

Plant Machinery and Vehicles Management Plan 2020 - 2030



What Council Provides

Council owns the majority of Plant Machinery and Vehicles that are used to deliver core services such as road construction, parks and garden, play grounds and community buildings, but also contracts out some core services and projects.

Council's Plant Machinery and Vehicles represent a significant investment and therefore is important that these assets are maintained to a level of service and standards to ensure service delivery can be sustained.

Strategic Context

By 2026 NLC will be:

The best place in regional South Australia to live, work, do business, raise a family and retire.

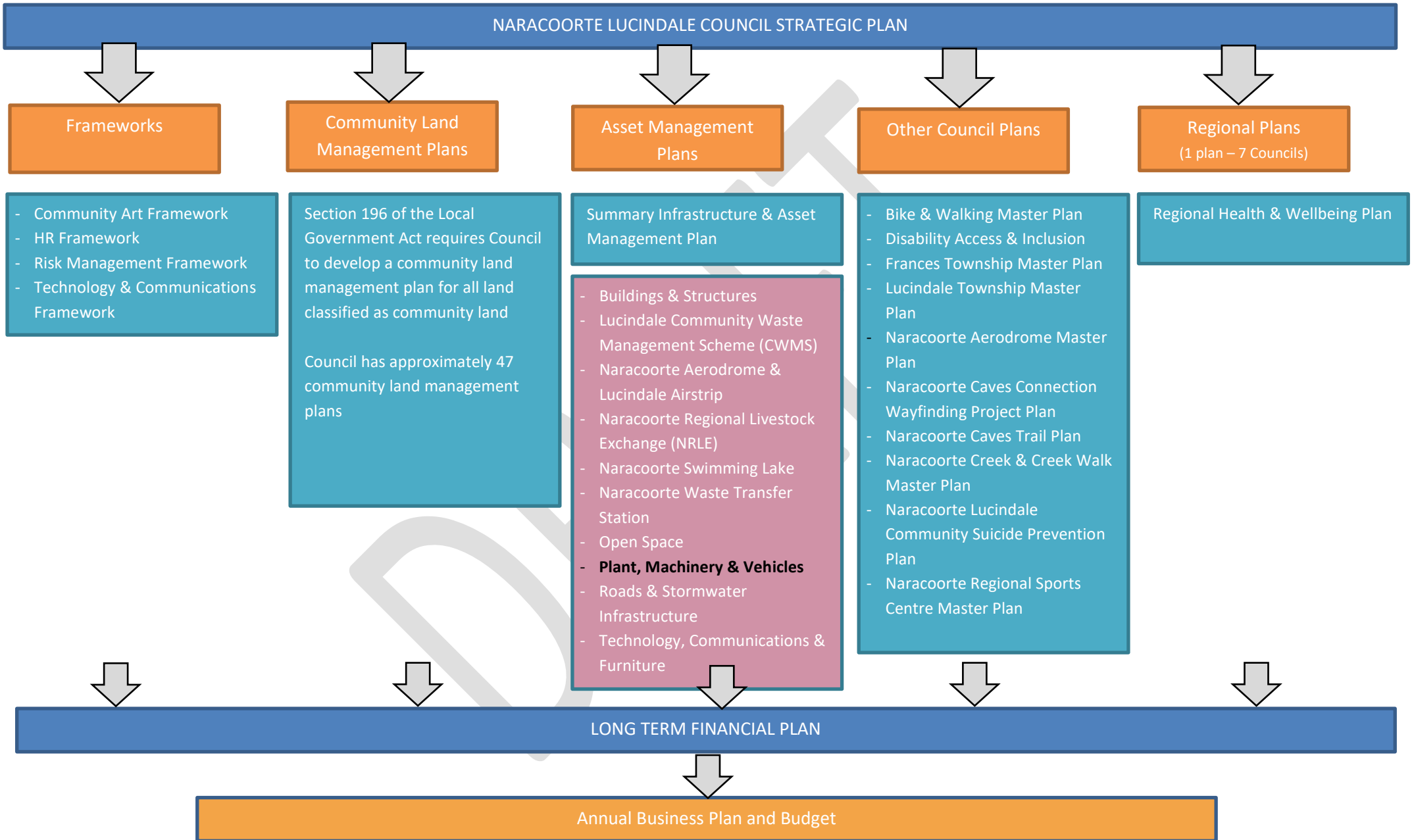
Created by having a Prosperous Community with Healthy Landscapes, Liveable Neighbourhoods and a focus on Harmony and Culture.

An organisation known for:

Progressive Leadership with strong community connections, efficiently managing our shared assets, services and natural resources.

The fifth theme, **Progressive Leadership**, focuses on Council as an organisation and what is required for it to be effective in the various roles that it has to play in the community.

- Progressive and representative Elected Member leadership
- Organisational excellence
- **Sustainable community finances and assets**
- **Effective delivery of projects and services**
- Effective community communication and engagement
- Engage external stakeholders to leverage local opportunities
- Council is a preferred employer



Assets

Plant, Machinery and Vehicles are valued at cost in accordance with applicable Australian Accounting Standards.

Infrastructure	Number	Estimated Total Useful Life	Estimated Remaining Life as at 30.06.20	Historic Cost as at 30.06.2020
Assigned Vehicles	9	5	1-5	398,995
Fleet Vehicle	15	5	1-5	612,066
Minor Plant	118	5-20		367,084
Backhoe/Loader	1	15		167,167
Chipper (Vermeer)	1	15	10	71,228
Grader	5	15		1,886,941
Light Trucks				
Mitsubishi Fuso Canter with tipping tray	1	15	1	53,514
Mitsubishi FK6 Road patching truck	1	15	-	80,000
Isuzu NQR 450 Crew Cab Sign Maintenance Truck with fitted crane	1	15	1	112,104
Ranger Pro 9 Concrete Truck	1	15	1	112,271
Isuzu NQR 450 Crew Cab Tipper & Crane Truck	1	15	10	102,709
Loader				
Caterpillar 930k wheeled loader	1	15	10	284,924
Caterpillar 950H wheeled loader	1	15	2	236,869
Caterpillar 906M wheeled loader	1	15	12	110,500
Komatsu SA65-6H wheeled loader	1	15	6	90,740
Caterpillar 928 Loader	1	15	-	84,000
JCB Mini Excavator Loader**	1	15	11	59,114
**removed 2020-21				23,500
Ride-on Mower				
Kubota F2560 (Frances)	1	10	-	11,000
Kubota F2560**	2	10	-	33,200
Kubota F2880 (Kyby)*	1	10	-	21,523
Kubota F2880*	1	10	-	21,529
Iseki SXG22	1	10	-	18,300
John Deere	1	10	1	39,904
Kubota F3690	2	10	10	92,728
*new decks				
**sold 2020-21				
Road Broom				
Towed	2	10		45,380
Green Machine 400 Series	1	10		29,900

Infrastructure	Number	Estimated Total Useful Life	Estimated Remaining Life as at 30.06.20	Historic Cost as at 30.06.2020
Roller				
Rollers**	5	10	-	13,200
Combination Roller	5	10-15	0-7	324,252
Caterpillar Vibratory Roller	2	10-15	6-10	227,888
**sold 2020-21				
Tractor	7	15	0-11	632,809
Trailer				
Fuel Trailer	3	15	15	40,410
Callout Trailer	1	15	4	9,909
Trailer – Heavy				
Dog Trailer	4	10-15	0-10	157,892
Float	1	10	-	3,700
Diesel Trailer (800Lt)	1	15	14	10,250
Truck				
10 tonne**	2	15	-	197,865
10 tonne	7	15	0-11	1,226,786
**sold 2020-21				
Water Tanker				
Slide-on Tankers**	3	10	-	39,500
Slide-on Tanker (3600L)	1	10	-	9,500
Semi-Trailer Tanker	1	10	-	67,502
Byford Tanker	1	10	-	22,000
Fibre Glass Interchange 105,000L Tanker	1	10	3	63,800
**sold 2020-21				
TOTAL				\$8,214,453

What Does It Cost

There are two key indicators of cost to manage the Plant, Machinery and Vehicle assets. The average cost of existing assets for the term of this plan and the total planned expenditure on existing assets required to deliver existing service levels in the next 10 years.

The average cost of existing assets for the term of this plan (maintenance and depreciation) of Plant Machinery and Vehicles is estimated at \$1,219,964 per annum.

Council's average planned expenditure on existing assets (maintenance and capital renewal) over the life of this plan is \$1,598,858 which gives a sustainability index of 131% (this is because the renewal expenditure identified as warranted over the period of this plan is greater than the depreciation for the same period).

The total forecast expenditure required to provide the Plant, Machinery and Vehicles assets over the period of this plan is \$20,961,843 (incorporates maintenance, operating, debt servicing and capital [renewal & new]).

This is an average of \$2,096,184 per annum.

Forecast Income

Operating

The current forecast operating income for the term of the plan is \$591,285.

Operating income includes Diesel Rebate.

Capital

The current forecast capital income for the term of the plan is \$2,475,900.

Capital income is for trade-in of plant, machinery and vehicles. It has been assumed that there is no trade-in for minor plant.

Forecast Expenditure

Operating

Operating includes costs associated with operating the Plant, Machinery and Vehicles. This can vary for each asset but includes costs such as fuel and oil, insurance and registration.

The current forecast operating expenditure for the term of the plan is \$4,800,358.

Maintenance

Maintenance includes costs associated with maintaining the Plant, Machinery and Vehicles asset. This can vary for each asset but includes costs such as tyres and repairs and maintenance. This can also include internal costs (staff and plant) to maintain the asset.

The current forecast maintenance expenditure for the term of the plan is \$5,746,532

Depreciation

The current forecast depreciation for the term of the plan is \$6,453,105.

Majority of Major plant has been fully depreciated.

Debt Servicing Costs

The current forecast debt servicing costs for the term of the plan are: -

Principal:	\$158,957
Interest:	\$13,943

Loans will be acquitted by 30 June 2022.

	20-21	21-22
Plant/Fleet – Interest	9.6K	4.3K
Plant/Fleet - Principal	76.8K	82.2K
TOTAL	86.4K	86.5K

Capital - Renewal

Capital - Renewal are capital costs associated with renewing or replacing current assets. Plant, Machinery and Vehicles have been included in this plan net of disposal of replacement asset.

The current forecast capital (renewal) expenditure for the term of the plan is \$10,242,053.

Forecast higher expenditure in the first five (5) years of the plan is due to a backlog of replacement in relation to major plant.

Due to the incomplete nature of a Major Plant and Machinery Replacement program, the 2020-2021 Budget Allocation is a nominal figure based on difference between Operating Expenditure and Plant Recovery. Based on useful lives of Major Plant, there is no Major Plant and Machinery due for renewal in 2027-2028.

RENEWAL / REPLACEMENT EXPENDITURE	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Major Plant	632,216									
- P1022 - Truck		290,700								
- P106 - Loader		295,800								
- P1092 - Grader		397,800								
- P1339 - Tractor		61,200								
- P1350 – Back hoe Loader		164,478								
- P1037 - Mower			62,424							
- P1094 - Mower			62,424							
- P1217 - Truck			146,656							
- P1257 - Tanker			156,060							
- P1283 - Grader			405,756							
- P1320 - Loader			301,716							
- P1463 - Mower			62,424							
- P102 - Slasher				10,612						
- P1161 – Roller SP				175,099						
- P1216 – Light Truck				132,651						
- P1321 - Loader				128,406						
- P1342 - Tractor				122,039						
- P3011 – Tractor John Deer				116,733						
- P3017 - Grader				413,871						
- P3026 – Tractor Case				116,733						

RENEWAL / REPLACEMENT EXPENDITURE	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
- P1121 - Loader					313,905					
- P113 - Chipper					94,172					
- P1214 – Light Truck					135,304					
- P1218 – Semi Truck					308,496					
- P1462 - Mower					64,946					
- P1464 - Sweeper					37,885					
- P158 - Float					162,365					
- P3015 – Roller Towed					119,067					
- P1219 – Truck						314,663				
- P1220 - Truck						314,663				
- P3027 - Grader						430,591				
- P1222 – Truck Tilt Tray							168,924			
- P1234 – Trailer							101,354			
- P1235 - Trailer							101,354			
- P170 – Excavator Mini									76,158	
- P1162 – Road Broom										69,315
- P1221 - Truck										340,601
- P1236 - Trailer										107,558
- P148 - Roller										101,583
TOTAL MAJOR PLANT	632,216	1,209,978	1,196,460	1,216,144	1,236,137	1,059,917	371,632		76,158	619,057

RENEWAL / REPLACEMENT EXPENDITURE	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
MINOR PLANT										
- Unspecified	15,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082	16,082	16,731
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TOTAL MINOR PLANT	15,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082	16,082	16,731

RENEWAL / REPLACEMENT EXPENDITURE	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Vehicles										
- PA3095 – Dual Cab Utility	46,000					50,788				
- PA3097 – Dual Cab Utility	48,000					52,996				
- PF039 – Dual Cab Utility	46,000				49,792					54,974
- PF040 – Dual Cab Utility	41,000					50,788				
- PF041 – Dual Cab Utility	41,000					50,788				
- PA3096 – Single Cab Utility		46,920					51,403			
- PA3098 – Holden Trailblazer		48,960					54,056			
- PF042 – Dual Cab Utility		46,920					51,803			
- PF043 – Super Cab Utility		46,920					51,803			
- PF044 – Dual Cab Utility		46,920					51,803			
- PA3100 – Ford Everest			52,020					57,434		
- P3101 – Toyota Prado			62,424					68,921		
- PF045 – Dual Cab Utility			47,858					52,839		
- PF046 – Single Cab Utility			47,858					52,839		
- PA3103 – Toyota Prado				63,672					70,300	
- PF047 – Crew Cab Utility				48,815					53,896	
- PF048 – Dual Cab Utility				48,815					53,896	
- PF049 – Dual Cab Utility				48,815					53,896	
- PA3104 – Toyota Prado					64,946					71,705
- PF050 – Outlander					49,792					54,974
- PF051 – Single Cab Utility					49,792					54,974
- PF052 – Dual Cab Utility					49,792					54,974
- PF053 – Single Cab Utility					49,792					54,974
TOTAL VEHICLES	222,000	236,640	210,160	210,117	313,906	205,360	261,270	232,033	231,988	346,575

TOTAL PLANT MACHINERY AND VEHICLES	869,216	1,460,898	1,421,186	1,441,120	1,565,197	1,280,734	648,670	248,116	324,550	982,366
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Capital - New

Capital - New are capital costs associated with upgrading current assets or adding new assets.

There is no forecast for New capital expenditure for the term of the plan.

Summary

Income is indicated by () in the tables below.

Plant Machinery and Vehicles	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Operating Income	(54,000)	(55,080)	(56,182)	(57,305)	(58,451)	(59,620)	(60,813)	(62,029)	(63,270)	(64,535)	(\$591,285)
Operational Expenses	438,400	447,168	456,111	465,234	474,538	484,029	493,710	503,584	513,655	523,929	\$4,800,358
Maintenance	524,000	534,655	545,527	556,622	567,943	579,495	591,283	603,311	615,586	628,110	\$5,746,532
Depreciation	380,000	419,961	489,573	559,916	632,664	707,882	775,808	810,694	827,712	848,895	\$6,453,105
Debt Servicing Costs	86,450	86,450	-	-	-	-	-	-	-	-	\$172,900
Internal Loan	-	-	-	-	-	-	-	-	-	-	-
Capital Income	(80,000)	(275,400)	(318,362)	(325,791)	(384,805)	(410,718)	(218,476)	(87,300)	(130,054)	(244,994)	(\$2,475,900)
Renewal / Replacement	869,216	1,460,898	1,421,186	1,441,120	1,565,197	1,280,734	648,670	248,116	324,550	982,366	\$10,242,053
New / Upgrade	-	-	-	-	-	-	-	-	-	-	-
NET	\$2,164,066	\$2,618,652	\$2,537,854	\$2,639,796	\$2,797,086	\$2,581,801	\$2,230,182	\$2,016,376	\$2,088,179	\$2,673,771	\$24,347,763

	Cost of Existing Assets for Term of This Plan	Planned Expenditure on Existing Assets	Sustainability Index	Total Forecast Expenditure
Operating Income				
Operational Expenses				\$4,800,358
Maintenance	5,746,532	5,746,532		\$5,746,532
Depreciation	6,453,105			
Debt Servicing Costs				\$172,900
Internal Loan				-
Capital Income				-
Renewal / Replacement		10,242,053		\$10,242,053
New / Upgrade				-
TOTAL	\$12,199,637	\$15,988,585		\$20,961,843
AVERAGE	\$1,219,964	\$1,598,858	131%	\$2,096,184

Notes and Assumptions

- Income and expenditure increase by Adelaide Consumer Price index as at 31 December (which incorporates data from the preceding 12 months from 1 January) – forecast is 2% annually for the term of the Plan
- Employee costs increase by 2.5% annually
- Depreciation for new assets is calculated at 5% per annum

Plant, Machinery & Vehicle replacements are identified by: -

- Asset data
- Inspections and audits
- Consultation with employees

Opportunities for Improvements

- Consistent, regular inspections resulting in comparative data that provides a more mature assessment of planned renewals and programmed maintenance

Revision History

Comments	Date	Minute Reference
2020 - 2030 version 1 Specific Plan for Plant Equipment and Vehicles developed		