



# ASSET MANAGEMENT PLAN



## FLEET



Document Control		  <b>Asset Management Plan</b>			
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	August 2021	First Version - RMAC	CAM	DCGO, PM	DCGO

This Plan shall be reviewed and updated upon completion of the cyclic Condition Audit and Revaluation of Fleet Asset Class every 3 years or amended when required when associated changes occur including:

- Annual budget changes result in a material impact to the plan, including the Long-Term Financial Plan.
- Finalisation of the 10-year capital works program.
- Changes to service levels.
- Figures and graphs used in this plan are derived from inputs entered in to NAMS+.

*Abbreviations:*

CAM – City Assets Manager

DCGO – Director City Growth and Operations

PM – Project Manager

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## 1. EXECUTIVE SUMMARY

### 1.1 The Purpose of the Plan

As the second largest and fastest growing city in the Northern Territory, the City of Palmerston (Council) has \$751 million in assets under its management as of 30 June 2021.

Asset Management Plans aim to:

- Mitigate Council's Strategic Risk relating to long term sustainability.
- Ensure consistent asset management across Council.
- Identify asset management issues and scenarios that may impact upon Council's financial position.
- Detail information about assets including actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks.
- Define the services to be provided, how the services are provided and what funds are required to provide the services over a 10-year planning period.
- Ensure assets are safe for use and the community receive value for money for their investment in community assets.
- Provide detailed asset data and data analysis to inform Council's Long-Term Financial Plan (LTFP).

#### Summary Findings

As of 30 June 2021, asset sustainability ratio for Fleet is 98% which indicates that City of Palmerston is replacing 98% of its existing asset base with capital renewals as the assets reach the end of their useful life. Council has asset sustainability benchmark of 100%.

City of Palmerston's Assets Consumptions Ratios rate is 25%. A measure between 60% and 75% indicates that the assets are being maintained, renewed and replaced at a responsible rate.

### 1.2 Asset Description

Fleet is one of the key asset groups that provide Council the capacity and ability to facilitate services that are enjoyed by all members of our community.

This AM Plan covers 40 Assets in Fleet comprising of:

- Trucks - 2
- Excavator - 1
- Light passenger and commercial vehicles - 25
- Trailers - 6
- Associate equipment - 6

### 1.3 Levels of Service

It is an objective of the City of Palmerston Community Plan that our infrastructure is fit for purpose. This requires that our infrastructure is maintained and managed through adaptive innovative approaches to meet multiple community uses and needs. Levels of service to achieve this include:

- Providing Fleet in quality condition.

- Providing safe and compliant Fleet.
- Provide regular upkeep and maintenance of Fleet.
- Manage the resources Fleet use in environmentally sustainable way.

### 1.4 Future Demand

The main demands for new services and fleet are created by:

- Community expectations on appropriate infrastructure, safety, sustainability, and service levels.
- Economic demand due to increasing asset portfolio, economic pressures, asset age and CPI increases.
- Increase in environmental awareness and considerations.
- Population growth and new subdivisional activity, development of existing land and planning strategies.

Changing demands will be managed through a combination of existing assets and providing new assets supported by non-asset solutions, such as insuring against risks and managing failures. Demand management planning activities occur on an ongoing basis and include:

- Continue to monitor and provide input into development controls and guidelines for the requirements of effective Fleet.
- Monitor, assess and implement measures to meet increased demand for environmentally sustainable asset management.
- Monitoring community feedback, trends and assess expectations against existing levels of service and available resources with consideration to budget.

### 1.5 Managing Risk

Present funding levels based on current data are seen to be adequate to control risks relating to these assets. To gain confidence in the risk management position of the assets, condition audits and inspection practices have been identified as requiring improvement.

The management of risk is facilitated by:

- Continual improvements in asset data capture, maintenance, and management.
- Identify efficiencies in asset utilisation.

### 1.6 Financial Summary

Gross Replacement Cost:	<b>\$1,510,470</b>
Depreciable Amount:	<b>\$1,510,470</b>
Depreciated Replacement Cost: <sup>1</sup>	<b>\$376,710</b>
Annual Average Asset Consumption:	<b>\$361,444</b>

The combined annualised depreciation for the assets included in the AMP is \$361,444.

The current combined allocation for Operating and Maintenance activities is \$192,278 per annum.

<sup>1</sup> Also reported as Written Down Value, Carrying or Net Book Value.

The LTFP anticipates expenditure totalling \$3,560,000 over the 10-year period for renewals.

Total projected funding for the 10-year planning period is \$5,580,804 or \$558,080 on average per year which is estimated to meet the realistic cost to operate, maintain and renew land improvements at the present service levels.

### 1.7 Monitoring and Improvement Program

The next steps resulting from this asset management plan to improve asset management practices are:

- Increase data confidence through cyclic condition audits, inspections and consistent and effective record.
- Investigate Fleet Management Options.
- Review Fleet Useful Lives.
- Develop routine condition, maintenance defect and hazard inspections.
- Review and improve Technical & Customer levels of service and monitor these against community expectation and Community Satisfaction Survey.
- Review asset utilisation through tracking system.
- Improve asset management and data capture techniques through all stages of the asset life cycle to increase data confidence levels.