

BALRANALD SHIRE COUNCIL PLANT & EQUIPMENT REPLACEMENT POLICY



Policy adopted: 17 March 2026

Reviewed: March 2026

File Ref: D26.122451

DOCUMENT CONTROL

Issue 1.0 – First edition – Council Minute No. 2022/96

Issue 2.0 – July 2025 – Reformatted document, updated references, plant item table and section 5, and updated replacement program from 15 years to 10 years

Issue 3.0 – March 2026 – Full review and redraft aligned with revised Motor Vehicle Policy – Council Minutes No. 2026/43

Contents

BALRANALD SHIRE COUNCIL PLANT & EQUIPMENT REPLACEMENT POLICY	1
DOCUMENT CONTROL.....	2
1. PURPOSE	3
2. OBJECTIVES	3
3. SCOPE	4
4. LEGISLATIVE AND RELATED FRAMEWORK	4
5. DEFINITIONS	5
7. DELEGATION, GOVERNANCE AND ADMINISTRATION	6
8. PLANT REPLACEMENT FRAMEWORK.....	6
9. REPLACEMENT TIMING AND DECISION CRITERIA	7
10. APPROVAL OF REPLACEMENT OUTSIDE PROGRAM	8
11. PROCUREMENT	8
12. DISPOSAL.....	9
13. SMALL PLANT AND IDENTIFICATION	10
14. WORK HEALTH AND SAFETY	10
15. RESPONSIBILITIES	11
16. IMPLEMENTATION.....	12
17. REVIEW	12
SCHEDULE 1 – INDICATIVE REPLACEMENT GUIDELINES	13
SCHEDULE 2 – REPLACEMENT ASSESSMENT CRITERIA	14
SCHEDULE 3 – ANNUAL REPLACEMENT PLAN CONTENT.....	15
APPENDIX 1 – PLANT & EQUIPMENT REPLACEMENT CHECKLIST (CHECK SHEET)...	16
Officer Certification	19
Review / Approval	19

1. PURPOSE

The purpose of this Policy is to establish a structured, financially responsible and operationally sound framework for the replacement of Council's plant and equipment.

This Policy is intended to ensure that plant and equipment:

- Are safe, fit for purpose and available to support service delivery.
- Are replaced at appropriate intervals, having regard to condition, utilisation and whole-of-life cost.
- Are managed in a way that supports sound financial and asset management.
- Are procured and disposed of in accordance with Council policy and legislative requirements; and
- Are planned, reviewed and funded in a manner consistent with Council's broader asset management and financial planning responsibilities. The Local Government Act's principles of sound financial management expressly require councils to have effective financial and asset management, including sound policies and processes for asset maintenance and enhancement, funding decisions and risk management.

2. OBJECTIVES

The objectives of this Policy are to:

- a) Maintain a plant and equipment fleet that is safe, reliable, efficient and fit for purpose;
- b) Optimise replacement timing by balancing operational need, utilisation, maintenance history, risk and cost;
- c) Support prudent and transparent decision-making in relation to plant acquisition, replacement and disposal;
- d) Align plant replacement decisions with budget capacity and long-term planning;
- e) Support compliance with work health and safety, procurement and disposal obligations; and
- f) Align plant and fleet governance with Council's Motor Vehicle Policy and contemporary local government practice. Publicly available NSW council policies commonly adopt these same themes of optimal replacement timing, annual review, budget alignment and disposal under separate disposal policies.

3. SCOPE

This Policy applies to Council-owned, leased or controlled plant and equipment, including:

- Light commercial vehicles,
- Trucks,
- Earthmoving plant,
- Waste fleet,
- Tractors,
- Mowers,
- Trailers,
- Small plant where relevant for identification and control purposes, and
- Other mechanical equipment used in Council operations.

This Policy governs replacement planning, replacement timing, acquisition considerations, disposal principles, and associated governance responsibilities.

This Policy should be read together with:

- Council's Motor Vehicle Policy,
- Council's Procurement Policy,
- Council's Asset Disposal Policy,
- Council's annual budget,
- Council's plant replacement program or forecast, and
- Relevant asset management planning documents.

4. LEGISLATIVE AND RELATED FRAMEWORK

This Policy is to be read and applied consistently with:

- Local Government Act 1993 (NSW).
- Local Government (General) Regulation 2021.
- Work Health and Safety Act 2011 (NSW).
- Council's Procurement Policy.

- Council’s Asset Disposal Policy; and
- Any relevant asset management plans, financial plans or internal procedures.
The current regulation is the Local Government (General) Regulation 2021, which replaced the 2005 regulation on 1 September 2021.

5. DEFINITIONS

For the purposes of this Policy:

Annual Plant Replacement Plan means the annual list or program of plant and equipment proposed for replacement in a given financial year.

Changeover cost means the net cost to Council of replacing an item, having regard to purchase cost, disposal proceeds, transfer costs and associated establishment costs.

Chief Executive Officer means the Chief Executive Officer of Council or any title used under the Local Government Act from time to time.

Plant and equipment include machinery, vehicles, mechanical equipment, implements, attachments, trailers, appliances, tools and associated accessories used in Council operations.

Replacement forecast means the longer-term forecast, program or schedule identifying anticipated plant and equipment replacement timing over multiple years.

Small plant means lower-value tools or equipment identified by Council for operational control and costing purposes, even if not treated as major plant for capital replacement planning.

Whole-of-life cost means the total cost of an asset over its useful life, including acquisition, maintenance, fuel or energy, downtime, compliance, residual value and disposal.

6. POLICY PRINCIPLES

Council will manage plant and equipment replacement in a manner that is:

- Lawful.
- Operationally justified.
- Evidence-based.
- Financially responsible.
- Transparent.
- Risk-aware.

- Aligned with approved budgets and long-term planning; and
- Supportive of safe and efficient service delivery.

These principles align with the Local Government Act guiding principles and the principles of sound financial management, including responsible and sustainable spending, effective asset management, funding decisions and intergenerational equity.

7. DELEGATION, GOVERNANCE AND ADMINISTRATION

7.1 Council adopts this Policy and approves annual budget settings through the integrated planning and reporting framework.

7.2 Unless otherwise required by law or Council resolution, the Chief Executive Officer is responsible for the overall administration of this Policy.

7.3 Operational administration of the plant replacement program may be carried out by the Director of Infrastructure and Planning Services or another officer nominated by the Chief Executive Officer under delegated authority.

7.4 Financial oversight of replacement budgeting, financing method and reporting may be carried out by the Chief Financial Officer or nominee under delegated authority.

7.5 No approval under this Policy authorises a person to exercise a function outside lawful delegation. Under section 377 of the Local Government Act, Council may delegate functions by resolution, and under section 378, the Chief Executive Officer may delegate or sub-delegate functions to employees.

8. PLANT REPLACEMENT FRAMEWORK

8.1 Council is to maintain a Ten-Year Plant & Equipment Replacement Forecast.

8.2 The forecast is to be reviewed at least annually and used to inform:

- Annual budgeting,
- Operational planning,
- Procurement planning,
- Cash flow and financing considerations, and
- Asset management decision-making.

8.3 Council is also to maintain an Annual Plant Replacement Plan identifying the items proposed for replacement in the relevant financial year.

8.4 The annual plan and longer-term forecast should be prepared having regard to:

- Current operational need,
- Replacement timing guidelines,
- Asset condition,
- Utilisation,
- Maintenance history,
- Known risks,
- Available funding, and
- Any change to service demand or works planning.

(This is consistent with contemporary NSW council practice. Maitland publicly states that it maintains a fifteen-year forecast and annual plant replacement plan, while Goulburn and Narrabri similarly tie renewal to planned intervals, operational need and economic justification.)

9. REPLACEMENT TIMING AND DECISION CRITERIA

9.1 The replacement intervals set out in Schedule 1 are guides only and do not create an automatic entitlement or obligation to replace an item solely because a nominated age, kilometre or hour threshold has been reached.

9.2 Replacement decisions must consider the following matters, as relevant:

- Age of the asset.
- Kilometres or operating hours.
- Condition and reliability.
- Maintenance and repair costs.
- Downtime and service disruption risk.
- Work health and safety considerations.
- Statutory compliance and safety features.
- Fitness for operational purposes.
- Fuel, energy or operating efficiency.
- Whole-of-life cost.

- Resale or disposal value.
- Availability of parts and servicing support.
- Budget availability; and
- Whether changed operational needs justify a different asset class, size or type.

9.3 Utilisation should, wherever practicable, be measured by actual kilometres, engine hours or other meaningful usage data rather than elapsed time alone.

9.4 Replacement outside the guideline intervals may occur where justified by one or more of the criteria above.

(This reflects contemporary council practice. Goulburn's public policy expressly allows departures from guideline timing based on operational need, condition and unexpected maintenance costs, while Upper Lachlan emphasises replacement at optimum intervals, hours or kilometres within budget.)

10. APPROVAL OF REPLACEMENT OUTSIDE PROGRAM

10.1 If it is proposed to replace an item outside the adopted Annual Plant Replacement Plan or materially outside the guideline timing in Schedule 1, the responsible officer must prepare a justification addressing:

- Operational reason,
- Condition and risk,
- Cost implications,
- Budget impact,
- Procurement pathway, and
- Disposal implications.

10.2 Approval must be obtained from the Chief Executive Officer, subject to lawful delegation and budget authority.

10.3 Where the proposed replacement has a material budget impact or falls outside delegated authority, a report must be submitted to Council.

11. PROCUREMENT

11.1 The acquisition of plant and equipment must comply with the Council's Procurement Policy and all applicable legislative requirements.

11.2 When considering whether to acquire, replace, lease, hire, or otherwise source plant and equipment, Council must have regard to:

- Demonstrated operational need.
- Safety and compliance.
- Whole-of-life cost.
- Changeover cost.
- Purchase price.
- Maintenance and reliability.
- Financing method, including purchase, lease, hire, loan, or hire purchase.
- Availability and suitability in a rural and remote operating environment.
- Standardisation and interoperability with the existing fleet, where appropriate; and
- Expected residual value and disposal pathway.

11.3 Section 55 of the Local Government Act requires councils to invite tenders before entering into specified categories of contracts, including many contracts for works, goods, services and disposal of property, unless a statutory exemption applies.

One such exemption applies to contracts involving estimated expenditure or receipt of less than \$250,000, and less than \$150,000 for certain service contracts then being provided by council employees.

11.4 This Policy does not replace the need to comply with:

- Council's Procurement Policy,
- Section 55 of the Local Government Act 1993 (NSW), and
- The Local Government (General) Regulation 2021.

12. DISPOSAL

12.1 Plant and equipment that are surplus, obsolete, uneconomical to maintain, unsafe, no longer fit for purpose, or approved for replacement may be disposed of in accordance with Council's Asset Disposal Policy.

12.2 Disposal methods may include:

- Trade-in,

- Auction,
- Tender,
- Sale through a recognised disposal platform,
- Transfer,
- Salvage or recycling, or
- Other approved disposal method.

12.3 Disposal decisions must have regard to:

- Probity,
- Value for money,
- Transparency,
- Conflict of interest management,
- Market conditions, and
- Any legislative or policy requirement applying to the asset class.

12.4 Section 377 of the Local Government Act identifies the sale of land or other property as generally non-delegable but expressly excludes the sale of items of plant or equipment from that restriction, which supports delegation of plant disposal where properly authorised by Council.

13. SMALL PLANT AND IDENTIFICATION

13.1 Tools and equipment below the capitalisation threshold adopted by Council may be treated as small plant for budgeting purposes.

13.2 Small plant may be funded from departmental budgets where appropriate.

13.3 Council may still allocate a plant number, asset identifier or other control reference to small plant for costing, maintenance, security or stock-control purposes.

14. WORK HEALTH AND SAFETY

14.1 Plant and equipment must be maintained and replaced, having regard to work health and safety obligations and operational risk.

14.2 Where an item presents an unacceptable safety, compliance or operational risk, Council may withdraw it from service pending repair, disposal or replacement.

14.3 The timing of replacement may be accelerated where required to address material safety, compliance or risk concerns.

15. RESPONSIBILITIES

15.1 Council

Council is responsible for:

- Adopting this Policy.
- Approving budgets and broader strategic financial settings; and
- Considering reports where matters fall outside delegation or require Council determination.

15.2 Chief Executive Officer

The Chief Executive Officer is responsible for:

- Overall administration of this Policy.
- Ensuring replacement decisions are made within lawful delegations and approved budgets; and
- Ensuring annual and longer-term replacement planning is undertaken.

15.3 Director of Infrastructure and Planning Services

The Director of Infrastructure and Planning Services, or nominee, is responsible for:

- Operational management of the plant replacement program.
- Preparing replacement recommendations and annual plans.
- Monitoring utilisation, condition and replacement need; and
- Ensuring implementation is consistent with this Policy.

15.4 Chief Financial Officer

The Chief Financial Officer, or nominee, is responsible for:

- Financial oversight of replacement funding and reporting.
- Supporting whole-of-life cost and changeover analysis; and
- Ensuring consistency with annual budget and long-term financial planning.

15.5 Managers and Supervisors

Managers and supervisors are responsible for:

- Identifying replacement needs within their areas.

- Monitoring condition, maintenance performance and utilisation; and
- Providing timely operational input into replacement planning.

16. IMPLEMENTATION

This Policy may be supported by:

- An Annual Plant Replacement Plan.
- A Ten-Year Plant & Equipment Replacement Forecast.
- Procurement and evaluation templates.
- Disposal documentation.
- Asset registers; and
- Internal procedures or management instructions, provided those documents remain consistent with this Policy and lawful delegations.

17. REVIEW

This Policy is to be reviewed:

- Once during the Council term.
- If there is a material change to procurement, local government or work health and safety legislation.
- When there is a significant change to Council's asset management or budgeting framework; or
- At any time by resolution of Council.

SCHEDULE 1 – INDICATIVE REPLACEMENT GUIDELINES

Plant Item	Turnover Kilometres / Hours	Indicative Turnover Period
Utilities, wagons, SUVs, vans and light trucks under 2 tonne	75,000 – 125,000 km	3 – 5 years
Trucks up to 8,500 kg GVM	125,000 – 175,000 km	5 – 7 years
Trucks over 8,501 kg GVM	150,000 – 200,000 km	6 – 8 years
Waste truck	8,000 – 10,000 hours	5 – 6 years
Backhoe	6,000 – 6,500 hours	5 – 7 years
Front end loader	6,500 – 7,500 hours	8 – 10 years
Tractor	6,000 – 6,500 hours	5 – 7 years
Ride-on mowers	1,500 – 2,000 hours	4 – 5 years
Forklift	4,000 – 4,500 hours	7 – 8 years
Excavator	4,000 – 6,000 hours	5 – 7 years
Trailers and small plant	Based on operational requirements, condition and cost effectiveness	As required

Note: These are indicative planning guides only. Actual replacement timing is to be determined having regard to utilisation, condition, safety, cost, service need and budget capacity.

SCHEDULE 2 – REPLACEMENT ASSESSMENT CRITERIA

When considering whether an item should be replaced, the following matters should be assessed where relevant:

- Current age.
- Kilometres/hours.
- Mechanical condition.
- Safety compliance and risk.
- Maintenance history and cost trend.
- Downtime and service impact.
- Availability of parts and repair support.
- Suitability for current and anticipated operational need.
- Whole-of-life cost compared with replacement.
- Expected disposal value; and
- Budget and procurement implications.

SCHEDULE 3 – ANNUAL REPLACEMENT PLAN CONTENT

The Annual Plant Replacement Plan should, as a minimum, identify:

- Asset number.
- Asset description.
- Current age.
- Current kilometres/hours.
- Condition assessment.
- Recommended action.
- Estimated replacement cost.
- Estimated disposal value.
- Estimated net changeover cost.
- Proposed funding source; and
- Timing of replacement.

APPENDIX 1 – PLANT & EQUIPMENT REPLACEMENT CHECKLIST (CHECK SHEET)

Step	Check Item	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	Comments / Action Required
1	Has the asset been identified by plant number/asset ID?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	Has the asset description been clearly stated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3	Is the asset included in the current Annual Plant Replacement Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4	Is the asset included in the Ten-Year Plant & Equipment Replacement Forecast?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5	Is the proposed replacement broadly consistent with Schedule 1 guideline kilometres/hours/years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6	If outside the guideline, has a written justification been prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7	Has the current age of the asset been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8	Have current kilometres / operating hours been recorded?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9	Has the current mechanical/operational condition been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10	Has maintenance history been reviewed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11	Have maintenance and repair cost trends been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12	Has downtime/reliability impact on service delivery been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13	Have WHS risks or compliance issues been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Step	Check Item	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	Comments / Action Required
14	Does the asset present any unacceptable safety or operational risk?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15	Has fitness for the current operational purpose been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16	Have changed service needs or workload demands been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17	Has consideration been given to whether a different asset class/size/type is more appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18	Has the availability of parts, servicing and supplier support been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19	Has fuel/energy / operating efficiency been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20	Has whole-of-life cost been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21	Has the estimated replacement cost been prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22	Has the estimated disposal value been assessed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23	Has the estimated net changeover cost been calculated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
24	Has the proposed funding source been identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
25	Is there sufficient budget provision or approved funding capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
26	Has the procurement pathway been identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27	Does the proposed procurement comply with the Council's Procurement Policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Step	Check Item	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	Comments / Action Required
28	Has consideration been given to whether purchase, lease, hire, loan or hire purchase is the best option?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
29	If required, has compliance with section 55 tendering requirements been checked?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
30	Has standardisation/interoperability with the existing fleet been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
31	Has suitability for Balranald's rural and remote operating environment been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
32	Has the recommended disposal method been identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
33	Does the proposed disposal comply with the Council's Asset Disposal Policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
34	Have probity/conflict of interest issues been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
35	Has the recommendation been reviewed by the relevant Manager / Supervisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
36	Has the recommendation been reviewed by the Director of Infrastructure and Planning Services or nominee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
37	Has the Chief Financial Officer or nominee reviewed funding/changeover implications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
38	If outside program or outside delegation, has the matter been referred to the Chief Executive Officer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
39	If required, has a report to Council been prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Step	Check Item	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	Comments / Action Required
40	Has all supporting documentation been attached to the replacement recommendation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Officer Certification

Officer Details	Information
Asset Number / Plant No.	
Asset Description	
Department / Section	
Recommended Action	Replace <input type="checkbox"/> Retain <input type="checkbox"/> Repair <input type="checkbox"/> Dispose <input type="checkbox"/> Review Later <input type="checkbox"/>
Prepared by	
Position	
Signature	
Date	

Review / Approval

Review Stage	Name	Signature	Date
Manager / Supervisor			
Director Infrastructure & Planning Services / Nominee			
Chief Financial Officer / Nominee			
Chief Executive Officer (if required)			
Council Resolution No. (if required)			