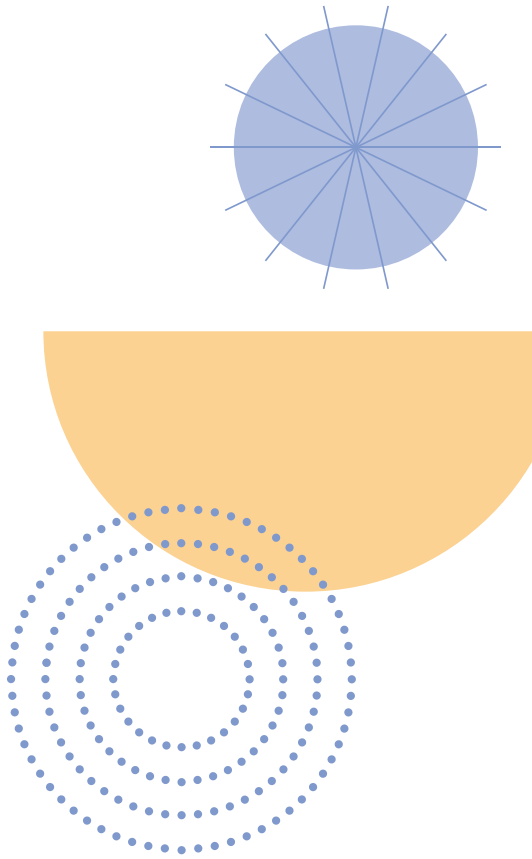
City of Holdfast Bay has defined Levels of Service for plant and equipment assets for both:

- Community Levels of Service—community perception of service
- Technical Levels of Service—technical indicators of performance.

Defined Levels of Service are designed to support continued performance and function of the plant and equipment assets to a reasonable standard, where maintenance and servicing are compliant with legislative requirements and manufacturing specifications. They are intended to ensure the plant and equipment assets, and associated budgets are appropriate to meet the service levels.

3.1 Community Levels of Service

No community Levels of Service as Council's fleet provides an internal service.



3. Levels of Service

3.2 Technical Levels of Service

Performance measure	Objective	Performance measure	Key performance indicator	2024 performance
Quality (condition)	Physical state of assets in a serviceable condition	Average condition of assets	Average condition better than 3.0 (fair)	TBC
Quality (condition)	Physical state of assets in a serviceable condition	Percentage of poor or very poor (PVP) assets	PVP below 10%	TBC
Quality (renewal)	Sustainably managing the renewal of assets	Asset renewal ratio (Renewal expenditure over forecast budget).	90%–110%	106% (2021–2023)
Function (safety)	Car fleet and heavy vehicles are inspected monthly by internal staff and serviced at least annually by external qualified personnel	Work order records maintained for monthly inspection and annual servicing	100% compliance	100%
Climate change	Transition light fleet to EVs	Deliver in line with fleet transition plan	Annual delivery planned, budgeted and delivered	Yes

Table 3.1 Technical levels of service

Levels of Service with 2024 performance labelled TBC (to be confirmed) do not currently have a baseline indicator. These are to be measured and reported on, going forward.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3. Levels of Service

3.3 Legislation and Relevant Acts

Under the *Local Government Act 1999*, Council is required to develop and adopt an infrastructure and asset management plan (AMP) covering a period of at least 10 years.

Council is additionally required to adopt a long-term financial plan (LTFP) associated with such service plans, also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed in these plans.

Council considers the following legislative framework in the management of its plant and equipment assets.

Legislation	Requirements
Australian Accounting Standards	Standards applied in preparing financial statements, relating to the valuation, revaluation, and depreciation of Stormwater assets.
Climate Change and Greenhouse Emissions Reduction Act 2007	An Act to provide for measures to address climate change with a view to assisting to achieve a sustainable future.
Disability Discrimination Act 1992 and other relevant disability legislation	To eliminate, as much as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
Highway Act 1926	Sets out the legislative framework for roads and road authorities in SA.
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of LTFP supported by asset management plans for sustainable service delivery.
Local Government (Financial Management and Rating) Amendment Act 2005	Impetus for the development of a Strategic Management Plan, comprising an Asset Management Plan, and LTFP.
Motor Vehicles Standards Act 1989 (Australian Design Rules)	National standards for vehicle safety, anti-theft, and emissions.
Relevant Australian Standards	Standards relating to requirements to inspect and certify cranes, elevated work platforms and lifting devices.
Relevant Heavy Vehicle National Law and Regulations	Laws and regulations related to heavy vehicles over 4.5 tonnes gross vehicle mass.
Road Traffic Act 1961	To provide for vehicle standards, mass and loading requirements and other safety measures in relation to light vehicles. Contains powers for Council to install and remove traffic control devices.
SafeWork SA relevant to fleet management	Registering relevant plant with Safework SA Code of Practice —Managing risks of plant in the workplace.
Work Health and Safety Act 2012	An Act to provide for the health, safety, and welfare of persons at work; and for other purposes.

Table 3.2 Legislative requirements


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4. Demand Forecast

A community's demand for services may change over time depending on factors including environmental, technological and capacity requirements. Council may need to make changes to manage future demand for services.

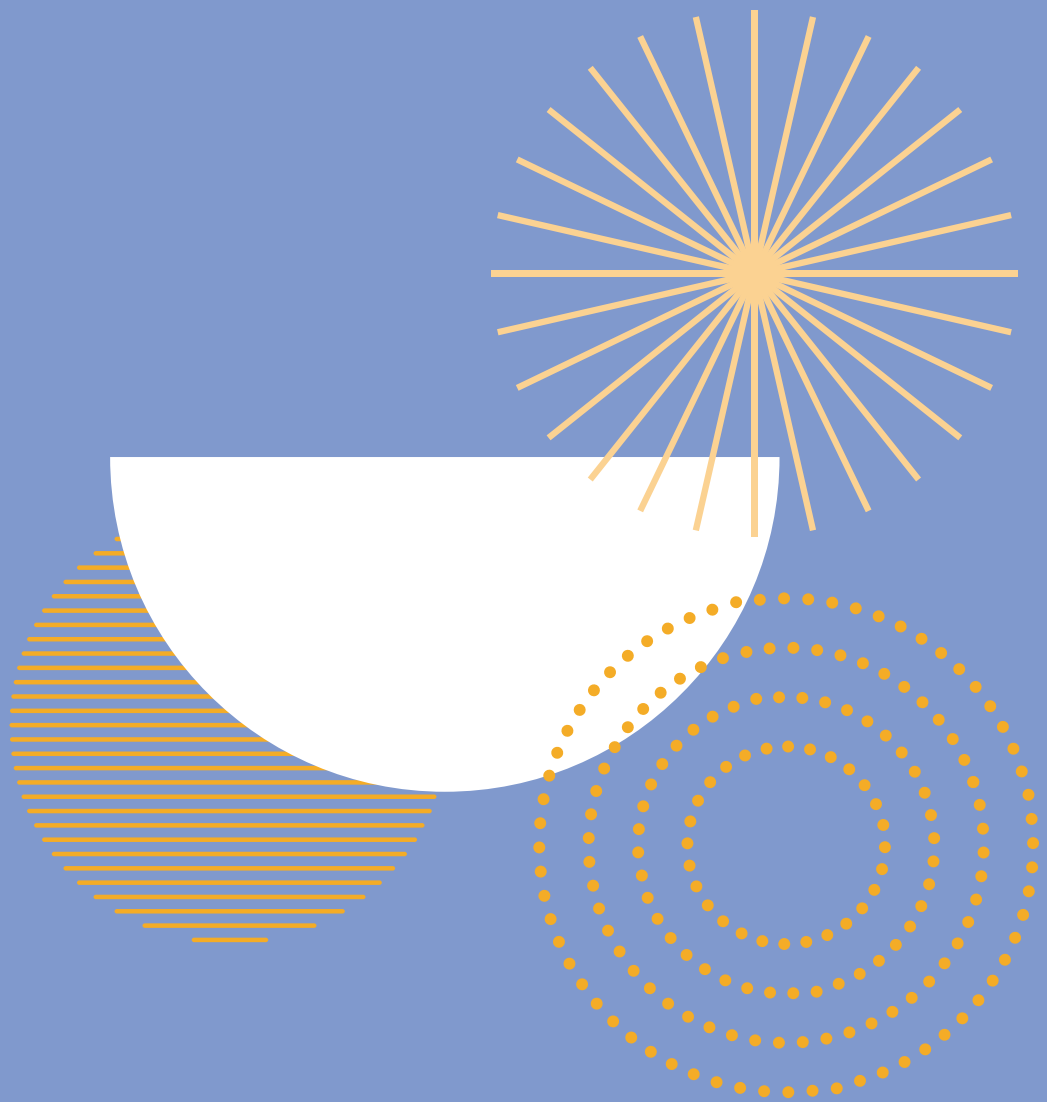
4. Demand Forecast

Demand driver	Current position	Demand forecast
Population increases	Total estimated population 37,543 (2021).	Planned to accommodate for 40,000 by 2031.
Environmental sustainability (climate mitigation)	Council and the community are increasingly aware of our impact on the environment and Council's role in environmental sustainability. Council is committed to achieving zero net carbon emissions by 2030 through reduced carbon emissions.	Council is committed to pursuing, supporting, and creating an environment that will sustain current and future generations.
Climate change (climate adaptation)	Increase in severe weather events including droughts, extreme heat events, storms, storm surges, high tides, and sea level rise.	Increasing number of hot weather days and events. Increase in intensity of rain events. Sea level rise is accelerating. Increased evapotranspiration.

Demand impact	Demand management	Impact on assets
Increased demand for operational services and associated fleet.	Track operational and maintenance through request management and review plant and equipment requirements.	Potential to increase fleet as service requirements increase with population.
Requirement to use fewer, recycled and renewable resources that can contribute to the development of a circular economy and reduce Council's carbon footprint. Greater environmental sustainability requirements placed on the construction industry.	Implement actions from the Environment Strategy 2020–2025, Climate Governance Risk Assessment recommendations, Carbon Neutral Plan and Fleet Transition Plan.	Transition to a lower energy fleet through the fleet transition plan. Capital and operational costs associated with energy efficient fleet to be considered through the fleet transition plan and included in the AMP.
Need appropriate fleet to facilitate emergency management planning. Increase in tree canopy will require additional specialised resourcing, including fleet.	Development of the Urban Forest Plan to provide indications of any effect on Council's fleet.	Increased or changed fleet and operating costs to adapt to changing environments.

Table 4.1 Demand factors

5. Lifecycle Planning



Asset lifecycle planning outlines how Council plans to manage plant and equipment assets in an optimised cost-effective manner while ensuring delivery of agreed service levels.

The lifecycle of assets can be defined in four stages, including:

- Creation/acquisition (planning, design, procurement, construction)
- Operations and maintenance (operate, maintain, monitor)
- Capital renewal/replacement
- Decommission/disposal.

Each of these stages is further detailed in this lifecycle planning section.

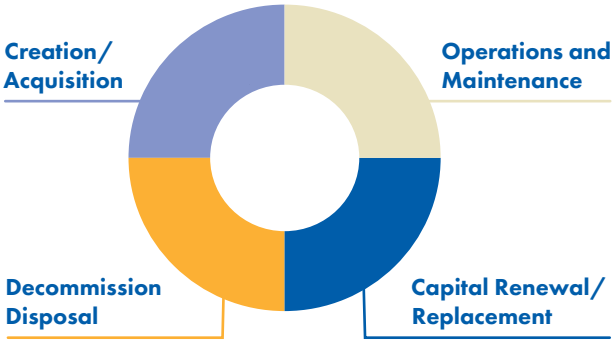


Figure 5.1 Asset lifecycle

Council's plant and equipment assets are managed to provide the services that Council provides to the community. Council's car fleet, heavy vehicles and major plant assets are replaced based on defined service lives of these assets. Council's minor plant assets are replaced either based on service lives or upon failure of the asset, depending on the item. During the life of an asset, it is maintained and serviced to ensure delivery of service and safety is provided.

5. Lifecycle Planning

5.1 Asset Life

Plant and equipment assets are assigned a service life to define renewal timeframes rather than the standard expected useful life that is used for other asset classes. The service life assigned to plant and equipment assets considers factors such as the criticality of the asset, operation and maintenance costs, resale value of the asset, and the requirement to maintain the level of service provided by the asset.

Council replaces car fleet, heavy vehicles and major plant assets based on a defined service life rather than replacing assets based on condition. However, if an asset's condition results in the asset being unsafe or no longer fit for service, an asset may require replacement earlier than originally planned.

Minor plant assets are defined as either a minor asset that is not commissioned and generally costs less than $2,000 each, or a standard asset commissioned for plant and equipment generally costs more than $2,000. Commissioned minor plant assets are assigned a service life between three years and 25 years, depending on the asset type and use. Non-commissioned minor plant assets are replaced upon failure, if they become unsafe to use or no longer able to provide the intended service.

During the service life of a plant and equipment asset, it should be serviced and maintained and inspected regularly to ensure the asset remains safe for use and fit for purpose and to ensure the service life is achieved. Regular risk assessments of assets should also be undertaken.

Plant and equipment category	Service Life
Car fleet – standard	3 years
Car fleet – complex	5 years
Heavy vehicles – standard	9 years
Heavy vehicles – critical	5 years
Major plant	10 years
Minor plant – minor	As required
Minor plant – standard	3–25 years

Table 5.1 Service life of plant and equipment assets

5.2 Historical Expenditure

Historical expenditures for 2019–20 to 2022–23 for operation, maintenance, new assets and renewal of existing assets for the plant and equipment asset class is summarised in Figure 5.2. The actual expenditures for each year have been indexed by the local government price index (LGPI) to create 2024–25 equivalent expenditures.

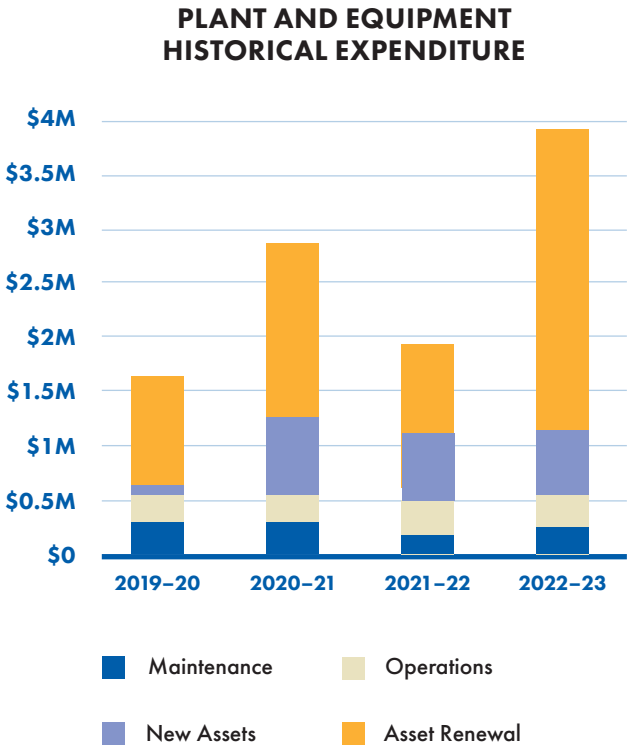


Figure 5.2 Historical expenditure

5. Lifecycle Planning

5.3 Operation and Maintenance

Operations includes regular activities and costs required to provide services. Operational costs associated with plant and equipment includes fuel, vehicle registration, insurance, batteries and tyres.

Maintenance of plant and equipment assets includes activities required to keep the assets in a serviceable condition during their service life. Car fleet and heavy vehicles are inspected and serviced regularly, and repairs are undertaken following any incidents. Other plant and equipment assets are inspected, serviced and repaired as required to maintain service delivery.

Maintenance activities can be defined as either planned or reactive maintenance. Reactive maintenance is unplanned repair work that is generally carried out following damage, failure or safety issues associated with the asset.

Planned maintenance is planned work including regular inspections, servicing of vehicles and equipment, and condition assessment of assets. Assessment and planning of both reactive maintenance and planned maintenance is undertaken by Council personnel who use judgment to minimise interruption to operations and service delivery.

The operations and maintenance costs of Council's plant and equipment assets are forecast to trend in line with the previous four years of costs as the number of vehicles and the services provided have not changed and are not expected to change substantially. Annual amounts of $274,143 for operations and $323,632 for maintenance have been adopted based on the average of the previous four years.

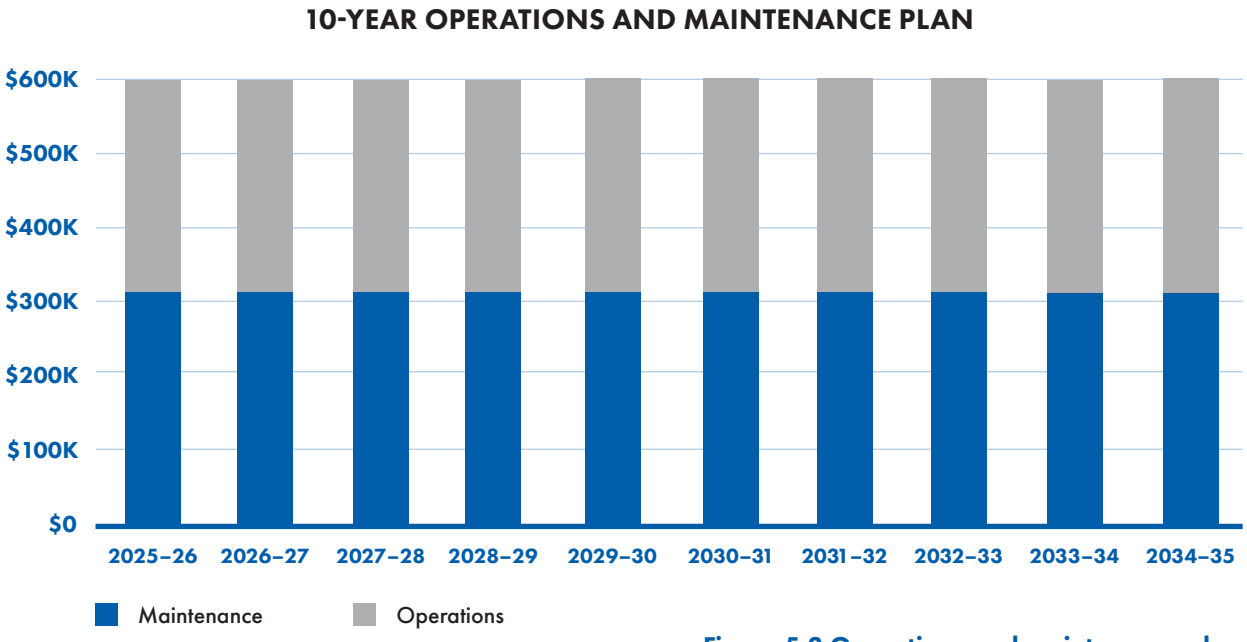


Figure 5.3 Operations and maintenance plan

5.4 Renewal Plan (capital renewal)

Replacement of plant and equipment assets is undertaken regularly to ensure continuity of service provision. To ensure continuity of service, maintain safety standards and maximise return on the trade-in of old vehicles and equipment, Council's plant and equipment assets are replaced according to the following program:

- Car fleet assets are replaced between three years and five years
- Critical heavy vehicles are replaced every five years
- Medium-use heavy vehicles are replaced every nine years
- Major plant assets are replaced every 10 years
- Minor plant assets are replaced either on a defined timeframe or upon failure depending on each item.

The plant and equipment replacement program outlined in this plan has been developed to align with the service lives defined for the asset categories and with some adjustment to allow for an even spread of replacement budget over the 10-year period. Replacement costs have been estimated using a combination of inputs including the original purchase costs of vehicles with an allowance for inflation to 2024 and updated cost estimates where available.

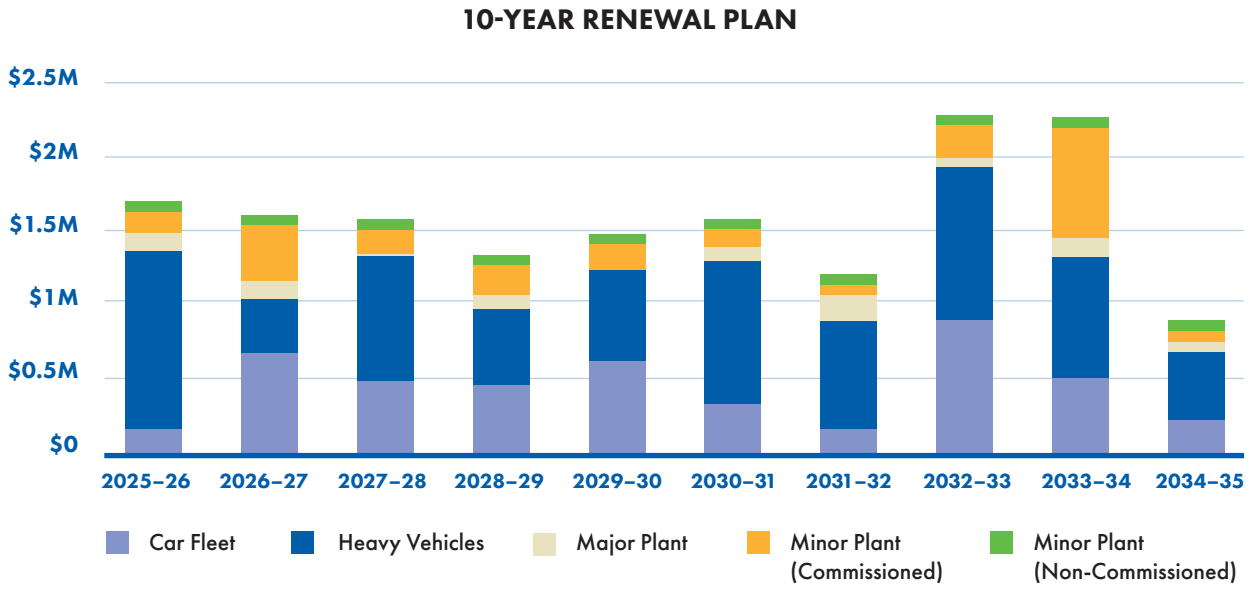


Figure 5.4 10-year renewal plan

5. Lifecycle Planning

5.5 Acquisition and Upgrade Plan (new capital)

Acquisitions are new assets that did not previously exist or works resulting in an upgrade of the asset and an increased capacity to deliver a service. The requirement for an acquisition may result from growth, changed demand, social or environmental needs. Assets may also be donated to the City of Holdfast Bay.

Council is currently planning the following upgrades:

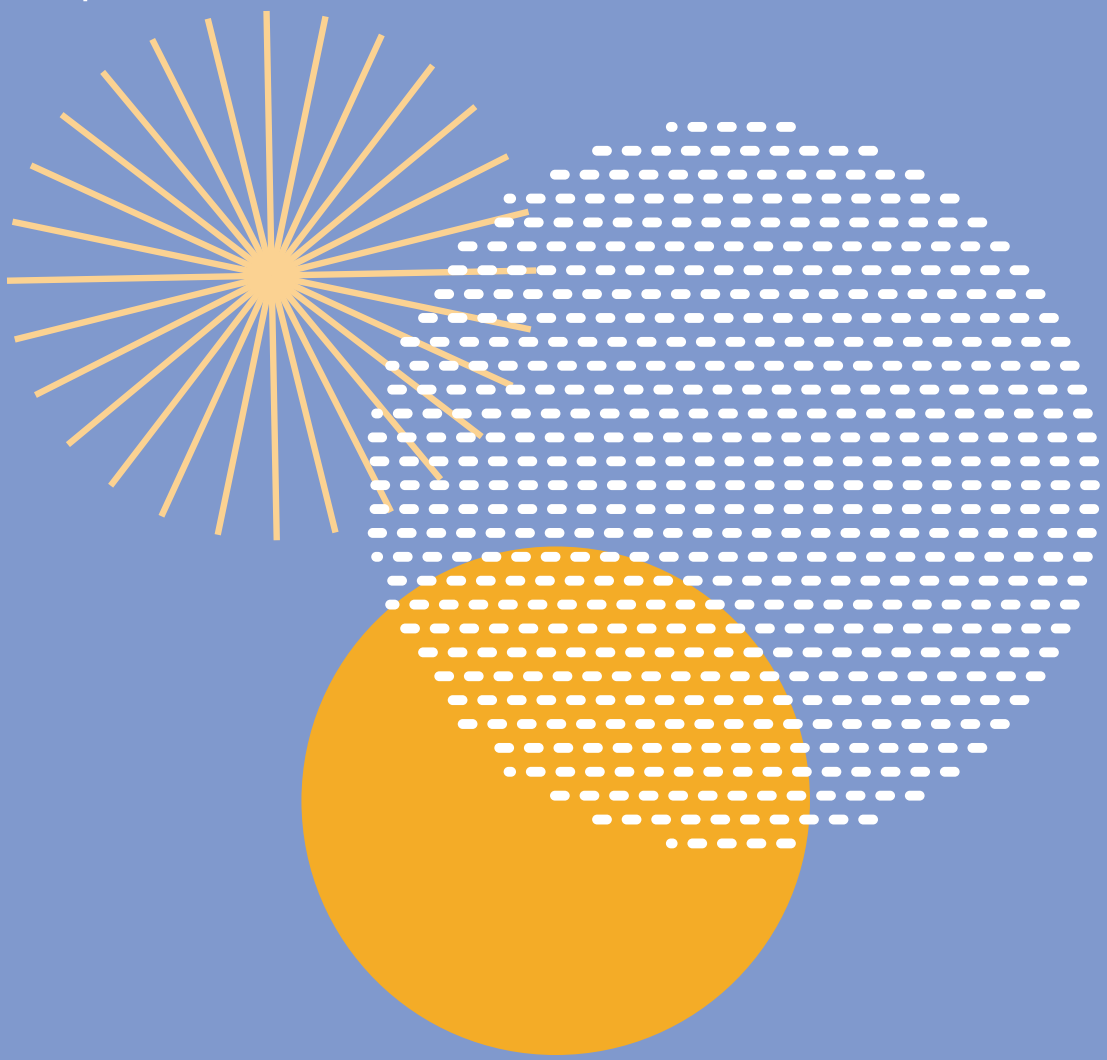
- Replacement of the current elevated work platform with a new elevated work platform that has an insulated bucket
- Replacement of car fleet assets and some heavy vehicles with electric vehicles
- Electric vehicle charging stations to facilitate the new electric vehicle fleet, including $10,000 in 2025–26 and $30,000 in 2026–27. Further requirements are subject to an update of the fleet transition plan.

5.6 Disposal Plan

Plant and equipment assets are generally disposed of following delivery of new replacement plant and equipment assets. Car fleet, heavy vehicles and major plant assets are usually traded-in as part of the new vehicle purchase. Minor plant assets are either disposed of due to failure or sold following delivery of the new replacement asset. All assets are disposed of in accordance with Council's Disposal of Assets Policy.

6. Financial Summary

This section outlines the plant and equipment asset class financial requirements.



6. Financial Summary

6.1 Asset Class Valuation

Valuation of Council's plant and equipment asset class differs from the other asset classes in that the values are based on the original capitalised cost of each asset. The depreciated values are based on the service life assigned to each asset.

The valuation of Council's plant and equipment asset class as of 30 June 2024 is summarised in Table 6.1.

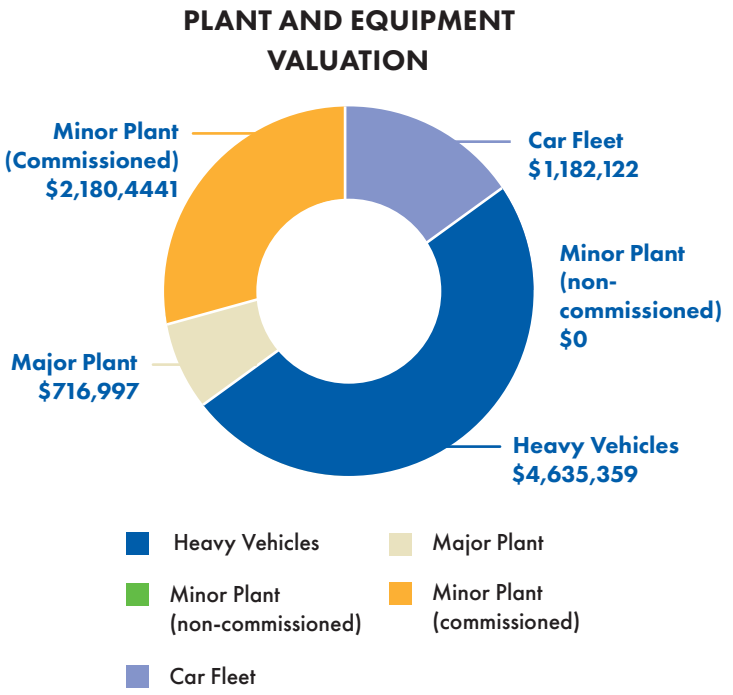


Figure 6.1 Plant and equipment assets

Asset category	Cost	Accumulated depreciation	Carrying value	Number of assets
Car fleet	$1,182,122	$359,829	$822,293	31
Heavy vehicles	$4,635,359	$2,112,611	$2,522,748	36
Major plant	$716,997	$341,267	$375,730	31
Minor plant (commissioned)	$2,180,441	$1,432,616	$747,825	92
Minor plant (non-commissioned)	N/A	N/A	N/A	439
Total	**$8,714,919**	**$4,246,323**	**$4,468,597**	**629**

Table 6.1 Plant and equipment asset valuation

6.2 Expenditure Forecast Summary

The overall plant and equipment expenditure forecast for operations, maintenance, renewal of existing assets, and acquisition of new assets is provided in Figure 6.2 (excludes disposal of assets) and Table 6.2. The plant and equipment asset renewal forecast is provided in Table 6.3.

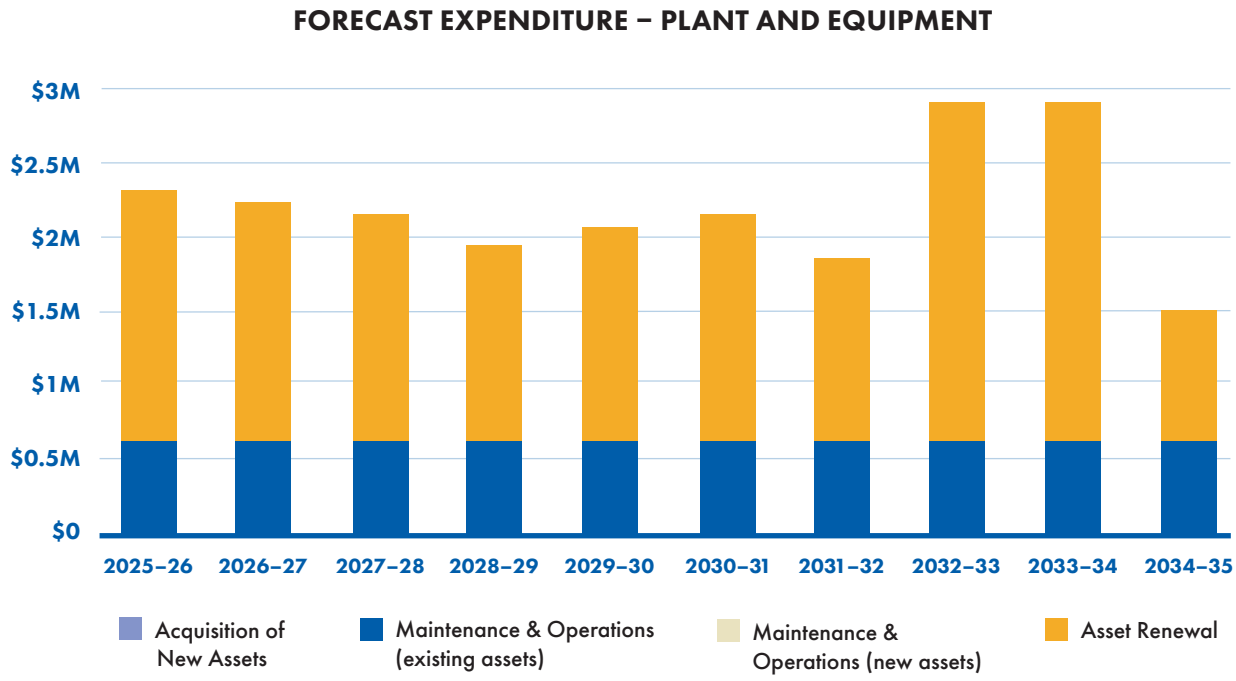


Figure 6.2 Plant and equipment forecast expenditure

6. Financial Summary

Financial year	2025–26	2026–27	2027–28	2028–29
Acquisition of new assets	$10,000	$30,000	$0	$0
Maintenance and operations (existing assets)	$597,775	$597,775	$597,775	$597,775
Maintenance and operations (new assets)	$0	$0	$0	$0
Asset renewal	$1,712,871	$1,620,831	$1,590,325	$1,350,232
Asset disposal	-$458,469	-$636,013	-$587,942	-$502,727
External grant funding	$0	$0	$0	$0
Council funding required	**$1,862,177**	**$1,612,593**	**$1,600,158**	**$1,445,280**

Financial year	2025–26	2026–27	2027–28	2028–29
Car fleet	$169,413	$686,277	$497,150	$468,040
Heavy vehicles	$1,203,330	$361,203	$841,618	$511,701
Major plant	$122,305	$124,018	$18,700	$95,087
Minor plant (commissioned)	$146,028	$377,538	$161,062	$203,609
Minor plant (non-commissioned)	$71,795	$71,795	$71,795	$71,795
Total renewal	**$1,712,871**	**$1,620,831**	**$1,590,325**	**$1,350,232**

2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
$0	$0	$0	$0	$0	$0
$597,775	$597,775	$597,775	$597,775	$597,775	$597,775
$0	$0	$0	$0	$0	$0
$1,492,814	$1,592,328	$1,218,085	$2,299,078	$2,283,639	$905,723
-$623,806	-$518,156	-$353,727	-$954,827	-$623,073	-$303,359
$0	$0	$0	$0	$0	$0
$1,466,783	**$1,671,947**	**$1,462,133**	**$1,942,026**	**$2,258,341**	**$1,200,139**

Table 6.2 Forecast expenditure

2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
$626,277	$337,150	$169,413	$906,277	$515,777	$229,413
$616,394	$970,747	$732,212	$1,036,606	$816,212	$462,198
$0	$90,428	$174,455	$63,872	$128,749	$63,000
$178,348	$122,208	$70,210	$220,528	$751,106	$79,317
$71,795	$71,795	$71,795	$71,795	$71,795	$71,795
$1,492,814	**$1,592,328**	**$1,218,085**	**$2,299,078**	**$2,283,639**	**$905,723**

Table 6.3 10-year renewal plan

6. Financial Summary

6.3 Funding Strategy

Key strategic activities that will affect the future financial position for plant and equipment:

- The AMP to inform the LTFP
- Carbon Neutral Plan implementation
- Resilient Asset Management Program implementation.

6.4 Assumptions

The following assumptions have been adopted in development of the financial forecasts:

- The renewal program has been based on acquisition date and service life for car fleet, heavy vehicles, major plant and commissioned minor plant assets
- The replacement of non-commissioned minor plant assets will be undertaken as required to maintain service provision and safe use of equipment
- Replacement cost estimates have been developed as of 2024–25; purchase costs have been indexed by the local government price index (LGPI) to develop 2024–25 cost estimates however no indexing has been added for future year replacements
- No allowance has been made for acquisition of new assets or decommissioning of existing assets
- Current operational and maintenance expenditure is sufficient to maintain service levels
- Information and Technology (IT) assets have been excluded from this plan. An improvement action item has been outlined in section 8 to incorporate the IT asset register into the plant and equipment asset management plan
- The IT renewals are budgeted through the LTFP.

6.5 Data Confidence

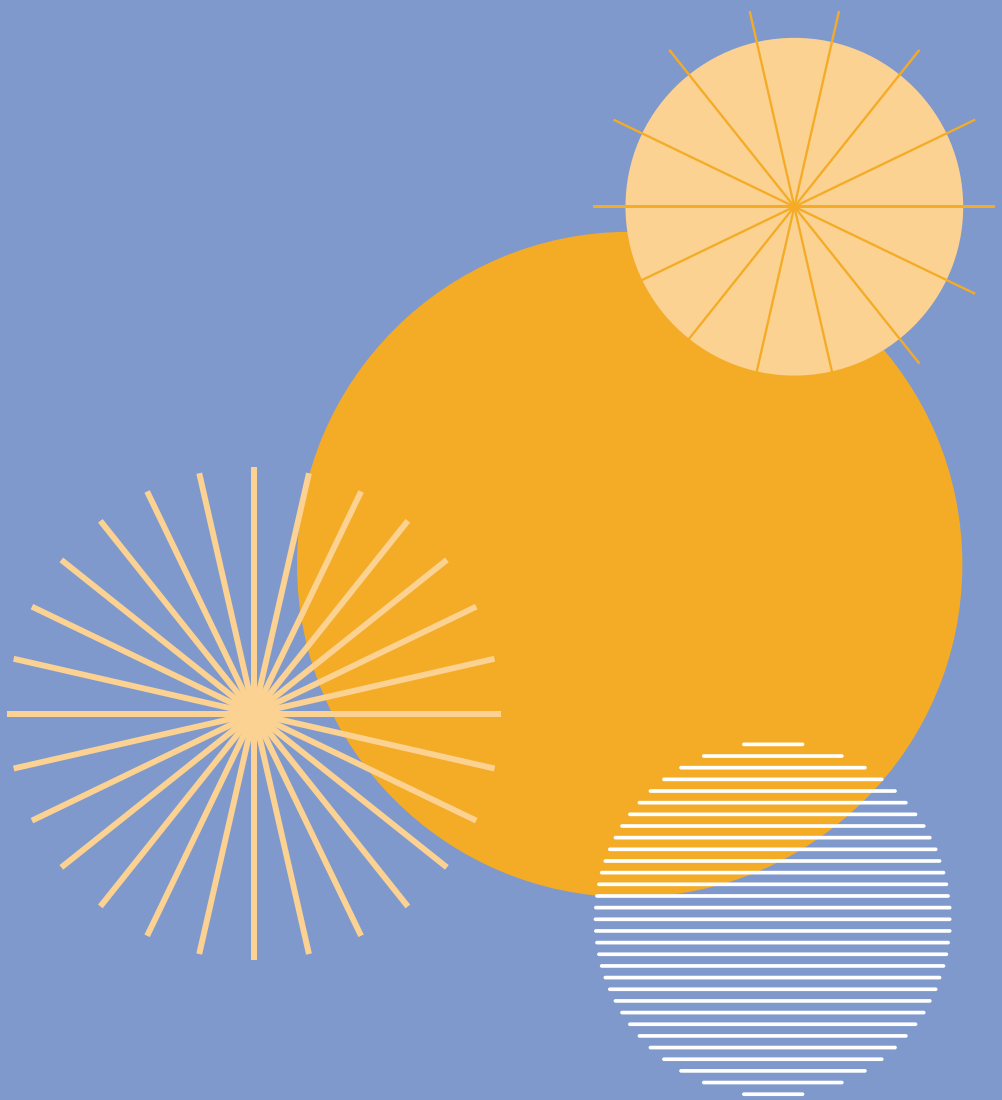
Expenditure requirements for asset replacement and operational costs have been based on the best available data. Replacement cost estimates have been based on a combination of previous costs indexed to 2025 and consideration of recent purchase prices to provide expected cost estimates as of 2025. Operational and maintenance expenditure requirements have been based on actual expenditures from the past four years. It has been assumed these actual costs from the past four years provide the most accurate estimate of required costs to maintain service levels going forward.

Based on the IPWEA data confidence scale, the plant and equipment data is classified as "B -reliable". The asset registers for car fleet, heavy vehicles and major plant are accurate and kept up to date. The asset register for the minor plant category is maintained, however, as there are periods between audits the data accuracy is estimated to be accurate to ± 10%.

Confidence level	Description
A—Highly reliable	Data based on sound records, procedures, investigations, and analysis, documented properly, and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ±2%.
B—Reliable	Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, e.g. some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ±10%.
C—Uncertain	Data based on sound records, procedures, investigations, and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ±25%.
D—Very uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ±40%.
E—Unknown	None or very little data held.

Table 6.4 Data confidence

7. Risk Management



The objective of the risk management process is to ensure all significant asset management risks are identified and assessed.

Following a risk assessment and consideration of both likelihood and consequence, risks identified as high or very high in the short to medium term are investigated. Strategies and treatments are implemented to mitigate or address unacceptable risks.

An assessment of risks in line with Council's risk matrix (Figure 7.1) associated with the plant and equipment asset class are detailed in Table 7.1.

Table 7.1 summarises the asset management risk register, which is reviewed and updated at minimum annually in line with our risk management procedures. The asset management risk register should be reviewed in line with the strategic and operational risk register.

		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
LIKELIHOOD						
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

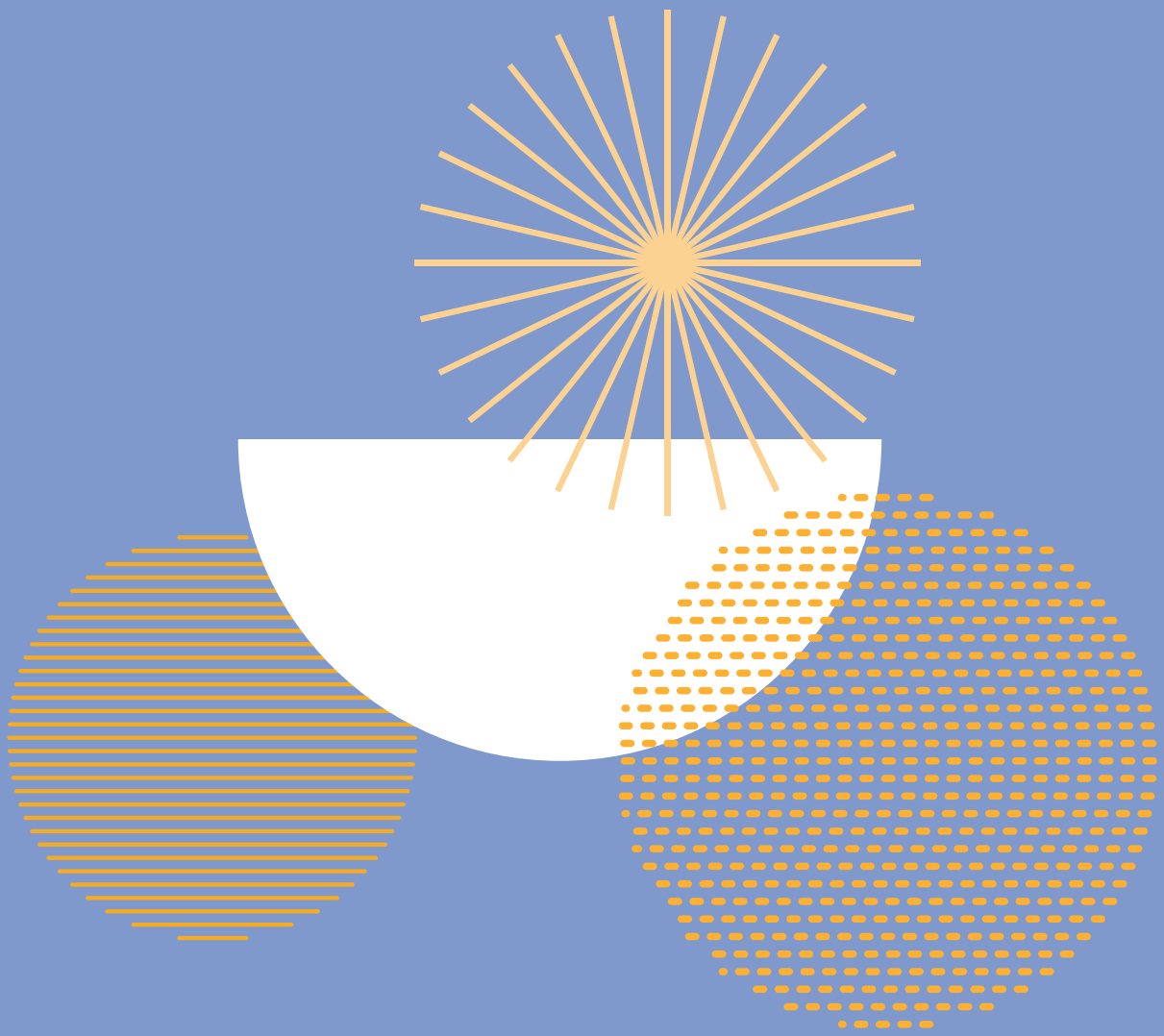
Figure 7.1 Risk matrix

Plant and equipment risk statement	Current controls	Residual risk rating
Risk of climate change affecting services and useful life of assets	› Ongoing participation in the Resilient Asset Management Program (RAMP) with Resilient South Councils. › Coastal adaptation planning in place including hazard identification and assessment. › Consideration of climate change risk in strategic and long-term planning.	HIGH
Inconsistency caused by changes to Elected Members or Senior Leadership personnel	› Alignment of asset management framework (AM Policy, Strategy and plans) including service levels and long-term financial plans. › Development of AM Steering Committee. › Regular asset management updates provided to Elected Members.	MEDIUM
Insufficient budget to meet service levels for maintenance and renewal	› Clear budget planning process, identifying any funding dependencies within planned/major upgrades. › Operational management plans for complex and high-risk sites. › 10-year financial planning and rolling three-year capital works program. › Regular condition audits of assets. › Community service levels developed through ongoing feedback.	MEDIUM
Lack of accuracy in asset management source data consistency and accuracy	› Satisfactory data confidence level in current asset information data levels through cyclic condition audits, with expectation of buildings data. See confidence levels. › Annual cyclic data collection schedule in place. › Ongoing improvements to data management guidelines. › Regular updates from routine maintenance spot checks/issue reporting.	MEDIUM
Loss or damage of plant & equipment	› Updated and relevant Safe Work Method Statement (SWMS), Safe Work Instructions (SWI), Safe Operating Procedure (SOP) and operating manuals are in place for all plant and equipment. › Plant-specific risk assessments are in place. › Training for new/high-risk operations completed and captured in Training Needs Analysis.	MEDIUM
Non-compliance with heavy vehicle (HV) laws	› Fleet management process recognises heavy vehicle assets. › Required details incorporated into the procurement process. › Recorded service detail provides a compliance register for all HV vehicles.	MEDIUM
Obsolete/ ineffective plant & equipment assets	› Plant and equipment utilisation and capacity review undertaken. › Asset Management Plan for Plant and Equipment. › Asset registers with detailed End of Life data.	MEDIUM

Further risk treatments/actions	Target risk rating
› Implement RAMP actions for all asset classes and across the asset lifecycle. › Complete coastal adaptation planning including data collation and risk assessments and community engagement. › Integrated IPWEA Practice Note 12.1 into asset project design and planning processes.	MEDIUM
› Improving asset management maturity aligned with AM Strategy improvement plan. › Keep Elected Members and Senior Leadership Committee informed via the Asset Management Steering Committee. Identify training where required.	MEDIUM
› AM Strategy Improvement Program Action Number 8 and Improvement Action 4: Review operational LoS and update responsibilities, resourcing and planning to meet agreed LoS. Implement system to prioritise, assess and action requests in-line with operational LoS. › AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making.	MEDIUM
› AM Strategy Improvement Program Action Number 3:Establish the data management framework and guidelines for asset register to future-proof for predictive modelling. › AM Strategy Improvement Program Action Number 4: Undertake cyclic data collection to continue to improve data quality for decision-making.	LOW
› Annual review of SWMS, SWIs, SOPs and operating manuals. › Training analysis/skills gap analysis to be undertaken for new/high-risk/complex operations.	MEDIUM
› Ensure all vehicles are compliant with HV laws prior to final procurement. › Ensure effective record keeping within newly decentralisation of Depot fleet management.	MEDIUM
› Undertake plant & equipment review of utilisation and capacity. › Update the Asset Management Plan for Plant and Equipment.	LOW

Table 7.1 Risk assessment

8. Improvement Plan

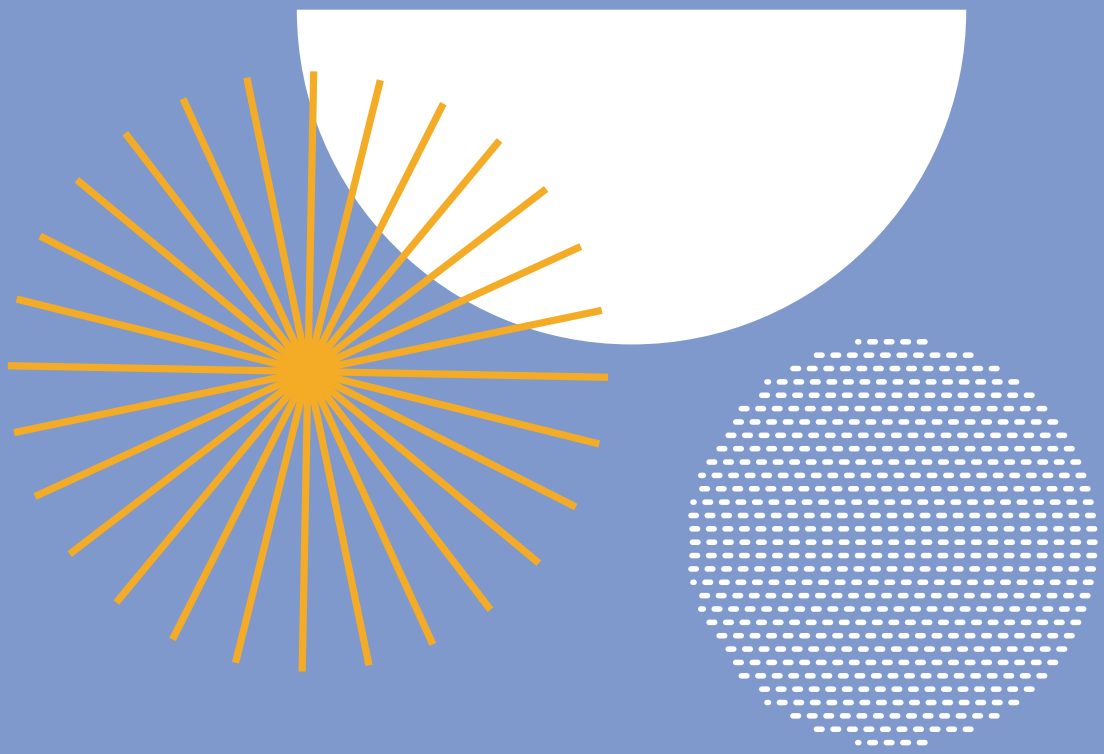


The following tasks have been identified for improving plant and equipment asset management practices and future versions of this plan.

Task No	Improvement task	Responsibility	Resources required	Due for review
1	Review Use of Vehicles Policy.	Asset Management Lead	Existing	June 2025
2	Deliver fleet transition to electric vehicles in line with Fleet Transition Plan including supporting charging infrastructure.	Asset Management Lead	Existing	Ongoing
3	Review the service life of low-use passenger fleet and consider replacement based on mileage versus service life.	Asset Management Lead	Existing	June 2026
4	Develop continuity plan for critical plant and equipment.	Manager Field Services	Existing	June 2026
5	Undertake minor plant assets audit and develop annual replacement cost estimates for non-commissioned minor plant assets. Incorporate the annual cost estimate requirement into the next asset management plan.	Manager Field Services	Existing	June 2028
6	Incorporate the Information Technology (IT) asset register into the Plant and Equipment Asset Management Plan. Improve data standards for the Information Technology (IT) asset register to align with best practice.	Asset Management Lead	Existing	June 2028

Table 8.1 Improvement plan

Glossary of Terms



Key Term	Definition
Accumulated depreciation	The total amount of depreciation charged to an asset from when it was first recognised to a given point in time.
Asset	An individual or group of physical objects, which has value and enables services to be provided. This typically includes buildings, plant and equipment, playgrounds, sporting infrastructure, roads, pathways, stormwater drainage, and infrastructure.
Asset Category	Second tier in the data structure, a subset of assets with similar attributes.
Asset Class	An asset class is a grouping of assets of a similar nature and use. First tier in the data structure in line with the five asset management plans.
Asset Lifecycle	The lifecycle of assets can be defined in four stages including creation/acquisition, operations and maintenance, capital renewal/replacement, and decommission/disposal.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to assets with the objective of providing the required service level in the most cost-effective manner.
Asset Management Framework	The Asset Management Framework consists of the three key asset management documents, the Asset Management Policy, Asset Management Strategy and Asset Management Plans.
Asset Management Plan	Long-term plans (usually 10 years) that outline the asset activities and programs for each asset class and resources applied to provide a defined level of service in the most cost-effective way.
Asset Management Strategy	The Asset Management Strategy outlines the high level, strategic approach to asset management. In other words, how it proposes to manage its assets.
Asset Management System	Encompasses all processes and interactions of asset management activities. Inclusive of organisational strategy, objectives, processes and procedures, asset register and software, data management, risk, and asset lifecycle activities.
Asset Sub-Category	Third tier in the data structure, a further second subset of assets with similar attributes.
Asset Type	Specific attribute with a unit rate used for valuation.

Glossary of Terms

Key Term	Definition
Capital expenditure	Expenditure which contributes to or results in a physical asset.
Capital renewal expenditure	Expenditure to replace or rehabilitate an existing asset.
Carrying value	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.
Commissioned assets	Assets within Council's asset register that have been assigned a value and are subject to depreciation.
Current Asset Cost	The cost of replacing an existing asset with a substantially identical new asset or a modern equivalent.
IIMM	International Infrastructure Management Manual providing guidelines for best management practices for infrastructure assets.
In-use assets	Assets within Council's asset register that currently exist and are providing a service.
ISO 55000	The ISO 55000 international standard for asset management provides terminology, requirements and guidance for implementing, maintaining and improving an effective asset management system.
Level of service	The defined service quality for a particular service/activity against which service performance may be measured.
Long term financial plan	Council's financial plan for a period of 10 years. Demonstrates financial sustainability in the medium to long term, while achieving the objectives in the Strategic Plan.
Maintenance expenditure	Any activity performed on an asset to ensure it is able to deliver an expected level of service until it is scheduled to be renewed, replaced or disposed.
New capital expenditure	Expenditure which creates a new asset in addition to Council's previously existing assets.
Operational expenditure	Ongoing expenditure for activities throughout an asset's life such as electricity, fuel, cleaning and inspections.
Useful Life	The useful life (UL) of an asset is the estimated length of time during which the asset is likely to be able to deliver a satisfactory level of service.

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