STRATEGY

JEN FLEET ASSET CLASS STRATEGY

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

This Asset Class Strategy (ACS) is for Jemena Electricity Networks Limited's (JEN) fleet asset class. It covers the following fleet and mobile plant assets:

- Heavy commercial vehicles (HCV) – such as elevated work platforms (EWP), trucks
- Light commercial vehicles (LCV) – such as utes, vans
- Material handling – such as forklifts, bobcats, tailgate loaders
- Plant – such as compressors, trailers
- Passenger vehicles (PV) – such as sedans, sport utility vehicles (SUV).

This document is referred to as the Fleet ACS. The Fleet ACS sets out the asset class objectives and lifecycle strategies for fleet and plant assets that we use to deliver services to our customers.

JEN's fleet management approach is based on three key principles. These are:

- vehicles selected are fit for purpose
- vehicles selected have the highest possible Australasian New Car Assessment Program (ANCAP) rating in class
- delivered at an efficient cost.

We use a combination of ANCAP rating PV and LCV, age and distance thresholds to estimate the required replacement timing of each asset within our fleet.

Further information on these principles is provided in section 1.2.1.

Table 1: JEN's Fleet Asset Class Objectives

Objective	JEN fleet asset class objective
Customer Have our customers advocate for us based on their experience of our products	Ensure the vehicle fleet is available for timely emergency response
Operational excellence Build efficient operations with the capacity to grow with us	Ensure the vehicle fleet is managed prudently and at an efficient cost
Growth Achieve growth in a sustainable manner	Ensure fleet/plant portfolio is able to grow or change with business and customer requirements
Our people Ensure we have the right people and capability to deliver the plan	Manage fleet asset lifecycles to deliver prudent financial and operational outcomes
Safety Ensure that the fleet meets safety requirements	Manage fleet assets to ensure the safety of employees, contractors and the public

A summary of performance of the asset class against these objectives is provided in section 1.10.2.

1.1 ASSET CONDITION AND RISK

The current overall condition of the fleet asset class is moderate but varies by fleet type and can fluctuate over time. Our fleet expenditure aims to maintain an efficient level of fleet asset performance (or failure) risk over the medium term. The overall condition of our fleet can fluctuate over the short period due to a range of factors, which drives the relatively high frequency (compared with network assets) that fleet items are turned over.

JEN's objective is to ensure that we have fit-for-purpose, safe and compliant vehicles to support day-to-day operations. However, we currently have some passenger, heavy commercial and light commercial vehicles that are in a poorer condition than our target condition rating over the medium and long term. We aim to manage fleet and plant in line with our target risk ratings (as set out in section 1.12.3.2). An overview of the current risk associated with the fleet asset class is provided in section 1.12.2.

INTRODUCTION

Jemena owns, leases and operates various fleet and plant that are built specifically to meet its obligations. The responsibilities for fleet and plant-related activities include:

- budgeting, asset strategy, fleet criteria specification and endorsement of purchases and disposals
- procurement, management and disposal of fleet and plant equipment
- fleet servicing and maintenance.

1.2 PURPOSE / OBJECTIVES

The purpose of this ACS is to outline the approach and principal methods by which the fleet asset class contributes to delivering the asset objectives defined in the JEN Asset Business Strategies (ABS). The JEN Fleet ACS is based on the following information:

- **asset profile** – includes information about the type, specifications, fuel type, life expectancy and age profile of fleet
- **asset risk** – includes identifying threats; opportunities; strengths and weakness; including asset performance objectives and measures, criticality and condition in order to ensure all issues, risks and opportunities are documented
- **asset performance** – provides information about performance objectives, drivers, service levels and the technical and commercial risks associated with fleet management
- **asset strategy** – outlines fleet asset management practices, including key fleet strategies that support the corporate and functional group business plan, strategies and objectives and expenditure plans and programs of work
- **asset class objectives** – the objectives and targets for the asset class, and how these contribute to the overall relevant JEN asset objectives. These provide the essential link to JEN's ABS and Asset Investment Plans (**AIP**)
- **asset expenditure assessment** – provides information about the expenditure decision making processes (and how expenditure options are analysed) as well as historical and forecast.

We use this Fleet ACS in combination with other ACSs to develop JEN's AIP and expenditure forecasts. The expenditure forecasts provided in the AIP form the basis of budget planning and regulatory proposals. The Fleet ACS therefore plays an important role in our asset management system.

The Fleet ACS covers the whole life of our fleet assets. The asset management practices in the Fleet ACS ensure reliable asset performance to support the efficient delivery of services to JEN's customers over the long term. This includes maintaining regulatory compliance, considering risks, asset condition, performance, technology, and growth.

1.2.1 FLEET MANAGEMENT PRINCIPLES

JEN's fleet management approach is based on three key principles. These are:

1.2.1.1 Vehicles selected are fit for purpose

It is essential all vehicles are safe, reliable and suitable for the task to which they are applied. The following considerations are applied when choosing vehicles:

- function/role
- fuel type (e.g. diesel, petrol, hybrid, electric, hydrogen, etc)
- coverage of expected daily range (kms)
- availability of battery chargers, where appropriate, and technological advancements
- availability and reliability during emergency events (e.g. storms during night or day)
- the terrain the vehicle must operate in (including ignition risks in high bushfire risk areas)
- expected annual kilometres
- safety features (e.g. ANCAP safety rating, airbags, reversing cameras)
- compliance with Federal and State regulatory requirements
- compliance with manufacturer's scheduled maintenance and inspection regimes.

*1.2.1.2 **Vehicles selected** have the highest ANCAP rating*

We will select vehicles with the highest ANCAP rating where it will be efficient to do so. This approach is consistent with two of our fleet asset management objectives of ensuring the safety of employees, contractors and the public and achieving the efficient cost of fleet management.

ANCAP is a car safety performance assessment program based in Australia and founded in 1993. It specialises in the crash testing of new PV, SUV and LCV sold in Australia and publishes the testing results for the benefit of consumers. Accordingly, it sets the industry standard for vehicle safety ratings.

ANCAP star ratings indicate the level of safety a vehicle provides for occupants and pedestrians in the event of a crash, as well as its ability, through technology, to avoid or minimise the effects of a crash. The independent safety ratings are used to compare the relative safety between vehicles of similar mass.

ANCAP safety ratings are determined based on a series of internationally recognised, independent crash tests and safety assessments – involving a range of destructive physical crash tests, an assessment of on-board safety features and equipment and performance testing of active collision avoidance technologies.

Vehicles are evaluated against four key areas:

- Adult Occupant Protection (AOP)
- Child Occupant Protection (COP)
- Vulnerable Road User Protection (VRU)
- Safety Assist (SA).

A range of tests and assessments are conducted within each area, with vehicles required to meet minimum score thresholds for each star rating level. The overall ANCAP rating of a vehicle is limited by its lowest performing area of assessment.

*1.2.1.3 **Ensuring efficient cost***

We aim to ensure efficient costs when managing fleet and plant assets over their total lifecycle, in addition to ensuring our assets are safe and fit for purpose. We assess all fleet related costs to determine the most efficient cost, including:

- purchase price
- fuel type and all associated costs including the cost of any required recharging or refuelling infrastructure
- ongoing repairs, maintenance and inspections
- registration
- resale value
- annual kilometres
- hours of use (mobile plant).

In line with these principles, we monitor and replace vehicles at optimal intervals to achieve the most efficient total cost.

1.3 DESCRIPTION OF ASSETS COVERED

The Fleet ACS applies to any fleet and plant that is owned, leased and operated by JEN for use on the network. The different types of fleet and plant used by JEN are:

- Heavy commercial vehicles (HCV) – such as elevated work platforms (EWP), trucks
- Light commercial vehicles (LCV) – such as utes, vans
- Material handling – such as forklifts, bobcats, tailgate loaders
- Plant – such as compressors, trailers
- Passenger vehicles (PV) – such as sedans, sport utility vehicles (SUV).

1.4 GOVERNANCE

The Fleet ACS is reviewed every two years to ensure ongoing alignment with the JEN ABS, and to account for any new asset performance and risk information. sets out the key team/group/person responsible for the different aspects of the management of JEN's fleet.

Table 2: RASCI Governance Table for JEN Fleet ACS[1]

Role	Responsibilities	Group/person
Responsibility	Who is responsible for carrying out the entrusted task?	Fleet and Plant Team
Accountable (Approval)	Who is responsible for the whole task and who is responsible for what has been done?	Network Investment and Delivery Manager
Support	Who provides support during the implementation of the activity / process / service?	Procurement Commercial Finance – Jemena Networks
Consultation	Who can provide valuable advice or consultation for the task?	HSE Team
Inform	Who should be informed about the task progress or the decisions in the task?	EGM Jemena Networks

[1] RASCI is JEN's internal accountability framework used to define roles in executing work (such as planning and implementing work).

STRATEGIC DRIVERS

The operating environment, stakeholder expectations and work programs are crucial inputs into how we manage fleet and plant requirements. We therefore closely monitor external factors such as changes to regulations and technical standards, technological advances and customer requirements and assess their impacts on our assets.

We consider the following specific drivers on how we manage our assets:

- market trends and competitive position
- customer and community expectations
- innovation and technology
- regulatory and legislative environment.

A summary of how these strategic drivers/external factors relates to the fleet asset class is provided in the following sections.

1.5 MARKET AND COMPETITIVE POSITION

As highlighted in the JEN ABS, the energy market in Australia is changing. Energy consumers are looking for cleaner, affordable and reliable energy. Considerable focus is being placed on whether the traditional energy network strategies in place today will be appropriate in the future.

Demand for electricity is expected to remain strong into the future and the way in which consumers source and use energy will continue to change over the coming decades. Examples include increased volumes of large data centres and embedded generators connecting to the network. This is driving not only an increase in volume, but also complexity, which in turn drives increased investment, technical field personnel and therefore has a direct impact on acquisition, retention and disposal of our fleet assets.

Our strategic approach has been to purchase, rather than lease, the vast majority of fleet assets to deliver our network program of work. This approach is based on our analysis which demonstrates that purchasing represents a lower total cost over the lifecycle of vehicles, in addition to the greater flexibility it provides to ensure we optimise fleet utilisation. Consequently, JEN owns the majority of its fleet assets except where the business has chosen to lease vehicles to address short-term requirements.

A summary of modelling results to assess the costs of purchasing and leasing various vehicle types are attached as Appendix A. This represents the most efficient total cost option to meet current requirements. We regularly review procurement options of ownership vs leasing, and are prepared to modify this purchasing approach as the market changes. We will select the most prudent and efficient (lowest total cost of ownership) procurement approach in the prevailing market conditions.

1.6 CUSTOMER AND COMMUNITY EXPECTATIONS

As a part of a safe, reliable and affordable electricity supply, our customers expect us to:

- respond in a timely manner ensuring safety remains our top priority
- maintain our network service reliability and
- to also prioritise affordability.

These primary expectations of our customers are reflected in our two fleet management principles:

- selecting vehicles that are fit for purpose (ensuring our crews are able to respond to incidents in a timely manner and deliver a consistent level of service to all customers) and
- ensuring efficient cost (prudent and efficient fleet management).

In particular, the condition and risks associated with our fleet over the medium to long term can have a direct impact on the quality of services we provide to customers. It could also affect costs because the longer we keep and operate vehicles that are in poor condition, the higher the operating and maintenance costs.

Through our engagement, some of our customers provided recommendations that JEN should continue to investigate and implement operational improvements to reduce environmental impacts, including, transitioning to electrified fleet vehicles. The People's Panel further recommended Jemena replace existing equipment that has reached the end of their life cycle with sustainable alternatives.[2] Customers who have responded to our Draft Plan have ranked as top priority the replacement of vehicles with those that are more environmentally friendly to increase the sustainability of our operations.[3]

We have sought to reflect these customer expectations in this ACS by considering whether new and developing vehicle fuel technologies, such as hybrid, electric, and hydrogen vehicles, may represent a more efficient means of meeting our operational requirements.

However, our fleet principles of having fit-for purpose-vehicles at an efficient cost are our primary considerations when evaluating these new vehicle technologies. For example, we ensure all vehicles are fit for purpose and fitted with the appropriate tools and equipment to allow high-priority incidents to be addressed quickly, first time and to minimise outage times for customers. We also aim to standardise fleet and plant equipment to provide a safe and efficient working environment for our staff and ensure all our customers receive a consistent level of service.

1.7 INNOVATION AND TECHNOLOGY

Changes in technology and innovation have a direct impact on the way JEN manages and operates its network. Improvements in and customer take-up of distributed energy resources (DER), energy storage, demand management and data management are changing the way customers think about using electricity services and how we think about delivering electricity to customers.

Our customers expect us, and other parts of the energy industry, to innovate and plan for the future so that they can access affordable electricity in the longer term as we move towards a lower carbon future. When discussing corporate responsibility and addressing sustainability and evaluation our carbon footprint during a People's Panel engagement session, our customers provided recommendations that JEN should continue to commit to and improve on its environmental practices and continuously reduce its impact on the environment. This includes investigating and implementing operational improvements to reduce environmental impacts, including, transitioning to electrified fleet vehicles. The People's Panel further recommended Jemena replace existing equipment that has reached the end of their life cycle with sustainable alternatives.[4]

This is why we are looking at trialling alternative technologies so we can ensure our business remains commercially sustainable in the future.

We monitor and will seek to evaluate the development of new technologies in fleet assets themselves and will utilise assets with new technologies where practicable and economic to do so. Fuel type, in particular, is a key consideration, with hybrid, electric and hydrogen-powered electric vehicles gradually becoming a practicable and economical option.

The Fleet and Plant team are working closely with vehicle manufacturers and suppliers of alternate fuelled vehicles and ancillary equipment and has expressed interest in piloting new technology as it becomes available

[2] JEN – MosaicLab Att 02-02 People's Panel Process Report, May 2024, p.43.
[3] JEN – Att 02-21 Draft Plan Feedback Report – Public, September 2024, p.5.
[4] JEN – MosaicLab Att 02-02 People's Panel Process Report, May 2024, p.43.

to the industry. Annexure B illustrates the whole-of-life comparison of a conventional passenger vehicle and a 100 per cent electric vehicle (EV).

1.8 REGULATORY AND LEGISLATIVE ENVIRONMENT

Table 3 summarises the key legislative requirements and technical standards relating to fleet and plant assets. These requirements are factored into our asset management strategies. They inform the investments and operating activities we undertake and ensure that our replacement and rebuild specifications are in accordance with relevant legislative requirements.

Table 3: Summary of key legislative requirements and technical standards relating to the fleet asset class

Legislative requirement/technical standard	Summary of requirements
The Occupational Health and Safety Act 2004 (VIC)	Covers workplace and equipment safety for workers in Victoria.
Road Safety (Vehicles) Regulations (VIC) and National Heavy Vehicle Regulator (NHVR)	Covers requirements for vehicle licensing, construction standards, vehicle mass and dimension, load restraint and towing, among others.
AS/NZS 1418.10:2011 Cranes, Hoists and Winches Part 10: Mobile Elevating Work Platforms	Outlines standards for maintaining and using these types of plant/vehicles, including specified intervals for inspections and rebuilds.
AS 2550.10-2006 Cranes, Hoists and Winches – Safe Use	Outlines standards for maintaining and using these types of plant/vehicles, including specified intervals for inspections and rebuilds.
National Electricity Rules (NER)	Govern access to electricity services and elements of broader electricity markets. They set out broad requirements for economic value tests that must be considered in relation to efficient capital and operating expenditure.

ASSET CLASS OBJECTIVES

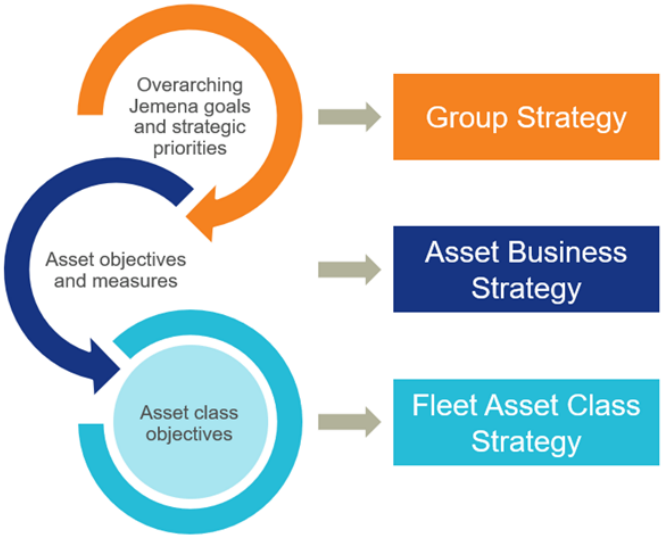
This section provides the line of sight from corporate goals through to the fleet asset class objectives.

The Fleet ACS supports the JEN business. JEN maintains an ABS, which outlines its asset objectives.

This Fleet ACS considers the asset objectives detailed in the ABS, along with current performance data on relevant assets. It then defines a series of asset class objectives that apply to fleet assets.

These asset class objectives then determine the appropriate fleet management strategies to support JEN to deliver

Figure 1: Documents that contain the various corporate and asset specific goals, pillars and objectives.



electricity distribution services to its customers.

1.9 ASSET CLASS OBJECTIVES

This JEN Fleet ACS aligns the fleet asset class objectives to key strategic objectives (as shown above), which support our network strategy. The JEN ABS ensures broad alignment with JEN's needs. The fleet asset class objectives are presented in Table 4: JEN Fleet Asset Class Objectives

Table 4: JEN Fleet Asset Class Objectives

JEN key objective	Fleet asset class objective	Measure	Target
Customer Have our customers advocate for us based on their experience of our products	Manage fleet assets to ensure the safety of employees, contractors and the public	Compliance management – annual vehicle registration paid, ancillary components compliance for EWPs/crane trucks in line with the manufacturer's rebuild dates, recalls/defects managed	Ensure vehicles are 100% compliant upon audit by JEN's external fleet management company.
	Ensure fleet is available for timely emergency response	Availability of on call service	24-hour availability in place during operational periods and emergency events. On-call services are available during business hours, public holidays, or shutdown periods.
Performance Build efficient operations	Achieve the most efficient cost of fleet management	Motor vehicles per full time equivalent (FTE) employee	Within 10% of the median of the national electricity distribution benchmarking rate of 0.6 vehicles per FTE.

A summary of performance of the asset class against these objectives, as well as key projects identified to address and/or maintain performance, is provided in the following section.

1.10 ASSET CLASS FUNCTION, PERFORMANCE AND REQUIREMENTS

This section provides an overview of performance across fleet asset class, measured against the asset class objectives. It includes a high-level description of the asset class function, current performance and condition requirements.

1.10.1 FUNCTION

The function of JEN's fleet and plant assets is to support various business activities safely and reliably and at an efficient cost. JEN forecasts demand for fleet assets based on forecast network activities as set out in the JEN AIP.

1.10.2 PERFORMANCE

The tables included in this section provide an overview of performance against the asset class objectives, including commentary on initiatives/activities required to maintain or improve performance against these objectives.

Table 5: Manage fleet assets to ensure the safety of employees, contractors and the public

Measure	Target	Performance
Compliance management • Registrations paid, ancillary components compliance for EWPs/crane trucks in line with the manufacturer's rebuild dates, recalls/defects managed.	100%	The most recent SG Fleet audit was completed and compliance was 95%. The score is based on the vehicles in operation vs the vehicles undergoing mandatory rebuild/refurbishment. Vehicle ancillary compliance dates fully achieved. All recalls and defects are managed by the fleet management company and reported on monthly.

Table 6: Ensure fleet is available for timely emergency response

Measure	Target	Performance
Availability of on call service. • 24-hour servicing in place during operational periods. • On call services in place during business hours on public holidays/shutdown periods	100%	Number of roadside assist/ breakdowns responded to outside of business hours, including over public holidays and shut down periods (e.g. Christmas, Easter, etc.) for all breakdowns.

Table 7: Achieve efficient cost of fleet management

Measure	Target	Performance
Whole-of-life costs per annum (LCVs and PVs only). SG Fleet's Clients (Utilities) data used as a benchmark. Where possible, we also benchmark against our peers on comparable fleet categories.	Within 10% of industry benchmark for each vehicle type.	Whole of life costs per annum are currently within 10% of the industry benchmark median cost for each type of vehicle managed by the fleet management company. Our fleet is classified as being in a good condition.

Table 8: Ensure fleet/plant portfolio grows proportionally with business requirements

Measure	Target	Current performance
Vehicle utilisation – average km per month. SG Fleet's Clients (Utilities) data used as a benchmark. Where possible, we also benchmark against our peers on comparable fleet categories.	Within 10% variance of vehicle type.	Performance is currently tracking within 10% variance of median mileage of vehicle type.
Ensure fleet/plant portfolio is able to grow or change with business and customer requirements.	Within 10% of the median of national electricity distribution benchmarking.	The motor vehicles per FTE employee was 0.60 in 2023 then down to 0.54 in 2024.

1.11 INITIATIVES TO IMPROVE/MAINTAIN PERFORMANCE AGAINST FLEET ASSET CLASS OBJECTIVES

A key initiative was identified in 2019 to improve and/or maintain performance against the fleet asset class objectives. This initiative involved increasing the planned asset replacement life of passenger vehicles from 4 years or 120,000 km to 5 years or 150,000 km, with actual replacement decisions made following a case-by-case conditional assessment based on the vehicle's safety.

The change in planned Passenger Vehicle replacement timing also ensures that JEN compares favourably with its peers, Essential Energy and SA Power Network which have set and operate to this Asset Class Strategy to reduce risk within their respective businesses, which is in line with our fleet asset class objective of achieving the lowest efficient cost of fleet management. JEN's fleet management company, SG Fleet, provided an industry comparison of planned replacement lifecycles for passenger vehicles used across other Australian utility businesses in Table 9.Error! Reference source not found.Table 9: Comparative industry planned passenger vehicle replacement timing[5]

Company	Passenger vehicle	Light commercial vehicles	Heavy commercial vehicles and plant
Essential Energy	60 months/150,000 km	60 months/150,000 km	10-15 years
Powerlink	48 months	48-84 months	8-10 years
Ergon	48 months/100,000 km	150,000 km	10-15 years
Energex	3 or 5 years	60 months	10-15 years
SA Power Networks	60 months/150,000 km	60 months/150,000 km	10 years (EPV) 15 years (crane)
Powercor	60 months/150,000 km	60 months/150,000 km	10-15 years (EPV) 10 years (HCV)
Downer	36 months/90,000 km	36 months/90,000 km	7-10 years
Ausgrid	60 months/150,000 km	72 months/150,000 km	15 years
JEN	60 months/150,000 km	60 months/150,000 km	10-15 years (EPV) 10 years (HCV)

[5] Source: SG Fleet, 8 January 2025.

Furthermore, where passenger, light commercial or heavy commercial vehicles are outside of the JEN Fleet Asset Class Strategy, actions are being taken to replace aged and high kilometre vehicles in the fleet to ensure that we continue to maintain our class strategy objectives. Vehicles requiring replacement, are detailed in Table 12.

The above initiatives will contribute towards the following fleet asset class objectives:

- manage fleet assets to ensure the safety of employees, contractors and the public
- ensure fleet is available for timely emergency response
- achieve the lowest efficient cost of fleet management.

ASSET CLASS STRATEGIES

The following sections provide information on lifecycle management of fleet and plant assets, from asset creation through to disposal.

1.12 FLEET ASSETS

1.12.1 Introduction

JEN owns and operates various fleet and plant items that are built specifically to meet our operational requirements when providing distribution services to customers.

Fleet and plant assets are managed in accordance with JEN's Fleet Asset Management principles, outlined in section 1.2.1.

1.12.2 Risk

The primary types of risk that impact fleet/plant assets are:

1.12.2.1 Acquisition Risks

- limited Original Equipment Manufacturer production capacity against industry demand
    - long manufacturer/supplier lead times
    - fleet/plant not delivered on time
    - fleet/plant not delivered to required specification
- cost variation in procurement due to fleet/plant specification changes
- cost variation in between securing production build capacity and delivery
- legislative or regulatory changes (such as implementation of NVES with CO2 emissions penalties)

1.12.2.2 Operational Risks

- mechanical failure or breakdown
- for electric vehicles, insufficient battery life and remaining charge to complete daily jobs
- third party impacts and accidents
- inappropriate asset use (human error)
- fleet/plant does not comply with regulatory or legal obligations or technical standards
- inaccurate data records.

1.12.3 CRITICALITY

Using the Jemena risk framework in Table 11, the criticality of fleet/plant as an asset class is rated as minor. While this rating applies to the asset class as a whole, the criticality of different types of the vehicle fleet may vary to some extent. For example, specialist operational vehicles such as EWPs are more critical to operating and maintaining the network than passenger vehicles.

Given the cost, availability and relative flexibility of fleet/plant assets (as opposed to physical network assets), the overall criticality of fleet/plant assets to the safe, reliable and affordable provision of electricity services by JEN is low.

1.12.3.1 Failure modes

The following table outlines the typical failure modes for fleet and plant assets, and the controls in place to prevent failure.

Table 9: Secondary failure mode assessment

Asset	Failure type	Failure mode	Controls
Fleet and heavy plant	Operational	Mechanical breakdown through wear and tear	Preoperational checks Scheduled maintenance / services Periodic asset replacement / rebuilds
	Operational	Third party hits (accidents)	High visibility markings, safety features Driver training / licensing requirements Traffic management (where appropriate)
	Operational	Inappropriate use of assets	Driver training / licensing requirements Manufacturer instructions
	Regulatory	Technical / regulatory obsolescence	Fleet audits Monitoring relevant Australian Standards and Legislation Periodic asset replacement / rebuilds

Current risks associated with fleet and plant assets, many of which are related to the above failure modes, are summarised in the following section.

1.12.3.2 Current risks

Risks related to fleet/plant assets are recorded in the fleet and plant asset risk register. The following table gives an overview of the current risks.

Table 10: Summary of Fleet and Plant Asset Risks

Type of risk	Description of specific asset sub-class risk	Likelihood	Consequence	Target risk rating	Current risk rating	Control
Operational	Fleet/plant exceeds Asset Class Strategy	Possible	Minor	Low	Low	Monitor fleet and plant age and utilisation against Asset Class Strategy replacement intervals Utilise FMO SG Fleet data including dates and Service Meter Unit readings (kms/hrs) to help forecast replacement requirements.
Operational	Fleet/plant not delivered on time	Unlikely	Minor	Low	Low	Delivery scheduled and quality managed and monitored regularly to ensure agreed lead times are met. Provide new vehicle orders in advance to meet the manufacturers lead times. Provide performance feedback to the respective vendors.
Operational	Fleet/plant not delivered to specifications	Unlikely	Minor	Low	Low	Detailed specifications provided to the vendor with each official order. Vendors required to sign JEN's specification documents to confirm that they understand JEN's requirements. Conduct mid build inspections to verify the builds are to specifications.
Operational	Fleet/plant not maintained to recommended manufacturers service intervals	Unlikely	Minor	Low	Low	Reporting from contracted FMO SG Fleet highlights all vehicles that have not been maintained to the recommended intervals and advise the respective fleet users of the findings.
Financial	Increase in capital costs due to specification changes during vehicle build/acquisition	Unlikely	Minor	Low	Low	Extensive consultation sessions with operational staff and end users is occurring to ensure that the specifications are fit for purpose. JEN end users are to sign JEN's specification documents to confirm that the document clearly articulates their requirements. Matching of truck and EWP lifecycles - when a new EWP (crane unit) is procured, it is generally only installed onto a new truck chassis to avoid misalignment in replacement timeframes requiring increased swapping of chassis and crane assets in future (increased cost and time vehicle out of service).

Type of risk	Description of specific asset sub-class risk	Likelihood	Consequence	Target risk rating	Current risk rating	Control
Safety	Third party impacts (accidents)	Possible	Serious	Moderate	Moderate	Operational vehicles are fitted with appropriate safety features, including high visibility markings and lighting. All operational fleet/plant users are required to hold appropriate licences at all times and undergo competency checks periodically. Traffic management is utilised where appropriate. This is the responsibility of the relevant personnel undertaking works.
Safety Reputational	Inappropriate/fraudulent use of assets	Possible	Serious	Moderate	Moderate	All operational fleet/plant users are required to hold appropriate licences at all times and undergo competency checks periodically. Fleet assets to be utilised for the specified purpose only.
Financial Operational	Asset becomes obsolete (no longer fit for purpose) due to changes in regulatory or technical requirements	Unlikely	Minor	Low	Low	Jemena Fleet and Plant team monitors changes to relevant Australian Standards and regulations. Fleet/plant specifications are modified accordingly. Periodic asset replacement/rebuilds in line with Australian Standards.

1.12.3.3 Existing controls

Refer to Table 10: Summary of Fleet and Plant Asset Risks.

1.12.3.4 Other risks and potential mitigations

An emerging focus for fleet management is the Chain of Responsibility (CoR), which provides a framework for managing and preventing health and safety incidences. CoR is similar to Workplace Health and safety laws.

CoR includes the following areas of focus;

- ANCAP safety rating on vehicle procurement
- mass management (for vehicles > 4.5 tonnes gross)
- driver fatigue management
- speed management
- load restraint.

A summary of the current status of these risks and risk management activities is provided below.

ANCAP Rating

The ANCAP is an independent vehicle safety authority that has published thousands of independent safety ratings for new vehicle makes, models and variants since 1993. Vehicles are given a safety rating of 0-5 stars. The star ratings indicate the level of safety a vehicle provides the occupants and pedestrians. The higher the rating, the greater the safety feature levels are for the vehicle, make and variant. ANCAP ratings are taken into consideration when assessing the replacement of passenger vehicles, SUVs and LCVs. ANCAP ratings now have a use by date of 60 months to allows for advancements in safety. Priority is given to ensure the safest rated vehicles are selected.

Mass Management

To manage the issue of overladen HCVs and LCVs, increased focus is required. Our aim is to implement measures to help prevent them from being loaded beyond their maximum capacity. Initial actions have included putting gross vehicle mass (GVM) decals on all vehicles and procuring portable and fixed weight scales for our operational depots.

Driver Fatigue Management

This area is currently managed by controls such as policies, procedures or scheduling. As technology advances, systems such as eye-tracking technology that detects signs of drowsiness and then alerts drivers are possible solutions. Trials are underway to install driver fatigue systems in HCVs.

Speed Management

JEN is currently considering the acquisition of telematic devices for fleet assets. Telematic devices provide visibility of driver behaviour, namely speeding analytics. While JEN will initially install these devices on selected fleet assets, future specifications may include the installation of these devices for all new fleet assets if JEN's trial of the technology demonstrates that it is successful at mitigating this risk.

Load Restraint

Current WHS legislation focuses on the hazards associated with working at height, including from the back of vehicles. Fall restraint devices are required where an employee is required to access a fleet item, and there is a risk of falling from one level to another. These requirements are considered and installed at the production or procurement stage.

1.12.4 PERFORMANCE

Performance against the current asset class objectives is provided in section 1.10.2.

1.12.4.1 Requirements

Assets are replaced subject to ongoing performance and condition assessments. Prior to a decision being made on whether to replace an individual fleet asset, the vehicle is subject to a condition assessment to determine whether it actually requires replacement, or whether alternative options (such as maintenance or rebuilds if applicable) may allow for the asset replacement to be deferred if it remains able to efficiently and safely meet our operational requirements. Similarly, when assessing fleet replacement requirements, we regularly assess whether there are opportunities to downsize (i.e. not replace) our fleet if any assets are surplus to operational requirements (or whether alternative options like short term hire of that type of vehicle/plant may be more efficient).

The following table summarises the maintenance and replacement cycles for the different types of fleet and plant assets.

Table 112: Summary of JEN Fleet and Mobile Plant, Maintenance and Replacement Cycles

Vehicle Type	Purpose	Number of Vehicles Required Throughout RY26-31 Period	Maintenance Cycle	Replacement
Elevating Work Platform Vehicle	See below	See below	See below	See below
Single Person Elevating Work Platform Vehicle	The units are small 11 tonne GVM trucks fitted with 11–13 metre reach elevating platforms. The vehicles are allocated to various roles and are designed for on call responses for emergency responses that may arise on the Jemena Electricity Network. As these vehicles have a GVM greater than 4.5 tonnes, for Regulatory Information Notice reporting purposes, these vehicles fall within the elevated work platform (HCV) category.	8	Every 3 months	Replaced with new units after 10 years of age. In accordance with the Australian Standard AS1418.10 and AS2550.10 these either need to be replaced or rebuilt.
Large Elevating Work Platform Vehicle	The large EWPs generally consist of large trucks with 15–22.5 tonne GVM, fitted with elevating platforms with a working height of between 14–22 metres. These units are designed mainly to support the construction works within the electricity networks and are also used to assist with faults.	12 (5 are to be replaced while 7 are to be rebuilt)	Every 3 months	In line with the Australian Standards AS1418.10 and AS2550.10, large EWP vehicles are rebuilt at 10 years and replaced with a new unit prior to the next 15-year anniversary.

Vehicle Type	Purpose	Number of Vehicles Required Throughout RY26-31 Period	Maintenance Cycle	Replacement
	The large EWPs reside at the respective depots and are returned each day. From time to time a large EWP may be deemed unsuitable for rebuild after the initial 10 years of service. This can be attributed to extreme factors, such as but not limited to, prolonged use in harsh environments, extreme metal fatigue or deemed un-financial to rebuild. These units will be flagged to the relevant General Managers via a business case to justify the reasons and financial benefits in purchasing a new unit. As these vehicles have a GVM greater than 4.5 tonnes, for Regulatory Information Notice reporting purposes these vehicles fall within the elevated work platform (HCV) category.			
Heavy Commercial Vehicle	The vehicles outlined within this category range from the 5 tonne GVM through to 22.5 tonne GVM. The majority of all the heavy commercial vehicles reside at the depots and are returned each day. • Line Construction Trucks - 10.4 tonne GVM truck fitted out with extensive toolboxes; • Large Task Trucks – 22.5 tonne GVM truck fitted out with a front mounted crane and heavy duty tray; • General Tray Trucks; and • Crane Borers – 22.5 tonne GVM truck fitted out with a Proline Crane borer.	12 (10 are to be replaced while 2 are to be rebuilt)	Every 3 months	Replaced at 10 years based on the condition of the vehicle. All heavy commercial vehicles that have cranes attached must be replaced at 9 or 10 years but prior to the 10 year anniversary as stated within the Australian Standards (Australian Standard 1418.10 – Crane, Hoist and Winches & 2550.1 Cranes Hoist and Winches – Safe Use). As per the large EWPs, these vehicles will be assessed for their suitability for the mandatory 10-year rebuild. Crane borer vehicles are rebuilt at 10 years and replaced with a new unit prior to the next regulatory 15 year rebuild time (10 years + 5 years).

Vehicle Type	Purpose	Number of Vehicles Required Throughout RY26-31 Period	Maintenance Cycle	Replacement
Light Commercial Vehicle	The light commercial vehicle specifications range from the off the shelf utility/van to a specific fit for purpose fit out.	134	Serviced as per manufacturer's instructions	Earlier of 5 years and 150,000 km, following an individual condition assessment.
Passenger Vehicle	Passenger vehicles are assigned to Operational Manager as site based pool vehicles that support field resources, corporate staff and project planners/managers. Vehicles assigned to a role for the purpose of emergency management or operating can return to primary residence to be able to respond to on call availability duties from time to time. Vehicles assigned to corporate staff and planners reside at the respective depots and are returned each day.	53	Serviced as per manufacturer's instructions	Earlier of 5 years and 150,000 km, following an individual condition assessment.
Trailers	The trailer specifications range from general 7x5 box trailers to heavy duty pole trailers that are coupled behind the crane borers.	38	Serviced as per manufacturer's instructions	Every 15 years
Mobile Plant	Mobile plant comprises of yard cranes, backhoes, excavators, bobcats, trailer-mounted compressors/generators and forklifts. These units are assigned to respective depots.	16	Serviced as per manufacturer's instructions	Trailer-mounted compressors/generators were replaced after 10 years. Forklifts, yard cranes, excavators, bobcats and backhoes are assessed after a five-year period to determine if the plant life can be extended for another five years and replaced after 10 years.

On a monthly basis, vehicle dealer delivery performance is measured on the following criteria:

- fleet and plant are delivered on time and budget
- fleet and plant are delivered to the required specifications
- provide end user with checklist that is inclusive of order specifications
- manage and notify JEN of recall of vehicle(s) and plant
- initiate/support investigations into vehicle and or plant failure(s).

Spot checks are also conducted on existing fleet to ensure that the following is adhered to:

- units are clean and maintained fit for purpose
- all accident damage is reported and rectified
- all regulatory maintenance requirements are up to date
- all vehicle registrations are current.

1.12.4.2 Life Expectancy

The life expectancy of fleet and plant assets varies depending on the asset type. For example, passenger vehicles are typically replaced at the earlier of five years and 150,000 kms depending on the assessment of whether the vehicle can be driven safely, whereas heavy commercial vehicles with ancillary items such as cranes are typically replaced or rebuilt prior to ten years, in line with Australian Standards.[6] As set out above, all vehicles, regardless of whether a time—or distance-based replacement threshold exists, are subject to an individual condition assessment prior to any replacement or rebuild decision being made for an individual asset. Vehicles replaced based on kilometres travelled will be rotated between people to promote even wear and tear.

To forecast required replacement expenditure for each vehicle type, the average annual kilometres travelled is calculated for each asset class, i.e. light commercial vehicle or passenger vehicle, which is then used to calculate a forward projection of the expected distance travelled by each individual vehicle over the forecast period, thus determining the time at which each asset will fall due for replacement.

The replacement cycles for the different vehicle types is provided in Error! Reference source not found.These replacement cycles have been developed to reflect the most efficient replacement cycle based on the way that these vehicles are used on our small, mostly urban network, where vehicles are likely to make a higher number of relatively short trips in heavy traffic (compared with a more extensive network covering a rural area).

Priority is given to replacing all non-5-star passenger, sports utility, and light commercial vehicles, regardless of their age and kilometres travelled.

1.12.4.2.1 Age Profile

The age profile of fleet varies by vehicle type. Fleet and plant assets are replaced or rebuilt periodically. Figure 1 shows the current age profile of our fleet. Some key observations based on age:

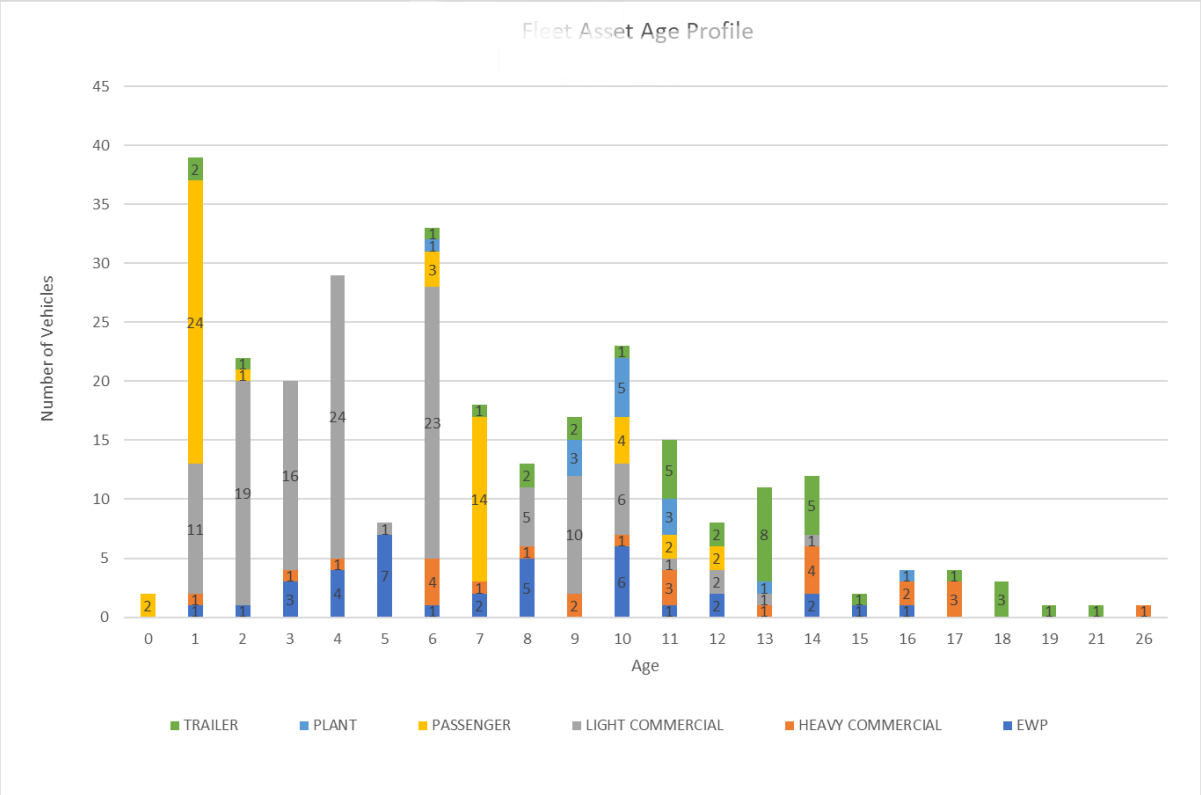
- many of our LCVs and PVs will need replacement in the next regulatory period as per the threshold replacement cycle
- many of our trailers are currently more than 10 years currently which means that they will either need to be replaced or rebuilt during the next regulatory period
- twenty out of 37 EWPs requires replacement during the 2026-31 regulatory period. This is our highest cost asset classification and is one of the key drivers of our forecast expenditure for the next period.
- the average age of HCVs is 12 years. Twelve of these units require replacement in the 2026-31 period.

The EWPs and HCVs which are our two high cost classes show a grouping currently between five and twelve years old in the centre of the graph that all meet their replacement/ rebuild criteria per Australian Standards 1418.10:2011.

[6] Australian Standards AS1418 – Crane, Hoist and Winches and AS2550 - Crane, Hoist and Winches – Safe Use.

As noted across the Fleet ACS, in replacing vehicles we also consider their condition in addition to age.

Figure 1: Fleet asset age profile as at 2024



Jemena FTE number have increased during the current reg period as below. To accommodate this within the current period allowance we have:

- retained some of our existing assets after delivery of replacements – as shown by the age profile in the graph above
- retained lease vehicles that go against the ownership model
- added hired EWP fleet to the business increasing operating costs.

Our capital expenditure for the next regulatory period needs to increase to also accommodate these unintended outcomes. Leasing and hiring vehicles are higher costs ownership models as reflected in appendix A. Further, our vehicles to FTE ratio has decreased from 0.60 to 0.54 between 2023 and 2024 despite adding additional fleet, suggesting the need for an increase in vehicles for us to meet our following fleet objectives:

- managing fleet assets to ensure the safety of employees, contractors and the public
- ensuring fleet is available for timely emergency response
- achieving the lowest efficient cost of fleet management.

1.12.4.2.2 Condition Assessment

Fleet and plant assets are serviced regularly and inspected prior to use for any defects or issues. Information on specific asset condition is recorded in the relevant prestart/logbook. The overall current condition of the fleet asset class is moderate but varies by fleet type and can fluctuate over time. Our fleet expenditure aims to maintain an efficient level of fleet asset performance (or failure) risk over the medium term, noting that the overall condition of our fleet can vary over the short term due to the range of factors that influence condition and the relatively high frequency (compared with network assets) that fleet items are turned over.

1.12.4.2.3 Utilisation

Operational personnel use fleet and plant assets to construct, inspect, maintain, and replace network assets. Fleet assets also play an important role in incident response.

Utilisation is a key condition indicator for fleet and plant assets. It is usually measured by hours worked, or distance travelled in a nominated timeframe. Knowledge of actual utilisation in kilometres or engine hours (levels and usage pattern) enables the Fleet Management Team to plan and schedule:

- servicing based on manufacturers' recommended service intervals (planned maintenance)
- replacement and acquisition.

Where low utilisation is identified, we assess whether the low utilisation is acceptable and it is still economical to own the vehicle or plant and equipment item or whether the item should instead be provided through short term hire. This decision is dependent on availability of a suitable short term hire option, geographic location and the specialist nature of the work the item is required for. The average utilisation for each type of vehicles are in the Table below:

Table 12: Average asset utilisation (as at January 2025)

Vehicle Type	Replacement criteria	Replacement age (years)	Replacement kilometer (km)	Average annual kilometer (km)
F_EWP Small	Replacement Age (years)	10	300,000	15,862
F_EWP Large		10	100,000	15,862
F_EWP Large Rebuilt		15	150,000	15,862
F_HCV Large		10	150,000	9,508
F_HCV Medium		10	150,000	9,508
F_HCV Borer		10	150,000	9,508
F_HCV Borer & Jinker Rebuilt		15	225,000	9,508
F_LCV		5	150,000	26,243
F_LCV Utility		5	150,000	26,243
F_LCV Utility Field		5	150,000	26,243
F_LCV Utility Van		5	150,000	26,243
F_PV		5	150,000	18,100
F_PLANT		10	n/a	n/a

Vehicle Type	Replacement criteria	Replacement age (years)	Replacement kilometer (km)	Average annual kilometer (km)
F_PLANT_Material Handling		10	n/a	n/a
F_PLANT_Excavator		10	n/a	n/a
F_TRAILER		15	n/a	n/a

1.12.4.2.4 Control Effectiveness

JEN's objective is to manage the fleet and plant in line with our target risk ratings (as set out in section 1.12.3.2). An overview of the current risk associated with the fleet asset class is provided in section 1.12.2. Current controls are described in Error! Reference source not found.

1.12.5 LIFE CYCLE MANAGEMENT

We manage the life cycle integrity of assets as outlined in section 7 of the JEN Asset Management System Manual.[7]

1.12.5.1 Acquire Assets

We forecast demand for fleet assets based on forecast network activities as set out in the JEN AIP. This includes details of the activities, including work type and quantity and, therefore, the resources (including fleet) required to deliver the program of work.

The JEN Procurement Policy for delegated financial authority (DFA) approval is applied for the purchase of fleet and plant. JEN's requirements for its mix of different vehicle types are generally constant over time. Unless an assessment of future operational needs deems a particular asset to no longer be necessary, in which case it is disposed of and a replacement is not procured, all fleet, plant and equipment due for replacement are replaced with like for like units once a condition assessment on the individual asset demonstrates that the asset has reached the end of its useful life. For example, a heavy commercial vehicle is replaced with a new unit of similar specifications and characteristics.

It should be noted that manufacturers' lead times for some specialised heavy commercial vehicles have blown out to 24 months and will require the Jemena Fleet and Plant Team to make a commitment via an official purchase order prior to the budget period in which the vehicle will be delivered. Funds are released post-delivery.

1.12.5.2 Asset Operation and Maintenance

Fleet maintenance is conducted by a contracted fleet management company. All fleet, plant and equipment are maintained in line with the manufacturer's recommended service intervals. All fleet, plant and equipment that are registered with the respective state road traffic authorities are to be maintained in a roadworthy condition. Specialised plant and equipment such as cranes, must be maintained and rebuilt in line with the relevant Australian Standards[8]. All fleet maintenance costs are reviewed and managed by the Fleet Management Team.

[7] JEN, Manual – Asset Management System, June 2024.
[8] Australian Standards AS1418 – Crane, Hoist and Winches and AS2550 - Crane, Hoist and Winches – Safe Use.

1.12.5.3 Asset Replacement / Disposal

Fleet assets are typically disposed of due to the following events:

- when condition assessment demonstrates that an asset has reached the end of its useful life; or
- when an asset is no longer required, written off or not repairable.

Once any fleet, plant and equipment has been replaced, the JEN Fleet and Plant Team arranges for the retired unit to be picked up and sent to public auction. The auctioneers provide a valuation.

The Fleet Management Team seeks approval in accordance with the current DFA to release the vehicle for sale. DFA approval is obtained via an Asset Master Data Amendment Request Form. Once the fleet or plant has been sold, the JEN Fleet and Plant Team processes the final sales documents/cheques and advises the JEN Fixed Asset Accountant and Fleet Management Team.

The vehicle is removed from the asset register after the sale has occurred. Passenger and light commercial vehicle auctions occur weekly. HCV, plant and equipment auctions occur monthly. All net sale proceeds (less costs) are returned to our customers in the form of a reduction to JEN's Regulated Asset Base.

1.13 INFORMATION

JEN's Asset Management System (AMS) provides a hierarchical approach to understanding the information requirement to achieve our business objectives at the asset class. In summary, the combination of JEN's Business Plan, the JEN ABS and this ACS all provide the context for and determine the information required to deliver the JEN fleet asset class objectives.

As presented in section 4, JEN's fleet asset class objectives are:

- manage fleet assets to ensure the safety of employees, contractors and the public
- ensure fleet is available for timely emergency response
- achieve the lowest efficient cost of fleet management.

From these objectives, it is possible to identify at a high level, the business information systems content required to support these objectives (see Table 14). Table 15 identifies the current and future information requirements to support the asset class' critical decisions and their value to the asset class.

All of the information required by the fleet asset class is available within JEN's current business systems.

Table 13: Fleet asset class objectives and information requirements

Business objective	JEN information sources
Manage fleet assets to ensure the safety of employees, contractors and the public	• ELE PL 0019 JEN ABS • ELE AM PL 0012 JEN AIP • JAA HR ST 0001 Motor Vehicle Standard • JEM AM MA 0001 AMS Manual • SAP Fleet Module • JAM PR 0400 RF 08 Heavy Vehicle Inspection • JAM PR 0400 RF 09 Light Vehicle Inspection • JAA FPF ST 0001 SGSPAA Fleet Pre-Start Inspection • JAA FPF PR 0005 SGSPAA Coupling & Trailer Towing Procedure • JAM PR 0400 RF 11 Pool Vehicle Log Record • JAA FPF ST 0004 Fleet Accidents and Infringements Standard • JAA HSE WI 0003 Vehicle Recovery Work Instruction_R1 • JEM FP PR 0005 FM 01 Jemena Vehicle Accident Report Form • JEM PR 0019 Defect Notification and Management process for Fleet Plant and Equipment • JEM FPF PR 0012 FM 15 Motor Vehicle Conditions of Use • JEM FPF FM 0005 Fleet Verification Inspection Form
Ensure fleet is available for timely emergency response	• JEN KPI reporting
Achieve the efficient cost of fleet management	• ELE AM PL 0012 JEN AIP • JAA HR ST 0001 Motor Vehicle Standard • JEM PO 0026 Procurement Policy • JEM PO 1600 Scrap Materials Policy • JAA FPF FM 0001 Vehicle Order Request Form (VOR) • JEM FPF FM 0004 Fleet Specification Cover Sheet

Table 15: Fleet assets critical decisions business information requirements

Critical business decision	Current information usage	Information requirement	Value to asset class (High, Medium, Low with justification)
Whether to own or lease fleet assets. Could vary by fleet asset type.	Preference to own or lease based on fleet principles (fit for purpose and lowest cost per kilometre over the asset's lifecycle).	Model to compare current costs of asset lease and ownership for all fleet asset types. Data for input includes purchase cost, salvage value, lease cost, financing costs, capital requirements, tax implications.	**High.** Without this information it is impossible to make an informed decision on the optimum fleet strategy.
What type of fuel technology (diesel, petrol, hybrid, electric,	Information is obtained on current fleet operating costs	Continue to assess costs of traditional and new vehicle fuel types	**High.** Ensuring vehicle fuel type chosen

Critical business decision	Current information usage	Information requirement	Value to asset class (High, Medium, Low with justification)
hydrogen etc.) should our vehicles use?	and from vendors/other external providers on alternative capital/operating costs, to determine which fuel technology represents the lowest total lifecycle cost. Jemena was the first company in Australia to build a 100% fully EV EWP. The EV EWP has been in operation on the JEN Network since mid-2020. Jemena has developed a Hybrid powered EWP which will enter service in 2027. Jemena has an aspiration to convert 25% of the fleet to an alternate fuelled vehicle within the next five years.	regularly as technologies continue to develop and new information becomes available, to ensure that all future decisions allow for the lowest total lifecycle cost. Costing to include any ancillary expenditure (e.g. battery charger installation) required to ensure the viability of the new vehicle's fit for purpose is preserved.	minimises total fleet lifecycle costs is critical to meeting our customer's expectations around energy affordability, and may also have impacts on vehicle operational availability.
When to expand or contract the size of the fleet.	Information is provided by JEN's AIP and business units to determine the optimal size of the fleet based on network activities which need to be performed.	Accurate forecast of fleet volume requirements for the next 10 years (or 20 year strategy as mentioned at the beginning) for each fleet asset type. Specification of redundancy required for each asset type and location.	**High.** The wrong number of fleet assets or a sub-optimal mix of fleet asset types will result in either insufficient resources or unutilised assets.
What is the optimal age to replace fleet assets? When can the life of fleet assets be safely extended?	Annual assessment/review of individual vehicles to be replaced.	Inputs include Australian Standard requirements, ANCAP Safety Ratings, individual vehicle condition assessment, age, profile of maintenance costs and purchase costs for each fleet asset type.	**Medium.** Replacement at sub-optimal point will result in higher lifecycle asset cost.
What is the optimal maintenance cycle for fleet assets?	As per the manufacturers recommendations and	Vehicle manufacturer Make and Model to determine optimal	**Medium.** Maintenance at sub-optimal point will

Critical business decision	Current information usage	Information requirement	Value to asset class (High, Medium, Low with justification)
	Australian Standards requirements.	maintenance profile. Inputs include historical age profile of maintenance costs and purchase costs for each fleet asset type.	result in higher lifecycle asset cost.

TERMS AND DEFINITIONS

Term	Definition
ABS	Asset Business Strategy
ACS	Asset Class Strategy
AIP	Asset Investment Plan
AMS	Asset Management System
ANCAP	Australasian New Car Assessment Program
Capex	Capital Expenditure. Expenditure to buy fixed assets or to add to the value of existing fixed assets to create future benefits.
CoR	Chain of Responsibility
COWP	Capital and Operating Work Plan
DFA	Delegated Financial Authority
EV	Electric Vehicle
EWP	Elevated Work Platform
FTE	Full Time Equivalent
GVM	Gross Vehicle Mass
HCV	Heavy Commercial Vehicle
JEN	Jemena Electricity Networks
LCV	Light Commercial Vehicle
Opex	Operating Expenditure. Expenditure (ongoing) for running a product, business, or system.
PV	Passenger Vehicle
REFCL	Rapid Earth Fault Current Limiter
SUV	Sports Utility Vehicle
WHS	Workplace Health & Safety

APPENDIX A – JEN FLEET: ANALYSIS OF PROCUREMENT OPTIONS

The table below shows results of total cost of ownership analysis for purchasing and leasing for each type of vehicle required by JEN. The types of key input data used in this analysis and their sources are set out in the table below.

Input data	Source
Vehicle purchase price	Written quotes obtained from dealers based on JEN's current specifications (required vehicle options, equipment etc.).
Vehicle lease price	Written quotes obtained from leasing companies based on JEN's current specifications.
Vehicle maintenance and running costs	Under purchase scenario – Fleet team estimate based on information including known running costs for similar vehicles recorded in Jemena's fleet management system or from Jemena's fleet management company. Under lease scenario – maintenance and running costs are the responsibility of the lessor and are therefore built into the quoted lease price. Any vehicle operating costs which do not differ between the purchase and lease scenario, such as road tolls, insurance etc., are excluded from this analysis for simplification purposes.
Sale proceeds upon disposal (portion of initial cost)	Fleet team estimate based on information including recent auction proceeds (net of sale costs) for similar vehicles owned by Jemena.

The table below summarises the results of the total cost of ownership analysis under both the purchasing and leasing scenarios for each type of vehicle required by JEN during the next regulatory period. All NPV results are presented in real 2024 dollars.

Vehicle Type	Assessment Period for Analysis	NPV of Total Ownership Costs ($'000) (per vehicle)		Most Efficient Cost Procurement Approach
		Purchase	Lease	
Passenger Vehicle	5 years	[redacted]	[redacted]	Purchase
Light Commercial Vehicle	5 years	[redacted]	[redacted]	Purchase
Heavy Commercial Vehicle	10 years	[redacted]	[redacted]	Purchase
Elevated Work Platform (HCV) – small	10 years	[redacted]	[redacted]	Purchase
Elevated Work Platform (HCV) – large	10 years	[redacted]	[redacted]	Purchase
Plant (forklift)	5 years	[redacted]	[redacted]	Purchase

APPENDIX B – JEN FLEET: WHOLE OF LIFE COMPARISON OF A CONVENTIONAL SUV VEHICLE, HYBRID AND 100% ELECTRIC SUV VEHICLE (EV)

The table below summaries the whole of life cost measured by cent per kilometre travelled and is based on the vehicles travelling an estimated 30,000 kilometres per annum.

Vehicle Type	Cent per kilometre	Considerations
Fully Electric SUV (Medium)	$0.89	12 months Manufacturer lead time. Includes recharging costs. Initial outlay is more expensive than the conventional SUV and Hybrid variant. **Zero emissions.**
Plug In Hybrid SUV (Medium	$0.68	6 months Manufacturer lead time. **Co2 ratings of 44g/100 kms.**
Hybrid SUV (Medium)	$0.56	6 months Manufacturer lead time**. Co2 ratings of 107g/100 kms.**
Petrol SUV (Medium)	$0.64	6 months Manufacturer lead time. **Co2 ratings of 161g/100 kms.**

Source SG Fleet, 2024