



HEAVY PLANT REVIEW COMMITTEE

MINUTES

Section 5.9(2)(c) LGA 1995

The function of the Heavy Plant Committee is to review the 12 Year Plant Replacement Program annually prior to budget adoption and to make recommendations to the Council as to plant purchases to be funded.

Meeting of the Heavy Plant Review Committee held in the
Council Committee Room, Lowood Road, Mount Barker WA 6324
12.00pm Tuesday 21 February 2023

JOHN FATHERS
ACTING CHIEF EXECUTIVE OFFICER

Committee Members

Cr J Oldfield, Cr B Bell, Cr L Handasyde (Resolution No. 174/21)

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Membership: Quorum (2)

Cr J Oldfield (Presiding Member)

Cr B Bell

Cr L Handasyde

Cr C Pavlovich (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

12 noon Cr Oldfield declared the meeting open.

**2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE
(PREVIOUSLY APPROVED)**Attendance

Cr J Oldfield Council Representative

Cr B Bell Council Representative

Cr L Handasyde Council Representative

Staff

Mr J Fathers Deputy Chief Executive Officer

Mr D Lynch Executive Manager Works and Services

Ms A Chadbourne Senior Administration Works and Services

3 CONFIRMATION OF MINUTES

Moved Cr L Handasyde, Seconded Cr B Bell;

That the Minutes of the Ordinary Meeting of the Heavy Plant Committee, held on 24 May 2022 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS**5.1 HEAVY PLANT REPLACEMENT PROGRAM**

File Ref:	N58157
Attachments:	<u>Draft Heavy Plant Replacement Program</u>
Responsible Officer:	David Lynch Executive Manager Works and Services
Author:	David Lynch Executive Manager Works and Services
Proposed Meeting Date:	21 February 2023

PURPOSE

The purpose of this report is to present the draft Heavy Plant Replacement Program (HPRP) as part of the annual budget preparations. This draft plan extrapolates expected expenditure out to 2032 / 2033.

BACKGROUND

The Shire of Plantagenet Heavy Plant Replacement Program (HPRP) details the retention and changeover schedule for the Shire's fleet of heavy plant over a period of ten years. Amendments to the Replacement Program are made in consultation with the Heavy Plant Review Committee (HPRC) prior to consideration by the Council.

STATUTORY ENVIRONMENT

Local Government Act 1995

EXTERNAL CONSULTATION

Suppliers of heavy plant have been contacted for pricing information as required.

FINANCIAL IMPLICATIONS

At the Council Meeting of 22 June 2021, it was resolved that a base amount be maintained in the Plant Replacement Reserve account of \$500,000.00 which is intended to cover the replacement of up to two heavy items of plant in the event of a catastrophic failure. An annual allocation of \$550,000.00 will be added to the Reserve account to fund plant purchases. At the conclusion of the financial year, the Reserve account will be reviewed and any unspent funds over the \$500,000.00 base fund can be presented to the Council for reallocation.

Expenditure on replacement machinery has been as balanced as possible to keep within the imposed caps noting that small over expenditures may occur in 2025/2026, 2027/2028 and 2032/2033.

All pricing on acquisition and disposal are based on the most recent pricing available and are expressed in today's values without allowance for inflation or other market changes.

BUDGET IMPLICATIONS

There are no particular implications as this plan aligns with previous HPRP.

POLICY IMPLICATIONS

The draft program as presented provides for balanced acquisition and disposal as per Council Policy I/PM/1 Plant – General last reviewed on 20 December 2022.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Corporate Business Plan 2022/2023 – 2025/2026 provides:

At Outcome 2 Environment (Natural and Built) the following

Strategy 2.1.1

'Maintain and further develop Shire roads, drainage and pathways at appropriate standards.'

Accordingly, the recommended outcome for this report aligns with the Corporate Business Plan.

RISK MITIGATION IMPLICATIONS

The risk identification and categorisation relies on the Shire of Plantagenet's Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Excessive plant reserve fluctuations can tie up funds unnecessarily</i>	<i>Possible</i>	<i>Medium</i>	<i>Medium</i>	<i>Approve Heavy Plant Replacement Programme</i>
<i>Retention of aged machinery leads to excessive maintenance costs and down time.</i>	<i>Possible</i>	<i>Medium</i>	<i>Medium</i>	<i>Approve Heavy Plant Replacement Program</i>
<i>Overtly early purchases not good value for ratepayers.</i>	<i>Possible</i>	<i>Medium</i>	<i>Medium</i>	<i>Approve Heavy Plant Replacement Program</i>

STRATEGIC RISK IMPLICATIONS

The Strategic Risk Register (Asset Sustainability Practices) incorporates a key control for the Asset Management Plan (AMP). The control is rated as inadequate and that the AMP requires 'overhaul and rigour'. Current actions include an updated and improved AMP to guide asset renewal and maintenance.

REGIONAL IMPLICATIONS

There are no regional implications for this report.

OFFICER COMMENT

This HPRP provides for sensible acquisition and disposal of heavy plant in accordance with the current needs of the Shire. It aligns with Council policy on the timing of disposals and Council resolution for the management of the Heavy Plant Reserve.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That it be a recommendation by the Heavy Plant Review Committee to the Council that the Heavy Plant Replacement Program 2023/2024 be adopted for inclusion in the 2023/2024 budget.

COMMITTEE DECISION

Moved Cr Bell, Seconded Cr Handasyde;

That it be a recommendation to the Council that:

- 1. The Heavy Plant Replacement Program as presented, be endorsed, with the exception that the replacement of the CAT 12M Grader (PL02) be listed for replacement in 2024/2025 instead of 2023/2024.**
- 2. A minimal sum be included in the 2023/2024 for transfer to the Plant Replacement Reserve which brings the balance of the Plant Replacement Reserve to approximately \$500,000.00 to allow for catastrophic breakdowns and plant replacement opportunities.**

CARRIED

6 NEXT MEETING

Date to be decided

7 MEETING CLOSURE

12.20pm Cr Oldfield declared the meeting closed.

Presiding Member

Date

ATTACHMENT ONE

PLANT REPLACEMENT PROGRAM 2023/24 to 2029/30 (DRAFT)

									2023 / 2024	2023 / 2024	2023 / 2024	2024 / 2025	2024 / 2025	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2026 / 2027	2026 / 2027	2027 / 2028	2027 / 2028	2027 / 2028	2028 / 2029
Plant Number	Rego Number	Description	Year of Manufacture	Km/hrs @ 2022	Km/hrs @ 2023	Work in one year	Asset	Yearly Depreciation	Gross	Income	Nett	Gross	Income	Nett	Gross	Income	Nett	Gross	Income	Nett	Gross	Income	Nett	Gross
G1	PL02	CAT 12M Grader	2012	9,069	9,894	825	10949	12,245				480,000	150,000	330,000										
G2	PL01	CAT 12M Grader	2014	6,579	7,585	1,006	11140	14,148													480,000	150,000	330,000	
G3	PL03	John Deere GP820	2023	0	0	0	0	0																
WC1	-	Bornag Waste Compactor	2013	10,765	10,814	49	10310	7,143	Low hour machine throughout this plan. Expected to be < 11,000 hrs at end.															
L10	PL003	CAT 444F2 Backhoe	2016	2,278	2,630	352	11146	15,193	Low hour machine throughout this plan. Expected to be < 6500 hrs at end.															
L11	PL004	CAT 928H Loader (now 930H model)	2013	6,136	6,452	316	10422	12,245																250,000
L12A	PL005	CAT 924 Loader	2021	251	891	640	10329	5,500																
L13	PL041	Bobcat S185 Skid Steer	2010	940	1,166	226	11193	1,978							60,000	12,000	48,000							
L14	-	Kanga PW628 Loader	2018	165	196	31	11175	2,222													35,000	5000	30,000	
L15	-	CAT 287B Skid Steer	2005	1,185	1,302	117	10314	2,000	Older machine but capable following recent repairs, no replacement scheduled															
L16		Bobcat Skid Steer T650	2018	1,280	1,553	273	11174	7,857							65,000	15,000	50,000							
EX2		Bobcat E20 Excavator	2018	1,166	1,439	206	11173	1,667							35,000	10,000	25,000							
T1	PL010	Isuzu FRR 107-210 Tipper (small)	2018	66,870	85,220	18,350	11178	2,333													75,000	15,000	60,000	
T2	PL08	Isuzu FVR 1000 Tipper (Medium 4x2)	2021	23,870	37,498	13,628	10823	7,595																
T3	PL09	UD Condor Tipper (Medium 4 x 2)	2020	42,997	51,843	8,846	11190	9,975																145,000
T4	PL011	Isuzu Truck NPR 300 Tipper (Small)	2011	162,532	170,020	7,488	10856	2,667																
T5A	PL012	Isuzu NPR 250/300 Crew Cab	2023	0	3,137	3,137	10866	4,070													95,000	25,000	70,000	
T6	PL04	Hino Prime Mover 700 Series	2017	142,875	175,042	32,167	11158	8,235	Potentially purchase new GIGA here and kept prime mover for another year or two.					195,000	75,000	120,000								
T7	PL12460	Isuzu NPR 75-190 Tipper (P&G)	2016	71,746	83,308	11,562	11150	4,231																145,000
T29	PL013	Isuzu NPR 300 Tipper (Small)- SALEYARDS	2007	158,202	160,133	1,931	11197	5,215																
T30	PL029	Isuzu NPR 75-190	2020	9,431	17,664																			
T31	PL06	Isuzu CXZ GIGA 455 Water Truck (Large 6x4)	2009	350,924	359,582	8,658	10745	7,400										225,000	65,000	160,000				
T32	PL07	Isuzu CXZ GIGA 240-460 AMT Tipper (Large 6x4)	2018	87,126	117,310	30,184	11182	10,667										225,000	65,000	160,000				
T33	PL12848	Isuzu CXZ GIGA 240-460 Tipper (Large 6x4)	2019	75,098	103,350	28,252	11189	10,414	Potentially use this truck as water truck and dispose of older GIGA - saves changeover								225,000	65,000	160,000					
VR2	PL016	Bornag Vibe Roller - BW211D-4	2014	2,555	3,186	631	11141	4,615																195,000
BR3	PL6327	Bonne Road Broom Towed	2022	415		-415	10865	500	New machine - no replacement in this 10 year plan															
TC7	PL014	Toro GM360 4WD Mower with cab	2011	3,009	3,254	245	10867	1,750	80,000	12,000	68,000													
TC8	PL015	Kubota Tractor	2007	3,387	3,474	87	10576	6,757				105,000	25,000	80,000										
TC14		Toro Reelmaster 5610		3,645	3,739	94	11164	1,429	Only used on Souness park ovals, if maintained well then unlikely to require replacement															
TC15A	-	Hustler HD Mower	2022	0	114	114	11181	1,067				15,000	2,500	12,500							15,000	2,500	12,500	
TK7	PL11896	4 x 4 Spray Unit Gator (P&G)	2013	1,541	1,677	136	10958	1,250	Purchase new as required - low cost item															
MMH	-	SMG 1400 Maintenance Turf Groomer (Hockey)	2015				11148	325	Purchase new as required - low cost item															
NEW	NEW	Turf Vertimower							Not delivered as yet. Replacement not required in this 10 year plan															
		800L FLOCON	2022						Should not require replacement in this 10 year program															
FL1	PL008	Nissan Forklift	2000	3,900	4,001	101	10573	2,162	Should not require replacement in this 10 year program															
LL1	PL4501	Evertrans Tri-axle Low Loader (float)	2009				10765	4,500	Replacement scheduled but may not be required if maintained well						135,000	15,000	120,000							
LL2	PL5464	Evertrans Plant Trailer (small float)	1997				10313	0	Replacement scheduled but may not be required if maintained well						45,000	0	45,000							
LL3	PL5685	Evertrans Semi Trailer - end tipper *	2002				10318	2,000	Structurally sound, may not need repalcement in this 10 year program, Full inspection 2024 & 2028															
LL4	PL6286	Evertrans Tandem Skid Steer Trailer (mice crew) *	2011				10849	308	Structurally sound, may not need repalcement in this 10 year program, Full inspection 2024 & 2028															
LL5	PL6066	Evertrans Side Tipper (pig)	2008				10737	2,000	Structurally sound, may not need repalcement in this 10 year program, Full inspection 2024 & 2028															
LL6	PL6082	Evertrans Side Trailer (pig)	2009				10746	1,500	Structurally sound, may not need repalcement in this 10 year program, Full inspection 2024 & 2028															
LL7	PL6730	Lombardi Tri-Axle Side Tipper *	2016				11159	4,118	Structurally sound, may not need repalcement in this 10 year program, Full inspection 2024 & 2028															
LL8	PL6777	Evertrans Skel Trailer with Hook Lift Unit *	2017				11165	2,857	Structurally sound, may not need repalcement in this 10 year program, Full inspection 2024 & 2028															
Heavy Plant									80,000	12,000	68,000	600,000	177,500	422,500	535,000	127,000	408,000	675,000	195,000	480,000	700,000	197,500	502,500	735,000
Light Plant									155,000	49,500	105,500	220,000	66,000	154,000	150,000	51,000	99,000	348,000	120,500	227,500	165,000	52,500	112,500	145,000
Nett									235,000	61,500	173,500	820,000	243,500	576,500	685,000	178,000	507,000	1,023,000	315,500	707,500	865,000	250,000	615,000	880,000

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LL8	PL6777	Evertrans Skel Trailer with Hook Lift Unit *	2017				11165	2,857					
Heavy Plant									170,000	565,000	257,500	35,000	222,500
Light Plant									46,000	99,000	360,000	125,000	235,000
Nett									216,000	664,000	617,500	160,000	457,500