



Fuel Issue & Reconciliation Process

By Grant Andrews*

FEATURES THIS ISSUE:

- ♦ **Fuel Issue & Reconciliation Process**
- ♦ **Funding the Fleet**

INSIDE :

Fuel Issue & Reconciliation Process	1
CEO Report	4
News - Worksafe Crackdown	7
Industry Profile - Peter Butcher	8
Funding the Fleet	10
Corporate Profile - Bizsoft	12
Corporate Profile - Strategix	15
Professional Development Update	16
Fleet Management Certificate Update	18

*Views and opinions
in this newsletter are not
necessarily those of IPWEA*



Institute of
Public Works
Engineering
Australia

in association with



Fuel issued to a plant and vehicle fleet located over a wide geographical area needs to be well controlled and accounted for.

All fuel issued needs to be allocated to a vehicle or plant number and reconciled using the estimated fuel consumption of the equipment. Each fuel transaction record needs a date, time, litres pumped, plant number or rego number of the vehicle or plant it is issued to, and the kilometre or engine hour meter reading.

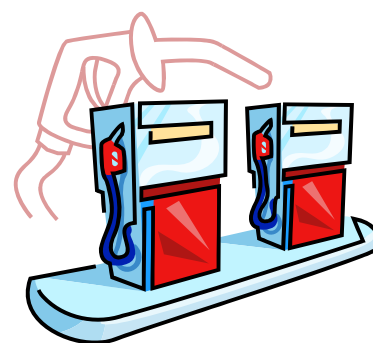
The industry generally records kilometre readings for trucks, cars, utes, etc, and engine hours for heavy machinery, smaller machinery, and trucks such as sweepers, flocon units, waste compactors, etc.

The fuel data recorded should be loaded into your fleet management system on a periodical basis (weekly, fortnightly or monthly) where it should be allocated to every asset without exception.

The fuel transactions for plant and fleet that is refuelled from bulk tanks at remote locations needs to be recorded.

The process would begin with recording the fuel issued to a bulk tank, and then allocating it to that bulk tank. The fuel pumped from the bulk tank into plant and vehicle items is then reconciled back to the total litres issued to ensure no leakage from the bulk tank has occurred.

The reconciliation process is similar whether issues are made to a bulk tank, or directly via a fuel card, to equipment that has no hour meter, such as pumps, chainsaws, lighting plant, mowers, etc.



(Continued on Page 2)

Fuel Issue & Reconciliation Process

(Continued from Page 1)



The bulk issue can be made to a number of assets, and there is no need to itemise each item's fuel usage, e.g. 2 litres to a chainsaw.

All fuel issued to the non-metered equipment is then reconciled to the number of small plant items allocated to that tank or fuel card.

The low level reconciliation on these small plant assets will be:

1. Total litres issued to the bulk tank (or used by fuel card) in 7 days = 100 litres.
2. Total minor plant items attached to the bulk tank = 10.
3. Average consumption per plant item per day @ 2 litres = 20 litres per day X 5 days consumption = 100 litres = no leakage.



High level reconciliation on total fuel used will be:

1. Fuel consumption on every vehicle is analysed monthly with all variations of over 20% of manufacturers' recommended consumption investigated.
2. Total fuel issues = total fuel purchases.

Reconciliation of fuel issues has a number of advantages:

- Cost control on fuel.
- Reduced fuel leakage (a potential environmental issue).
- Fuel usage records are easily converted to total carbon CO² output (environmental reporting).
- Many items have significant tax benefits through fuel tax rebate claims.

**Grant Andrews is Managing Director of Uniqco International Vehicle Management. Uniqco is the IPWEA Corporate partner in delivering the Systems Plus Plant & Vehicle Management program. Contact grant@uniqco.com.au, or Tel 0418 931 116.*

Recommended fuel issue and reconciliation procedure :

- Fuel cards are issued for all vehicles, and the electronic data from these fuel cards is uploaded into your fleet management system. Fuel consumption comparisons are made between the actual rates and the manufacturers' estimated rates.
- In the case of fuel issued to bulk tanks on vehicles for distribution to plant in the field, the bulk tank is issued with a fuel card and recorded as an asset in your fleet management system. Fuel is reconciled with manual issue sheets against the fuel purchased for the bulk tank. These manual fuel issues are then entered into your fleet management system.
- Fuel for minor plant items is issued to a container (can or tank) which has its own fuel card. The container fuel card is recorded as an asset in your fleet management system, and the minor plant assets are attached to the container in a parent-child relationship in the system. The estimated fuel consumption is entered against the fuel container relative to the number of minor items it will be refuelling. Fuel consumption is then monitored in your fleet management system.
- Third party tanker deliveries are allocated to each plant item, recording a meter reading and total litres issued. The third party tanker company provides electronic data that can be uploaded to your fleet management system.
- Hired plant is refuelled according to any of the processes above and entered into your fleet management system as an asset. Fuel issued to the hired plant is then allocated using the same procedures as detailed above.

KOMATSU PLATINUM SERIES



WHAT MORE DO YOU NEED?

The Komatsu Platinum series backhoes
- ticks all the boxes.

Equipped as standard with:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Hoseburst Protection | <input checked="" type="checkbox"/> Factory Tilt Piping |
| <input checked="" type="checkbox"/> Air Suspension Seat | <input checked="" type="checkbox"/> Factory Auger Piping |
| <input checked="" type="checkbox"/> CD with MP3 input | <input checked="" type="checkbox"/> Komatsu Genuine Attachment Hydraulic Quick Hitch |
| <input checked="" type="checkbox"/> Dual LED Beacons | <input checked="" type="checkbox"/> Hydraulic Sideshift |
| <input checked="" type="checkbox"/> KOMTRAX Satellite Monitoring System | <input checked="" type="checkbox"/> Automatic Transmission - 40km/h |
| <input checked="" type="checkbox"/> Factory Hammer Piping | <input checked="" type="checkbox"/> Airconditioning |
| <input checked="" type="checkbox"/> 2 / 4 Wheel Steer | <input checked="" type="checkbox"/> Window Tinting |

For further information call your Komatsu representative today.

1300KOMATSU
1300 566 287

KOMATSU
Driven by your success

SYSTEMS PLUS DEVELOPMENT & TRAINING

Plant & Vehicle Management

Professional Development

September 2011

Locations & Dates

QLD

Brisbane	06 Sep
Rockhampton	07 Sep

NSW

Casino	05 Sep
Sydney	08 Sep
Dubbo	09 Sep

TAS

Hobart	19 Sep
--------	--------

VIC

Melbourne	20 Sep
-----------	--------

SA

Adelaide	21 Sep
----------	--------

WA

Perth	22 Sep
-------	--------

Full details will be
available on the
IPWEA website at
www.ipwea.org.au.
Register now !

Plant & Vehicle
Management Training
scheduled on demand.
For registration of
interest form visit :
www.ipwea.org.au.

CEO Report

By Chris Champion,
CEO, Institute of Public Works Engineering Australia.
President, International Federation of Municipal
Engineering.

Industry Supports Systems Plus Program

I am pleased to be able to report the continued industry support for the Systems Plus Plant & Vehicle Management program. Two new companies have come on board, and some long-term supporters have renewed their support in the past month.



New Corporate Partners

Strategix Training Services offer professional training in road transport, logistics, warehousing, administration, retail, sales, food processing, business management and business administration. Strategix will be a participant in the September seminar series and will present on the topic "Driver training for reduced fuel consumption".



Bizsoft Consulting have joined the Systems Plus program as a corporate supporter. Their software, Allocate365, is designed for allocating, scheduling, tracking and controlling plant and equipment from an organisation's own fleet, plus any plant and equipment cross-hired from external suppliers.

Corporate Partnerships Renewed

AusFleet Fleet Management Software and BIGmate Monitoring Systems have recently renewed their long standing support for the Systems Plus program.

BIGmate is an automated, remote vehicle tracking and reporting system designed to provide a full audit trail of performance, and up-to-date critical information on plant and equipment.

AusFleet are fleet software specialists in the areas of maintenance, workshop, pool vehicles, plant hire, inventory, and more, in one application.

(Continued on Page 5)

CEO Report

(Continued from Page 4)

Networking with Your Peers

AskYourMates@ipwea.org.au is a discussion forum that allows Systems Plus Subscribers to ask questions and get answers. It has the potential to provide fleet practitioners with the ability to help each other find information and answers to questions that come up in their everyday working lives.

For example : *"Has anyone had experience using fuel additives?"* or *"Can someone send me their conditions of contract for tendering for plant?"* or *"What have others done to calculate staffing needs for their mechanical workshop?"*

Subscribers to Systems Plus can join the AskYourMates network by sending an email message to **askyourmates@ipwea.org.au** - with name, address and contact details in the body of the message - and containing only the word SUBSCRIBE as the subject of the message. Then reply to the confirmation email that will be sent to you. Why not try out the discussion forum and ask your fleet mates a question or two now !

Fleet Management Training in Hong Kong

Hong Kong Police have engaged IPWEA to deliver a 3 day plant and vehicle management training program in November this year. This will be the first time IPWEA fleet management training has been delivered outside of Australia.



New IPWEA Website

If you haven't been there lately take a look at the new IPWEA website at www.ipwea.org.au.

Click on ›Communities ›Communities of Practice ›Fleet & Plant Management.

The direct link to this site is www.ipwea.org.au/fleetplantmanagement.

(Continued on Page 6)



ALLOCATE365

EFFECTIVE FLEET MANAGEMENT FOR COUNCILS

MANAGE YOUR FLEET EFFECTIVELY THROUGH INTEGRATED CONTROL OF YOUR DAILY OPERATIONS

ALLOCATE365 (formerly Earthmoving Management System)
Allocate365 is an integrated solution for allocating, scheduling, tracking and controlling plant & equipment from your own fleet plus your external suppliers. Utilising its rules technology, Allocate365 helps councils promote a best value culture when allocating plant & equipment to your internal or external customers. Gain complete visibility over your allocations & scheduling operations.

FEATURES AT A GLANCE

- Fleet Register (Internal & External)** - Heavy Machinery, Light Commercial, Trucks, Cars, Labour, Materials
- Flexible Fleet Rates** - Hourly, Daily, Weekly, Monthly, Short Term, Long Term
- Fleet Rental Bookings** - Operated, Non Operated, Internal & External
- Fleet Hire Schedule Display** - Daily, Weekly, Monthly, Custom
- Compliance Management** - Tickets, Blue Cards, Insurances, Maintenance Records, Inductions, Licences
- Compliance Alerting System** - Expired Compliance Items Warning System



www.bizsoft.com.au | enquiries@bizsoft.com.au
PH: 07 3103 3288



Allocate365
Allocations & Job Management Software

CEO Report

(Continued from Page 5)

Fleet Management Software

The topic of the capabilities required in a fleet management package was workshopped at the seminar sessions in March to get input from fleet management practitioners.

IPWEA has used this input to develop a specification template that can be referred to by an organisation when they are considering the purchase of fleet management software.

The specification has been reviewed by IPWEA's national fleet management panel and will be included in the update of the Plant & Vehicle Management Manual.

The excerpt of the specification shown below lists all the essential, desirable and optional items.

IPWEA Rates High Again

IPWEA has again ranked highly in the BRW Annual Business and Professions survey conducted by Beaton Consulting. The 2011 study had 28 associations participating.

The survey's reports, which compared IPWEA to 10 other similar peak professional bodies, provide the opportunity for IPWEA to evaluate its performance on a range of attributes, both in terms of what is important to members and in comparison to other member organisations.



Chris Champion,
Chief Executive Officer, IPWEA National

Key Requirements of a Fleet Management System		
Item	Item	Item
<i>Essential</i>	<i>Essential</i>	<i>Desirable</i>
Plant List/Asset record	Warranty details	User Manuals (electronic)
Whole of Life Costs	Security of Data	Flexibility
Optimum Replacement criteria and 10 Year Plan	P&L report	Calculator
Plant (asset) History	Cost Centre Identification	Emissions
Maintenance History	Export to XL	Attachments
Utilisation	User friendly	Communication
Maintenance Forecasting	Lease vehicle reports	Optional Extras
Maintenance failure reporting	Downtime	Consumables
Accident report		External Plant Hire
Hire rates	<i>Desirable</i>	
Small plant records	Fuel rebate	<i>Optional</i>
Work orders/Job cards	FBT	Parts inventory
Registration Due	Single data entry	Insurance
File transfer to/from Finance System	Driver Licence/special permits/infringement records	Vehicle permits
Scheduled/Unscheduled Maintenance	Photographs	Light fleet booking system
Fuel consumption	Location of asset	GPS
Job status	Scheduled Maintenance Flat rates	e-tags

news

WorkSafe (Vic) crackdown reveals thousands of safety breaches

As part of a crackdown on workplace health and safety breaches earlier this year by WorkSafe (Vic), businesses across Victoria were issued more than 2000 improvement notices.

Manual handling, damaged storage racking, unsafe scaffolding, inappropriate storage of dangerous goods, insufficient return to work plans for injured workers and poor forklift traffic management were among the issues identified during the campaign.

Over 12 months as part of the Safe Towns, Safer Work Zones campaign, WorkSafe inspectors visited small businesses in 13 regional and suburban areas which had a high injury rate or which had not been visited before.

Inspectors visited 1546 workplaces and issued 2118 improvement notices for health and safety and accident compensation breaches across the state.

Twenty-four prohibition notices were issued and an additional 171 breaches were able to be dealt with on the spot.

WorkSafe's General Manager for Health and Safety, Lisa Sturzenegger, said the high number of businesses who failed to address health and safety risks was disappointing considering the businesses were given notice and information on the campaign.

Safe Towns, Safer Work Zones campaigns involve a team of WorkSafe inspectors who visit an area over a one-week period to check on compliance with workplace health and safety.

WorkSafe's specialist return-to-work inspectors also took part in the campaign. Their role was to check that workplaces have return to work information available and also have a return to work plan in place for injured workers.

Visit www.worksafe.vic.gov.au for further information.

You Can Count On Us

the easy way to keep track of your gear

BIGmate Monitoring Services assists many companies that own and operate mobile equipment to improve their business performance and better manage their fleets of valuable equipment!



Track your gear online, anytime



If it can be measured, BIGmate can monitor it



Improve efficiency, safety & productivity

And the best part... BIGmate is

100% Aussie Mate!



Monitoring Solutions

www.bigmate.com.au 13000 MONITOR (13000 66648)



Industry Profile

Peter Butcher

Fleet Manager
Cardinia Shire Council, Victoria



Work History

Peter qualified as a heavy diesel mechanic after completing his apprenticeship with Australian United foods in the early 80's, and he quickly followed this up with an automotive electrician qualification.

Peter also has diplomas in automotive business management and business frontline management. He has a licence for "just about everything" and has attended "too many courses to mention" during his career.

Australian United foods had a large fleet of heavy trucks Australia wide, which were basically run and maintained from Clayton Victoria. Trucks came back from interstate and country Victoria for major overhauls. All work was carried out in-house. This included in and out of chassis engine rebuilds, transmissions, differentials (weekly back then), hydraulics plus trailer and body refrigeration overhauls.

In the late 80's Peter worked for 3 years at a small private company, Transport & Allied Equipment. He was originally employed as mechanic involved in servicing and maintaining private vehicles from interstate and the quarry industry. After 18 months he was running the office and in charge of four mechanics.

For the last twenty years, Peter has been employed by Cardinia Shire Council (formerly Pakenham), where he began as a mechanic and quickly became head mechanic within the first year. Within two years, he became Workshop Supervisor and for the last 15 years he has been in the role of Fleet Manager.

During his career, Peter also maintained a number of small interstate transport fleets and took on some extra work as a truck driver for the experience and some additional income.

Current Duties

Peter's fleet related duties at Cardinia include:

- To provide Council with a reliable, safe and well maintained fleet
- Overseeing the workshop services and staff
- Procurement and disposal of Council assets
- Budgets
- Audits
- Policies and procedures in relation to fleet
- Consult, report and advise Council and senior management in relation to trends, legislation and technology improvements with respect to fleet.

Career Highlights

In response to the question of career highlights Peter identified the top 4 as implementation of the 10 year replacement program, development of motor vehicle policy, saving money/reducing fleet costs and seeing school kids through apprenticeship programs.

During his career in local government Peter has faced, and survived, Council amalgamations, competitive tendering (twice) and natural disasters of bush fires and floods.

Future challenges

Peter has never been bored in his role as Fleet Manager, saying that there are always new challenges. On top of the list are environmental issues such as the reduction of CO² and the carbon foot print of the fleet, legislative compliance, and technology changes.

At Cardinia, growth within Council and the transformation from a Rural to Urban Council bring their own challenges. And then there is also the challenge of managing people.

"MY OPERATORS ARE HAPPIER AND THE OVERALL OPERATING COSTS REPRESENT GREAT VALUE."

Rolly Lawford – Director of
Works and Technical Services,
Gilgandra Shire Council



As Director of Works for the Gilgandra Shire Council in NSW, Rolly Lawford is responsible for the maintenance of 1000 kms of road each year. So he relies heavily on his operators and on acquiring machines that will fulfil this requirement and offer a good return on investment.

"My operators are extremely satisfied with the comfort levels and the joystick controls inside the 12M. And for me, I'm happy if my operators are happy in their work zone."

"Based on the performance and precision of the M Series and the whole-of-life costing analysis undertaken as part of the acquisition process, I would consider recommending the purchase of another M Series in the future."

To hear the full story visit www.australia.cat.com/mseries or contact your local Cat® dealer to find out more about M Series Motor Graders.



NSW/ACT - WesTrac: 1300 881 064
WA - WesTrac: 1300 881 064
VIC - William Adams: (03) 9566 0666

TAS - William Adams: (03) 6326 6366
QLD/NT - Hastings Deering: 131 228
SA - Cavpower: (08) 8343 1600

© 2010 Caterpillar. CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow," the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.



Funding the Fleet

By Grant Andrews

Funding the Fleet

Traditionally, Local Government either funds plant replacement through annual capital budget allocations or from a plant replacement reserve.

The latter is the preferred method of funding plant replacement as organisations that rely on annual budget allocations for replacement of the fleet are more at risk of funding cuts and not optimising their fleet replacement program.

The reserve method of funding plant replacement ensures that internal charge rates relate to capital replacement, as opposed to being a set rate that may be derived from another source such as a State road authority with completely different cost structures.

Without a dedicated plant reserve, fleet replacement has to compete against all other demands for capital at the annual budget.

In such a scenario, and without a strong commitment to optimum replacement, plant and heavy fleet changeover is, in my experience, often deferred.

Deferring replacements has flow-on effects, such as increasing maintenance costs, and reduces operational efficiency of services through downtime due to mechanical failure.

The table below summarises the funding sources available for the various activities involved in owning and operating a fleet.

Tips

- If internal charge rates don't relate to capital replacement needs, the plant reserve method of funding plant replacement will fall short.
- Reserve funds should also be used to fund major maintenance if required.

Fleet Funding Sources		
Item	Description	Funding Sources
Creation / Acquisition	Expenditure on a new asset to increase a level of service.	Loans External Funds Reserves General Rates Leasing
Maintenance	Expenditure on an existing asset related to the ongoing up-keep to ensure it meets its useful life.	Internal Hire Rates
Operations	Activities of Councils' various service providers (users of fleet).	Capital, Maintenance and Service Budgets
Renewal / Replacement	Expenditure on renewal at optimum replacement of the asset.	Depreciation Reserves Internal Hire Rates Leasing
Disposal	Income received from sale of fleet item.	Not Applicable (Continued on Page 11)

Funding the Fleet

(Continued from Page 10)

Establishing Internal Hire Rates and a 10 Year Replacement Program

To develop internal hire rates, it is necessary to first establish whole-of-life costs. The elements of whole-of-life costs include purchase price, resale value, opportunity costs, fuel, repairs, maintenance, insurance, oil, registration, and administration costs.

When establishing whole-of-life costs, budget items need to be allocated directly to either operational or capital expenditure.

(i) Operational Expenditure

Operational costs, both fixed and variable, such as fuel, repairs, maintenance, insurance, oil, registration, and administration are added for each vehicle. The total cost is then divided by the timesheet hours if recovery of the annual operational cost is required.

(ii) Capital Expenditure

Annual replacement provision is actual depreciation (purchase cost less anticipated residual, divided by the projected years of ownership) plus opportunity costs. The sum of these items is then again divided by the timesheet hours, or annualised, to identify annual replacement provision.

The annual operational costs plus the annual replacement provision, divided by the anticipated timesheet hours where applicable, allow for an accurate internal hire rate. These hire rates can then be applied to operator timesheet hours, or used just as an annual charge out rate, both to recover operational costs and to develop a suitable plant replacement fund.

In the case of leasing, full recovery of lease costs should be achieved. Exceeding "budget" utilisation in a lease arrangement would incur additional payments to the leasing company and add to operating costs for the end user. This is in contrast to owning the fleet, when increased utilisation results in reduced operating costs.

Fleet maintenance costs should also be recovered from internal plant hire charges, which form part of the Fleet Management budget. Hire charges should be adjusted annually to meet expected expenditure levels in the forthcoming year.

(Continued on Page 13)

SYSTEMS PLUS NEWS is published four times a year and distributed to subscribers of IPWEA's Plant & Vehicle Management **SYSTEMS PLUS**.

The Institute of Public Works Engineering Australia (IPWEA) has partnered with Uniqco International Vehicle Management to deliver a new resource in plant and vehicle management.

The IPWEA Plant & Vehicle Management Manual is the cornerstone of the **SYSTEMS PLUS** program. It provides a long needed best practice reference for novice and practitioner alike.

The **SYSTEMS PLUS** subscription service provides continuing professional development at discounted rates, ongoing updates to the Manual, newsletters and other benefits.

Suggestions for contributions to the Plant & Vehicle Management Manual and Newsletter are most welcome. Please email Ross Moody at rmoody@ipwea.org.au.

Editor

Ross Moody

Executive Officer, IPWEA National
rmoody@ipwea.org.au
0417 955 394

Systems Plus Panel

Grant Andrews

Uniqco Vehicle Management

Ian Barker

City of Wanneroo (WA)

Andrew Railz

Bundaberg Regional Council (QLD)

Darrin Smith

City of Mitcham (SA)

Steven Colliver

City of Dubbo (NSW)

Greg Fannon

Hobart City Council (TAS)

Warren Mashford

Moreton Bay Regional Council (QLD)

Trevor Wicks

City of Knox (VIC)

Raymond Wilson

Sutherland Shire Council (NSW)

Paul Gallagher

Clarence Valley Council (NSW)

CORPORATE PROFILE



Improving Plant Hire Management

Designed specifically to meet the needs of the plant hire industry and councils, Allocate365 is an integrated software solution for allocating, scheduling, tracking and controlling plant and equipment from an organisation's own fleet, plus any plant and equipment cross hired from external suppliers.

According to its product developers, Bizsoft Consulting, Allocate365 is designed to help an organisation achieve best value when allocating plant and equipment to internal or external customers, and provide greater visibility over plant/vehicle allocations and scheduling operations.

In developing Allocate365, Bizsoft worked in partnership with Australian plant hire organisations to automate common hire/rental processes and administration activities with the aim to improve efficiency and cost-effectiveness in dealings with external and internal stakeholders. Its functionality applies for all wet, dry and cross-hire operations.

Allocate365 is designed to help an organisation assess best value by comparing certain factors such as Machine Type (Make, Model, Year, Capacity), Machine Attachments, Cost by Machine, Cost by Attachments, Availability, Provider Type (Tier 1, Tier 2), Included Hours, etc.

An example of Allocate365 functionality is a comparison of two suppliers both offering a 1.5T excavator at a weekly rate of \$985 with 36 hours included in their weekly rate. However, Supplier A charges for each attachment used whereas Supplier B includes all attachments in their weekly rate and has a newer machine.

According to Bizsoft, the functionality of Allocate365 allows a best value comparison of both suppliers.

Allocate365 Features

- **Fleet Register (Internal & External)** - Heavy Machinery, Light Commercial, Trucks, Cars, Labour, Materials
- **Flexible Fleet Rates** - Hourly, Daily, Weekly, Monthly, Short Term, Long Term
- **Supplier Rates Matrix** - Machine Cost, Attachment Cost & Included Units (Hours, Days, Weeks)
- **Fleet Rental Bookings** - Operated, Non Operated, Internal & External
- **Fleet Hire Schedule Display** - Daily, Weekly, Monthly, Custom
- **Compliance Management** - Tickets, Blue Cards, Insurances, Maintenance Records, Inductions, Licences
- **Compliance Alerting System** - Expired Compliance Items Allocate365 Warning System
- **Booking Confirmation** - Generated via email or SMS.



REGISTER NOW

1 DAY PROFESSIONAL DEVELOPMENT SEMINARS

COMMENCING WEEKS OF 5TH & 9TH SEPTEMBER 2011

SEE PAGE 17 FOR DETAILS OR VISIT WWW.IPWEA.ORG.AU/FLEET

Funding the Fleet

(Continued from Page 11)

Operating Lease Option

Leasing is an option available to reduce the capital required to fund the plant replacement program. Lease payments are funded through operations as a direct cost to departments.

There are two types of operating lease available to fund plant - a fully maintained operating lease or one without maintenance.

Operational leases are similar to finance leases, with the exception that the risk of loss on sale is born by the finance lease company and no capital is reported for Council's assets. A fully maintained operating lease includes all servicing in the cost of the lease payments.

The finance company or supplier takes the risk on the residual value of the item and the buyer therefore pays for the risk.

The choice of whether to take a fully maintained operating lease or a non-maintenance lease will depend on the ability of the maintenance service provider (internal or external) to maintain the vehicle to the manufacturer's requirements.

Generally, an operating lease is used for fleet investments that are short term, say 5 years or less. Longer term items, such as a grader, would require a further lease term unless the utilisation was very high.

All leases are tied to a period of ownership and budgeted utilisation for the vehicle. Unless the vehicle obtains the target utilisation within the period of ownership, Council suffers a lost opportunity with unused utilisation. Conversely the organisation stands to attract additional costs if the budget utilisation is exceeded.

(Continued on Page 14)



Asset Reports

- ◆ Plant List
- ◆ Renewals
- ◆ Utilisation
- ◆ Emissions
- ◆ Plant Details
- ◆ Fuel Tax Credits
- ◆ Leased Vehicles
- ◆ Associated Items
- ◆ Plant Data Design
- ◆ Fuel Consumption
- ◆ Fringe Benefits Tax
- ◆ Expenses & Recoveries
- ◆ Ten Year Replacement Program
- ◆ Replacement Budget (Approved)
- ◆ Replacement Budget (Unapproved)



Maintenance Reports

- ◆ Services Due
- ◆ Maintenance Status
- ◆ Maintenance Failure
- ◆ Downtime Summary
- ◆ Maintenance History
- ◆ Mechanic Timesheets
- ◆ Maintenance Summary



*Enquiries : admin@uniqco.com.au
or 08 9797 0700 or Cheranne Morris 0419 575 737*

**Reports on IPWEA
Plant & Vehicle
Management Key
Performance Indicators.**

**Complies with all 'essential'
elements, and 90% of
'desirable' and 'optional'
elements of IPWEA
Key Requirements
of a
Fleet Management System.**

**Annual Subscription
from \$12,500.
Plus New Unifleet Lite
from \$4,500
for up to 50 vehicles.**



Vehicle Management
vehicle solutions that work for you

Funding the Fleet

(Continued from Page 13)

At the end of the lease term the lessee will have four alternatives:

- Upgrade or replace with a new item of plant/vehicle
- Extend the rental period
- Return the plant/vehicle with no further payments required (conditions apply)
- Purchase the plant/vehicle at market price.

The downside of a lease is that incorrectly managed leases can be expensive. The organisation is locked into a fixed period of replacement and, if utilisation reduces, the cost of the lease continues at the same level, resulting in increased charge-out rates to the user. In the opposite respect, if utilisation increases the lessor will have provisioned for a lease top-up fee that may be reasonably expensive.

A fully maintained operating lease can provide a competitive alternative to ownership provided the utilisation of the item is predictable.

If utilisation is not predictable, there is potential for cost penalties where utilisation exceeds the agreement, or in the case of underutilisation, unnecessary overpayment.

A fully maintained operating lease for light vehicles presents greater challenges because of the potential for changing roles of the vehicle users and the risk of penalties for exceeding the agreed maximum mileage. Strict monitoring is required.

High capital cost and known utilisation items, such as road sweepers, graders, loaders, etc., are most suited for leasing.

The recommended practice when calling tenders for leasing items of heavy plant/vehicles is to require tenderers to include the purchase price for the item to enable a comparison of lease versus buy.

This topic will be covered at the September Plant & Vehicle Management Workshops.



www.ausfleet.net

With AusFleet, the developments keep on coming!

- ✓ Online FBT analysis for drivers & fleet managers
- ✓ Graphical reports
- ✓ Online job allocation for remote workshops
- ✓ Bar code/touch screen timesheet entry
- ✓ Online driver logs to reduce fleet admin time
- ✓ Still proudly Australian!

Call us on **02 9986 2800**
or email sp@ausfleet.net for more information.

AusFleet
Management by Information

CORPORATE PROFILE

Strategix Training Group



Driver training can cut fuel bills

By promoting cleaner, greener and safer driving principles, the spin-offs of reduced fuel consumption and emissions, and reduced maintenance costs, shouldn't come as a surprise. However, how many organisations are proactive in driver training ?

Strategix Training Group have developed their ECO DRIVE program, which can actively drive down fuel use by 10% or more by making small changes to driving habits.

'Ecodriving' incorporates a number of safer, smarter driving techniques that maximise fuel economy by operating the engine as efficiently as possible.

Fuel use and CO₂ emissions are directly linked, so an organisation that reduces its fuel use by 10% can also expect a similar reduction in vehicle-related CO₂ emissions.

Drivers participating in an Australian ecodriving trial reported being less tired and stressed through using ecodriving techniques.

This is because ecodriving incorporates driving habits such as anticipating traffic flow and avoiding sudden stops, resulting in increased road safety.

According to Strategix, the real difference in fuel economy between a good driver and a bad driver can be up to 35%.

For more information visit www.strategix.com.au.



Strategix will explain more about the ECO DRIVE program when they join the September Systems Plus Seminars. Details will also be provided on government funding assistance for the training.

You Can Count On Us

the easy way to keep track of your gear

BIGmate Monitoring Services assists many companies that own and operate mobile equipment to improve their business performance and better manage their fleets of valuable equipment!



Track your gear
online, anytime



If it can be measured,
BIGmate can monitor it



Improve efficiency,
safety & productivity

And the best part... BIGmate is
100% Aussie Mate!

BIGmate

Monitoring Solutions

www.bigmate.com.au

13000 MONITOR (13000 66648)

Professional Development Update

By Ross Moody

Fleet Management Certificate

Over 270 enrolments have been received for the Fleet Management Certificate since its release in 2009.



Enrolments have come from Fleet Officers to Directors of Engineering and Finance, and the feedback has been consistently positive about the practical application of the course in the workplace.

September Professional Development Workshops

Begins 5 and 19 September

The next professional development (seminar) series will commence in the weeks of 5th and 19th September 2011.



Guest presenters will join the program, which covers the topics of:

- An insight into filter technology
- An update of on-road regulations for plant – answering your questions
- How driver training can substantially reduce fuel consumption and the organisation's environmental footprint.

Professional development topics include:

- Calculating lease back rates for staff private use of company motor cars
- Funding plant and vehicle replacements, and calculating hire rates for full cost recovery.

Visit www.ipwea.org.au/fleet to download the workshop brochure or to register online. For further information contact rmood@ipwea.org.au.

Live Online “Webinar” Training

Begins 27 September

The next webinar series commences live, in the comfort of your office, on September 27th.

While the main objective of running the online training is to assist more people to complete the Fleet Management Certificate, the training provides valuable stand alone professional development.



The program is delivered via five, 60-90 min training sessions held a week apart, plus an introductory session and a review session 4 weeks after the final unit.

The online training is proving particularly popular with people in remote areas.

Mark Burgess, Workshop Supervisor, Gympie Regional Council, provided the feedback below.

“I found both the IPWEA Fleet Management Certificate and associated webinar easy to follow, and a true learning experience.”

The webinar with Grant was brilliant and the way of the future, with questions and training conducted in the comfort of one's own office”.

Visit www.ipwea.org.au/fleet for further information on the webinar training, and download the registration brochure, or contact rmood@ipwea.org.au.

1 Day Plant & Vehicle Management Workshop September 2011 Professional Development Program



SEPTEMBER 2011 DATES & LOCATIONS

Dates	Location	State
Mon 5 Sept	Casino RSM Club	NSW
Tue 6 Sept	Brisbane North Lakes Resort Golf Club	QLD
Wed 7 Sept	Rockhampton Rockhampton Leagues Club	QLD
Thu 8 Sept	Sydney Holroyd Centre	NSW
Fri 9 Sept	Dubbo Dubbo RSL Club	NSW
Mon 19 Sept	Hobart Hobart Town Hall	TAS
Tue 20 Sept	Melbourne Manningham Function Centre	VIC
Wed 21 Sept	Adelaide Aust Inst Mgt Hindmarsh	SA
Thu 22 Sept	Perth Ascot Quays Apartments	WA

COST

Systems Plus Subscribing Organisation
\$ 290 (inc GST) per participant

Non Subscribing Organisation
\$ 350 (inc GST) per participant

REGISTRATION

To register for this workshop please select one of the following methods:

1. Online – Preferred method of registration

Register online, and pay using credit card or use purchase order, at:
www.ipwea.org.au/FleetMgtWorkshop

2. Fax Registration Form

Please complete registration form and fax to IPWEA on (02) 9283 5255 or email admin@ipwea.org.au

WHO SHOULD ATTEND

Plant & Fleet Managers, Fleet Officers, Works & Parks Supervisors, Workshop Supervisors, Works Engineers, Asset Managers, and Procurement Officers - anyone working with plant or fleet within their organisation.

FOR FURTHER INFORMATION VISIT

www.ipwea.org.au/FleetMgtWorkshop

For all enquiries please contact Lita Somogyi at IPWEA on (02) 8267 3001 or email admin@ipwea.org.au.
Level 12, 447 Kent St, SYDNEY NSW 2000



Proudly presented by IPWEA
Institute of Public Works Engineering Australia

In association with Uniqco International



1 Day Plant and Vehicle Management Workshop

These workshops have been designed to provide ongoing professional development in plant and vehicle management.

Topics explored in the workshop include :

- **Open Forum**
News update, addressing the skills shortage, Q & A, Open discussion forum on your local issues.
- **Light Fleet Costs**
Taking the mystery out of Staff lease back rates we provide a methodology for full cost recovery. Impact of FBT changes.
- **On Road Regulations for Plant**
Update and Q&A session with a government transport representative
- **Filter Technology**
An insight into filter technology, what's available now and into the future
- **Driver Training for reduced fuel consumption**
Driving habits and the impact on fuel use and environmental footprint
- **Funding Plant & Vehicle Replacement**
Calculating plant hire rates for full cost recovery
- **Market Update**
Latest information on market trends in light and heavy fleet vehicles.

The objectives of the day are to :

- Improve plant & vehicle management practice
- Provide an update on the latest technology in various fields of plant & vehicle management
- Provide professional development and networking.

The workshop will provide further professional development and networking in plant & vehicle management best practice, building on the material in the IPWEA Plant & Vehicle Management Manual.

It will also provide the opportunity for people involved in plant & vehicle management to network and share their experiences with other participants.

Presenters

Grant Andrews, Managing Director, Uniqco International Plant & Vehicle Mgt
Grant is a specialist fleet management consultant and the main author of the IPWEA Plant & Vehicle Management Manual.

Hayden Schulz, EAFM Sales Manager – Southern Region, Donaldson Australasia Pty Ltd manages Donaldson's Aftermarket filtration business in NZ, Vic, Tas, SA and WA. He is a certified trainer, and has over 20 years experience in the industry.

Richard Ward, EAFM Sales Manager – Northern Region, Donaldson Australasia Pty Ltd manages Donaldson's Aftermarket filtration business in NSW, QLD, NT, PNG and Pacific. He is a certified trainer with over 25 years experience in the filtration industry.

Carl Maurer, Environmental & Project Manager, Strategix Training Group has a passion for carbon reduction strategies. He has recently been the key developer of 'Clean Run Eco Drive' which was launched in conjunction with the Western Australian Government in May 2011.

Fleet Management Certificate Update

Fleet Management Certificate Congratulations

Over 270 people have enrolled in the Fleet Management Certificate since its release in 2009. Mark Burgess was recently awarded the Certificate after participating in the live online fleet management training.



Mark has been working in Local Government for 16 years, firstly with Kilkivan Shire and now, after amalgamations, with Gympie Regional Council. He was employed as a diesel fitter in 1995 before being promoted to his current role as Workshop Supervisor Western Division.

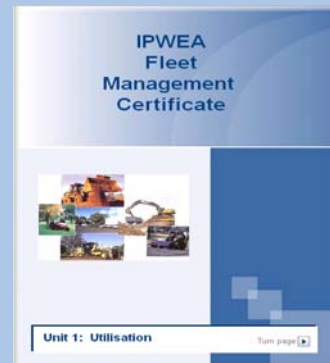
Mark's feedback on the online training and the Certificate course is particularly pleasing for IPWEA.

Our industry is changing at an astonishing rate and a clear understanding of compliance, legislation, tendering options, emission controls and maintenance systems are paramount in a well managed workshop.

I found both the IPWEA Fleet Management Certificate and associated webinar easy to follow, and a true learning experience. The webinar with Grant was brilliant and the way of the future, with questions and training conducted in the comfort of one's own office. The only thing missing was the biscuits and party pies for lunch !

I am using the skills learnt every day in my workshop and congratulate IPWEA for bringing me up to date on Fleet Management.

IPWEA Fleet Management Certificate



The Fleet Management Certificate course comprises five units representing the key steps involved in procuring and managing an item of plant/vehicle/equipment :

- Utilisation
- Whole of Life Costs
- Tendering
- Maintenance
- Regulatory Requirements.

The Fleet Management Certificate course is suitable for people involved in the management, maintenance, procurement and end use of plant, equipment and fleet vehicles.

The course is delivered by distance learning and there are no classes to attend. The Fleet Management Certificate can be commenced anytime.

For further information about the Certificate, please visit the IPWEA website at www.ipwea.org.au/fleet or contact Ross Moody on 0417 955 3 9 4 or email rmoody@ipwea.org.au.

Note : The online 'webinar' training, which was initiated to help fast track completion of the certificate course, also provides stand alone professional development and is available without enrolling for the Certificate. The next live online 'webinar' fleet management training commences on 27th September.

Fleet Management Certificate Webinar Supported Training

[7 x 60-90min 'live' online webinar sessions]

Presented by



Institute of
Public Works
Engineering
Australia

in association with



Training Time
All Sessions

11.00AM EST

Training Dates

Session 1 Introduction	27 Sept 2011
Session 2 Utilisation	28 Sept 2011
Session 3 Whole of Life Costs	5 Oct 2011
Session 4 Tendering	19 Oct 2011
Session 5 Maintenance	26 Oct 2011
Session 6 Regulatory Requirements	2 Nov 2011
Session 7 Review	16 Nov 2011



The training program encompasses the 5 units included in the IPWEA Plant & Vehicle Management Certificate. These units represent the key steps involved in procuring and managing an item of plant/vehicle/equipment. The 5 units will be delivered over 5 weeks with a review session 2 weeks after completion.

Units

❖ Utilisation

The key to procurement and management of the plant & vehicle fleet

❖ Whole of Life Costs

Knowing the whole of life cost and expected utilisation provides charge out rates that recover the full cost of owning & operating the item

❖ Tendering

Preparing the specification and assessing tenders through a weighted analysis

❖ Maintenance

Best practice maintenance includes scheduling services and assessing the reason for failures

❖ Regulatory Requirements

Operating plant and fleet attracts inherent liabilities for an organisation directly related to various regulatory requirements



These training workshops are designed to complement the IPWEA Fleet Management Certificate and will assist people undertaking the certificate course.

For more information about the Fleet Management Certificate, Systems Plus Subscriptions and Training Registration visit www.ipwea.org.au/FMC