

Shire of Kondinin

# Plant & Equipment Asset Management Plan

Part 2 - Detailed

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## Appendix A – Legislation, Acts, Regulations & Standards

This section provides details on all legislation, standards, policies and guidelines that should be considered as part of the management practices of the Shire's plant & equipment assets.

### Legislation, Acts & Regulations

- = Local Government Act 1995
- = Dangerous Goods Safety Act 2004
- = Occupational Health and Safety Act 1984
- = OSH Regulations 1996
- = Federal Motor Vehicle Standards Act 1989
- = WA Road Traffic Act 1974
- = WA Road Traffic Amendment Act 2004
- = WA Road Traffic Code 2000
- = WA Road Traffic (Vehicle Standards) Regulations 2002
- = Disability Discriminations Act, 1992

### Standards

- = AASB 5 Non-Current Assets Held for Sale and Discontinued Operations
- = AASB 13 Fair Value Measurement
- = AASB 116 Property, Plant and Equipment
- = AASB 118 Revenue
- = AASB 119 Employee Benefits
- = AASB 136 Impairment of Assets
- = Local Government Act 1995 Part 6 – various financial management processes
- = Various Australian Standards which may be applicable to individual types of plant and equipment
- = AS/NZS 4360: 1995 Risk Management
- = All other relevant State and Federal Acts & Regulations
- = All Local Laws and relevant policies of the organisation

### Council Policies

- = 1.1.16 – Capitalisation of assets
- = 1.1.19 – Purchasing
- = 1.1.20 – Asset management
- = 6.1.16 – Motor vehicle replacement
- = 6.1.18 – Replacement plant hire
- = 6.1.24 – Community bus
- = 9.1.1 – Grader hire – soil conservation committee
- = 9.2.2 – Daily plant maintenance

## Appendix B – AMP Stakeholders and Service Levels

### Process for Developing Potential Service Levels

In developing the service levels for plant & equipment assets, the Shire has generally applied the framework as set out in the IIMM. The process broadly applies five steps, being:

- = Identify service attributes important to customers
- = Define the delivered customer service levels
- = Develop performance measures
- = Consult with customers
- = Make service level based decisions

### Strategic Community Plan (SCP) Drivers

The Shire's SCP contains long term goals for the delivery of services to its community. The SCP was reviewed in order to identify any Strategies that may directly relate to plant & equipment assets. No directly linked strategies were noted.

### AMP Stakeholders

Analysis of the plant and equipment portfolio has revealed that there are a number of major stakeholder groups. These stakeholders are identified below and while there may be other minor stakeholders, they have not been specifically considered by this AMP.

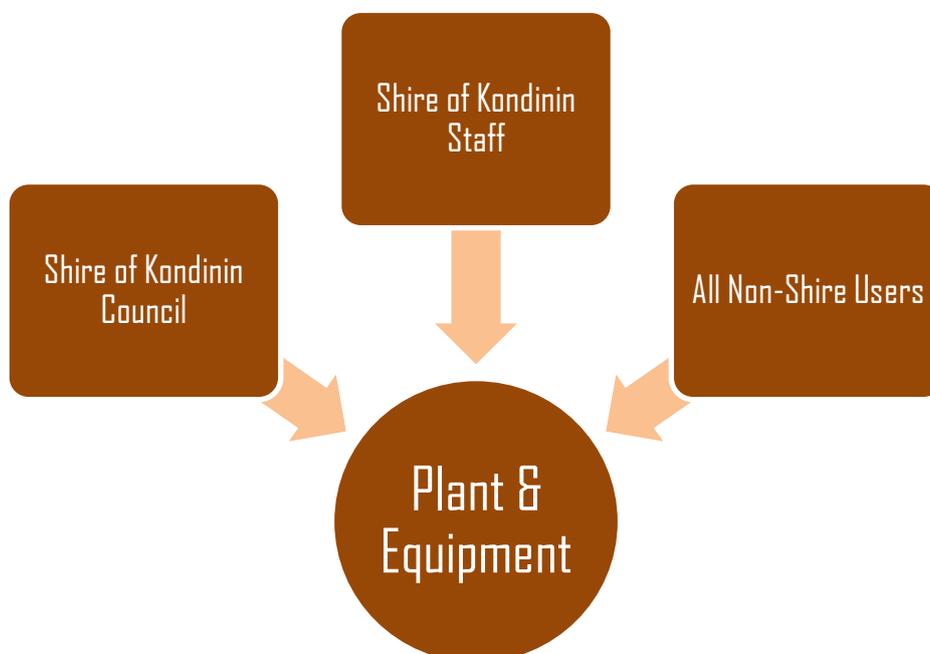


Figure 1: Plant & Equipment Stakeholders

### Service Attribute Workshop

During June 2019 Shire staff considered each stakeholder group to identify the service attributes that are most important to them. Those frequently occurring, when combined with the SCP drivers, form the basis of this AMP's service levels. The results from the staff workshop are shown below. In the future, once the Shire is able to consistently monitor service level performance, as well as link this to cost, it intends to undertake stakeholder consultation.

Stakeholder	Top Three Plant & Equipment Service Attributes		
Council	Condition	Financial Value	Reliability
Staff	Condition	Financial Value	Reliability
Non-Staff Users	Accessibility	Condition	Reliability

Table 1: Important Stakeholder Plant & Equipment Attributes

From the above analysis, the following service attributes have been selected for service levels.

- = Reliability (3 occurrences)
- = Condition (3 occurrences)

### Service Level Targets and Performance

By considering the potential service attributes from the SCP (if any) and stakeholder analysis, the following KPIs have been used to monitor service delivery performance.

KPI	Driver	Level of Service	Performance Measure	Target	Current	Data Confidence
Condition	Stakeholders	Plant & equipment is kept in a good condition.	Number of complaints received per annum concerning the physical condition of a plant or equipment asset.	TBC	TBC	-
Reliability	Stakeholders	Plant & equipment is reliable.	Percentage of days per year that plant & equipment assets are operational for use, excluding planned outages.	TBC	TBC	-

Table 2: Service Level Targets and Performance

## Appendix C – Service Demand

### Background

Predicting future demand for services is an important element of any organisation's asset management practices. It enables practitioners to plan ahead and identify the best way of meeting future demand. This section of the AMP looks broadly at both historical and future levels of service demand. Readers should be aware though that as with any demand forecasting, prediction is rarely ever 100% correct.

### Historic Plant & Equipment Demand

Demand for services is generally measured by quantifiable metrics. However, linking the usage of services such as transport (e.g. roads, paths etc.) back to plant and equipment usage levels is complex. As such, and where possible, understanding each piece of plant or equipment's usage levels is a far easier metric to collect and maintain data on. To ascertain the historical demand, the Shire has used statistics to consider a range of factors.

### Population Change

Between 2001 and 2016, the Shire's population at census night has fallen from 950 to 864. This decrease of 86 people (-9%) may suggest that demand for some services may have reduced. In turn, this may have reduced the demand on plant & equipment assets.

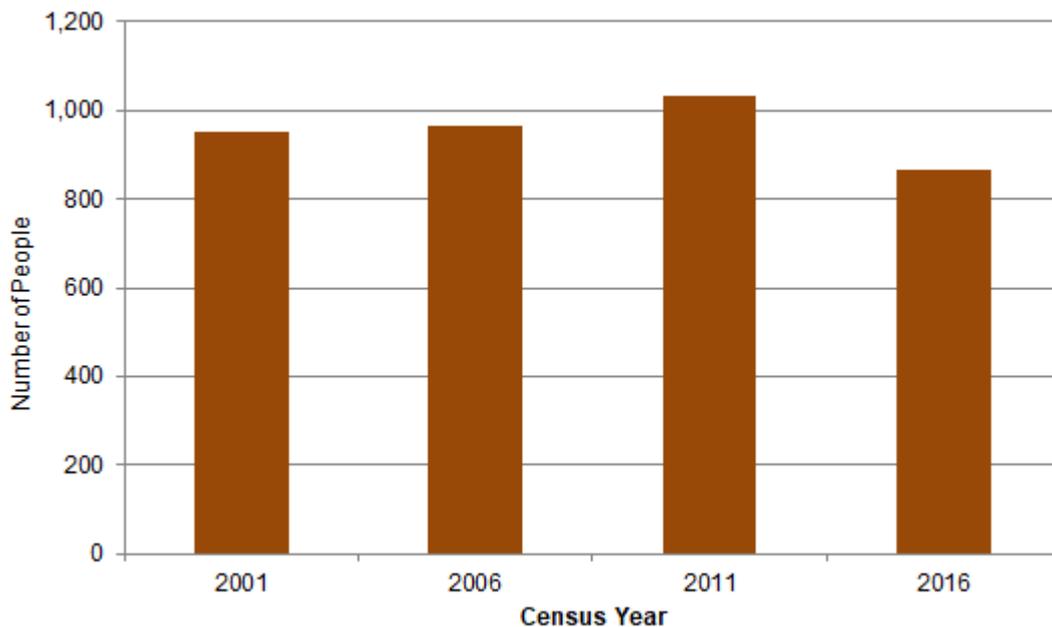


Figure 2: ABS Census Population – Shire of Kondinin 2001 - 2016

## Future Demand Drivers

In order to identify future demand pressures on the plant & equipment Portfolio (both positive and negative), six driver categories have been considered. These drivers may influence actual usage levels, and possibly require future resources to meet specific service needs or goals. Each of these demand drivers are briefly discussed below. The exact effects of many of these drivers are difficult to quantify and may require further study and research.

### Political

- ↔ State Government – Aside from stamp duty and licencing costs, little influence is exerted over the fleet. Only possible change could be the introduction of rate capping. – Demand change thought unlikely at present.
- ↑ Council – Changes to policies, services, service levels, financial plans etc. can all have an effect (direct and indirect) on plant & equipment. Strong IPRF practices will help to ensure financial sustainability, although improved AM practices are required within the Shire. – Increase demand for more AM resources to develop and implement improved practices is likely.

### Economic

- ↔ Staff Number Changes - A direct link between the number of Shire staff and the number of plant & equipment assets exists. A review of the Workforce Management Plan shows that the number of staff is not forecast to notably change. – No demand change.
- ↑ Fuel/Energy Costs and Availability – All plant & equipment assets use fuel or energy to some degree. The costs of some (e.g. electricity, petrol etc.) has been historically variable. Price increases have often been above CPI levels. Industry predictions suggest that future increases will also be above normal inflation levels. – Plant & equipment assets are likely to become increasingly expensive to operate.
- ↔ Plant & Equipment Financial Sustainability – At present, due to limitations in past valuations, it is not possible to calculate the asset consumption ratio. As such it is unclear as to how sustainable the portfolio currently is.

### Social

- ↓ Population – State forecasts suggest that the Shire's population is likely to fall in four of its five scenarios. With a historical change of -0.6% (2001-16) Band D may be the most likely scenario. This shows a further fall by 8%. - Assumed that the population will continue to fall and have a negative demand effect.

## Technological

- ↑ Maintenance – Plant & equipment items are becoming increasingly technically complex (e.g. vehicle control systems). This trend is likely to continue, potentially making assets more difficult to maintain without specialist tools, systems and training. – Likely require increased investment in staff training and support tools.
- ↑ Alternative Fuels – Changes in fuel types (e.g. electrical vehicles, compressed natural gas etc.) is likely to occur. - May require increased investment in staff training and support tools.

## Legal

↔ No specific legal demand factors have been identified.

## Environmental

↔ Environmental Sustainability – New plant & equipment assets are likely to have to be increasingly environmentally sustainable. This will require the Shire to consider asset need, energy efficiency, component recyclability rate, carbon footprint etc. – Acquiring and owning more sustainable assets, may come at a higher cost, although this is not entirely clear.

During a workshop in June 2019, Shire staff considered each of the potential sources of service demand change. As a result, the following drivers were considered to be those likely to have the greatest change effect. Demand mitigation tactics have been identified and are recorded in Part 1.

- = Council policy and decisions.
- = Financial sustainability
- = Fuel/energy costs
- = Legislation & compliance
- = Operation & maintenance costs
- = Technology improvements & changes

## Appendix D – Portfolio Physical Parameters

### Data Confidence

To be able to effectively manage its assets, the Shire collects and maintains a range of data on its plant and equipment assets. Understanding where gaps in this data exist is important to determine the confidence that we can put in the outcomes (e.g. valuations) that result. Table 4 details the reliability and confidence levels of the current asset data the Shire holds. In assessing the data, the Shire has applied the IIMM confidence framework as detailed in Table 3.

Confidence Grade	Description	Accuracy
A – Very Good	Accurate	100%
B - Good	Minor inaccuracies	± 5%
C - Average	50% estimated	± 20%
D - Poor	Significant data estimated	± 30%
E – Very Poor	All data estimated	± 40%

Table 3: Data Confidence Measures

Asset Class	Inventory	Valuation
Equipment	Good	Average
Plant	Good	Average
Vehicles	Good	Average

Table 4: Plant and Equipment Portfolio Data Confidence Levels

## Inventory & Valuation

The following section outlines the Shire's plant and equipment assets as at 30 June 2019.

Asset Ref	Description	Category	CRC	Fair Value	Annual Depreciation
63	Bus - 22 Seater commuter bus	Vehicle	-	\$90,000	-
58	Back Hoe - All wheel drive back hoe	Plant	-	\$85,000	-
21	Tanker - Tri Axle 25,000 litre capacity water tanker	Plant	-	\$65,000	-
40	Truck - 4X2 tipper truck	Plant	-	\$60,000	-
12	Back Hoe - All wheel drive back hoe	Plant	-	\$10,000	-
66	Mower - Ride on slasher mower	Plant	-	\$30,000	-
	Mower - Ride on slasher mower	Plant	-	\$15,000	-
	Mower - Ride on reel mower	Plant	-	\$20,000	-
60	Mower - Ride on slasher mower with catcher	Plant	-	\$13,000	-
37	Trailer - Tri axle Side tipper trailer	Plant	-	\$50,000	-
53	Loader - Rubber tyred front end loader with attachments	Plant	-	\$160,000	-
22	Float - Tri axle float	Equipment	-	\$80,000	-
35	Roller - Multi tyred rubber road roller	Plant	-	\$120,000	-
49	Grader - Road grader with ripper tines	Plant	-	\$200,000	-
7	Grader - Road grader with ripper tines	Plant	-	\$275,000	-
3	Utility - Single cab tipper tray utility	Vehicle	-	\$22,000	-
31	Roller - Vibratory steel drum road roller	Plant	-	\$100,000	-

Asset Ref	Description	Category	CRC	Fair Value	Annual Depreciation
8	Grader - Road grader with ripper tines	Plant	-	\$200,000	-
9	Loader - Rubber tyred front end loader with attachments	Plant	-	\$50,000	-
64	Station Sedan - 4X 4 Passenger vehicle	Vehicle	-	\$55,000	-
17	Trailer - Single axle box trailer	Equipment	\$2,000	\$500	-
43	Trailer - Single axle speed monitor trailer with sola panel	Equipment	\$15,000	\$8,200	-
24	Trailer - 3,500 litre capacity tandem axle fuel trailer	Plant	-	\$2,500	-
19	Trailer - Tandem axle box trailer	Equipment	\$3,000	\$500	-
18	Trailer - Tandem axle box trailer	Equipment	\$3,000	\$500	-
4	Utility - Single cab tipper tray utility	Vehicle	-	\$22,000	-
50	Truck - 4X2 tipper truck	Plant	-	\$40,000	-
39	Truck - 4X2 Crew cab tipper truck	Plant	-	\$45,000	-
1	Utility - Single cab tipper tray utility	Vehicle	-	\$22,000	-
13	Utility - Single cab tipper tray utility	Vehicle	-	\$22,000	-
10	Tractor - 4 WD tractor	Plant	-	\$30,000	-
11	Tractor - All wheel drive tractor	Plant	-	\$30,000	-
45	Mower - Ride on slasher mower with trailer	Plant	-	\$5,000	-
20	Trailer - Tandem axle car trailer	Equipment	\$6,000	\$1,000	-
65	Grader - Road grader with ripper tines	Plant	-	\$330,000	-
62	Trailer - Tri axle side tipper trailer	Plant	-	\$50,000	-
46	Trailer - Tandem axle heavy duty box trailer	Equipment	\$3,000	\$800	-

Asset Ref	Description	Category	CRC	Fair Value	Annual Depreciation
14	Mower - Ride on slasher mower	Plant	-	\$2,000	-
15	Bus - 21 Seater commuter bus	Vehicle	-	\$35,000	-
23	Trailer - Tandem axle box trailer	Equipment	\$3,500	\$300	-
32	Truck - 4X2 Tray top truck	Plant	-	\$65,000	-
33	Trailer - Tri axle Side tipper trailer	Plant	-	\$45,000	-
59	Trailer - Tandem axle box trailer	Equipment	\$3,500	\$2,300	-
34	Station Sedan - Passenger Vehicle	Vehicle	-	\$30,000	-
48	Station Sedan - 4X4 Passenger Vehicle	Vehicle	-	\$40,000	-
54	Station Sedan - 4X 4 Passenger vehicle	Vehicle	-	\$50,000	-
56	Station Sedan - All wheel drive passenger vehicle	Vehicle	-	\$30,000	-
52	Station Sedan - AWD Passenger vehicle	Vehicle	-	\$30,000	-
38	Fire Truck - 2,400 litre capacity 4X4 fire truck	Plant	\$450,000	\$70,000	-
-	Administration - 5x Table	Equipment	\$10,000	\$4,300	\$286
-	Administration - 1x Photocopier	Equipment	\$15,000	\$6,400	\$2,500
-	Administration - 1x Server	Equipment	\$28,200	\$18,500	\$4,700
-	Works Depot Kondinin - 1x Mower	Equipment	\$12,000	\$3,600	\$800
-	Works Depot Kondinin - 1x Broom	Equipment	\$7,000	\$1,000	\$350
-	Works Depot Kondinin - 1x Saw	Equipment	\$6,000	\$900	\$400
-	Works Depot Kondinin - 1x Mower	Equipment	\$8,000	\$1,000	\$320
-	Works Depot Kondinin - 1 x Aerator	Equipment	\$7,000	\$3,300	\$350

Asset Ref	Description	Category	CRC	Fair Value	Annual Depreciation
-	Works Depot Kondinin - Signage	Equipment	\$5,000	\$500	\$333
-	Works Depot Kondinin - 1x Tank	Equipment	\$25,000	\$3,100	\$1,250
-	Works Depot Kondinin - 1x Pump	Equipment	\$6,000	\$2,400	\$400
-	Works Depot Kondinin - 1x Slasher	Equipment	\$6,000	\$400	\$400
-	Works Depot Kondinin - 1x Rotovator	Equipment	\$7,000	\$2,100	\$350
-	Works Depot Kondinin - 1x Tree Planter	Equipment	\$30,000	\$6,700	\$1,500
-	Works Depot Kondinin - 1x Roller	Equipment	\$40,000	\$10,000	\$2,667
-	Works Depot Kondinin - 1x Roller	Equipment	\$40,000	\$6,000	\$2,667
-	Works Depot Kondinin - 2x Road Counter	Equipment	\$10,400	\$5,700	\$1,040
-	Medical Centre - 1x Bed	Equipment	\$6,000	\$2,800	\$300
-	Medical Centre - 1x Chair	Equipment	\$5,000	\$1,000	\$333
-	Medical Centre - 1x Bed	Equipment	\$5,000	\$2,800	\$250
-	Medical Centre - 1x Server	Equipment	\$10,000	\$1,400	\$1,667
-	Aquatic Centre - 71x Chair	Equipment	\$18,000	\$4,000	\$1,200
-	Aquatic Centre - 1x Range	Equipment	\$6,000	\$2,800	\$300
-	Aquatic Centre - 1x Pool Cleaner	Equipment	\$6,000	\$1,300	\$600
-	Aquatic Centre - 2x Pool Blanket	Equipment	\$20,000	\$7,400	\$1,333
-	Aquatic Centre - 1x Lane Marker	Equipment	\$7,000	\$2,600	\$467
-	Pavilion - 1x Range	Equipment	\$7,000	\$3,300	\$280
-	Kondinin Hall - 1x Range	Equipment	\$7,000	\$3,300	\$350

Asset Ref	Description	Category	CRC	Fair Value	Annual Depreciation
-	Kondinin Hall - 90x Chair	Equipment	\$10,800	\$5,500	\$720
-	Kondinin Hall - 1x Piano	Equipment	\$10,000	\$2,000	\$333
-	Kondinin Hall - 120x Chair	Equipment	\$6,000	\$1,200	\$400
-	Hyden Works Depot - 1x Tank	Equipment	\$5,000	\$3,400	\$333
-	Hyden Works Depot - Qty x Signage	Equipment	\$5,000	\$500	\$333
-	Hyden Works Depot - 1x Tank	Equipment	\$7,000	\$600	\$280
-	Hyden Hall - 200x Chair	Equipment	\$20,000	\$7,400	\$1,333
-	Hyden Hall - 12x Table	Equipment	\$8,000	\$2,900	\$533
-	Hyden Hall - 1x Piano	Equipment	\$10,000	\$800	\$333
-	Swimming Pool - 3x Cover	Equipment	\$30,000	\$11,000	\$2,000
-	Swimming Pool - 1x Lane marker	Equipment	\$7,000	\$2,600	\$467
-	Hyden Recreation Centre - 1x Plate Warmer	Equipment	\$5,000	\$2,200	\$333
-	Hyden Recreation Centre - 1x Griddle	Equipment	\$6,000	\$3,300	\$240
-	Hyden Recreation Centre - 1x Oven	Equipment	\$5,500	\$2,600	\$275
-	Hyden Recreation Centre - 1x Dishwasher	Equipment	\$6,000	\$2,800	\$300
-	Hyden Recreation Centre - 2x Freezers	Equipment	\$15,000	\$5,500	\$1,000
-	Recreation Centre - 135x Chair	Equipment	\$20,250	\$7,500	\$1,350
-	Kalgarin Hall - 1x Piano	Equipment	\$10,000	\$900	\$333
-	Kalgarin Hall - 110x Chair	Equipment	\$7,700	\$2,800	\$513
318	Hyden - SBS & Win satellite service	Equipment	\$107,000	\$10,700	\$5,350

Asset Ref	Description	Category	CRC	Fair Value	Annual Depreciation
311	Hyden - Satellite TV earth station	Equipment	-	-	-
317	Kondinin Drive-In SBS & Win Satellite Service	Equipment	\$85,000	\$12,750	\$4,250
319	Kondinin Drive-In FM Radio Transmitter System	Equipment	-	-	-
312	Kondinin Drive-In Satellite TV Replay Station	Equipment	-	-	-
<b>Total</b>			<b>\$1,374,850</b>	<b>\$2,944,483</b>	<b>\$53,071</b>

Table 5: Plant &amp; Equipment Inventory &amp; Values

## Appendix E – Lifecycle Management Strategies

### Background

Lifecycle management encompasses all strategies and practices that the Shire employs to manage plant and equipment assets at the lowest lifecycle cost. This section details all the strategies and practices that are currently employed.

### Principles & Definitions

In considering the Shire's asset lifecycle management, the following key principles and definitions must be considered.

### Work Category Definitions

The Shire considers the activities it undertakes across six categories as follows.

Activity	Definition
Operation	Continuously required expenditure which enables assets to provide benefits to the community such as utility charges, inspections, cleaning etc.
Maintenance	Regular works to maintain the assets' capability, such as minor repairs, servicing, mowing, painting, crack seals etc.
Renewal	Works to replace existing assets which are worn, poorly functioning or dated with assets of equivalent capacity or performance. For example, the renewal of an internal wall in a building, renewal of an engine in a grader, resurfacing a road (re-sheeting or resealing) or replacing girders on a bridge.
Upgrade	The significant upgrade of an asset to produce a higher service level, such as the widening of a road, extension of a building, installation of reticulation to a dry park etc.
New Work	The creation of a new asset, in a location where that asset type has not existed before.
Disposal	The process of removing and disposing of an asset upon the end of its useful life. For the purpose of this AMP this is only when an asset is not replaced.

Table 6: Activity Categories

### Lifecycle Cost Basis

All assets have a lifecycle. This is defined as the time interval that commences with the identification of the need for an asset and ends with the decommissioning of the asset (i.e. disposal but with no replacement). It covers five stages, being conception & design, acquisition/construction, operation & maintenance, renewal and disposal.

## Operation & Maintenance Strategy

### Strategy

The Shire currently operates and maintains plant and equipment assets in line with manufacturer specifications. However, the annual requirements are not clearly documented within an annual programme. As such, this AMP (and hence the annual budget) are not well informed. As an improvement action, it would like to develop an integrated framework, as described by the figure below.

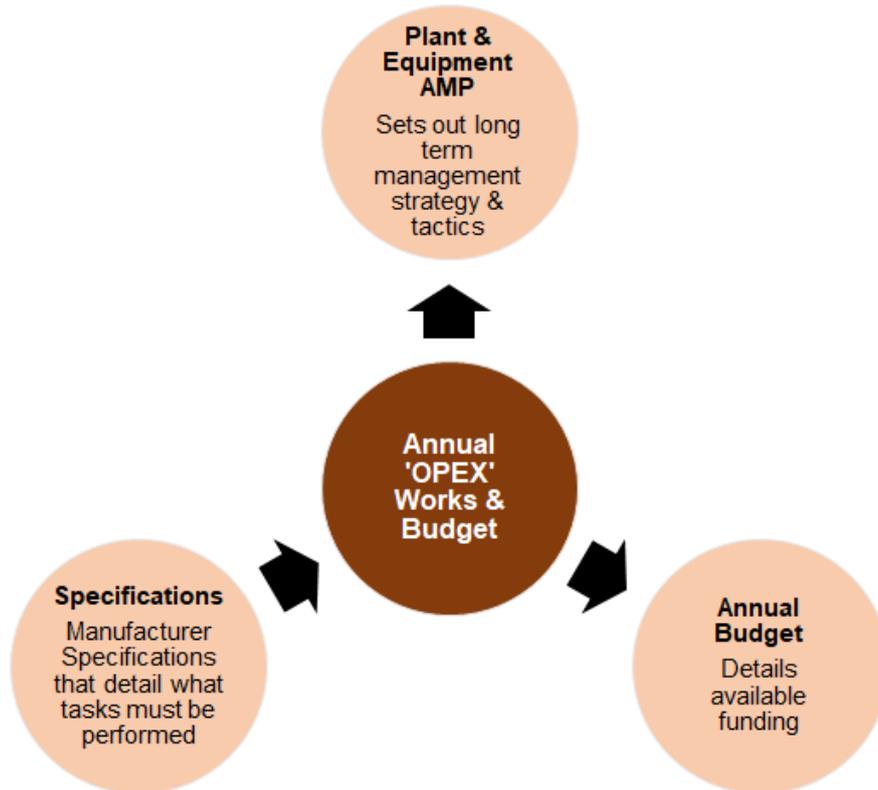


Figure 3: Plant & Equipment Operation & Maintenance Framework

### Staff Resources

The overall management of the Shire’s plant & equipment assets falls within the responsibility of the Chief Executive Officer. The Manager of Finance is responsible for overall accounting control, and the Manager of Works for operational requirements. The Shire is also assisted from time to time by external contractors.

### Software Systems

The Shire currently employs the use of the following software systems to manage plant and equipment asset data.

Software	Uses
SynergySoft	SynergySoft is used to record all asset revenue and expenditure, as well as relevant records.

Table 7: Asset Management Software Systems

## Renewal Strategy

The Shire's renewal strategy for plant and equipment is primarily driven through the establishment of optimal replacement triggers. Triggers are typically based upon age and/or usage intervention points. These typically strive to balance cost, safety, reliability and functionality.

Asset Type	Action	Triggers
Equipment	Renewal	Time based, as set out in works programme.
Plant	Renewal	Time based, as set out in works programme.
Vehicles	Renewal	Time based, as set out in works programme.

Table 8: Asset Renewal Triggers

## Upgrade/New Strategy

The Shire occasionally requires either new or upgraded plant & equipment assets. These assets are usually identified due to capacity issues with the currently available assets. The need for additional assets is considered by senior staff and then recommended to Council for approval. Due to the infrequency of new and/or upgrade purchases, a formal prioritisation/selection criteria framework is not required.

## Disposal Strategy

At the present time the Shire generally does not frequently dispose of plant & equipment assets. Where such a need is identified, then it is considered by staff and (in some instances) Council.

## Appendix F – Financial Model

Plant & Equipment Works Programme Summary				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	
Asset Sub Type	Activity Type	Activity Description	Funding Type	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
<b>Plant &amp; Vehicles</b>																				
Plant	Renewal	Mitsubishi (Mtnce Truck) - KN57 - Renewal	Municipal	\$0	\$0	\$0	\$52,000	\$0	\$0	\$0	\$0	\$52,000	\$0	\$0	\$0	\$52,000	\$0	\$0	\$0	
Plant	Renewal	Mitsubishi Canter Tip Truck - KN63 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$72,000	\$0	\$0	\$0	\$0	\$72,000	\$0	\$0	\$0	\$0	\$72,000	\$0	
Plant	Renewal	Isuzu Tip Truck - KN73 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Vehicles	Renewal	Toyota Hilux ( Mtnce Grader) - KN61 - Renewal	Municipal	\$0	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	
Vehicles	Renewal	Toyota Hilux ( Mtnce Grader) - KN55 - Renewal	Municipal	\$0	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	
Plant	Renewal	Mitsubishi Canter (Construction) - KN60 - Renewal	Municipal	\$0	\$45,000	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$0	
Vehicles	Renewal	Toyota Hilux - KN51 - Renewal	Municipal	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	
Vehicles	Renewal	Toyota Hilux - KN56 - Renewal	Municipal	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	\$0	\$22,000	\$0	
Plant	Renewal	2016 John Deere 670G - KN64 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$0	\$225,000	\$0	\$0	\$0	\$0	\$0	\$0	\$225,000	\$0	\$0	\$0	
Plant	Renewal	2011 John Deere 670G - KN65 - Renewal	Municipal	\$0	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0	\$220,000	
Plant	Renewal	2012 John Deere 670G - KN66 - Renewal	Municipal	\$0	\$0	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0	
Plant	Renewal	2018 Caterpillar 12M - KN81 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$235,000	\$0	\$0	\$0	\$0	\$0	\$0	\$235,000	\$0	
Plant	Renewal	2003 Howard Porter S/T - KN2106 - Renewal	Municipal	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	
Plant	Renewal	2004 Howard Porter S/T - KN2111 - Renewal	Municipal	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	
Plant	Renewal	2016 Roadwest Tri Axle Side Tipper - KN2418 - Renewal	Municipal	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	
Plant	Renewal	2018 BruceRock Eng L/L - KN2108 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0	
Plant	Renewal	2009 Water Tanker - KN2107 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plant	Renewal	JCB Backhoe 3CX - KN123 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	
Plant	Renewal	2012 Volvo L90F ( Ranger Loader 2019) - KN67 - Renewal	Municipal	\$0	\$0	\$0	\$255,000	\$0	\$0	\$0	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	
Plant	Renewal	Volvo L70C 4 Wheel Loader - KN68 - Renewal	Municipal	\$0	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$0	\$0	\$0	
Plant	Renewal	Multi Tyred Roller - KN72 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	
Plant	Renewal	Dynapac Smoth Drum Roller - KN78 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	
Plant	Renewal	Mower Toro GM7210 - KN3031 - Renewal	Municipal	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000	\$0	
Plant	Renewal	Mower Toro GM7210 - KN215 - Renewal	Municipal	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	
Plant	Renewal	Doctor's Car - KN52 - Renewal	Municipal	\$28,873	\$0	\$35,000	\$0	\$35,000	\$0	\$35,000	\$0	\$35,000	\$0	\$35,000	\$0	\$35,000	\$0	\$35,000	\$0	
Vehicles	Renewal	Replace KN0, 0KN & KN04 Vehicles - KN0 & KN04 - Renewal	Municipal	\$131,500	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000	
Vehicles	Renewal	Replace KN49 & KN5 Vehicles - KN49 & KN54 - Renewal	Municipal	\$0	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500
Vehicles	Renewal	Replace Community Bus - KN79 - Renewal	Municipal	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Equipment	Renewal	Disaster Recovery Camera	Municipal	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All	Renewal	Purchase Plant & Equipment - Road Plant	Municipal	\$430,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All	Operation	Fuel & Oil	Municipal	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	\$425,146	
All	Operation	Vehicle Registration & Insurance	Municipal	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	\$47,854	
All	Maintenance	Plant Servicing & Repairs	Municipal	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	
All	Maintenance	Tyres & Tubes	Municipal	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	
<b>TOTAL</b>				<b>\$1,326,372</b>	<b>\$1,410,499</b>	<b>\$1,377,499</b>	<b>\$1,516,499</b>	<b>\$1,302,499</b>	<b>\$1,227,499</b>	<b>\$1,229,499</b>	<b>\$1,190,499</b>	<b>\$1,409,499</b>	<b>\$1,291,499</b>	<b>\$1,110,499</b>	<b>\$1,427,499</b>	<b>\$1,379,499</b>	<b>\$1,217,499</b>	<b>\$1,374,499</b>	<b>\$1,289,499</b>	
<b>TOTAL WORKS EXPENDITURE</b>				<b>\$1,326,372</b>	<b>\$1,410,499</b>	<b>\$1,377,499</b>	<b>\$1,516,499</b>	<b>\$1,302,499</b>	<b>\$1,227,499</b>	<b>\$1,229,499</b>	<b>\$1,190,499</b>	<b>\$1,409,499</b>	<b>\$1,291,499</b>	<b>\$1,110,499</b>	<b>\$1,427,499</b>	<b>\$1,379,499</b>	<b>\$1,217,499</b>	<b>\$1,374,499</b>	<b>\$1,289,499</b>	

## Key Assumptions

A number of key assumptions are made in preparing forecasts of required expenditure and revenue. They are that:

- = Plant and equipment assets will remain in Council ownership throughout the period covered by this AMP, unless specifically detailed otherwise.
- = Standards, Acts and Regulations associated with plant and equipment assets will remain essentially the same over the AMP life.
- = Expenditure projections allow for no inflation.
- = Operation and maintenance costs are based primarily on planned programmes where available. Where not available, cost projections are based on historical expenditure trends which are not necessarily a sound indicator of future need, nor are tied to actual activities.
- = Renewal programmes have been based primarily on replacement schedules.
- = Inventory information used in calculations is the latest available at hand, but consideration of overall data confidence levels is critical when using this AMP.
- = Historical expenditure reports split by activity may contain expenditure that was actually expended on different activities.

## Appendix G – Asset Ratios

### Background

On an annual basis each WA local government reports seven key performance indicators (KPIs) (available within the Annual Report). Of these, three KPIs reflect the performance of the Shire's. These KPIs are useful in determining:

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

### Asset Consumption Ratio

The ratio is a measure of the condition of the Shire's physical assets, by comparing their fair value (what they're currently worth) against their current replacement cost (what their replacement asset is currently worth as new). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-75%. Non-depreciating assets should be excluded from the calculation.

$$\frac{\text{Depreciated Replacement Cost (Fair Value) of Depreciable P \& E Assets}}{\text{Current Replacement Cost of Depreciable P \& E Assets}}$$

Asset Type	DRC (FV)	CRC	ACR
Equipment	Not Available	Not Available	Not Available
Plant	Not Available	Not Available	Not Available
Vehicles	Not Available	Not Available	Not Available
<b>Total</b>	<b>Not Available</b>	<b>Not Available</b>	<b>Not Available</b>

Table 9: Plant & Equipment Assets Consumption Ratios

### Asset Sustainability Ratio

The ratio is a measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives. The ratio is essentially past looking, and is based upon dividing the average annual depreciation expense of the plant and equipment asset portfolio by the average annual renewal expenditure, for a number of past years (e.g. 3). The ratio has a target band of between 90%-110%.

$$\frac{\text{P \& E Asset Renewal Expenditure}}{\text{P \& E Asset Depreciation}}$$

Asset	2015/16-2017/18 Average	ADE	ASR
Plant & Equipment		Not Available	Unknown
<b>Total</b>		<b>Not Available</b>	<b>Unknown</b>

Table 10: Plant &amp; Equipment Assets Sustainability Ratios

### Asset Renewal Funding Ratio

The ratio is a measure as to whether the Shire has the financial capacity to fund asset renewal as and when it is required over the future 10 year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 15 years in the LTFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

$$\frac{\text{NPV of LTFP Planned Renewal Expenditure over the next 10 years}}{\text{NPV of AMP Required Renewal Expenditure over the next 10 years}}$$

Asset	LTFP	AMP	ARFR
Plant & Equipment			
<b>Total</b>			

Table 11: Plant &amp; Equipment Assets Renewal Funding Ratio