

Plant Replacement Policy

1 Purpose

The purpose of this policy is to ensure that the replacement of Council plant and equipment controlled in Council's plant fund is carried out in a manner obtaining best value for money, accountability, sustainability, fairness and impartiality, avoids any conflicts of interest and maximises the organisational effectiveness of its plant and equipment.

2 Policy

This policy refers to Plant and Equipment owned and operated by Coffs Harbour City Council and controlled in councils Plant Fund.

Plant replacements are funded from the plant reserve only to the extent that the funds are available in this reserve. This plant reserve is from income generated through optimum plant usage and is the difference between hire rate charged and the operational expenses. Plant and equipment controlled by plant fund is replaced at its optimum replacement point or when it is no longer suitable for its intended operation within Council.

Plant will be replaced in a way that maximises returns whilst ensuring transparent, open and effective competition. This will be done through public competitive processes (i.e. established government purchasing authorities, auction, tender or quotation). Council will assess its operational requirements, cost efficiencies and fit for purpose on plant replacement.

3 Definitions

Plant and Equipment: Includes any machinery, vehicle, equipment, implement, power tool and any component or fitting thereof or accessory thereto.

Optimum replacement point: The optimum replacement point is calculated to achieve the lowest average annual cost during the life of the plant item. The optimum point occurs when the plant item's depreciation intersects with the costs of repairs, maintenance and machine down time.

4 Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead Councillors in their understanding of, and compliance with, this Policy.
General Manager	Executive	To lead staff (either directly or through delegated authority) in their understanding of and compliance with this policy. To make decisions in regard to any application of this policy.
Directors	All Directorates	To communicate, implement and ensure compliance with this policy and related procedures.
Group Leaders	All Directorates	To implement and lead staff in their understanding of, and compliance with this policy and related procedures
Officers in positions with delegated authority to replace or purchase Councils plant & equipment	All Directorates	To ensure that the replacement of plant and equipment comply with the principles of this policy and that decisions are made accordingly.
All Council officials	Council	To comply with this policy when considering the replacement of plant

5 References (laws, standards and other Council documents)

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2005 (NSW)
- 10 Year Replacement Plan
- Procurement Policy (POL-032)
- Code of Conduct Policy (POL-031)
- Statement of Business Ethics
- Disposal of Assets policy (POL-021)

6 Details of Approval and revision

- **Approval date: 22/06/2017**
- **Responsible Section: Logistics**
- **Superseded policies/procedures:**
- **Next review date: 22/06/2021**

Table of amendments

Amendment	Authoriser	Approval ref	Date