



# Plant & Fleet

## Asset Management Plan 2024









## Kurna Acknowledgement

The City of West Torrens is located on the Traditional Homelands of the Kurna Nation of People, the first Traditional Owners and Custodians of the Adelaide Region.

Council pays respect to Elders past, present, and emerging.

We recognise and respect their cultural heritage, beliefs and spiritual relationship with the land, sea, waterways and sky.

We acknowledge that they are of continuing importance to the Kurna people living today.

We have built a beautiful city. However, we further recognise that the process of settlement resulted in the dispossession and dislocation of the Kurna people and that we are always mindful of this.

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### Document history

Revision	Date	Details
1.0	May 2024	Draft completed for community consultation
2.0	June 2024	Draft approved for community consultation by Audit and Risk General Committee
3.0	October 2024	Finalised plan with community consultation results included

# Executive summary

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In order to ensure that we maintain and manage our infrastructure assets responsibly, councils are required to have asset management plan(s). These plans outline how Council will manage its assets in order to cater to both present and future customers in a cost effective manner.

The City of West Torrens has a number of plans for various assets including buildings, transport, open space, plant and fleet and our stormwater network.

This particular plan, our Plant & Fleet Asset Management Plan, shows our current approach to managing plant & fleet assets in West Torrens. It outlines service delivery targets and the financial provisions needed to deliver them.

**Plant and fleet assets help us achieve some of our strategic objectives as outlined in our Community Plan, including:**

- An attractive, safe and cohesive urban environment that supports better quality development assessment outcomes, diverse housing choice and compatible non-residential development.
- Infrastructure that meet the needs of a changing city and climate.
- Neighbourhoods designed to promote safe, active travel and strengthen connections, amenity and accessibility.
- Place-making and public art which enhance the visitor experience at key destinations.
- Universal accessibility to facilities and services.

**It will also achieve other key strategic goals such as:**

- Recognition of our unique local cultural identity and heritage.
- Reducing the city's impact on the environment.
- A workforce that meets current needs and plans for future needs.
- Sustainable financial management principles.

Conditions of our assets are always under review, and valuation information is currently captured at cost. With a current replacement cost of \$13.1 million for all our plant and fleet assets, it's imperative that we have a robust financial plan for asset maintenance, replacement and renewal to ensure our community's needs are being met. We have estimated that we will need \$1.7 million each year for the next decade to effectively enact the renewal actions outlined in our plant and fleet Asset Management Plan. In relation to renewal expenditure Council has identified, through the Climate Mitigation & Adaptation Strategy 2023-2027, that one of the key objectives is to become a Low Carbon Council and one of the actions of this objective is to transition vehicle fleet and plant to low carbon options. Renewal forecasting has included a provision for this transition.

Although not an asset class that has direct community satisfaction feedback, it is important to note any change in service levels, e.g. routine inspection and maintenance frequencies, will have a direct impact on plant and fleet asset demands.

Between July and August 2024, we gave our community an opportunity to provide feedback on our various Asset Management Plans, asking them to rate our current service levels and provide any additional comments. Feedback for the Plant and Fleet Asset Management Plan was generally supportive for continued investment in lower carbon options and will be taken into consideration in our future capital investment and asset improvement plans.

A snapshot of consultation results are included at the rear of this Plan.







# Introduction

In an era where development and densification are rapidly reshaping the landscape of local government areas within a close proximity of the Adelaide CBD, effective asset management stands as a cornerstone for sustainable growth and prosperity.

The City of West Torrens, nestled between the city and the sea, is no exception. As our city continues to evolve and flourish, the prudent stewardship of our infrastructure assets becomes paramount to ensure our services and infrastructure are delivered to the community with the greatest level of efficiency and judiciousness.

This introduction serves as a roadmap for embarking on the journey of crafting a robust Asset Management Plan (AMP) tailored to the unique needs and aspirations of West Torrens. The AMP will not only be a strategic document but a living framework that guides decision-making processes, resource allocation, and the optimisation of our infrastructure assets throughout their lifecycle.

## Key elements of infrastructure asset management:

- 1 Understanding assets:**

At the heart of effective asset management lies a deep comprehension of the assets themselves. Through comprehensive asset data governance and structure and condition assessments, we will continue to gain insights into the quantity, condition, and performance of each asset within our portfolio.
- 2 Lifecycle management:**

Infrastructure assets have finite lifespans and managing them requires a proactive approach that spans their entire lifecycle. From planning and acquisition to operation, maintenance, and eventual disposal or renewal, each stage demands the appropriate attention to detail to ensure optimal performance, longevity, and cost-effectiveness.
- 3 Risk management:**

Uncertainty is an inherent aspect of asset management, encompassing risks ranging from natural disasters and technological obsolescence to changes in design standards and financial constraints. By conducting risk assessments and implementing mitigation strategies, we can safeguard our assets against potential threats and disruptions, enhancing the resilience of our infrastructure network.
- 4 Financial sustainability:**

Balancing the need for infrastructure investment with fiscal responsibility is a delicate task faced by all Local Government bodies. Through robust financial planning, budgeting, and asset valuations, we can align our investment strategies with long-term sustainability goals, ensuring clear and transparent goals and outcomes, maximising the value derived from our assets while minimising financial risks and liabilities.
- 5 Community engagement:**

Effective asset management is not solely a technical or financial endeavour but a collaborative process that involves engaging with stakeholders and incorporating their input, expectations and support for the strategies. By fostering transparent communication channels and soliciting feedback from residents, businesses, and other vested parties, we can ensure that our asset management strategies align with the needs and aspirations of the community.

The development of an Asset Management Plan for the City of West Torrens represents a pivotal opportunity to chart a course towards a future characterised by resilience, sustainability, and prosperity. This plan should be read in conjunction with Council's Asset Management Policy, Annual Business Plan and Long Term Financial Plan.



# Plant & Fleet asset summary

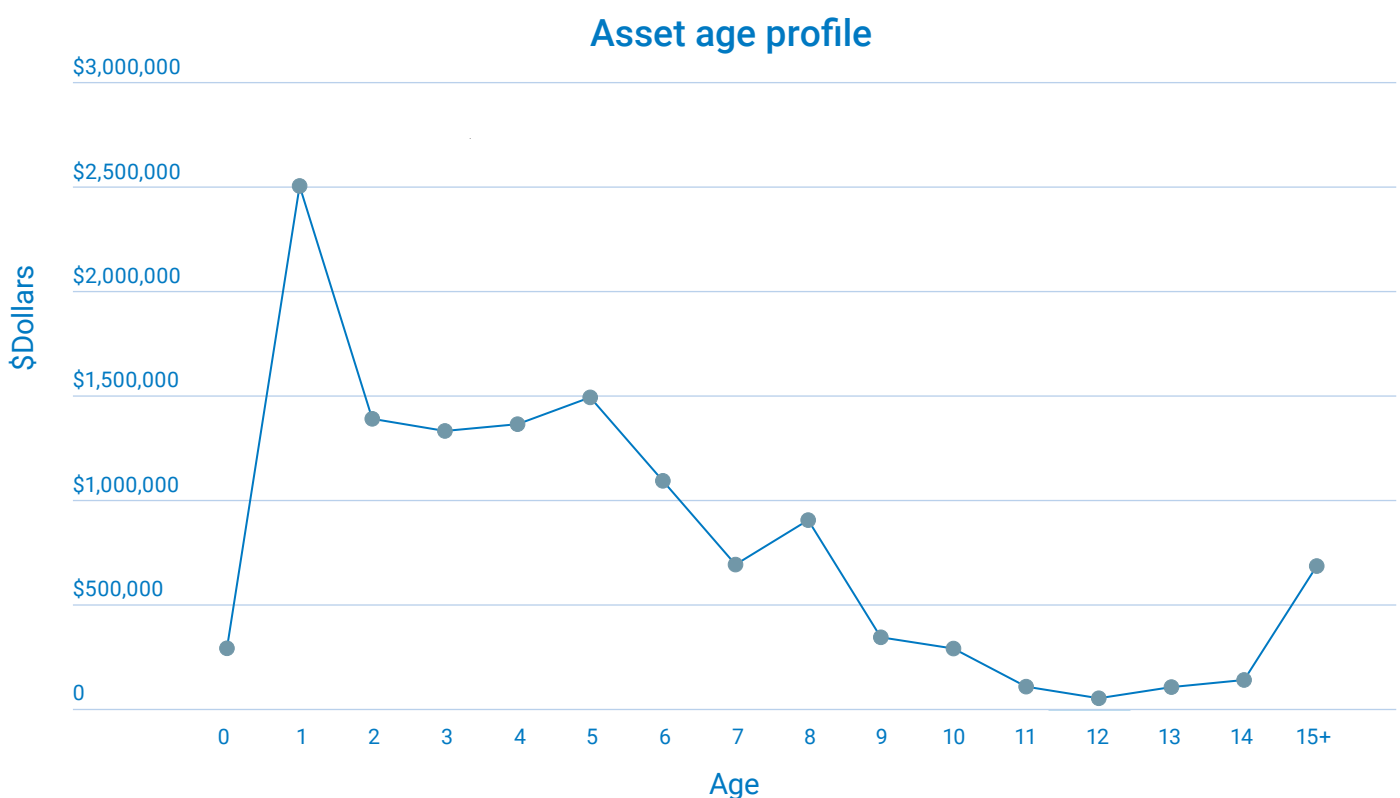
Table 1 | Asset class summary

Type	Count
Bus	2
Construction Equipment	7
Forklift	3
Light Commercial Vehicles	30
Light Passenger Vehicle	42
Linemarking Equipment	4
Parks & Mowing Equipment	24
Roadsweeper	5
Tractor	3
Trailer	31
Truck	32

There is a number of minor and miscellaneous plant and equipment not summarised above, which are captured as assets due to their cost and in line with Council’s Capitalisation of Assets Policy 2023. All costs for plant and fleet listed in this plan are net, meaning acquisition minus trade-in/disposal income.

Note: as part of Council’s light passenger vehicle fleet, 24 vehicles are hybrid and 2 are leased electric vehicles. One vehicle, as part of our truck fleet, is a hybrid.

Graph 1 | Asset age graph

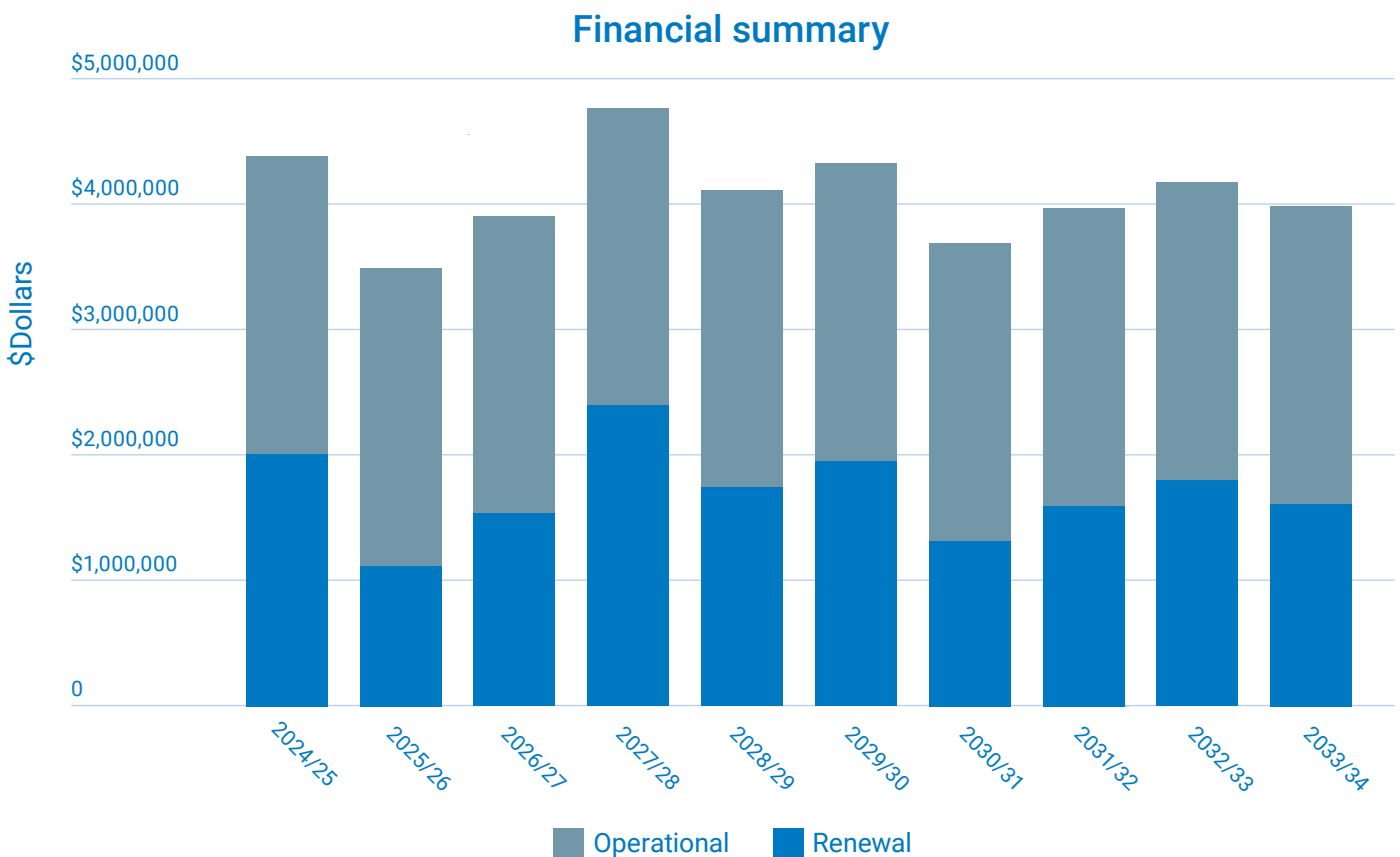




## Plant & Fleet asset summary (continued)



Graph 2 | Projected capital expenditure





# Risk management

An assessment of the risks associated with the service delivery and management of fleet and plant has been undertaken. The risk assessment process is in line with Council's Enterprise Risk Management Framework (2023). It identifies credible risks, the likelihood of the risk even occurring, the impact should the event occur, develops a risk rating and evaluates the risk and develops an appropriate treatment plan for non-acceptable risks.

Figure 1 | Enterprise risk management framework – risk matrix

Risk Analysis Matrix - Level of Risk						
Prevent <hr/> Reduce <hr/> Manage Negative Consequences	E	E	H	H	M	Catastrophic
	E	E	H	M	M	Major
	H	H	M	M	L	Moderate
	M	M	L	L	L	Minor
	M	L	L	L	L	Insignificant
LIKELIHOOD	Almost Certain > 95% chance of occurring	Likely 65 - 94% chance of occurring	Moderate 35-64% chance of occurring	Unlikely 5 - 34% chance of occurring	Rare < 5% chance of occurring	SCALE
Enhance <hr/> Promote <hr/> Facilitate Positive Consequences	MO	LO	LO	LO	LO	Insignificant
	MO	MO	MO	LO	LO	Minor
	SO	SO	MO	MO	LO	Moderate
	HO	HO	SO	MO	MO	Major
	HO	HO	SO	SO	MO	Outstanding

The main areas for asset risk criteria involve service provision, health and safety, business interruption, financial risk, event based asset damage (storms/accidents) and security and vandalism. Many of these matters are addressed through legislation, insurance and risk reviews, business continuity planning and long term financial planning.

Risk ratings based on Council's risk matrix			
Category	Risk	Risk Rating	Control/s
<b>Budget/ Financial</b>	Failure to adequately maintain assets (including facilities and property) and infrastructure leading to increased costs, increased damage caused by deterioration or emergency events and increased damage to reputation	Moderate	Annual asset unit rate review and revaluation; Renewal Funding Ratios close to 100%; Routine independent asset condition inspection program (4 Years)
<b>Reputation</b>	Failure to meet or consider the needs or changing expectations/priorities of the community, external agency infrastructure projects or changing government needs	Moderate	Community Plan and Corporate Plans (inc service delivery proposals) subject to public consultation and linked to asset management plans.
<b>Financial</b>	Failure to consider how environmental, sustainability and climate change issues may impact on the asset or the asset impacting on those issues over the course of the lifecycle of the asset	Moderate	AdaptWest Climate Change Adaptation Plan, Climate Mitigation and Adaptation Plan (2023-2027), Draft Carbon Reduction Plan, Lower greenhouse gas (GHG) emissions in local roads and footpaths Project, Stormwater Management Plan
<b>Financial</b>	Failure to consider changes in technology/innovation when planning for designing of or considering the lifecycle of an asset	Moderate	Asset management plans, inhouse engineering staff



### Risk ratings based on Council's risk matrix

Category	Risk	Risk Rating	Control/s
<b>Organisation/ customer impact</b>	Failure to recognise trends, capitalise on opportunities, engage with the community and ongoing changes to inner metropolitan urban form and adequately plan for or implement appropriate systems, programs, resources and process or mitigation strategies needed as a result of increased demand for and/or change in use of Council infrastructure and assets, services and resources caused by increased density of population and changing community landscape	High	Community Plan and Corporate Plans (inc service delivery proposals) subject to public consultation and linked to asset management plans. Recording utilisation for assets, including roads, footpaths, buildings and open space.
	Failure to facilitate an effective working relationship with State Government resulting in lack of effective communication and missed opportunities to advocate on behalf of residents regarding changes in strategy or major infrastructure projects (e.g. the North South Corridor)	High	Official engagement and partnership between DIT & Council
	The inability to effectively encourage placemaking and vibrancy within the City or support the character and amenities of an area leading to poor community outcomes	Low	Precinct and Open Space Masterplans consulted in line with Public Consultation Policy and the Public Space Realm
<b>Reputation</b>	Inability to appropriately manage sustainable growth in development whilst providing assurances that infill occurs in-line with CWT's ability to provide and maintain assets, infrastructure and services	Moderate	Asset management plans, inhouse engineering staff

# Levels of services

The City of West Torrens plant, fleet and equipment assets are used to deliver services by Council staff, such as the inspection and maintenance of infrastructure, delivery of materials and equipment and other services. The following plan details how Council plans to manage and operate these assets.

## Legislative requirements

- Local Government Act 1999
- Civil Liabilities Act 1936
- Disability Discrimination Act 1992
- Public Health Act 2011
- Road Traffic Act 1961

Performance Category	Performance Objective	Performance Target	Current Performance
Quality & Condition	Ensure plant & machinery is operational and fit for purpose to meet service levels expected by the public.	Ensure plant or machinery is available (from an operational perspective) when required	Met
Function	Ensure plant is available to meet maintenance and construction operations as required.	Plant is always available when required	Met - Machinery is shared between works when individual units are not available
Safety	Assets are operated, maintained and services to industry standards with regular audits and inspections conducted.	No injuries or deaths	Met - Maintenance inspections conducted through Council's Fusion system
Function	Plant performs at the level expected	Performance meets expectations	Met - Performance meets expectation based on feedback from operators
Condition	Asset maintained sufficiently to fulfil and possibly exceed useful life	As per manufacturers specifications	Met - As per manufacturers specifications
Condition	Replace asset once it has reached its useful life or failed to meet purpose	Maximum useful life is reached without compromise in safety and performance	Partially met - Renewals programmed and followed, current backlog experienced due to lack of industry supply
Sustainability	At renewal, explore opportunities to renewal plant and vehicles with hybrid or electric options	Aim to transition for the majority of fleet and relevant plant to more low carbon alternatives as directed by the Draft Carbon Reduction Plan	Partially met - Future renewal programming has factored in the financial provision to facilitate this transition broadly. More specific programming to follow once Draft Carbon Reduction Plan and targets are adopted.
Quality	Improvements in value and/or performance reviewed at every renewal	Improve upon the cost, efficiency and/or performance at the renewal of each asset	Met - Identified as renewals are considered



# Lifecycle management

The following provides a summary of asset data (condition, valuation and useful life) and processes applied in order to effectively maintain, renew and enhance the asset class.

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service while optimising life cycle costs. It presents an analysis of the known asset information covering the 4 key work activities to manage the road infrastructure.

**The lifecycle cost of an asset is described in four stages:**

- Acquisition/Creation/New
- Maintenance and Operations
- Capital Renewal/Upgrade
- Disposal/Decommissioning

These stages are further detailed later in this report.

## Asset Componentisation

Assets are componentised based on their complexity and direction for future renewal. The capital investment of plant and fleet components, such as truck trays, can result in the renewal of these components only. This is consistent with AASB116 Property Plant and Equipment which requires each component within an asset that has a different useful life to be depreciated separately. Council's current asset structure is as follows:

Type	Useful life
Bus	7 - 11 Years
Construction Equipment	6 - 7 Years
Forklift	6 - 14 Years
Light Commercial Vehicles	3 - 7 Years
Light Passenger Vehicle	3 - 5 Years
Linemarking Equipment	6 - 13 Years
Minor Plant/Equipment	5 - 25 Years
Parks & Mowing Equipment	5 - 15 Years
Roadsweeper	6 Years
Tractor	7 Years
Trailer	6 - 25 Years
Truck	5 - 15 Years

# Asset condition and forecast reliability

## Forecast reliability

Expenditure and renewal forecasting is based on the best available data at the time. Council's Asset Management Data Governance Framework (2023) is key to improving the management of data and analysis. This begins by establishing a current state analysis, a target state review and a roadmap to improvement. This will form a key part of Council's Asset Management Maturity Assessment and improvement plan. The present variable in forecast reliability is estimating present and future renewal costs. Updating future renewal rate annual, based on observed market changes will be key to keeping the forecasting reliability as accurate as possible.

Data confidence grading	
Confidence grade	Description
<b>A. Very high</b>	Data based on solid provable records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$ . Ongoing data quality is maintained with a clear understanding of data custodianship and required metadata.
<b>B. High</b>	Data based on good records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example 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 $\pm 10\%$ . Data maintenance is conducted but clarity of ownership and/or gaps in metadata are unknown.
<b>C. Medium</b>	Data based on good records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$ . Data maintenance has been completed as a moment in time exercise and may be disconnected to current strategy requirements.
<b>D. Low</b>	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 $\pm 40\%$ . No data maintenance is conducted.
<b>E. Very low</b>	None or very little data held.



Data confidence grading		
Data	Confidence assessment	Comment
<b>Demand drivers</b>	Medium	Demand drivers are based on recommendations from the Fleet/Plant Coordinator. Further work required to understand methodology.
<b>Growth projections</b>	Medium	As above.
<b>Acquisition forecast</b>	Medium	As above.
<b>Operation forecast</b>	Medium	Operations forecasts are based on the analysis of trends in historical operations expenditure.
<b>Maintenance forecast</b>	Medium	Maintenance forecasts are based on the analysis of trends in historical maintenance expenditure.
<b>Renewal forecast - asset values</b>	High	Asset values are based on current market valuation estimates and observed acquisition costs when available.
<b>Asset useful lives</b>	Medium	Asset useful lives are linked to the IPWEA Plant recommendations.
<b>Condition modelling</b>	Medium	Optimised renewal period based on utilisation estimates and the IPWEA Plant recommendations.
<b>Disposal forecast</b>	High	Disposals are based on recommendations from the Fleet/Plant Coordinator.





# Future demand

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As stated previously, any change or increase in demand on other services, such as the strategic growth in Open Space, will result in a need to increase plant and fleet to meet the increasing operational demands. When these matters are further quantified, the resulting impact to this asset class will also be substantiated and planned for.





# Maintenance and operational plan

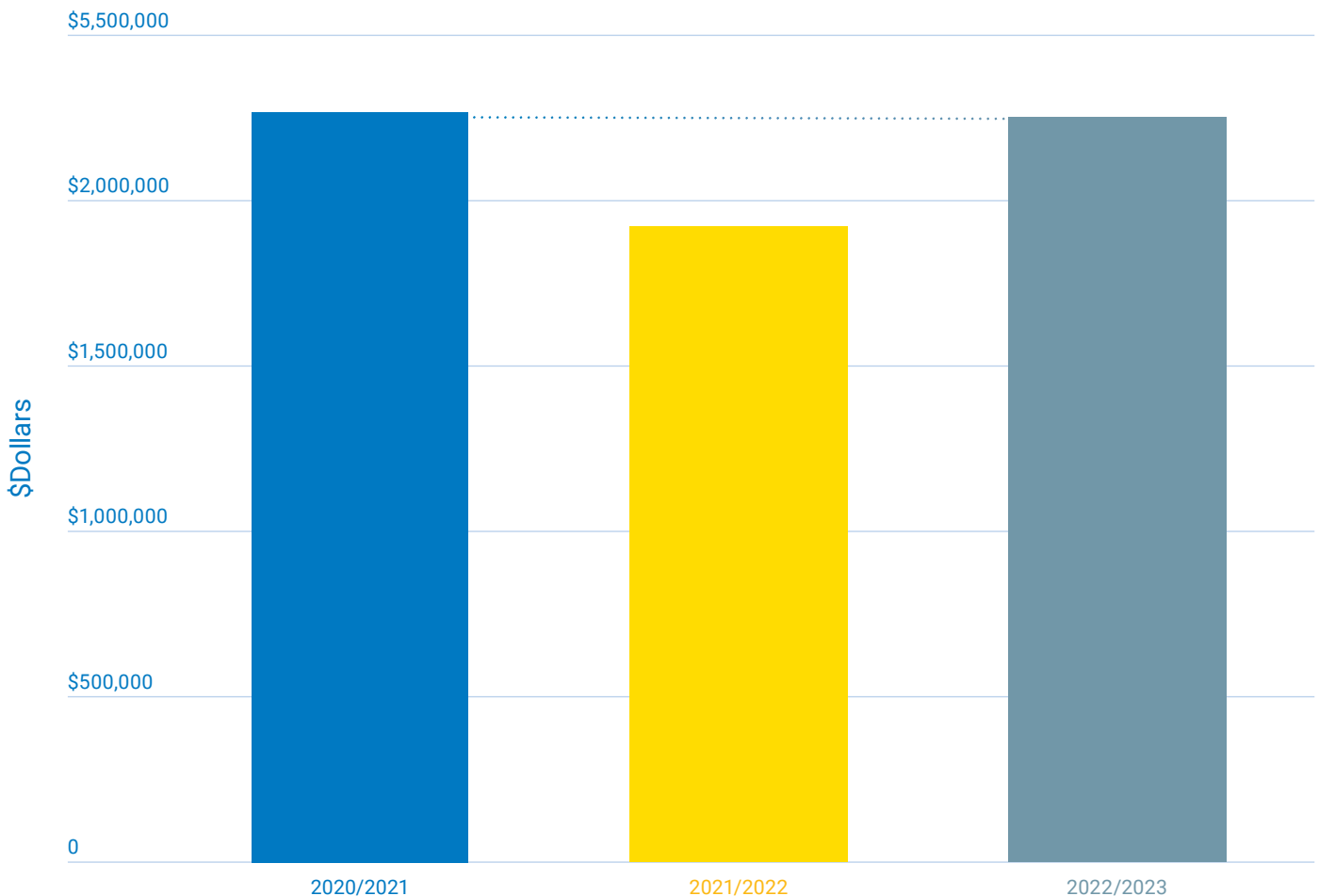
Operational expenditure consists of the day to day costs incurred which includes fuel, registration, security and insurance. Maintenance is the minor, routine repairs to assets which can include reactive, planned and specific work activities. These are activities that ensure continued operation and maximising the potential useful life of an asset.

Reactive maintenance is unplanned repair work carried out in response and assessed from service requests and management/supervisory directions. The aim in optimising cost and efficiency in maintenance planning is to minimise reactive maintenance and develop proactive maintenance programs.

Planned or proactive maintenance is repair work that is identified and managed through a routine maintenance management program. A comprehensive maintenance management program includes inspections, prioritisation based on asset hierarchy and agreed service levels, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance. This is the most efficient method of maintenance works delivery that provides a fair and equitable approach without bias.

The graph below shows the historic trend in operational and maintenance expenditure for the previous three financial years, with cost trends expected to continue with no substantial change to the asset numbers predicted.

### Operational Cost Trend



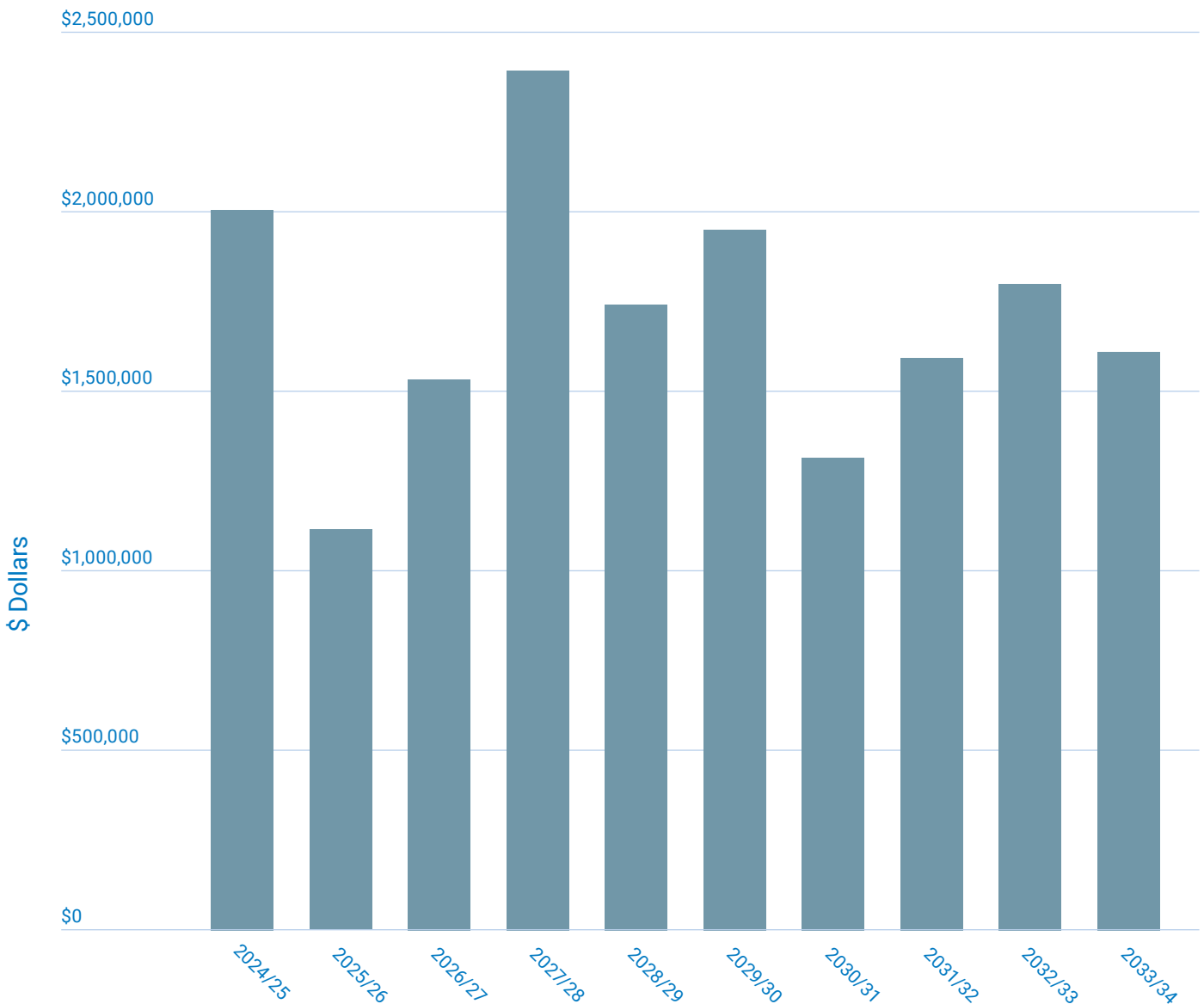
# Renewal plan

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

This principle does not apply to what is considered a modern equivalent, an example being the replacement of a componentised bridge with a major culvert, the same service level has been renewed but which is different to the previous asset construction type.

Renewal is identified and planned in principle and guided by IPWEA best practice Plant & Vehicle Management Manual and prioritisation based on a combination of condition, predicted useful life and cost benefit. The renewal expenditure for the next 10 years is estimated at an average of \$1.7m per year.

## Renewals





# Enhancement plan

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New or upgrade works are defined as either an asset that did not previously exist, or works which have materially improved an existing asset beyond its existing capacity.

These investments may result from a number of needs and demands such as a growth in utilisation and a need to meet capacity, environmental impacts and technological change.

There are no major enhancements planned for plant and fleet. As stated previously in this report, the transition to low carbon options during renewal has been broadly factored into the renewal program through the long term financial plan. This has not been considered an asset upgrade

as the service delivery will not change materially. Further refinements to this targeted transition will be presented in the Carbon Reduction Plan, which at the time of this report has been drafted but not presented to Council. Other potential but minor enhancements, relating to technological change that will be considered include smart vehicle performance monitoring services and asset condition assessment technology fitted to existing vehicles to capture condition during current use.

## Disposal plan

There are no current disposal plans. All 'disposals' are planned to occur at renewal of plant or fleet and are traded out as part of the transaction for the replacement asset.





# Financial summary

The following is an overall summary resulting from the previous information presented in this plan, including all capital and operational projections.

The figure below shows the planned operating and capital expenditure (renewal and enhancement) predicted until 2033/34. These costs are to be funded from Council's maintenance, operating and capital budgets with funding allocation detailed in Council's Long Term Financial Plan (LTFP).

## Key assumptions

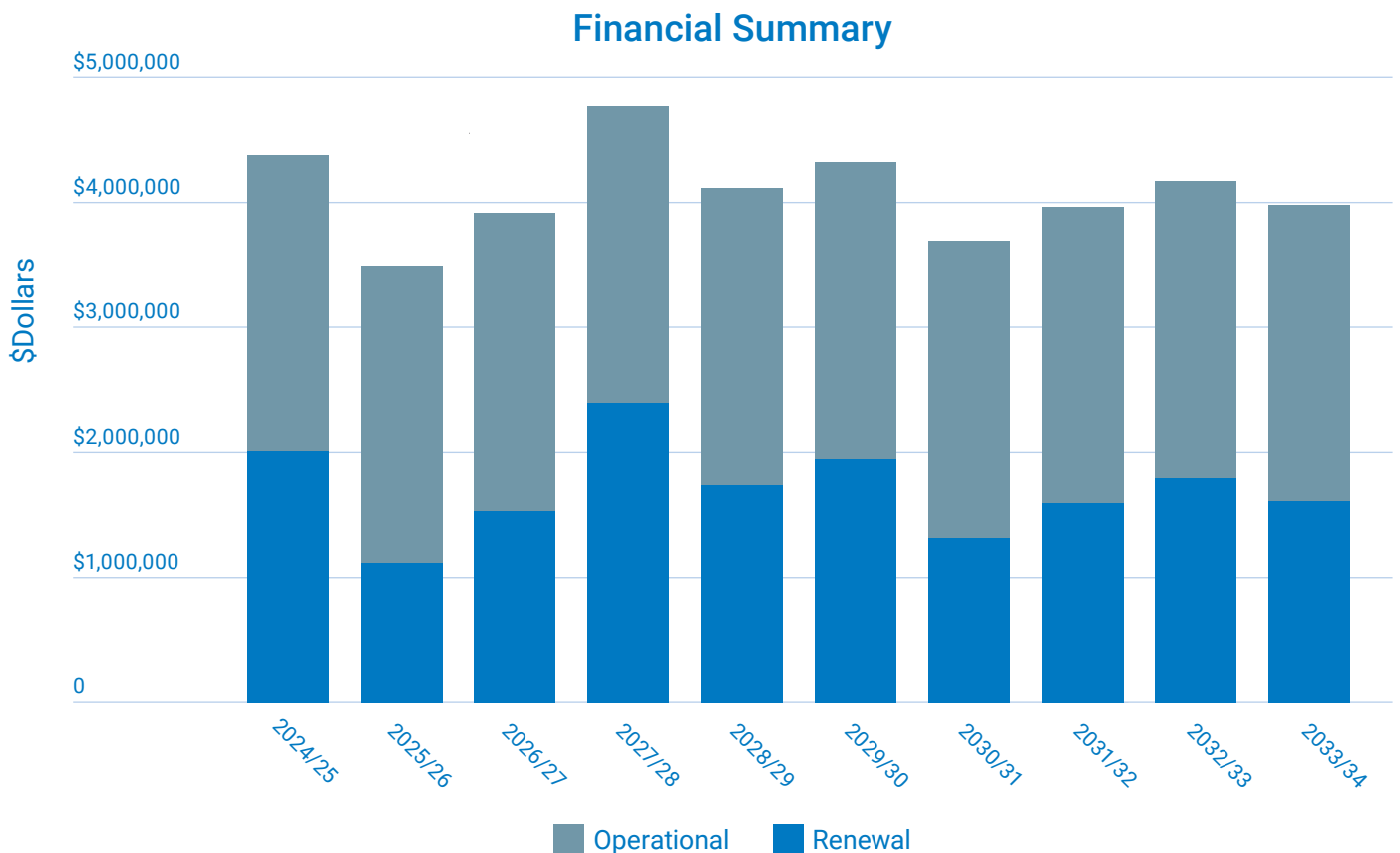
Key Assumptions made within the financial summary of this asset management are:

- All figures are in 2024/25 values.
- Future capital works will be captured at cost.

## Future key milestones

The asset management plan will continue to inform the LTFP and any annual changes will be included in an addendum to ensure currency.

Impact or consideration for significant changes in service level resulting from community consultation through the Community Plan 2030, the Asset Management Plan and any other future strategic plan will require a response and revision to this current plan.



# Plan improvement and monitoring

Task	Task	Responsibility	Resources required	Timeline
1	Consider the implementation of fleet management software as opposed to managing asset data within the broader asset management system	Team Leader Asset Management and Coordinator Fleet and Facility Support	Internal Management staff	1/07/2025
1a	Further to task 1., integrate utilisation and performance data into future renewal predictive modelling	Team Leader Asset Management and Coordinator Fleet and Facility Support	Internal Management staff	01/07/2025
2	Investigate utilising asset inspection and defect reporting data into renewal predictive modelling	Team Leader Asset Management and Coordinator Fleet and Facility Support	Internal Management staff	1/07/2025
3	Refine plan for investment in low carbon fleet and plant options as directed by the Carbon Reduction Plan, and ensure renewal programming can facilitate and be funded	Team Leader Asset Management and Coordinator Fleet and Facility Support	Internal Management staff	Ongoing
4	Establish benchmarking and performance measures for sub-classes to ensure optimum return on investment can be achieved	Team Leader Asset Management and Coordinator Fleet and Facility Support	Internal Management staff	1/07/2025



# LTFP addendums and version control

Council's asset management plans are reviewed annually, in line with Council's long term financial plan review process.

Amendments made will be recognised with subsequent addendums to this plan, noting any changes resulting from a review of service levels, valuations and condition audits.

Below is the predicted investment figures following the annual financial review process undertaken between Feb-June 2024 and subsequently approved by Council.

Program	2024/25	2025/26	2026/27	2027/28	2028/29
Plant & Fleet Renewal	\$2,012,880	\$1,119,456	\$1,538,744	\$2,401,460	\$1,747,633

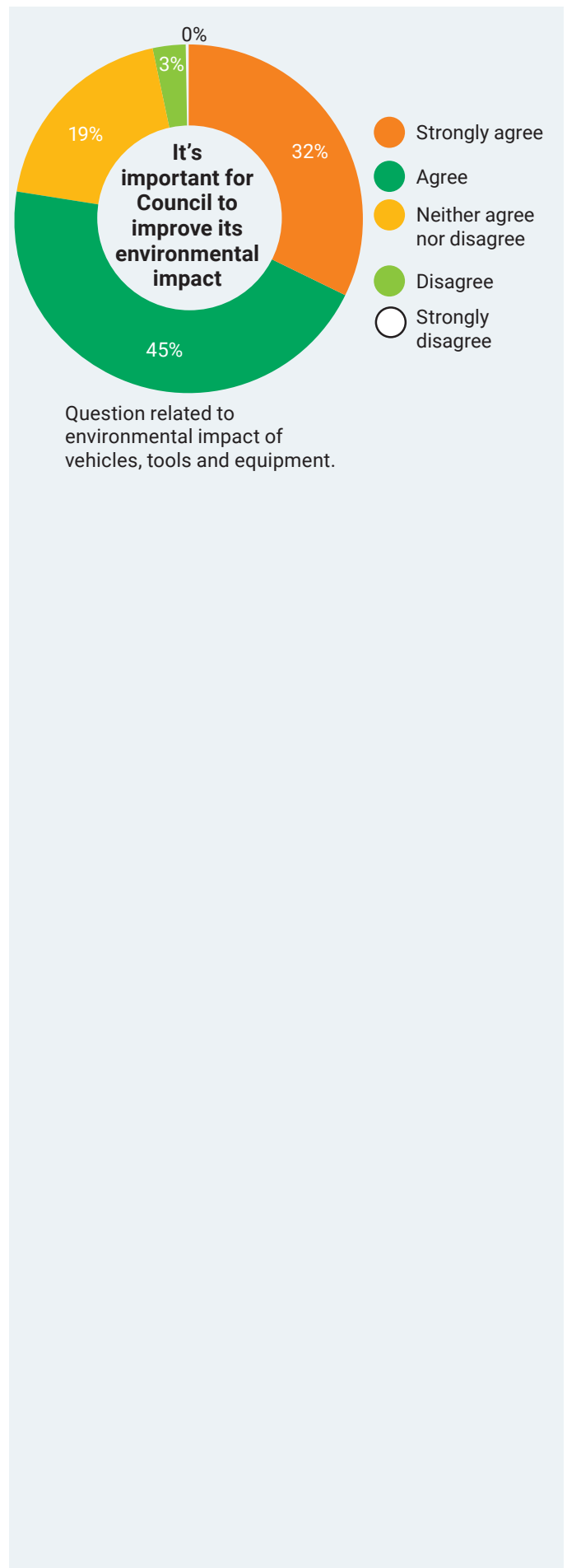
Program	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Plant & Fleet Renewal	\$1,956,906	\$1,319,634	\$1,598,918	\$1,805,037	\$1,615,027	\$17,115,696



# 2024 community feedback

## Feedback for this Asset Management Plan was positive.

The majority of responses supported the continued investment in lower carbon options for plant and fleet. Future capital investment and asset improvement plans will take community consultation feedback into consideration.







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