



## 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  
at 1.45pm on Tuesday 24 May 2022

CAMERON WOODS  
CHIEF EXECUTIVE OFFICER

Committee Members

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

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**TABLE OF CONTENTS**

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<b>ITEM</b>	<b>SUBJECT</b>	<b>PAGE NO</b>
<b>1</b>	<b>DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS</b>	<b>1</b>
<b>2</b>	<b>RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)</b>	<b>1</b>
<b>3</b>	<b>CONFIRMATION OF MINUTES</b>	<b>1</b>
<b>4</b>	<b>DISCLOSURE OF INTEREST</b>	<b>1</b>
<b>5</b>	<b>REPORTS OF COMMITTEE MEMBERS AND OFFICERS</b>	<b>1</b>
	5.1 HEAVY PLANT REPLACEMENT PROGRAM - AMENDMENT	2
<b>6</b>	<b>NEXT MEETING</b>	<b>5</b>
<b>7</b>	<b>MEETING CLOSURE</b>	<b>5</b>

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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)

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**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

1.45pm Cr Oldfield declared the meeting open.

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

Cr L Handasyde	Council Representative
Cr J Oldfield	Council Representative
Cr B Bell	Council Representative

Staff

Mr C Woods	Chief Executive Officer
Mr D Lynch	Executive Manager Works and Services
Ms A Chadbourne	Senior Administration, Works & Services

Visitors

Cr C Pavlovich	Council Representative
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**3 CONFIRMATION OF MINUTES**

**Moved Cr Handasyde, Seconded Cr Bell;**

**That the Minutes of the Ordinary Meeting of the Heavy Plant Committee, held on 29 March 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**

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## 5.1 HEAVY PLANT REPLACEMENT PROGRAM - AMENDMENT

File Ref:	N58157
Attachments:	<u>Heavy Plant Quotes x 3</u>
Responsible Officer:	David Lynch Executive Manager Works and Services
Author:	Amy Chadbourne Senior Administration Officer
Proposed Meeting Date:	24 May 2022

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### PURPOSE

The purpose of this report is to amend the proposal within the 2021/2022 plant replacement program to sell the Shire's Caterpillar 12M grader (G3). The amended recommendation is now to do a changeover of grader G3 to take place in 2022/2023.

### 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 15 years. Amendments to the Replacement Program are made in consultation with the Heavy Plant Review Committee (HPRC) prior to consideration by the Council.

At a workshop presented to the Council on 29 March 2022, the replacement of the Shire's CAT 12M Grader (G3) was included in the draft 15 year Heavy Plant Replacement Program.

At its meeting held on 29 March 2022 the HPRC resolved:

*'That:*

- 1. The motion resolved at the Heavy Plant Committee Meeting of 27 April 2021 to sell the CAT 12M Grader (G3) in 2020/2021 be rescinded.*
- 2. The Executive Manager Works and Services to investigate the trade in of G3 with a new grader in the 2022/2023 financial year and provide a report to the Heavy Plant Committee at its meeting to be held on 24 May 2022.'*

### STATUTORY ENVIRONMENT

Local Government Act 1995

### EXTERNAL CONSULTATION

Suppliers of heavy plant have been contacted for indicative grader prices.

### 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.

### BUDGET IMPLICATIONS

At a workshop presented to the Council on 29 March 2022 to discuss the HPRP, the replacement of the grader (G3) scheduled for 2022/23 showed the following estimated costs (excl GST):

Purchase price of a new grader	\$365,000.00
Sale of current G3	\$110,000.00
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Total changeover	\$255,000.00
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Taking into account the \$500,000.00 that will be available from the start of the 2022/2023 financial year following agreement at the June 2021 Council meeting, this may determine basically which grader can be afforded.

Issues with supply of construction machinery has seen the prices of all machinery rise. At the time of last year's HPRP the cost to changeover a 12M grader was estimated as shown above.

The changeover price is now expected to be up to \$300,000.00 (excl GST).

### POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

### STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2017-2026 provides at Outcome 2.6 (Assets and infrastructure managed over the long term to meet current and future needs) the following:

Strategy 2.6.1:

*'Implement maintenance, servicing and renewal of Council assets in a timely manner that maximises its life and performance, with a focus on infrastructure and core buildings.'*

And at Outcome 4.6 (Effective and efficient corporate and administrative services) the following:

Strategy 4.6.1:

*'Provide a full range of financial services to support the Shire's operations and to meet planning, reporting and accountability requirements.'*

Accordingly, the recommended outcome for this report aligns with the Strategic Community Plan.

**STRATEGIC RISK IMPLICATIONS REGIONAL IMPLICATIONS**

There are no strategic risk implications for this report.

**REGIONAL IMPLICATIONS**

There are no regional implications for this report.

**OFFICER COMMENT**

Three quotes have been obtained from heavy plant suppliers for the same/similar model of grader to replace G3. These quotes are indicative only and exclude GST.

Caterpillar 140M Grader	\$408,730.00
Komatsu GD555_5 Grader	\$359,000.00
John Deere 620GP Grader	\$445,000.00

The Shire has used Caterpillar graders exclusively for the last ten years and Works staff are familiar with Caterpillar graders. Advice was received that other Shires in the Great Southern have John Deere graders and are generally happy with the machines' performance. In order to evaluate the John Deere model proposed, a demonstration of the John Deere grader was arranged with the Shire of Gnowangerup on 12 May. The Shire of Plantagenet's Works Manager, Principal Works Supervisor and operators attended.

The group reported that although the John Deere was a capable machine it had certain deficiencies in regard to operator visibility and it was felt that on balance the Caterpillar models were better suited to the Shire of Plantagenet's operations.

As the new grader would be classified as the construction grader it would be ordered with a 12' moldboard. The 12' moldboard has considerable advantages over a longer one typically used for maintenance grading as the moldboard can be tucked underneath the machine quickly and without concerns over damaging tyres or fuel tanks.

**VOTING REQUIREMENTS**

Absolute Majority

**OFFICER RECOMMENDATION**

**That it be a recommendation by the Heavy Plant Review Committee to the Council:**

**That:**

- 1. Resolution 112/21 made at the Council Meeting of 22 June 2021 that, *'The amended Heavy Plant Replacement Program which identifies the sale of the Caterpillar 12M grader (G3) in 2021/22 and no purchase of a new grader in 2021/22 be adopted'* be revoked.**
- 2. Upon adoption of the 2022/2023 budget, tenders be called for the supply and delivery of a 12M or equivalent grader to replace the**

Caterpillar 12M grader (G3) and that grader be subsequently sold at public auction.

#### COMMITTEE DECISION

Moved Cr Bell, seconded Cr Handasyde;

That:

That it be a recommendation by the Heavy Plant Review Committee to the Council:

1. Resolution 112/21 made at the Council Meeting of 22 June 2021 that, *'The amended Heavy Plant Replacement Program which identifies the sale of the Caterpillar 12M grader (G3) in 2021/22 and no purchase of a new grader in 2021/22 be adopted'* be revoked.
2. Upon adoption of the 2022/2023 budget, tenders be called for the supply and delivery of a 12M or equivalent grader to replace the Caterpillar 12M grader (G3) and that grader be subsequently sold at public auction.

CARRIED

#### 6 NEXT MEETING

Date to be decided

#### 7 MEETING CLOSURE

2.05pm Cr Oldfield declared the meeting closed.

\_\_\_\_\_  
Presiding Member

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Date