

# Plant and Equipment Replacement Policy

**Date Adopted:** 28 March 2023

**Version:** 6.1

## Policy Objectives

The objective of this policy is to ensure Council's plant, equipment and light commercial vehicles are applicable, reliable, and available to achieve efficient economical service delivery outcomes for Council and Community.

## Policy Scope

To ensure Council's plant and equipment replacement reflects and adheres to contemporary Plant & Equipment Industry Standards including WHS Safety Requirements.

## Policy Statement

### 1. Replacement periods

Replacement periods will be set to provide the best financial result for Council whilst considering Council's operational

needs and funding resources. In general, as a guide, changeover periods for plant and equipment will be as follows:

PLANT ITEM	TURNOVER KILOMETERS / HOURS	TURNOVER PERIOD (YEARS)
Utilities, wagons, vans and light trucks (< 2 tonne)	60,000 - 90,000km	3 - 5
Trucks (up to 8,500kg GVM)	125,000 - 175,000km	5 - 7
Trucks (over 8,501kg GVM)	200,000 - 300,000km	6 - 8
Waste truck	8,000 -10,000 hours	5 - 6
Road grader	7,500 - 8,500 hours	8 - 10
Road roller	7,000 - 8,000 hours	8 - 10
Backhoe	6,000 - 6,500 hours	5 - 7

PLANT ITEM	TURNOVER KILOMETERS / HOURS	TURNOVER PERIOD (YEARS)
Front End Loader	6,500 – 7,500 hours	8 - 10
Skid Steer / Bobcat	4,000 – 4,500 hours	5 - 7
Tractor	6,000 – 6,500 hours	5 - 7
Asphalt repair truck	180,000 – 200,000km	6 - 8
Stump Grinder	2,500 – 3,000 hours	8 - 10
Street Sweeper	6,500- 7,500 hours	5 - 7
Slashers / Stealth mowers	N/A	3 - 6
Mulchers	N/A	5 - 6
Ride on mowers	1,500 – 2,000 hours	3
Ride on mowers – wing / reel	1,500 – 2,000 hours	4 - 5
Forklift	4,000 – 4,500 hours	7 - 8
Caravans	N/A	7 - 8
Excavator	4,000 – 6,000 hours	5 - 7
Trailers	N/A	5 - 10
Tree Chipper	2,500 – 3,500 hours	6 - 8
Others	On an as needs basis	

At the time Plant or Equipment has qualified for turnover as noted above, Council's financial position will be considered prior to decision to initiate replacement. Any requirement to replace or delay an item of plant or equipment outside the stated replacement period will be reported to Council as part of the Annual Plant Replacement Plan endorsement.

## 2. Purchasing and disposal

The purchasing of major plant and equipment should consider the following (but not limited to):

- Demonstrated need for the item
- Age, safety and compliance of the existing plant and equipment

- Cost of life, depreciation, and maintenance costs
- Replacement, purchase price and resale value, change over costs
- Purchase (by use of Council monies or loans), hire, lease or hire purchase
- Utilisation levels based on actual engine hours or kilometres worked, not days or hours booked
- Competitive purchasing to maximise the value to both Council and the Community

Purchases are to be undertaken in accordance with Council's Procurement Policy, purchases greater than \$250,000 (inc GST) are to be conducted through a Public Tender process in accordance with the Local Government Act (1993) and the Local Government (General) Regulation (2021). Purchases below \$250,000 (inc GST) are to be conducted through a quotation process, with the number of quotes sought to be in accordance with the Procurement Policy.

Disposals are to be undertaken in accordance with Council's Disposal Policy, disposals greater than \$250,000 (inc GST) are to be conducted through a Public Tender process unless the Plant and Equipment is disposed through a registered online auction site (eg Grey's Online) or public motor vehicle auction conducted by licenced auctioneers in accordance with the Local Government Act (1993) and the Local Government (General) Regulation (2021). Disposals below \$250,000 (inc GST) are to be disposed in accordance with Council's Disposal Policy.

### **3. Plant replacement – general**

A Fifteen Year Plant Replacement Forecast is to be maintained, reviewed, and reported to Council annually.

An Annual Plant Replacement Plan is to be submitted to Council for approval along with the Fifteen Year Plant Replacement Forecast.

Delegation is provided to the General Manager, under Section 377 of the Local Government Act (1993), to approve the purchase and replacement of major plant and vehicles in accordance with Council's adopted Annual Plant Replacement Plan, subject to the changeover costs being within ten percent (10%) of the estimated changeover costs and within the total Council budget allocation for the program, and provided the purchase and replacement procedures are in accordance with Council's Procurement Policy.

Tools and equipment of value less than \$10,000 are not to be funded as plant but are to be purchased from the budget allocation of the Department concerned, considered as Small Plant.

Plant and equipment items valued at \$1,000 or greater are to be capitalised and be given a plant number.

## **Policy Definitions**

Plant and equipment: See list of items in table.

## Policy Administration

<b>Business Group:</b>	City Services
<b>Responsible officer:</b>	Manager Works
<b>Council reference:</b>	Council Meeting 28 March 2023 – Item 11.3
<b>Policy review date:</b>	Three (3) years from date of adoption
<b>File number:</b>	12/6
<b>Relevant legislation</b>	Local Government Act 1993 (NSW) Local Government (General) Regulation 2021 (NSW)
<b>Related documents</b>	Procurement Policy Disposal Policy

## Policy History

VERSION	DATE APPROVED	DESCRIPTION OF CHANGES
1.0	26 February 2008	New protocol adopted
2.0	19 January 2010	Policy Reviewed
3.0	25 November 2014	Policy Reviewed
4.0	22 August 2017	Policy Reviewed
5.0	22 September 2020	Policy Reviewed
6.0	28 March 2023	Policy Reviewed – Wording, Table & Disposal Process Updated
6.1	-	Updated to new branding and alignment to organisation structure. No change to content.