Coonamble Shire Council



FLEET MANAGEMENT PLAN 2017 - 2027

EXECUTIVE SUMMARY

Coonamble Shire Council operates and owns a fleet of plant and equipment to enable it to provide the services required by the community.

Plant purchases are funded from a plant reserve with annual depreciation cash funded to the reserve.

Recently Council has recognised the savings potential that can be made through diligent purchases of well maintained second-hand equipment, plant and fleet vehicles achievable on a buyers market. The strategic capacity of the fleet has been greatly increased through taking advantage of this market to purchase plant that would be otherwise the financial capacity of Council. This has allowed for improved road-making and other operational technologies to be achieved.

Council's rolling plant replacement program integrates with the overall community strategic plan and is reviewed on an annual basis. The replacement program is attached to this document.

Council purchases plant through a variety of methods including tender, quotation and purchase at auction, depending upon the specification of the plant required. Plant disposals are generally through trade or by auction. These decisions are made to maximise the return on sale of plant after taking into consideration market forces.

INTRODUCTION

The fleet management plan is to demonstrate responsive management of these assets and reserve provided in achieving the aims of Council's Integrated Plans, in particular the Community Strategic Plan and the Delivery Program. Each year a review and update of the previous year underpins Council's operational plan and the ability of current fleet to deliver.

The following assets are covered by this plan:

Asset	Dimension	Quantity	Current	Depreciated	Annual
Category			replacement	replacement	depreciation
			cost	cost	cost
Heavy	Includes graders, loaders, trucks, rollers, road plant	75	\$8,150,000	\$5,287,606	\$599,683
Light	Staff and light operational vehicles	43	\$1,550,000	\$1,210,297	\$171,391
Miscellaneous	Includes mowers, trailers, small plant	210	\$935,500	\$431,187	\$66,740
TOTAL		163	\$10,635,500	\$6,929,090	\$837,814

LEVELS OF SERVICE

The greater proportion of Council's fleet is utilized in road maintenance and provision of recreational areas such as showground, parks and streets.

From its community strategic plan safety, reliability, connectivity and responsiveness have been identified as key indicators of the level of service expected by the Shire community.

Council's fleet management plan identifies and provides for assets that provide functionality and performance to meet the community's desired service levels.

From a technical perspective, the long term acquisition of fleet assets needs to be :

i) Sustainable

Costs should be minimised using a whole of life cycle with reliable hire rates, depreciation costs and accruable residual values on plant change-over basis, funded through plant reserve.

ii) Operational

Plant utilization at the maximum potential.

iii) Safety

Ensure assets are maintained, operated and renewed to ensure technical safety and that of staff and the public.

FUNDING

Future demand may be shaped by budget, technology, resources and government policy.

Major Plant

The existing major plant fleet is funded through internal hire income, with annual depreciation costs being transferred to the plant reserve for future fleet replacements. Plant is typically depreciated over five or six years, resulting in the full replacement cost being accrued prior to its scheduled changeover.

The existing major fleet and its scheduled changeover and resulting cash flow is provided in Appendix A.

Small Vehicles

The existing small vehicle fleet is funded through internal hire income, with cash funded annual depreciation costs approximately equalling the annual replacement expenditure. No significant reserves are required to fund these transactions due to their regularity and uniformity. Cars are changed at three years or 80,000 kilometres, after condition assessment is carried out in consultation with the General Manager.

Minor Plant

Council owns approximately \$100,000 worth of minor plant, such as brick saws, hand mowers, whipper-snippers, rotary hoes, slashers and the like. These items are generally not charged out due to the fact that they are low cost items and their replacement cost has generally been recouped within the existing hire charges for the major plant. As part of this plan it is proposed that this arrangement be formalised and that the items are replaced on an "as required" basis at a rate of \$31,000/annum.

PLANT HIRE RATES

Major Plant

A detailed review of hire rates for major Council plant is conducted annually as part of the management plan review in which plant hire rates are increased to cover costs. It is recommended that a proposed increase, as detailed in the fees and include both internal and external hire rates.

Small Vehicles

Rates included in Fees and Charges.

Appendix A – Fleet Changeover Program

MAKE	MODEL	PURCHASED	20	17/18	20:	18/19	20:	19/20	20	20/21	202	21/22	202	2/23
Atlas Copco	XAS 125 DD	1989	\$	55,000										
Traymark		2001	\$	45,000										
Traymark		2001	\$	45,000										
Traymark		2001	\$	45,000										
Traymark		2000	\$	45,000										
Traymark		2001	\$	45,000										
Traymark		2001	\$	45,000										
Case	428 C SeriesIII	1999	\$	150,000										
Caterpillar	242	2005			\$	90,000								
Brentwood	BWD3034-OD	2013			\$	150,000								
Flexiprobe		2000			\$	25,000								
					\$	40,000								
Evans Deakia	GX620	1986			\$	50,000								
Seca/Classic		2001			\$	50,000								
Isuzu	NNR200	2016			\$	65,000								
Isuzu	NNR200	2016			\$	65,000								
John Deere	5425	2008			\$	70,000								
JCB	3CX APC	2012			Ė	,	\$	100,000						
Ros/Hino 500 1628 Auto	Scarab/Mistral	2013					\$	350,000						
Rapidspray	460 LTR	2010					\$	20,000						
Teledyne	TB825X	1994					\$	55,000						
New Holland	T5050	2012					Ś	90,000						
Howard EHD	EHD300	2012							\$	25,000				
Caterpillar	12M	2013							\$	300,000				
Caterpillar	12M	2013							\$	300,000				
Caterpillar	12M	2013							\$	300,000				
Mack	Metroliner	2006							Ť	,	\$	100,000		
Trimax	FlailDek FX185	2015									\$	20,000		
Komatsu	WA430-6	2012									\$	250,000		
Komatsu	PC270LC-8	2012									\$	250,000		
Komatsu	. 627626 6	2016									\$	400,000		
A1 Roadline	CS-200	2015									Ť	100,000	\$	20,000
A1 Roadline	CS-200	2015											\$	20,000
A1 Roadline	CS-200	2015											\$	20,000
Howard EHD	00 200	2010											\$	25,000
Ceili MIZAR	Mizar/S 200	2014											\$	25,000
Kubota	M8540DCH	2014											\$	90,000
Bomag	BW25RH	2014											\$	150,000
Bomag	BW25RH	2014											\$	150,000
Bomag	BW25RH	2014											\$	150,000
Ammann	ASC170DT3	2014							H				\$	150,000
Ammunii	ASCITODIS	2014											7	130,000
			Ś	475,000	\$	605,000	¢	615,000	¢	925 000	¢	1,020,000	\$	800,000
			ڔ	773,000	ڔ	003,000	٧	013,000	٧	J2J,000	٧	1,020,000	۲	555,000
	Minor Plant		\$	31,000	\$	32,000	\$	33,000	\$	34,000	\$	35,000	\$	36,000
	Fleet Vehicles		\$	205,000	\$	210,000	\$	215,000	\$	220,000	\$	225,000	\$	230,000
			\$	32,000	\$	34,000	\$	36,000	\$		\$	40,000	\$	42,000
	Plant Upgrades		Ş	32,000	Ş	54,000	Ş	30,000	Ş	38,000	Ş	40,000	Ş	42,000
Total Plant Cost /transfer	from roconic)		۲	742.000	ć	001 000	ć	900 000	ć	1 217 000	۲.	1 220 000	ć	1 100 000
Total Plant Cost (transfer			\$	743,000	\$	881,000	\$	899,000		1,217,000		1,320,000	_	1,108,000
Plant Depreciation (transf			\$	1,297,000		1,297,000		1,297,000		1,297,000		1,297,000		1,297,000
Plant Reserve (end of yea	r) 		\$	1,543,704	\$	1,959,704	\$	2,357,704	\$	2,437,704	\	2,414,704	>	2,603,704
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