

Title: **Plant and Equipment**  
Policy No: 012  
Adopted By: Council  
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Responsibility: General Manager City Operations  
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Version	Decision Number	Adoption Date	History
1	20\2501	23/02/10	Adopted
2	21\2435	29/07/14	Revision Adopted

## 1 Policy Summary

The Policy deals with the management of Council's Plant and Equipment and, in particular, replacement cycles, the operation of the Reserve fund established for that purpose and appropriate delegations.

## 2 Policy Objectives

To provide a framework for the appropriate management of Council owned plant and equipment.

## 3 Background

The Council will maintain a fleet of vehicles and other plant and equipment suitable for the provision of works and services proposed to be undertaken by the Council with hiring of external equipment as appropriate.

## 4 Policy Statement

### **Hire of Plant**

As a general rule Council does not hire out plant.

However, when approved by the General Manager City Operations, Council will hire out plant for particular activities to organisations where there is a general benefit to the Community.

Plant will only be hired out with a Council operator and there will be full cost recovery (the hire rate will be Council's internal hire rates plus 15%).

## **Plant Replacement Reserve**

This part of the Policy should be read in conjunction with Council's Policy on funding reserves generally.

The Plant Replacement Reserve accumulates funds for future replacement of Council's existing plant. This reserve specifically includes transfers in and out relating to plant depreciation, plant disposals and purchases. Depreciation is calculated on the purchase price of the plant over its useful life therefore not catering for additional plant or upgrades in plant.

The following guidelines are recommended in these circumstances:-

- Additional plant requirements are to be identified and be separately funded during the budget process and reviews;
- Upgrades to plant (eg. 1 tonne to 2 tonne ute), must be approved by the General Manager City Operations with -
  - Minor Upgrades <\$5,000 to be funded from the reserve;
  - Major Upgrades to be approved by Council and will require capital injection.

Funding can be either from reductions/savings in expenditure from the individual programs or be identified as a new capital project during the budget process. Once the source of funds has been identified the Plant Purchases Capital budget will be increased by that amount to fund the expenditure.

The minimum reserve balance to be maintained is \$300,000 this amount is considered appropriate to fund any emergency replacements and covers the replacement of the most expensive item of plant held by the Council.

## **Policy on Replacement**

Plant replacement is annually reviewed by the Executive Leadership Team. Where an employment contract includes a vehicle provision is based on the internal vehicle allocation policy.

## **5 Legislation, terminology and references**

Nil

## **6 Implementation**

The General Manager City Operations is responsible for the implementation of this policy.

## **7 Evaluation and review**

This policy should be reviewed once in the term of each Council or more often as required.