




CONFIRMED MINUTES

AUDIT AND RISK COMMITTEE MEETING

21 AUGUST 2018

I certify that the minutes of the meeting of the Audit and Risk Committee held on Tuesday, 21 August 2018 were confirmed on Tuesday, 20 November 2018.



Presiding Person

**CONFIRMED MINUTES
AUDIT AND RISK COMMITTEE MEETING
21 AUGUST 2018**

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or Employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Employee, or the content of any discussion occurring during the course of the Committee Meeting.

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AUDIT AND RISK COMMITTEE
COMMITTEE ROOM, 7000 GREAT EASTERN HIGHWAY, MUNDARING – 5.30 PM

1.0 OPENING PROCEDURES

The Presiding Person declared the meeting open at 5.28pm.

1.1 Announcement of Visitors

Nil

1.2 Attendance/Apologies

Members	Cr Tony Brennan (Presiding Person)	West Ward
	Cr Darrell Jones (Deputy Presiding Person)	South Ward
	Cr John Daw	East Ward
	Cr Stephen Fox	East Ward
	Cr Lynn Fisher	Central Ward
	Cr Doug Jeans	Central Ward
	Mr Craig Wilkinson	
Staff	Paul O'Connor	Director Corporate Services
	Shane Purdy	Director Infrastructure Services
	Stan Kocian	Manager Finance & Governance
	Angus Money	Manager Planning & Environment
	Andrea Douglas	Minute Secretary
Apologies	Jonathan Throssell	Chief Executive Officer
	Danielle Courtin	Governance Co-ordinator
Absent	Nil	
Guests	Nil	
Members of the Public	Nil	
Members of the Press	Nil	

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Elected Members must disclose the nature of their interest in matters to be discussed at the meeting (*Part 5 Division 6 of the Local Government Act 1995*).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (*Sections 5.70 and 5.71 of the Local Government Act 1995*).

Nil

3.2 Declaration of Interest Affecting Impartiality

An Elected Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest (*Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C*).

Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Nil

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE DECISION RECOMMENDATION		ARC1.08.18	
Moved by	Cr Jones	Seconded by	Cr Fox

That the Minutes of the Audit and Risk Committee Meeting held 15 May 2018 be confirmed.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

7.0 PRESENTATIONS

7.1 Deputations

Nil

7.2 Petitions

Nil

7.3 Presentations

Nil

8.0 REPORTS OF EMPLOYEES

8.1 Draft Compliance Policy

File Code	GV.OPP 1
Author	Angus Money, Acting Director Statutory Services
Senior Employee	Jonathan Throssell, Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	1. Draft Compliance Policy ↓

SUMMARY

It is recommended Council adopts a Compliance Policy to inform the public in relation to the general approach taken by the Shire to compliance matters.

BACKGROUND

In accordance with the Shire's commitment to continuous improvement and on review of a magistrate's findings following a recent prosecution, the Shire undertook an independent review of Community Safety Service procedures and practices.

Within that review, it was observed that the Shire had no Council policy to guide the Shire's broader compliance and enforcement activities, including prosecution considerations. The introduction of a policy across all Shire enforcement activities was therefore identified as an area for improvement.

STATUTORY / LEGAL IMPLICATIONS

Importantly, there is no statutory obligation on the Shire to adopt a compliance policy. Further, a policy, if adopted, would not have any legal status. However, the enforcement of various laws is an important function of the Shire and 'good governance' involves putting in place a set of principles and considerations to make decisions.

Enforcement matters are often controversial and people dissatisfied with the process or outcome may look to allocate blame to the Shire. Legal advice confirms that the Shire should seek to avoid a policy which could work against (or be prejudicial to) the Shire's enforcement role. For example, there could be unintended legal implications in relation to the adoption of a public compliance policy which is then used by alleged offenders as a means to defend a charge or reduce a penalty. Similarly, unsatisfied complainants may also seek to lodge complaints directed at the Shire regarding the interpretation or application of the Shire's Compliance Policy.

It is therefore appropriate that the compliance policy be broad in nature but also inform the public in relation to the general approach to compliance taken by the Shire. The very existence of a policy may serve to deter offenders from formal prosecution actions and encourage more voluntary compliance.

POLICY IMPLICATIONS

A new Council policy is proposed in this report.

FINANCIAL IMPLICATIONS

Throughout the proposed policy, reference is made to ensuring the Shire's finite compliance resources are prioritised to best effect and in a manner which is commensurate with the seriousness of an alleged breach or offence.

The policy also makes it clear that in a prosecution situation the Shire will seek to recover fair and reasonable costs. The financial implications and risks can therefore be made very clear to alleged offenders, thereby assisting them in making decisions regarding how to respond to the allegation.

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.1 – A fiscally responsible Shire that prioritises spending appropriately

Strategy 1.1.4 – Practice effective governance and financial risk management

SUSTAINABILITY IMPLICATIONS

The policy is intended to guide decisions regarding enforcement and prosecution of the Shire's various legislative instruments; many of which contribute to upholding various social, environmental and economic objectives.

RISK IMPLICATIONS

Risk: Reputation. An internal review highlighted the need for a compliance policy. Should Council not adopt a compliance policy it may have implications on the Shire's reputation regarding its commitment to good governance and transparency.

Likelihood	Consequence	Rating
Likely	Moderate	Moderate

Action / Strategy

Adopt a Compliance Policy.

EXTERNAL CONSULTATION

Statutory Services has developed the policy following a review of other local government policies and consultation with various Planning Managers and Compliance Officers. The final version (Attachment 1) was refined with the assistance of the Shire's solicitors.

COMMENT

The policy covers the following key areas:

- Scope;
- Compliance Principles;
- Dealing with Complaints;
- Enforcement;
- Prosecution;
- Recovery of Legal Costs & Penalties; and,
- Disclosure of Information and Privacy.

Unlawful activity and corresponding compliance actions can create significant angst within the community both for those accused and complainants. Care has been taken to draft a policy that enables the Shire to use its compliance resources to best effect and in a manner which does not exacerbate neighbour disputes.

Introducing a policy will improve transparency in decision making, promote consistency in the application of enforcement actions, including prosecution, and demonstrate that the compliance activities being undertaken by Shire employees are supported by the Council.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RECOMMENDATION

That Council adopts Compliance Policy **PS-10** in Attachment 1 as a means to:

- i. Guide enforcement and prosecution decisions;
- ii. Inform the public of the Shire's approach to compliance;
- iii. Demonstrate that the compliance actions are supported by Council.

COMMITTEE DECISION MOTION		ARC2.08.18	
Moved by	Cr Daw	Seconded by	Cr Fisher

That Meeting Procedures be suspended.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

COMMITTEE DECISION MOTION		ARC3.08.18	
Moved by	Cr Jones	Seconded by	Cr Jeans

That Meeting Procedures be resumed.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

COMMITTEE DECISION MOTION		ARC4.08.18	
Moved by	Cr Daw	Seconded by	Cr Fisher

That this item be deferred and the committee request the CEO:

1. To rework the draft policy to have a higher level strategic focus;
2. Develop an information sheet for public use to be prepared for noting by this committee; and
3. To present an Enforcement and Prosecution organisational practice for noting by this committee.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

Shire of Mundaring

POLICY

COMPLIANCE

Policy Ref:	PS-10	File Ref: GV.OPP 1
Adopted:		Date:
Amended:		Date:
Reviewed:		Date:
Procedure Ref:		Delegation Ref:
Statute Ref:		
Local Law Ref:		

PURPOSE

To set out the Shire's approach to compliance and enforcement of legislation and to ensure that it is carried out in a transparent, efficient, fair and consistent manner.

1. Scope

The Shire's approach to compliance and enforcement reflects its responsibilities under relevant Acts of Parliament, Regulations and local laws.

The Shire has a duty to investigate all complaints and a statutory obligation to enforce compliance within the requirements of various legislation.

This policy applies to the investigation and resolution of:

- a) Offences for breaches of legislation which the Shire is responsible for administering; and/or
- b) Failure to comply with the terms or conditions of approvals and orders.

The principles in the policy also apply to any appeals arising out of proceedings brought by the Shire.

2. Compliance Principles

The Shire shall administer its statutory responsibilities under the applicable legislation, in a fair, unbiased and equitable manner in the interest of public health, safety and amenity. Each compliance investigation undertaken by the Shire will be assessed case by case on its merits. The Shire's communications with members of the public will be in accordance with the Customer Service Charter.

Where a complaint relates to a breach of legislation, which the Shire administers, the Shire may request the complaint to be made in writing.

Complaints will be prioritised for investigation based upon the seriousness of the alleged breach or offence as assessed by the Shire.

3. Dealing with Complaints

All complaints in relation to compliance issues should include the following information:

- a) Name, address and phone number or email address of the complainant
- b) Address of the property to which the complaint relates
- c) Details of the alleged offence
- d) Details of how the matter is affecting the complainant.

The Shire will generally not investigate or respond to anonymous complaints.

The Shire understands that some complaints received in relation to compliance issues are largely a result of neighbourhood disputes. The Shire may discontinue an investigation of a complaint where it reasonably considers that the complaint is unsubstantiated, mischievous, vexatious, pertains to a civil matter or has previously been investigated and concluded.

The Shire's communications with members of the public will be in accordance with the Customer Service Charter. Wherever possible, the Shire's interactions with the public will endeavour to create more harmonious neighbour relations and not exacerbate existing disputes.

4. Enforcement

The enforcement of relevant legislation is an administrative function for which statutory responsibility rests with the Chief Executive Officer or his delegate.

Enforcement action will be commensurate with the seriousness of the alleged breach or offence, and consistent with legal requirements. Decisions on enforcement action may have regard to a wide range of considerations, including the public interest and whether timely voluntary compliance is achieved. This may mean that the investigation of relatively minor instances of non-compliance are deferred or not pursued.

5. Prosecution

Prosecution is one of the enforcement options that may be used where there are reasonable grounds for suspecting that an offence has been committed contrary to a law administered by the Shire.

Prosecutions will only be commenced where the Chief Executive Officer (or his delegate) has considered the prospects of achieving a conviction and is satisfied that prosecution is the appropriate enforcement option in all of the circumstances.

6. Recovery of Legal Costs and Penalties

The Shire will seek to recover its fair and reasonable costs in all matters where costs are recoverable, either by consent or by order of the Court.

The Shire is unable to assist third parties in the recovery of legal costs.

7. Disclosure of Information and Privacy

Requests for information from members of the public in relation to compliance or enforcement matters will be handled in accordance with the Shire's Freedom of Information Statement.

Requests for information relating to compliance or enforcement matters made pursuant to the *Freedom of Information Act 1992* (FOI Act) will be handled in accordance with the processes set out in that Act. Any decision to release or refuse to release information will be considered on a case-by-case basis in accordance with the provisions of the FOI Act.

The Shire will protect the private details of complainants as much as possible within the legislative framework.

Employees shall not release information on specific compliance and enforcement activities, such as active investigations, to the public except to the extent necessary for the Shire to properly investigate a matter within its jurisdiction. The Shire may provide a media statement if it is considered necessary or required through the investigative process. Information may be shared with co-regulators and police.

DEFINITIONS

Public Interest means action and/or conduct which is to be for the good of society and for the well-being of its members. In the local government context, it specifically relates to the general function of the Shire to provide for the good governance of persons in its district (see section 3.3(1) of the *Local Government Act 1995*).

Public Safety means the welfare and protection of the general public.

Relevant Policies/Documents

The following may be relevant in dealing with development compliance and enforcement matters and include but not limited to:

- Shire of Mundaring Customer Service Charter
- Shire of Mundaring Code of Conduct – Elected Members and Employees
- Freedom of Information Statement.

Legislation/Local Law Requirements

The following Acts and instruments are the guiding legislation for compliance and enforcement matters, and include, but are not limited to:

- *Building Act 2011 & Regulations*
- *Bush Fires Act 1954 and Regulations*
- *Control of Vehicles (Off-road areas) Act 1979 and Regulations*
- *Cat Act 2011 and Regulations*
- *Dog Act 1976 and Regulations*
- *Director of Public Prosecutions Act 1991 - Statement of Prosecution and Policy Guidelines*
- *Environmental Protection (Noise) Regulations 1997*
- *Food Act 2008*
- *Freedom of Information Act 1992*
- *Health (Miscellaneous Provisions) Act 1911 and Regulations*
- *Litter Act 1979 and Regulations*
- *Local Government Act 1995 and Regulations*
- *Planning and Development Act 2005 & Regulations*
- *Public Health Act 2016*
- *Shire of Mundaring Local Laws*

8.2 Internal Audit - Light Fleet

File Code	GV.AUD 2
Author	Shane Purdy, Director Infrastructure Services
Senior Employee	Jonathan Throssell, Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	1. Shire of Mundaring Fleet Performance Review Report - KPMG ↓

SUMMARY

In December 2017, the Shire engaged KPMG to undertake an internal audit of the Shire's light fleet assets and processes in order to assess the governance practices, value for money and opportunities for improved operational efficiency.

The findings of the KPMG report of 13 April 2018 (**Attachment 1**), together with proposed management actions, are presented to the Audit and Risk Committee.

The Audit and Risk Committee will be provided with regular updates as to the progress of the management actions at future committee meetings.

BACKGROUND

The scope of the light fleet audit was as follows:

- Review the utilisation, purchase and operating costs of Shire of Mundaring light fleet vehicles (including utility vehicles) inclusive of commuting and private use costs.
- Review and consider Shire of Mundaring's fleet policies, in light of industry best practice approaches and identify similarities and opportunities for improvement.
- Examine fleet performance against readily available industry comparators and benchmarks; and
- Develop and provide recommendations for improving the performance of the fleet.

The expected benefits of the light fleet audit were:

- Reducing financial costs relating to fleet management;
- Ensuring value for money and operational efficiency;
- Improved governance relating to fleet management;
- Light fleet purchase in consideration of whole of life costings and business needs; and
- Minimising costs of short-term vehicle replacement vehicles.

STATUTORY / LEGAL IMPLICATIONS

Procurement and disposal of vehicles must be in accordance with the *Local Government (Functions and General) Regulations 1996*.

POLICY IMPLICATIONS

The Shire's policies, organisational practices and procedures relating to fleet management procurement were reviewed by KPMG. KPMG report findings include several recommendations to improve the Shire's current governance and cost management of fleet.

The following organisational practices and procedures will be reviewed following implementation of the actions:

- OP-08, Conditions of Use of Motor Vehicles
- IS-02, Plant Procurement.

FINANCIAL IMPLICATIONS

There is no additional allocation of financial or human resources to implement the recommendations of KPMG's report in the draft 2018/19 budget. The timeframes indicated for the implementation of the management actions have been developed based on using existing Shire resources and budget allocations.

The actions are expected to produce operational savings, the quantum of which is too difficult to quantify at this stage, for reasons explained below.

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.1 – A fiscally responsible Shire that prioritises spending appropriately

Strategy 1.1.1 – Prudently consider resource allocation

SUSTAINABILITY IMPLICATIONS

See risk implications below covering various sustainability factors.

RISK IMPLICATIONS

Risk: Financial – Improvements in operating costs from lack of quality light fleet vehicle usage data		
Likelihood	Consequence	Rating
Possible	Moderate	Medium
Action / Strategy		
Investigate and implement an electronic logbook system to enable data to be captured and examined to determine potential efficiencies.		

Risk: Environmental –Choosing the most economical whole of life cost vehicle will not necessarily minimise potential greenhouse emissions.		
Likelihood	Consequence	Rating
Almost Certain	Minor	High
Action / Strategy		
Balancing the minimising of financial operating costs together with fuel efficient and low CO ₂ emitting vehicles would be required if environmental factors for Shire vehicles is desired. It is noted however that modern cars in the Shire fleet are all similar in fuel efficiency and emissions and these standards are improving all the time.		

Risk: Property - Choosing the most economical whole of life cost will not necessarily be the best for passenger safety or practical use within the hills environment		
Likelihood	Consequence	Rating
Likely	Minor	Medium
Action / Strategy		
Balancing the financial operating costs with safety features such as ANCAP ratings and practical features such as floor clearance height of vehicles and engine capacity for practical use in the hills environment is required before selecting a vehicle. Most modern vehicles are 5 star ANCAP rated.		

Risk: Reputational – Type and number of Shire vehicles may draw criticism from residents.		
Likelihood	Consequence	Rating
Possible	Insignificant	Low
Action / Strategy		
Explain the rationale of light fleet vehicle requirements and independent audit review of Shire fleet management practices. Ensure economical fit for purpose vehicles are selected.		

EXTERNAL CONSULTATION

KPMG were engaged, via a request for quotation process, to conduct the independent internal audit.

COMMENT

The KPMG Light Fleet Audit report presents a summary of insights and seven recommendations to improve the performance of Shire of Mundaring's fleet management.

The recommendations of the audit report and management actions are detailed below. Further detail regarding the findings and recommendations within the audit report can be found in ATTACHMENT ONE.

KPMG Recommendation 1 – Select and trial logbooks or an integrated Fleet Management System to collect evidence based data required to effectively assess, manage and optimise the fleet.

Management comments – an electronic logbook system ('LogbookMe') will be rolled out to all light fleet vehicles following a current trial of the system on two vehicles to ensure it produces the information as stated in the fee proposal. It is intended to hire this system for 12 months to gather the detailed information required to make sound decisions.

The data can be progressively reviewed however to allow for seasonal changes in driving demands information informing future decisions to effectively assess, manage and optimise the fleet will not be known until late 2019.

This data will also enable better data capture for assessment of the FBT operating cost method and compare this to the FBT statutory cost method. The cheaper of the two methods is used in completing FBT returns.

KPMG Recommendation 2 - Consider reducing fleet size (eg 3-6 vehicles) by not purchasing all planned vehicles in FY18 and FY19. In particular, these could come from reallocation of vehicles with low utilisation in the Recreation & Leisure and Community Safety & Emergency Management departments or Operations and Rangers callout vehicles.

Management comments – This action cannot be considered until the information from the logbook data exercise is captured and assessed. Importantly KPMG only looked at kilometres travelled and made no comment on other important factors (due to the lack of data) such as vehicle suitability for purpose and length of time a vehicle is in use. Inspections can occur, resulting in low kilometres, but have significant time in use (as the vehicle is not available for other users). All fleet vehicles (including Chief Executive Officer and Director vehicles) are pool vehicles and do get used from time to time by other Shire staff to undertake their duties.

KPMG Recommendation 3 - To enable future fleet reductions, ensure vehicles are pooled consistently to optimise utilisation opportunities within and across service teams.

Management comments – Various methods are used to pool vehicles across the Shire. Each service team determines these methods. The methods include Microsoft Outlook calendar, whiteboards and hardcopy books. Following capture of the logbook data current pooling usage practices will be assessed for improvement if a reduction in numbers can be shown to work.

KPMG Recommendation 4 - Refresh Policies and Procedures to include procurement guidelines, call out definitions and ensure adherence to requirements.

Management comments – A review of relevant Organisational Practices and Procedures is undertaken regularly and was most recently undertaken in September 2017. These documents set out the conditions of use of Shire vehicles and types of vehicles.

Apart from the Chief Executive Officer, four Directors and 12 Managers (who are on term contracts of employment) all other vehicles are one tonne utilities so as not to attract FBT for commuting benefits. The standard of vehicle supplied is assessed annually, taking into account the State Purchasing Vehicle Contract price, trade prices from the Red Book and own vehicle trade pricing on sale together with offered warranty periods, fuel efficiency and ANCAP safety ratings.

Call outs are typically limited to Rangers and Operations supervisors, although other staff can be required outside normal working hours depending on the issue that arises (eg fires and building break-ins)

Monitoring of requirements is undertaken in a variety of ways; eg monitoring of fuel usage and entering of regular odometer readings into the Fleet Management System occurs on a weekly basis and checks for valid driver's licenses occurs annually.

The Organisational Practices and Procedures will be reviewed again in late 2019.

KPMG Recommendation 5 - Consider vehicle leasing including Novated Leasing of vehicles predominantly for private use.

Management comments – Private use of vehicles is provided to Managers, Directors and Chief Executive Officer. It is noted that a novated lease arrangement will need to assess the costs of potential savings for the Shire as compared to the agreed total employment package for senior staff. At present all vehicles, including the CEO vehicle, are fleet vehicles and are used by other Shire employees for business purposes. It may only be possible to move a few of these vehicles to novated leases without impacting the service operations of the Shire, as a novated lease vehicle is only available to the nominated employee. The logbook data capture will provide information to determine the minimum required number of fleet vehicles (ie those not under a novated lease).

A number of Perth Metropolitan Local Governments use novated leasing for their senior staff. The cost impacts of this are being determined and a final report to the Chief Executive Officer is expected by 31 August 2018. Should savings be identified it is intended to initially offer this arrangement to Directors as vehicles come up for changeover. Subject to this proving cost effective and not detrimental to Shire operations, further consideration will be given to expanding this arrangement to Managers.

KPMG Recommendation 6 - Standardise the vehicle specifications and fleet composition.

Management comments – Whilst there was always a standardised price range, vehicle specification and vehicle type, a recent review has resulted in a change to the vehicle selection process. Given the changes to FBT vehicle calculation methodology, which rather than use percentages on annual total kilometres travelled to that of purchase cost of the vehicle, the vehicle selection process now focusses heavily on the purchase price of the vehicle.

In terms of environmental outcomes (which was not within the scope of the internal audit), it is noted that the difference in CO2 emissions is not significant in modern cars. The standard of safety in modern vehicles is also similar with most having a five star ANCAP

rating. The Shire has trialled gas vehicles in the past, but the resale value on these were poor. The Shire has also been trialling a Toyota electric hybrid vehicle sedan. This vehicle is more expensive to purchase than other sedans and as FBT costs outweigh the operating savings, is unlikely to be used again once traded.

As a result of these factors, together with minimum 5 year warranty periods, the fleet is currently transitioning to primarily Kia and Hyundai vehicles for senior staff due to their lower purchase cost (and improving trade value). To save purchase costs further only white coloured cars are to be chosen. Financial savings in FBT costs will occur as a result of these measures.

KPMG Recommendation 7 - Review HR Policies and future employment entitlements regarding provision of vehicles for private and commuting use.

Management comments – A review is undertaken annually by the Chief Executive Officer of total employment package provisions for senior staff. Future reviews of total employment package provisions for senior staff will include consideration of novated leasing, subject to ensuring sufficient operational business needs for vehicle usage is still achieved, overall financial savings are achieved, all whilst balancing the need to attract and retain experienced senior staff.

Progress on actions to address the seven recommendations of the internal audit will be reported to future Audit and Risk Committee meetings.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION RECOMMENDATION		ARC5.08.18	
Moved by	Cr Jones	Seconded by	Cr Fox

That the Audit and Risk Committee:

1. Receives the KPMG Light Fleet Internal Audit (13 April 2018) report (**Attachment 1**);
2. Notes management comments and actions relating to each of the recommendations of the Light Fleet Internal Audit report; and
3. Notes that ongoing progress reporting of management actions will be presented at future Audit and Risk Committee meetings until all actions are complete.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil





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Inherent Limitations

This report has been prepared as outlined in the Executive Summary Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

The findings in this report are based on a study and the reported results reflect a perception of the Shire of Mundaring but only to the extent of the sample surveyed, being the Shire of Mundaring's approved representative sample of management and personnel. The findings of this report are based on consultation with a selection of management and personnel, financial and operational data provided to us by the Shire of Mundaring.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the Shire of Mundaring management and personnel consulted as part of the process.

KPMG has indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

~~Executive Summary~~

We have worked with the Shire of Mundaring to identify opportunities for improvement in the performance of the light vehicle fleet.

Over the course of the engagement, the KPMG team have;

- Engaged with over 10 Executives and Managers across departments and functions;
- Reviewed and consolidated fleet data into a single data source to analyse the utilisation and costs associated with 52 light vehicles;
- Reviewed the utilisation, purchase and operating costs of Shire of Mundaring (Mundaring) light vehicles (including utility vehicles);
- Reviewed and considered the Shire of Mundaring's fleet policies including commuting and private use costs to identify opportunities for improvement;
- Investigated opportunities to benchmark Mundaring's Fleet. However, meaningful benchmarking has not been possible due to the absence of publicly available information and data for comparable light vehicle fleets;
- Discussed possible optimisation strategies of Mundaring's Fringe Benefits Tax (FBT) with KPMG's specialist FBT team; and
- Provided a reliable and workable financial and cost model for assessing fleet optimisation scenarios that can be easily maintained by Mundaring.



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Executive Summary

The Shire of Mundaring has 52 vehicles distributed across 203 FTE employees.

Executive													
Chief Executive Officer (+1 EA)													
# FTEs: 10 (5 Exec +5 Pas) # Vehicles: 5 Fleet OPEX: \$91k Km / vehicle: 25,506													
Director Corporate Services (+1 PA)				Director Strategic & Community Services (+1 PA)				Director Infrastructure Services (+1 PA)			Director Statutory Services (+1 PA)		
Finance & Governance	Information Technology	Human Resources	Strategic services	Children's services	Libraries & Community Engagement	Recreation & Leisure	Design Services	Building Assets	Operations Services	Community Safety & Emerg. Mgmt.	Planning & Environment	Building & Health	
# FTEs	15.4	6.6	3.8	4	40	15.1	11.7	9.9	3	58.9	12.9	10.2	9.5
# Vehicles	1	1	1	0	5	1	4	3	3	17	5	3	3
Total fleet OPEX p.a.	\$15k	\$13k	\$12k	\$0	\$110k	\$11k	\$51k	\$35k	\$29k	\$172k	\$71k	\$29k	\$40k
Annual km/vehicle	19,007	28,670	7,767	0	14,512	26,673	15,991	30,352	16,885	23,555	19,122	16,993	16,885
Self-funded fleet													

FTE numbers sourced from Shire of Mundaring Corporate Business Plan 2017/18 to 2020/21, Appendix D



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4

Executive Summary

Summary of insights.

Fleet utilisation and costs

- There appear to be opportunities to improve fleet utilisation and reduce costs by progressively reducing the size of Mundaring's fleet based on the analysis of mileage per vehicle and percentage of mileage that is estimated to be related to non business use.
- Depreciation and FBT (which are largely fixed costs per vehicle) contribute to over 60% of operational expenses so progressively reducing the size of the fleet is the best way of driving meaningful savings.

Usage of callout and commute vehicles

- Call-out use of vehicles are not defined in Mundaring's fleet policy (Conditions of Use of Shire Motor Vehicles OP-08) and commuting use has limited monitoring. Mundaring should evaluate whether these vehicles are required for business purposes, particularly as many of these have low estimated "business" mileage.
- It is unclear how call-out vehicles are utilised for call-outs. Mundaring should consider defining policies and procedures, and modelling the costs and benefits of alternatives (e.g. pay overtime for callouts instead of providing a vehicle in lieu of overtime or despatch of on call Rangers to act as first responders and assess non emergency situations).

Systems and processes

- The various data sources for tracking and managing fleet costs are not integrated and require daily manual data entry (e.g. Depot fuel and odometer reads), do not allow analysis of fleet usage for business needs (versus private, commute, purchased private use), or simple reconciliation with Finance (e.g. Opex costs, fuel tax credits, FBT calculations). Improving these systems and the governance of data and processes will allow Mundaring to better understand fleet utilisation and costs.
- Vehicle pooling practices do not appear to be consistently used. Actively pooling vehicles as well as assessing rostering call-out staff and tracking call-outs may enable Mundaring to operate with fewer light vehicles.
- There could be opportunities to reduce the size and/or improve pooling of Administration, Recreation & Leisure and Community Safety & Emergency Management departments which have lower mileage.

Policy and adherence to policy

- Mundaring should consider updating its fleet policy to include defining call-out use vehicles as well as standardising vehicle specification and documenting governance and processes for usage types.
- Including Finance in quarterly review of fleet purchasing and aligning Fleet Procurement (IS-02) with W.A. Government Fleet Policy may assist in confirming suitability of purchasing.



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#	Recommendation	Why do it?
1	Select and trial digital log books or an integrated Fleet Management System (FMS) to collect evidence based data required to effectively assess, manage and optimise the fleet.	<ul style="list-style-type: none"> Evidenced based data in determining value for money and optimisation opportunities. Accurate application of litres for fuel tax credits (@\$0.409/litre[^]) which can be retrospectively claimed over 4 years).
2	Following trial of log books (paper or digital) and deeper assessment of purpose and operational needs for vehicles, consider reducing fleet size (e.g. by 3-6 vehicles) by not purchasing all planned vehicles in FY18 and FY19. In particular, these could come from re-allocation of vehicles with low utilisation in the Recreation & Leisure and Community Safety & Emergency Management departments or Operations' and Rangers callout vehicles.	<ul style="list-style-type: none"> Realise Capex and Opex savings of \$131,865 (\$95,617 base vale excl. GST; \$36,248 Opex p.a.) if fleet is initially reduced by 3 lowest utilised vehicles (total annual distance travelled). Lower fleet capacity encourages improved pooling and sharing of vehicles across departments
3	To enable future fleet reductions, ensure vehicles are consistently pooled to optimise utilisation opportunities within and across departments (e.g. by sharing between departments with opposing usage patterns).	<ul style="list-style-type: none"> Enable savings above, and provide platform for determining utilisation, future savings and potential fleet reductions.
4	Refresh Mundaring's polies and procedures to include procurement guidelines (e.g. regular inclusion of finance in purchasing; disposal options and criteria); call-out definitions; and ensure adherence to policies.	<ul style="list-style-type: none"> Improved governance and cost management of fleet. Opex and Capex savings due to purchase and disposal vehicles within appropriate bands. Confirmation of use within policies and procedures.
5	Consider vehicle leasing (including Novated leasing of vehicles used predominately for private use; Fleet Lease Management or commercial car sharing) to reduce costs and improve utilisation of remaining fleet.	<ul style="list-style-type: none"> Release of capital for other purposes. Reduced lifetime cost of ownership of fleet.
6	Standardise the vehicle specifications and fleet composition	<ul style="list-style-type: none"> Reduced capital expenditure. Reduced operational expenditure (e.g. depreciation and FBT).
7	Review HR policies and future employment entitlements regarding provision of vehicles for private or commuting use.	<ul style="list-style-type: none"> Understand impact of vehicle provision and changes on attracting and retaining people.



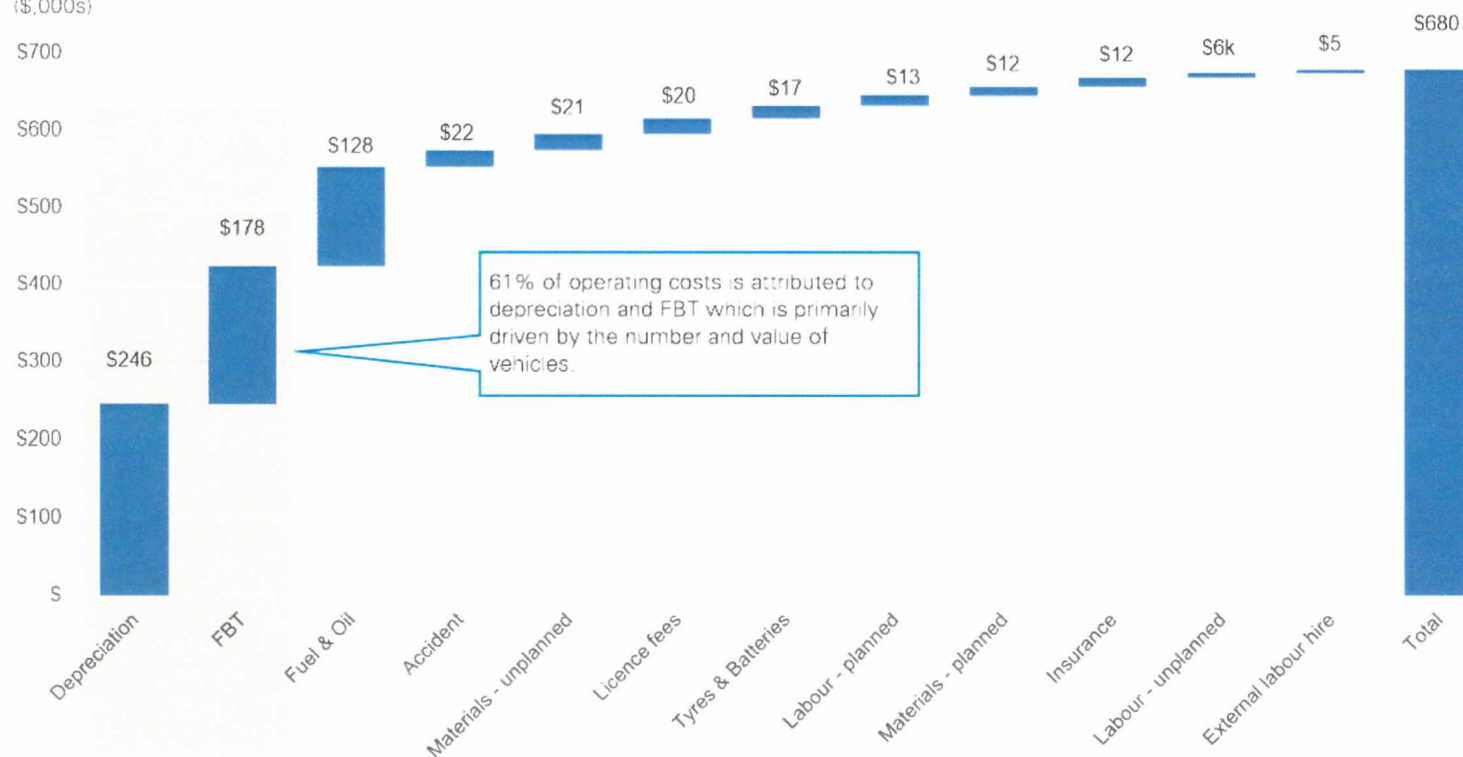
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Business insight

Mundaring's fleet operating costs are largely (61%) driven by the number of vehicles in the fleet, rather than usage.

Total Opex by cost category (FY17)
(\$,000s)



Opex calculated from values provided in Plant Report 2016 – 2017

Excludes residual values, indirect and overhead costs associated with fleet management. Data sourced from Plant, FBT, Depreciations Reports (FY17)

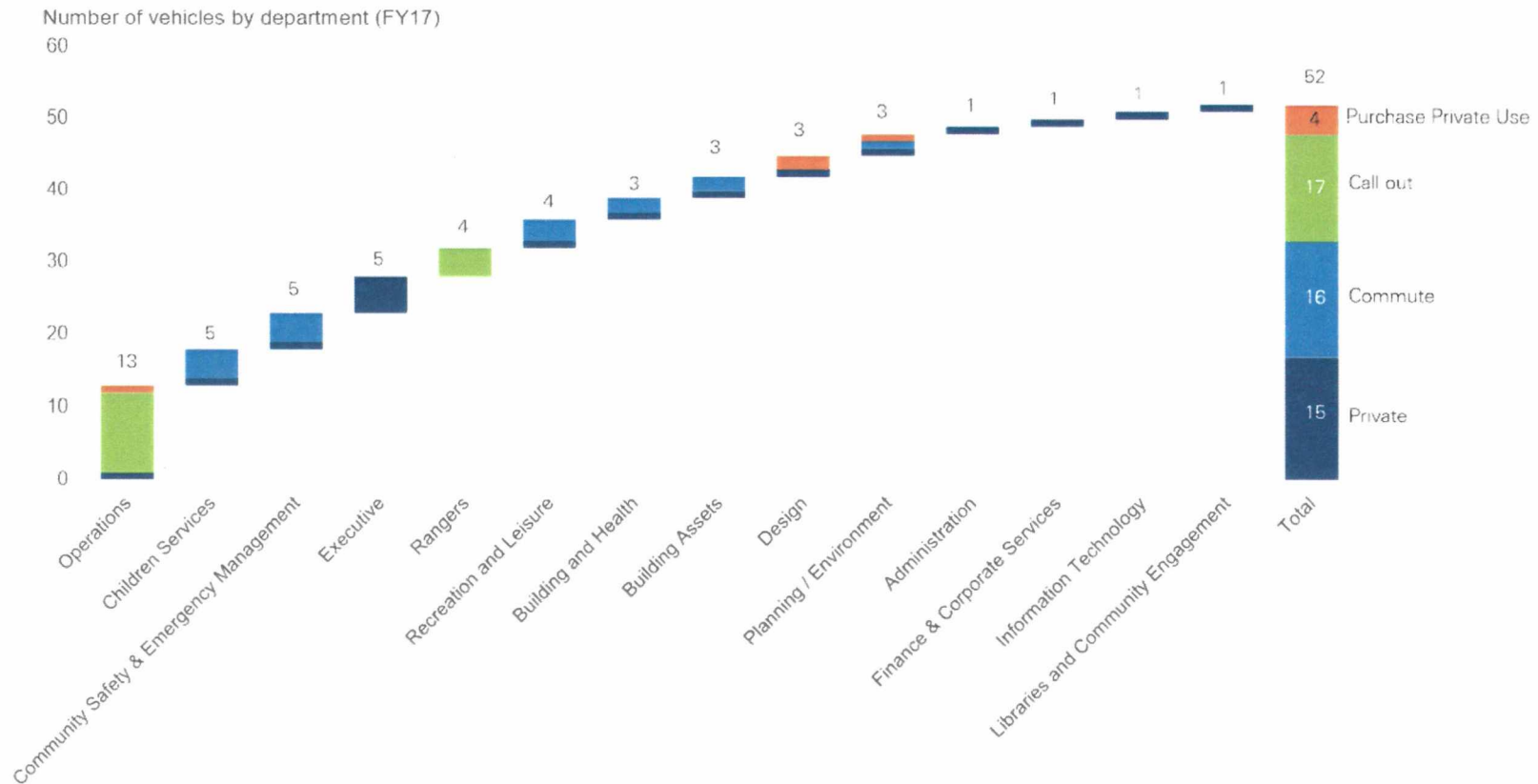


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Entitlement level	No of vehicles	Average base value / vehicle (excl GST)	FY17 opex vehicles (incl depn)	Opex /vehicles (incl depn)	Why does this role have a vehicle?	How does the policy specify how the vehicle should be used?
Level 1	5	\$46,419	\$91,740	\$18,348	1) Included in Salary Package.	Unrestricted Private Use Level 1 – Unlimited use for any purpose.
Private – Level 2	12	\$33,529	\$176,642	\$14,720	1) Included in Salary Package. 2) Business / office use during business hours.	Unrestricted Private Use Level 2 – Unlimited use for any purpose, except Long Service Leave.
Commute – Level 3	16	\$33,559	\$226,439	\$14,152	1) Business / office use during business hours. 2) Staff attraction and retention.	Use of vehicle to commute directly between a designated employee's place of residence and the Shire of Mundaring workplace.
Purchased Private Usage – Level 3	4	\$29,570	\$36,789	\$9,197	1) Individual selects PPU.	Unrestricted Private Use Level 3 – where purchased private use obtained, private use of a vehicle outside of a designated employee's usual working hours including Public Holidays but not Annual Leave, Long Service Leave or known personal leave within the State of Western Australia.
Callout – Level 3	15	\$31,952	\$148,249	\$9,883	1) Business need.	Not defined and specified.
Total	52	\$33,710	\$679,859	\$13,074		

Balance of range

Mundaring has 52 vehicles distributed across 14 departments and 4 fleet policy usage types.



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Reduced mileage

There may be opportunities to pool vehicles to reduce fleet size across 16 commute and 15 call out vehicles after usage data is collected to determine the operational needs.

Roles with callout vehicles

Department	Roles with vehicles
------------	---------------------

Rangers	Community Safety Ranger
	Community Safety Ranger
	Community Safety Ranger
	Community Safety Ranger

Reason for callouts

First responders to community calls. 4 vehicles needed as 4 rangers on shift Mon-Wed

Operations	Supervisor Parks Infrastructure
	Supervisor Tree Management
	Supervisor Parks
	Co-ordinator Parks Services
	Supervisor Environment and Horticulture
	Supervisor Engineering Maintenance
	Supervisor Engineering Construction
	Supervisor Engineering Works
	Co-ordinator Civil Works
	Infrastructure Protection Officer

Fallen trees, retic faults, playground safety, park asset damage

A/H engineering, road safety, flooding, large pot holes etc.

Operations	Supervisor Engineering Maintenance
	Supervisor Engineering Construction
	Supervisor Engineering Works
	Co-ordinator Civil Works

Break ins, waste breakdowns, transfer station breakdowns etc.

- Consider whether opportunities to pool vehicles to reduce fleet.

Roles with commute vehicles

Department	Roles with vehicles
------------	---------------------

Building Assets	Building Maintenance Officer
	Graffiti and Minor Building Maintenance Officer
Building and Health	Senior Building Surveyor
	Senior Environmental Health officer

Community Safety & Emergency Management	Fire Mitigation Officer
	Fire Hazard Inspection Officer
	Fire Hazard Inspection Officer
	Co-ordinator Community Safety & Emergency Management

Children Services	Children Services
	Children Services
	Children Services
	Manager Children Services

Children Services vehicles are self-funded

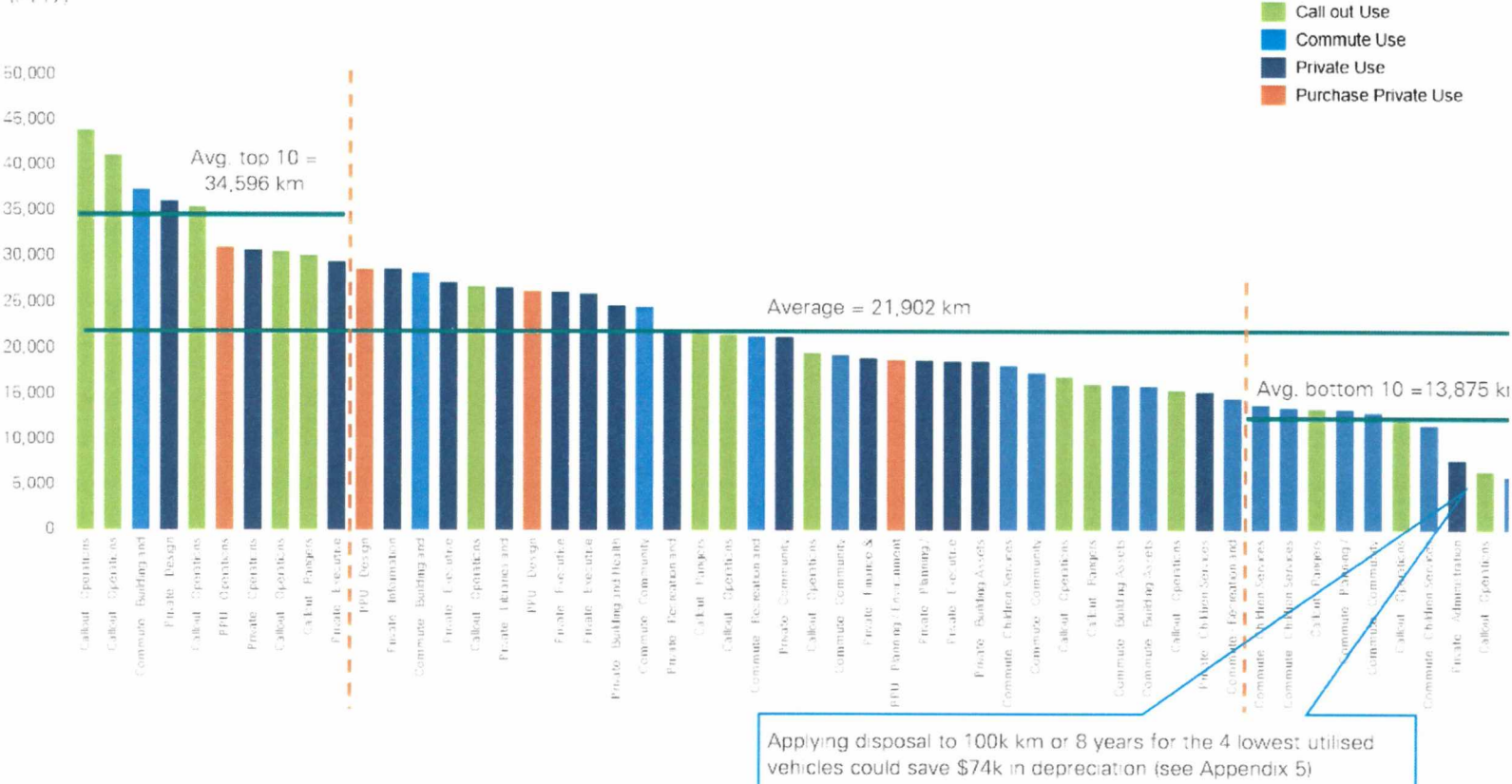
Planning / Environment	Co-ordinator Statutory Planning
	Co-ordinator Aquatic Facilities
Recreation and Leisure	Co-ordinator Community Facilities
	Senior Parks Officer - Lake Leichenaultia

- Ensure usage isn't outside of commute policy.
- Consider opportunities to pool vehicles to reduce fleet.

Extended mileage

Mileage differs significantly across the fleet, with the 10 most used vehicles averaging 3x the mileage of the 10 least used vehicles.

Distance (km) by vehicle department.
(FY17)

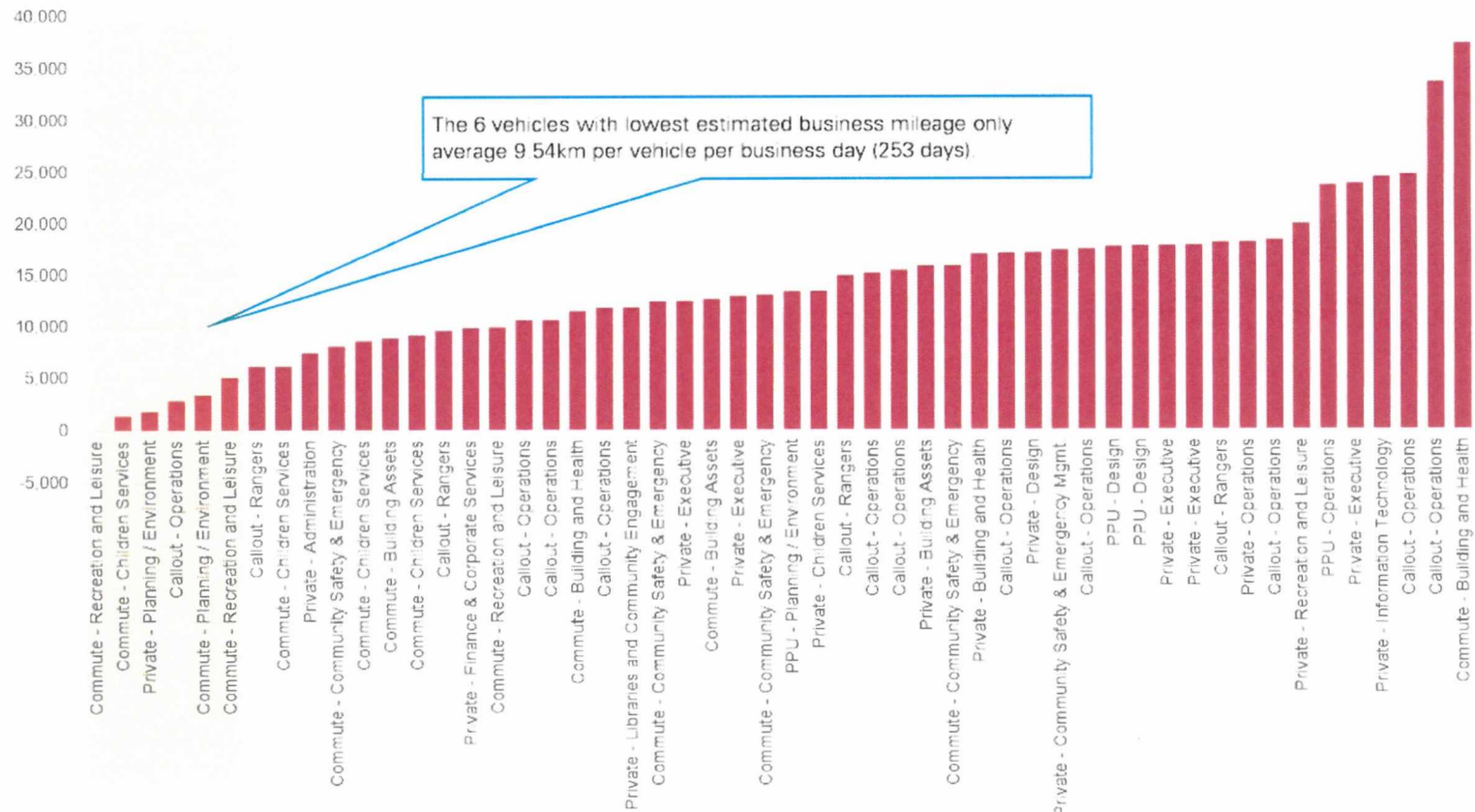


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Business Mileage

The estimation of the business mileage differs significantly across the fleet and outlines opportunities to improve tracking utilisation by usage type and to determine business needs.

Allocation of estimated business distance per vehicle (FY17)



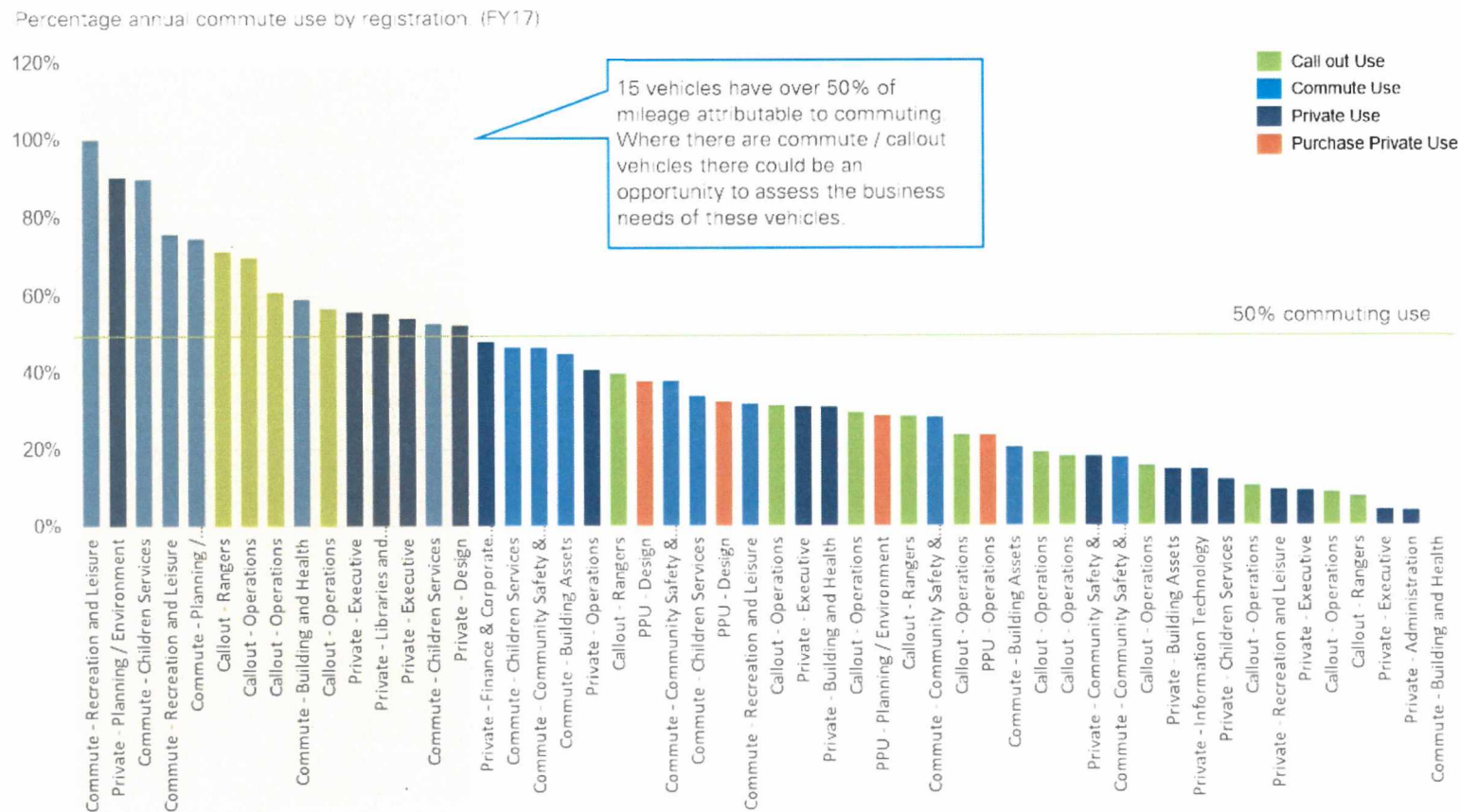
In the absence of log book data, non business use has been based on commute use.

Commute use was estimated by calculating the return distance from the residence of allocated driver for each vehicle to Shire of Mundaring's office on business days over a 48 week period. Mileage was used for Children Services vehicles. Exceptions included where vehicles were re-allocated in case of leave for allocated driver.

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Estimated findings

While data on mileage attributable to personal vs business purposes is not available, we estimate that commuting to and from work comprises over 50% of the vehicle mileage for 15 vehicles.

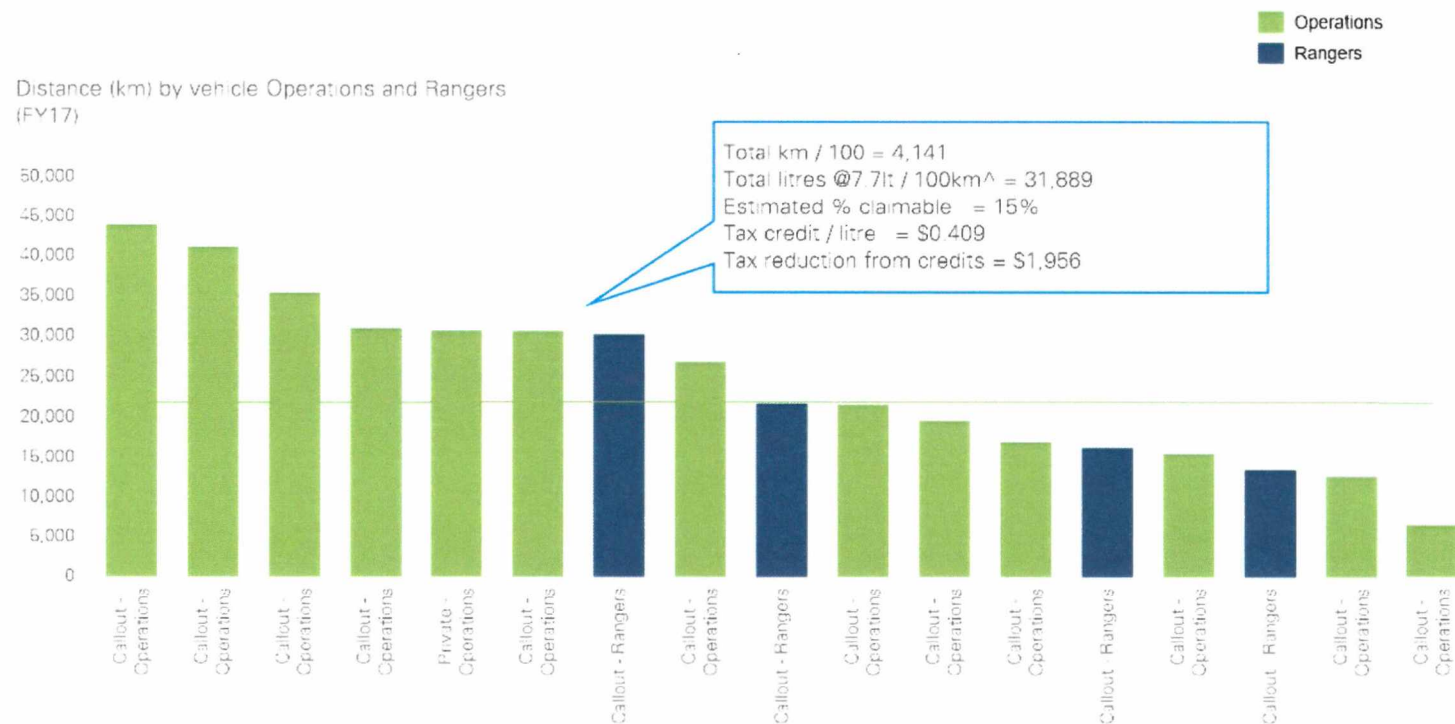


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Business Manager

There is an opportunity to claim fuel tax credits for vehicles driven on private roads or off road areas.

Currently fuel tax credits are not claimed to off-set operational expenses. Based on a total distance of 414,153km travelled by 17 vehicles most likely to travel on private and off road, the fuel tax claim could improve net income (by reducing tax) by \$1,956.



[^]Fuel consumption of Isuzu D Max SX Crew 4x4 Hi Ride <https://www.isuzuute.com.au/d-max/range.aspx>

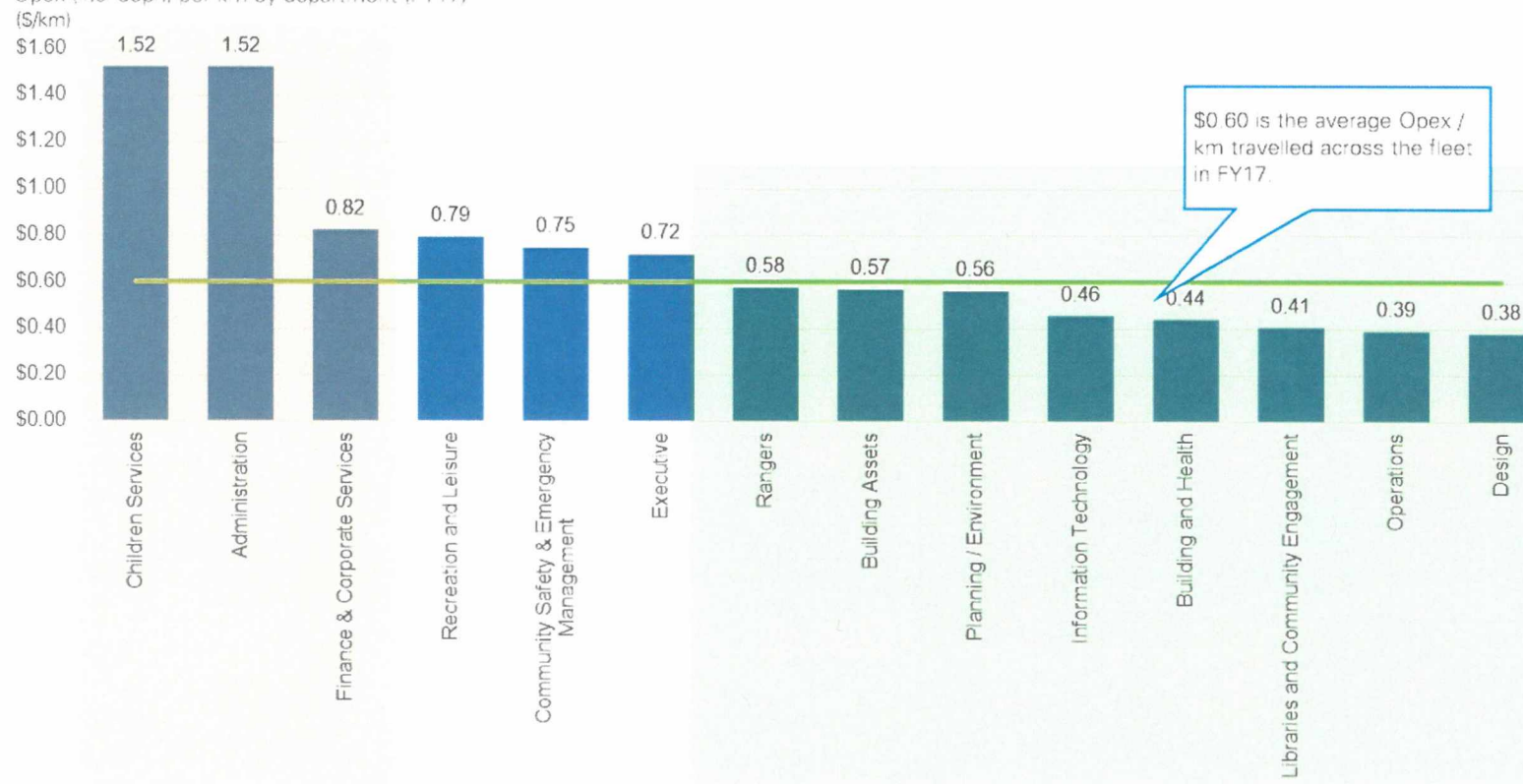


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www.mango

Under utilised vehicles cost more per kilometre travelled as the largely fixed depreciation and FBT costs are spread across a lower number of kilometres.

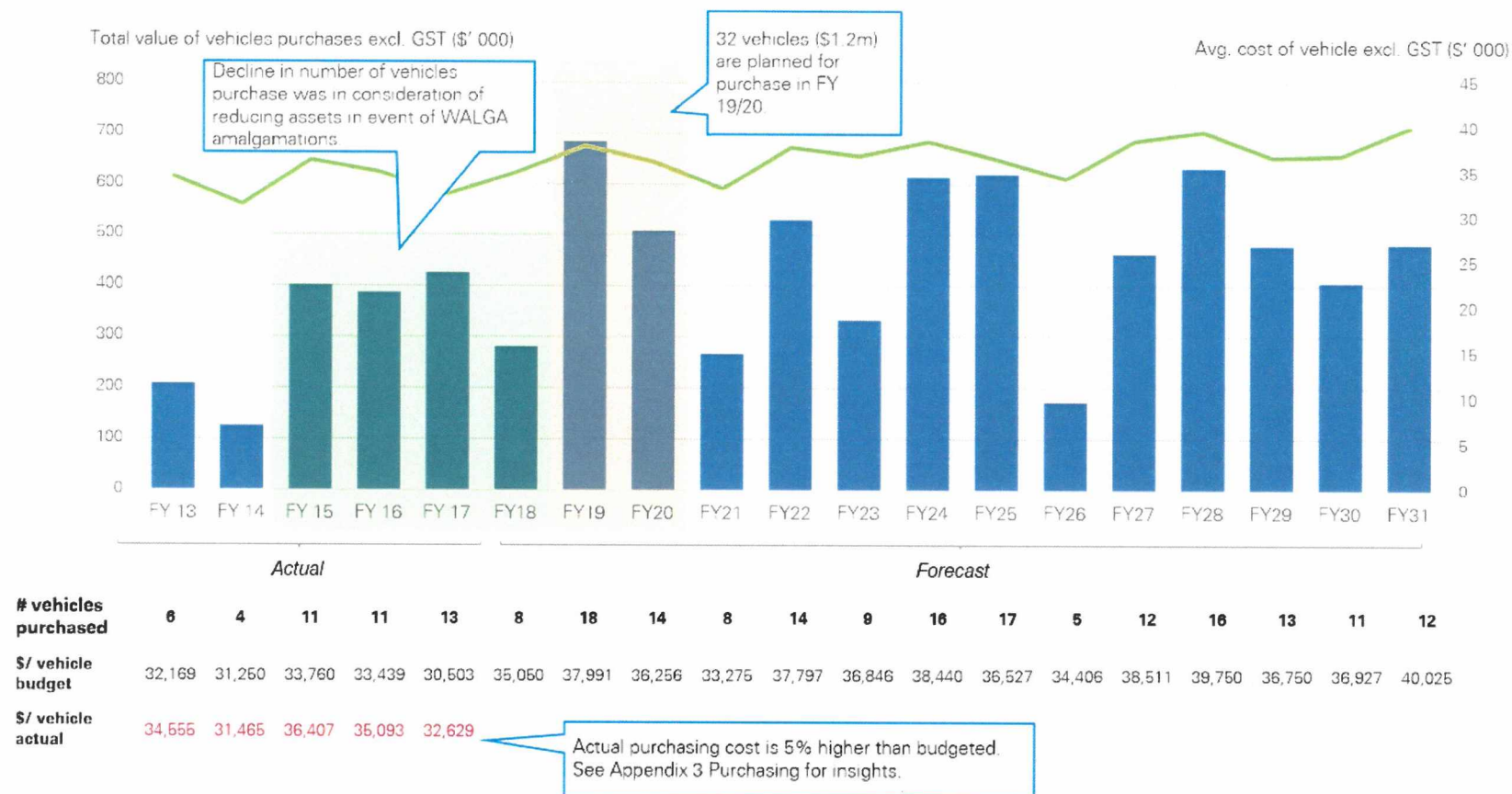


Excludes indirect and overhead costs associated with fleet management. Data sourced from Plant, FBT, Depreciations Reports (FY17)

There are gaps and inconsistencies between cost values in the Operations (e.g. Plant Report) and Finance (e.g. Depreciation) reports.

Strategic findings

There could be opportunities to smooth vehicle purchasing and reduce cash flow impact by reducing the number of vehicles purchased or lowering total cost of vehicles.

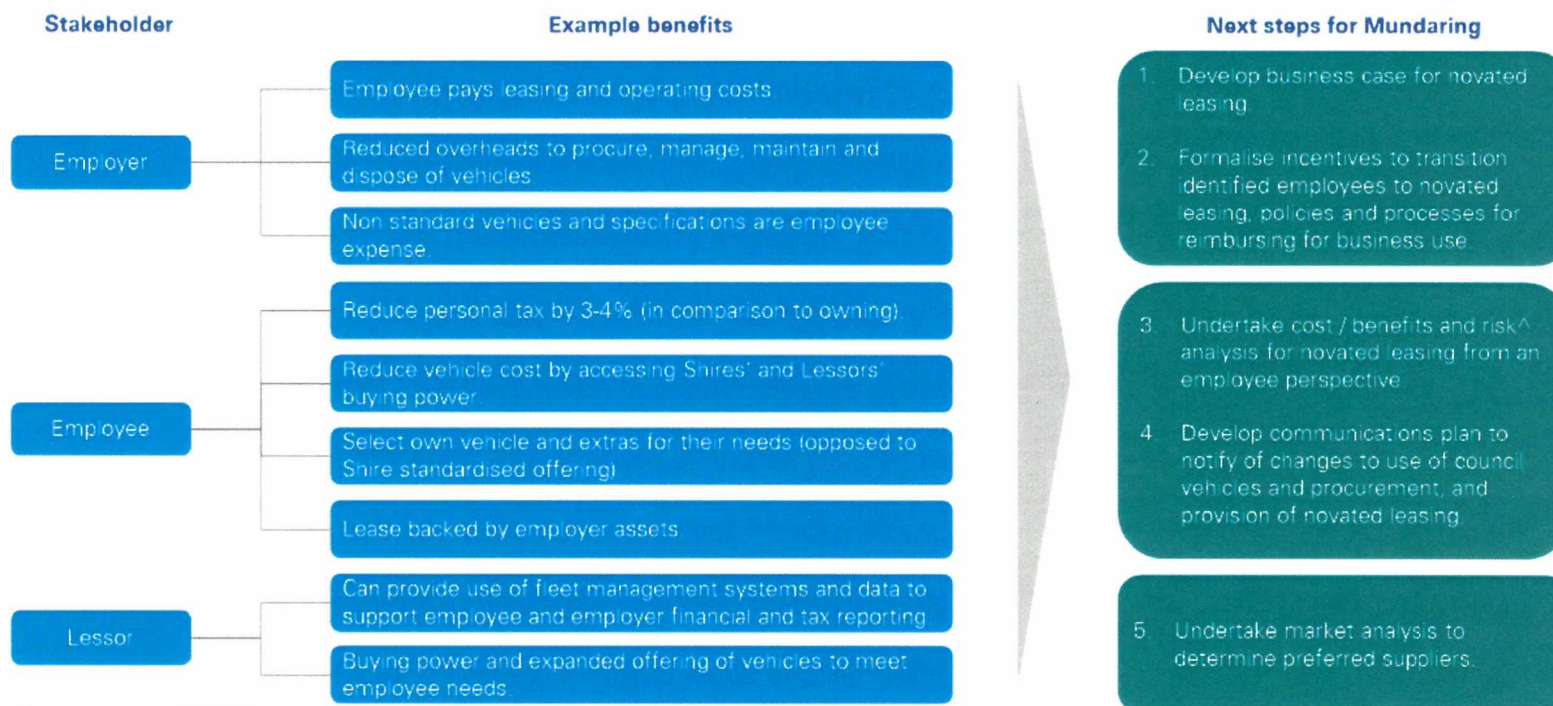


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Expanded mandate

Example high level benefits are provided to guide the consideration of expanding* the current novated leased program across Level 1 and 2 employees to reduce the number, and costs, of owned vehicles.



Worked example of \$85,000 gross salary

Ownership	Car base value	Gross salary	Pre-tax salary deductions	Take home pay (before vehicle costs)	Post tax vehicle costs	Net salary	Benefit of novated lease
Personal ownership	\$35,000	\$85,000	\$0	\$63,903	\$13,200	\$50,703	
Novated lease	\$35,000	\$85,000	\$6,200	\$60,067	\$7,000	\$53,067	Reduce personal tax by \$2,364 or 4.7%



*Two vehicles are supplied to Directors through a novated lease program (Hyundai Santa Fe Highlander CRDi and Hyundai Elantra Sedan).

[△] Risk may include changes to FBT reducing benefits or determination of lease ownership due to loss / cessation of employment before lease end.

Expected findings

There are opportunities to enhance Mundaring's policy and implementation of that policy.

We have reviewed Mundaring's policy against relevant gov. policies

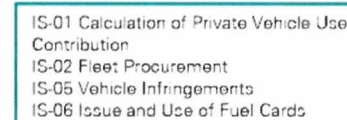
WA Government



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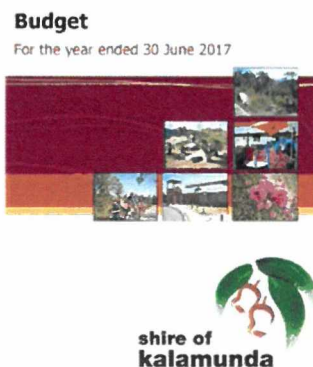
Mundaring



Opportunities for Mundaring

- Improve checks determine adherence to Organisational Policy (OP-08) policy (e.g. monitoring usage of fleet for personal use).
- Update policy to incorporate safe driving guidelines (e.g. maximum hours of work prior to driving).
- Ensure Fleet Procurement Procedure (IS-02) references and is in line with WA Government Fleet Policy and Guidelines (e.g. limit vendors, adhere to budget prices etc.), and involve Finance and CEO in purchasing and disposal pre-approval.
- Develop Fleet Procurement Procedure (IS-02) for replacement vehicle process including involvement of finance; additional criteria (beyond 5 years or 100,000km) for disposal of vehicles.
- Ensure ongoing and consistent use of logbooks and depot odometer readings to ensure data is available to enable future optimisation of fleet.
- Develop pooling procedure and system so that vehicles are consistently pooled, drivers tracked and pooling effectiveness can be reported.

Opportunities for Mundaring




Example of publically available information. Other publically available documents were reviewed as part of the benchmarking review.



- Use data provided from this report, own systems and usage to develop internal benchmarks.
- Trial and implementation of an electronic log book, integrated Fleet Management System or Fleet Management Organisation (e.g. sgfleet) may provide data from other uses that could be used for benchmarking.
- Directly engage with the “peer” shires to share fleet information and data for benchmarking.

Insights from interstate – the NSW government is pushing alternative fleet strategies.

Outsourcing of fleet management and ownership



Dominic Perrottet MP
Minister for Finance, Services and Property

New Government Fleet Providers To Drive Down Costs

4 March 2016

Minister for Finance, Services and Property, Dominic Perrottet, today announced the next step in the NSW Government's new fleet management model, with the appointment of two fleet management providers and a panel of six vehicle leasing providers to deliver fleet services to agencies across the NSW Government.

Mr Perrottet said the new model, announced in August last year, will drive value for taxpayer money, improve service quality, and free up around \$1 billion in capital over the next four years, as the current Government-owned fleet of more than 22,000 vehicles is wound down.

"This Government is committed to investing in the infrastructure and frontline services the state needs," Mr Perrottet said.

"Our new fleet model frees up hundreds of millions of dollars each year that is currently tied up in owning and maintaining a massive car fleet – I want to see that money put to better use," he said.

The reform follows recommendations from 2014 PricewaterhouseCoopers review that competition should be introduced in fleet leasing and management services, with subsequent market testing indicating that the private sector could provide leases and fleet management services at lower costs than under the existing fleet model.

"With providers like the ones we have announced today offering the best services in the field, and there is just no reason for government to be competing in that market."

"The private sector thrives on competition, and under our new model these providers will drive down the Government's costs and allow agencies to access best practice in fleet management, which means a better service for government, and better value for taxpayers."

Under the new model, each government agency will engage a fleet management provider that will offer a diverse range of services and technologies to optimise agency fleets and drive value for taxpayer money. Vehicle leases will be financed separately, with the panel suppliers bidding competitively on each lease.


The new model will take effect from 1 July 2016 for agencies' new vehicle requirements, with the current government fleet to be progressively wound down.

<http://www.finance.nsw.gov.au/about-us/media-releases/new-government-fleet-providers-drive-down-costs>



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Commercial Car Sharing



Dominic Perrottet MP
Minister for Finance, Services and Property

Fleet Of The Future To Free Up \$1BN

28 August 2015

Minister for Finance, Services and Property, Dominic Perrottet, today announced the NSW Government is moving to a new model to manage the state's car fleet that will free up around \$1 billion in capital over the next four years.

Mr Perrottet said the new arrangements include competitive sourcing from the private sector and leveraging the collaboration economy.

"Today the NSW Government spends hundreds of millions of dollars buying, owning and maintaining one of the biggest car fleets in the country," he said. "I'd like to see this capital freed up and invested in frontline services and productive infrastructure."

"Our new fleet management model features a diversity of supply options that will improve service quality, make use of car-sharing and drive value for taxpayer money."

StateFleet currently includes over 22,000 passenger and light commercial vehicles at an annual cost to taxpayers of around \$240 million.

Rather than a single government-owned fleet, the new model will see a fleet manager engaged by each agency who will deal directly with a separate panel of vehicle leasing companies. The existing fleet will be wound down over time.

The Government accepted recommendations from a 2014 PricewaterhouseCoopers review that competition should be introduced in fleet leasing and management services, and a trial of car-sharing services conducted as an alternative to government pool cars.

"The Government shouldn't be competing with the private sector for fleet leasing and management services," Mr Perrottet said. "This arrangement will be more cost effective, increase competition and allow government to access best practice in fleet management."

The Minister also announced the government will roll out car-sharing in metro areas, following the success of a recent trial. The 3 month trial was undertaken at Department of Finance, Services and Innovation (DFSI) offices using GoGet and Hertz24/7 share-cars.

Staff who participated in the car-share trial reported a high degree of satisfaction, enjoyed not having to fill in log books and were able to use share cars located near their homes.

"We should be looking use these new economy services wherever it is feasible and practical," said Mr Perrottet. "Car sharing is flexible, cost effective and convenient."

CEO of GoGet Carshare Tristan Sender said the success of the trial showed the NSW state government can save money by carsharing.

<http://www.finance.nsw.gov.au/about-us/media-releases/fleet-future-free-1bn>



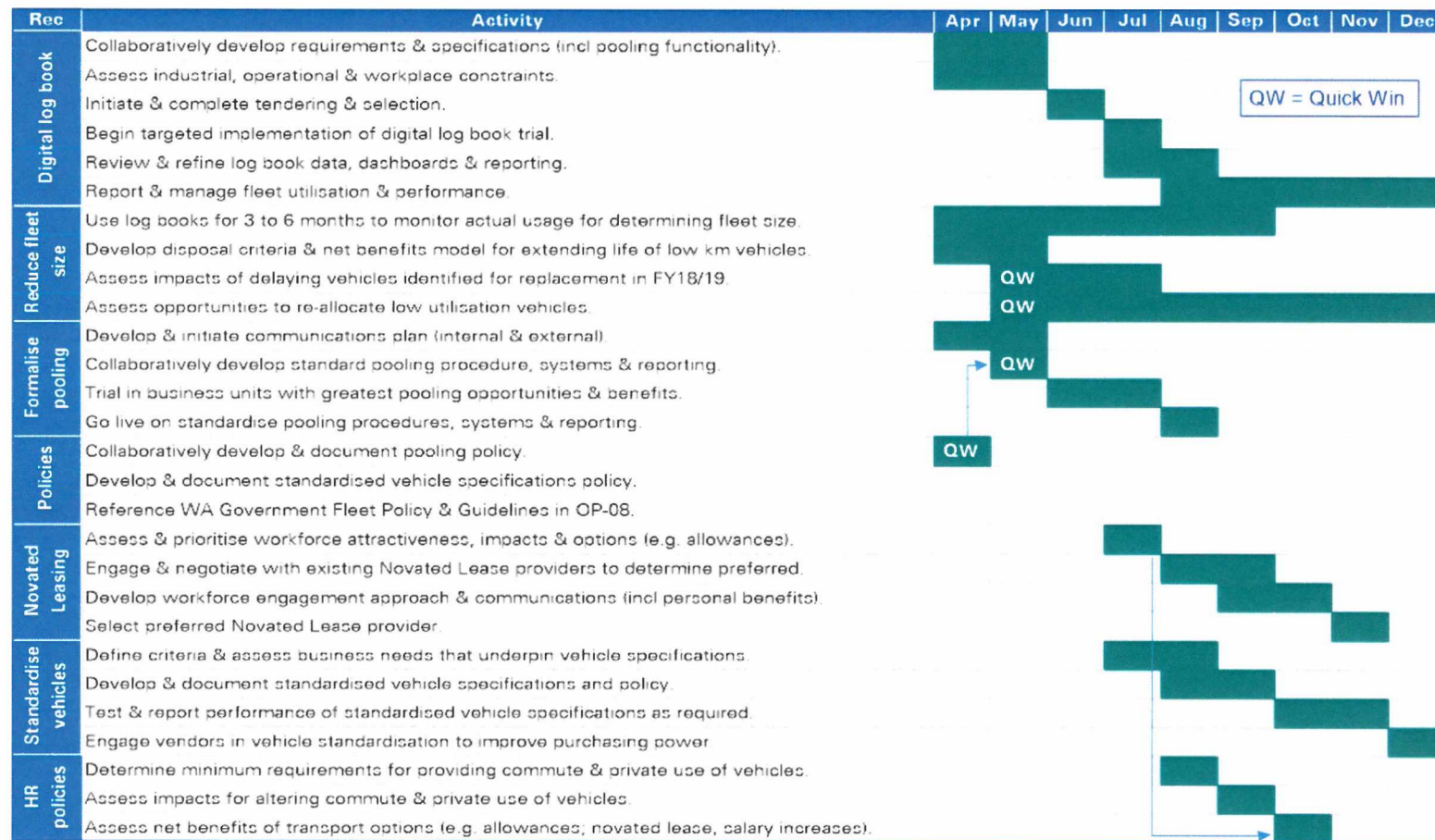
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#	Recommendation	Why do it?
1	Select and trial digital log books or an integrated Fleet Management System (FMS) to collect evidence based data required to effectively assess, manage and optimise the fleet.	<ul style="list-style-type: none"> Evidenced based data in determining value for money and optimisation opportunities. Accurate application of litres for fuel tax credits (@\$0.409/litre^A) which can be retrospectively claimed over 4 years).
2	Following trial of log books (paper or digital) and deeper assessment of purpose and operational needs for vehicles, consider reducing fleet size (e.g. by 3-6 vehicles) by not purchasing all planned vehicles in FY18 and FY19. In particular, these could come from re-allocation of vehicles with low utilisation in the Recreation & Leisure and Community Safety & Emergency Management departments or Operations' and Rangers callout vehicles.	<ul style="list-style-type: none"> Realise capex and opex savings of \$131,865 (\$95,617 base vale excl GST; \$36,248 opex p.a.) if fleet is initially reduced by 3 lowest utilised vehicles Lower fleet capacity encourages improved pooling and sharing of vehicles across departments.
3	To enable future fleet reductions, ensure vehicles are pooled consistently to optimise utilisation opportunities within and across departments (e.g. by sharing between departments with opposing usage patterns).	<ul style="list-style-type: none"> Enable savings above, and provide platform for determining utilisation, future savings and potential fleet reductions.
4	Refresh Mundaring's polies and procedures to include procurement guidelines (e.g. regular inclusion of finance in purchasing; disposal options and criteria); call-out definitions; and ensure adherence to policies	<ul style="list-style-type: none"> Improved governance and cost management of fleet. Opex and capex savings due to purchase and disposal vehicles within appropriate bands. Confirmation of use within policies and procedures.
5	Consider vehicle leasing (including Novated leasing of vehicles used predominately for private use; Fleet Lease Management or commercial car sharing) to reduce costs and improve utilisation of remaining fleet.	<ul style="list-style-type: none"> Release of capital for other purposes. Reduced lifetime cost of ownership of fleet.
6	Standardise the vehicle specifications and fleet composition.	<ul style="list-style-type: none"> Reduced capital expenditure. Reduced operational expenditure (e.g. depreciation and FBT)
7	Review HR policies and future employment entitlements regarding provision of vehicles for private or commuting use.	<ul style="list-style-type: none"> Understand impact of vehicle provision and changes on attracting and retaining people.

Implementation plan

A high level implementation plan has been structured to guide Mundaring in maintaining momentum to improve utilisation, purchase and operating costs.





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Ref	Topic	Description
1.	Distance data estimations.	<ul style="list-style-type: none"> ■ Source data required estimations due to missing or inconsistent odometer reading data. ■ Estimations and assumptions have been agreed.
2.	Indirect fleet costs.	<ul style="list-style-type: none"> ■ Indirect fleet costs associated with overhead, development and management of systems, regular data entry have were not scoped and subsequently not included in this review.
3.	Combined vehicle data for same registration.	<ul style="list-style-type: none"> ■ Fortunately vehicle registrations have remained constant when allocated to a position and department. ■ This assisted greatly in providing a unique identifier to building fleet data. ■ Data from the retired vehicle has been combined and allocated to the active vehicle description, position and department. ■ The combined data may lead to some vehicle costs being higher than expected for the active vehicle. ■ There have been significant differences between depreciation values for some vehicles (e.g. 068 MDG, 070 MDG)
4.	Children Services vehicles are self funded	<ul style="list-style-type: none"> ■ Vehicles are self funded by Children Services.

Appendix 2 Key data notes

The following notes outline key changes to registration data.

Topic	Description
Depreciation	The higher depreciation value between the Finance report and Plant report has been applied.
FBT distances	FBT distances are different from Operational distances as the time periods are different. FBT is from 1/04/16 to 31/03/17 while Operational is 1/07/16 to 30/06/17.
General	Combined vehicle Opex values exclude Total YTD Income, Recovery Variance and Depreciation from Asset System from source Plant Report data.
023 MDG	Distance data initially missing. Distance data single value provided 51213km on 8/01/18. Distance data created applying monthly average of 4,267.75 km per month.
023 MDG	Excluded as purely operational use. Email from Shane Purdy on 22/12/17.
03 MDG	Combined Plant No 699 (Ford Ranger - Retired) with Plant No 723 (Isuzu Dmax - Active). Data represents combined costs of two vehicles.
05 MDG	Combined Plant No 623 (xxx - Retired) with Plant No 723 (Active). Data represents combined costs of two vehicles.
053 MDG	Data missing from Plant Report FY17. Data provided on 8/01/18. Base distance of 687km was multiplied by 4 to annualise the 3 month odometer reading.
059 MDG	Combined Plant No 2447 (Ford Falcon Utility - Retired) with 2468 (Holden Colorado Utility - Active). Data represents combined costs of two vehicles.
803 MDG	Combined Plant No 4754 (Ford FG MKII - Retired) with Plant No 4786 (Kia Sorrento - Active). Registration of Plant No 4786 changed in Plant Report from 804 MDG to 803 MDG to remove duplicated active registration.
804 MDG	Duplicated active registration for 804 MDG in Plant Report with Plant No 4786 and 4785 both recording registration 804 MDG. Plant No 4786 to be changed to 803 MDG.
806 MDG	FBT value initially stated as -\$8244. Restated to \$7,865. Data provided on 8/01/18.
807 MDG	Combined Plant No 4743 (Ford Ranger - Retired) with Plant No 4791 (Isuzu D-Max - Active). Data represents combined costs of two vehicles.
808 MDG	Combined Plant No 4743 (Ford Ranger - Retired) with Plant No 4791 (Isuzu D-Max - Active). Data represents combined costs of two vehicles.
815 MDG	Combined Plant No 4768 (Toyota Aurion - Retired) with Plant 4794 (Toyota Rav AWD - Active). Data represents combined costs of two vehicles.
823 MDG	Combined Plant No 4765 (Holden Colorado - Retired) with Plant No 4796 (Holden Colorado - Active). Data represents combined costs of two vehicles.
831 MDG	Material unplanned value initially stated as -\$750. Restated to \$750. Data provided on 8/01/18.
832 MDG	Excluded as new vehicle for new position.



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Appendix C Purchasing

There is a 5% variation between budgeted and actual purchasing costs could be attributed to under estimating purchase price or changes to vehicle specifications (non business) increasing the purchase price.

20 vehicles identified indicate \$90,171 over spend or under estimation of actual purchase price (average of \$4,508 / vehicle).

Description	Budgeted Purchase Price	Base value (excl GST)	Base v Budget value variance	Base v Budget value variance %
ISUZU D-MAX 4x4 SX SINGLE CAB AUTO TIPPER (2015)	\$ 27,305.00	\$ 35,782.12	\$ 8,477.12	31%
KIA CARNIVAL S AUTO 3.3 PETROL SILVER (2016)	\$ 31,207.00	\$ 39,459.73	\$ 8,252.73	26%
KIA SORRENTO (2016)	\$ 37,000.00	\$ 44,101.44	\$ 7,101.44	19%
KIA GRAND CARNIVAL SI AUTO 3.3 (2015)	\$ 36,000.00	\$ 42,797.01	\$ 6,797.01	19%
HYUNDAI TUCSON ELITE AWD 1.6L PETROL WHITE WAGON (2016)	\$ 30,100.00	\$ 36,454.73	\$ 6,354.73	21%
KIA CARNIVAL PLATINUM (2014)	\$ 45,500.00	\$ 51,500.00	\$ 6,000.00	13%
FORD TERRITORY SZ TS DIESEL AUTO (2014)	\$ 42,500.00	\$ 48,364.40	\$ 5,864.40	14%
FORD TERRITORY DIESEL (2012)	\$ 42,500.00	\$ 47,472.71	\$ 4,972.71	12%
HYUNDAI TUCSON ELITE 1.6L PETROL WAGON (2016)	\$ 31,207.00	\$ 35,409.02	\$ 4,202.02	13%
HOLDEN COMMODORE VE11 SPORTS WAGON (2013)	\$ 31,207.00	\$ 34,936.00	\$ 3,729.00	12%
ISUZU D-MAX SX CREWCAB 4x4 DIESEL AUTO 3.0L (2016)	\$ 34,000.00	\$ 37,586.17	\$ 3,586.17	11%
KIA CARNIVAL SI STNDRN (2013)	\$ 34,800.00	\$ 38,300.90	\$ 3,500.90	10%
TOYOTA RAV 4 AWD PETROL 5DR A/T WHITE (2016)	\$ 28,000.00	\$ 31,488.50	\$ 3,488.50	12%
HOLDEN COLORADO LS MY17 4x2 CREWCAB UTE 2.8L DIESEL (2016)	\$ 27,305.00	\$ 30,186.35	\$ 2,881.35	11%
HOLDEN COLORADO MY17 LS 4x2 CREW CAB UTE (2016)	\$ 27,305.00	\$ 30,186.35	\$ 2,881.35	11%
HOLDEN COLORADO MY17 LS 4x2 CREWCAB WHITE AUTO 2.8 DIESEL (2016)	\$ 27,305.00	\$ 30,171.25	\$ 2,866.25	10%
KIA CARNIVAL Si People Mover (2014)	\$ 36,000.00	\$ 38,572.01	\$ 2,572.01	7%
FORD RANGER PX XL SUPERCAB 3.2D 4x4 (2015)	\$ 34,000.00	\$ 36,563.31	\$ 2,563.31	8%
TOYOTA CAMRY HYBRID DRIVE (2012)	\$ 27,500.00	\$ 29,663.86	\$ 2,163.86	8%
HYUNDAI IX35 LM4X4 AUTO (2014)	\$ 33,000.00	\$ 34,916.95	\$ 1,916.95	6%



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Appendix C Purchasing

The underspend between budgeted and actual purchasing costs does not off-set the over spend.

20 vehicles identified indicate \$15,617 under spend or over estimation of actual purchase price (average of \$781 / vehicle).

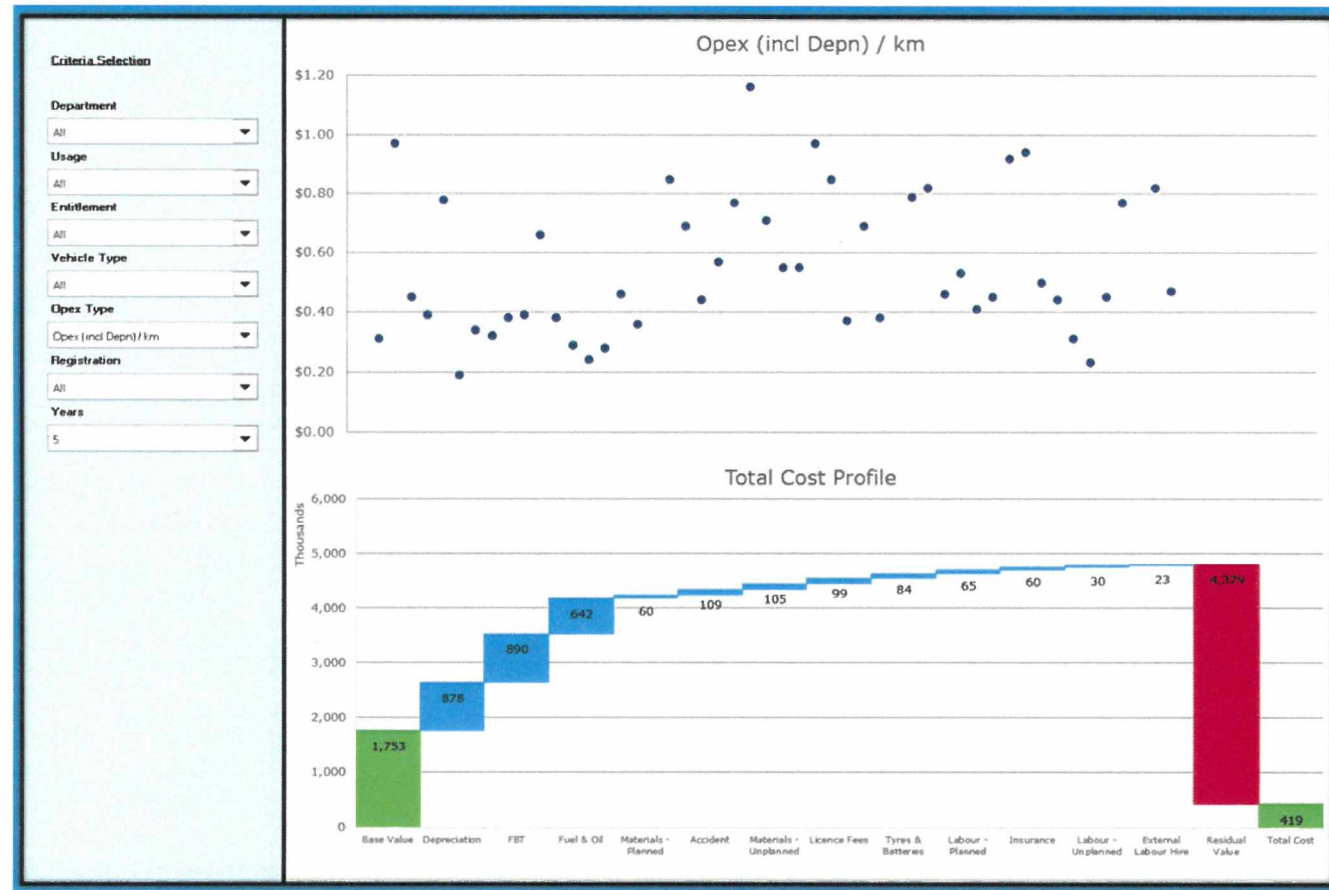
Description	Budgeted Purchase Price	Base value (excl GST)	Base v Budget value variance	Base v Budget value variance %
ISUZU D-MAX 4x4 CREW UTE HI RIDE (2015)	\$ 38,000.00	\$ 33,902.29	\$ (4,097.71)	-11%
ISUZU D-MAX 4x4 CREW HIRIDE UTE (2015)	\$ 36,000.00	\$ 32,326.46	\$ (3,673.52)	-10%
SUBARU FORESTER 2.5iL PETROL CVT (2016)	\$ 31,207.00	\$ 29,181.72	\$ (2,025.28)	-6%
HOLDEN COLORADO LX 4X2 SINGLE CAB UTE AUTO TRAY BACK (2013)	\$ 25,700.00	\$ 23,855.50	\$ (1,844.50)	-7%
TOYOTA KLUGER WAGON 2WD GX V6 A/T (2016)	\$ 42,500.00	\$ 40,658.60	\$ (1,841.40)	-4%
HOLDEN COLORADO 4X4 AUTO SINGLE CAB TRAY BACK (2014)	\$ 31,000.00	\$ 29,369.60	\$ (1,630.40)	-5%
ISUZU D-MAX SPACE CAB 4x4 AUTO WHITE DIESEL (2016)	\$ 36,000.00	\$ 35,155.86	\$ (844.14)	-2%
MAZDA CX5 MAXX AWD PETROL (2017)	\$ 31,207.00	\$ 31,126.85	\$ (80.15)	0%
ISUZU D-MAX SX DUAL CAB 4X2 TRAY BODY DIESEL A/T (2017)	\$ 30,926.00	\$ 30,925.55	\$ (0.45)	0%
HOLDEN COLORADO SINGLE CAB TRAY BACK 4X4 AUTO (2014)	\$ 29,558.00	\$ 29,557.75	\$ (0.25)	0%
NISSAN X-TRAIL ST-L FWD A/T 2.5 PETROL (2017)	\$ 29,928.00	\$ 29,927.78	\$ (0.22)	0%
NISSAN NAVARA RX 4X2 D/CAB A/T (2017)	\$ 29,412.00	\$ 29,411.79	\$ (0.21)	0%
ISUZU D-MAX SX DUAL CAB 4X2 DIESEL A/T (2017)	\$ 28,233.00	\$ 28,232.84	\$ (0.16)	0%
ISUZU D-MAX SX CREW 4X4 HIRIDE AUTO 3.0L WHITE (2017)	\$ 37,004.00	\$ 37,003.95	\$ (0.05)	0%
NISSAN NAVARA RX 4X2 TRAYBACK DIESEL A/T (2017)	\$ 31,737.00	\$ 31,737.06	\$ 0.06	0%
NISSAN NAVARA DUAL CAB RX 4X2 DIESEL A/T (2017)	\$ 30,439.00	\$ 30,439.44	\$ 0.44	0%
ISUZU D-MAX SX DUAL CAB 4X2 DIESEL A/T (2017)	\$ 28,398.00	\$ 28,398.49	\$ 0.49	0%
ISUZU D-MAX SX HIRIDE D/CAB 4x2 3L DIESEL (2015)	\$ 27,305.00	\$ 27,366.82	\$ 61.82	0%
HOLDEN COLORADO LX AUTO 4X2 SINGLE CAB UTE (2014)	\$ 24,000.00	\$ 24,143.31	\$ 143.31	1%
HOLDEN COLORADO LT AUTO (2013)	\$ 28,500.00	\$ 28,715.50	\$ 215.50	1%



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Appendix 4 Operational cost and cost optimization model

The operational cost and fleet optimisation model has been accepted. The image below is intended to provide oversight to the model.



Appendix 9 – Extended disposal criteria

Delaying the disposal of vehicles with the lowest utilisation to 100,000km may provide financial benefits by reducing the depreciation expenses of a new replacement vehicle.

Department	Base value	Depn (straight line 5 years)	Annual km	Years to reach 100k km	Depn saving over 3 years
Recreation and Leisure	\$ 35,782	\$ 7,156	5,622	17.79	\$ 21,469
Operations	\$ 30,171	\$ 6,034	8,317	12.02	\$ 18,103
Administration	\$ 29,664	\$ 5,933	8,768	11.41	\$ 17,798
Planning / Environment	\$ 28,173	\$ 5,635	11,253	8.89	\$ 16,904
Totals	\$ 123,790	\$ 24,758	8,490	12.5	\$ 74,274

Further review will need to be undertaken to understand the impacts on residual value, operating costs and meeting business needs when determining net benefits.



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Third Party Reliance

This report is solely for the purpose set out in the Executive Summary Section and for the Shire of Mundaring's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of the Shire of Mundaring in accordance with the terms of KPMG's engagement letter dated 13 December 2017. Other than our responsibility to the Shire of Mundaring, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

8.3 Review of Council Policy OR-04 Elected Members Allowances and Expenses

File Code	GV.OPP 1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Paul O'Connor, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	<ol style="list-style-type: none">1. OR-04 Elected Members Allowances and Expenses - Current Policy ↓2. OR-04 Elected Members Allowances and Expenses - Revised Policy with tracked changes ↓3. AMENDED - OR-04 Elected Members Allowances and Expenses ↓

SUMMARY

As part of the Shire's undertaking to review its policies the Committee is requested to review Policy OR-04 Elected Members Allowances and Expenses and subsequently recommend that the revised policy be adopted by Council.

BACKGROUND

The purpose of Policy OR-04 is to provide guidance and clarity with regard to the allowances and expenses that will be paid to elected members in accordance with the *Local Government Act 1995*, *Local Government (Administration) Regulations 1996* and the *Salaries and Allowances Act 1975*.

The policy was last reviewed in September 2015.

STATUTORY / LEGAL IMPLICATIONS

Section 5.98 of the *Local Government Act 1995* – Fees etc. for council members

Section 5.98A of the *Local Government Act 1995* – Allowance for deputy mayor or deputy president

Section 5.99 of the *Local Government Act 1995* – Annual fee for council members in lieu of fees for attending meetings

Section 5.99A of the *Local Government Act 1995* – Allowances for council in lieu of reimbursement of expenses

Section 5.100A of the *Local Government Act 1995* - Gifts to council members

Local Government (Administration) Amendment Regulations 2012

POLICY IMPLICATIONS

The purpose of Policy OR-04 is to provide guidance and clarity with regard to the allowances and expenses that will be paid to elected members.

FINANCIAL IMPLICATIONS

An annual provision is included in the budget for Elected Members allowances and expenses.

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.2 – Transparent, responsive and engaged processes for Shire decision making

Strategy 1.2.1 – Increase transparency and responsiveness of Shire administration processes

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Compliance – a lack of guidance and clarity with regard to the allowances and expenses that will be paid to elected members may result in non-compliance with the *Local Government Act 1995*, *Local Government (Administration) Regulations 1996* and the *Salaries and Allowances Act 1975*.

Likelihood	Consequence	Rating
Unlikely	Minor	Low

Action / Strategy

Council adopts a policy that provides guidance and clarity with regard to the allowances and expenses that will be paid to elected members.

EXTERNAL CONSULTATION

Nil

COMMENT

Policy OR-04 has been reviewed and the following amendments are proposed:

- The requirement for the annual meeting attendance fees and the President allowance to be fixed at 75% of the scale between the minimum and maximum levels as determined by SAT each financial year has been removed. The rationale for this is that Council is required to set the annual meeting attendance fees and allowances as part of the budget process each year. As part of this annual process

Council has the discretion to set its fees at any level within the SAT range, which withstands any stipulation of a set percentage that may be in a Council policy.

- A change in the frequency in the payment of annual allowances from monthly instalments to quarterly instalments. The rationale behind this is the efficiency that will be achieved from only having 48 payments made during the year as opposed to 144 payments. The year-end reconciliation of these payments will also be simplified.
- The removal of the statement that an elected member may keep their tablet PC upon retiring. This clause is redundant as elected members pay for the purchase of their tablet PC from their allowance and therefore the tablet PC is rightfully the property of the elected member.
- The removal of the prescriptive list of operating systems to be provide on the tablet PCs of elected members. It's considered that the statement "...standard operating systems, equivalent to those provided to the Executive Leadership Team" adequately covers any requirements and is self-explanatory.
- The removal of the reference to the President's monthly call allowance of \$125. All Shire phones are now on a shared corporate plan for calls and data at a fixed cost per phone (i.e. \$40 including GST per phone).

It should be noted that in accordance with the *Local Government Act 1995* the current policy provides for gifts to elected members upon retirement of \$50 per year of service (having served one full four year term) up to a maximum value of \$250. Regulation 34AC (2) of the *Local Government (Administration) Regulations 1996* does allow for gifts to elected members upon retirement of up to \$100 per year of service (having served one full four year term) up to a maximum value of \$1000.

VOTING REQUIREMENT

Simple Majority

Preamble to Committee Recommendation

The Committee amended the draft policy to reflect the members allowances to be paid monthly not quarterly.

COMMITTEE RECOMMENDATION	ARC6.08.18
Moved by Mr Wilkinson Seconded by Cr Fox	

That Council adopts the revised policy OR-04 Elected Members Allowances and Expenses as reviewed in August 2018, **as amended**.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

Shire of Mundaring

POLICY**ELECTED MEMBERS ALLOWANCES and EXPENSES**

Policy Ref:	OR-04		
Committee Rec:	SPC10.04.05	Date:	18 April 05
Adopted by:	RC13.04.05	Date:	26 April 05
Amended by:	C16.09.11	Date:	27 September 2011
Reviewed:	C5.12.14	Date:	9 December 2014
Reviewed:	C5.09.15	Date:	9 September 2015
Procedure Ref:	N/A	Delegation Ref:	N/A
Statute Ref:	<i>Local Government Act 1995</i> <i>Local Government (Administration) Regulations 1996</i> <i>Salaries and Allowances Act 1975</i>		
Local Law Ref:	N/A		

PURPOSE

To provide guidance and clarity with regard to the allowances and expenses that will be paid to elected members in accordance with the *Local Government Act 1995*, *Local Government (Administration) Regulations 1996* and the *Salaries and Allowances Act 1975* to enable them to carry out the functions as an Elected Member of the Shire of Mundaring.

POLICY**1. Meeting Allowances****1.1 Annual Meeting Attendance Fees**

- 1.1.1 Annual meeting attendance fees are determined each year during development of the annual budget and will be within the range determined each year by the Salaries and Allowances Tribunal. These fees are fixed at 75% of the scale between the minimum and maximum levels as determined by SAT each financial year.
- 1.1.2 Payment of the annual fee is made on the principle that each elected member regularly attends Council and committee meetings to which they are appointed and carries out other responsibilities of their office.
- 1.1.3 Any taxation liability arising from the payment of meeting fees is the responsibility of each elected member.
- 1.1.4 Payment may be made to an elected member's superannuation fund if requested.
- 1.1.5 Meeting attendance fees are payable in arrears and in twelve equal monthly instalments.

OR-04 - Elected Members Fees Expenses Allowances and Equipment

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1.2 President and Deputy President Allowances

- 1.2.1 President and Deputy President Allowances are determined each year during development of the annual budget and will be within the range determined each year by the Salaries and Allowances Tribunal. These fees are fixed at 75% of the scale between the minimum and maximum levels as determined by SAT each financial year.
- 1.2.2 These allowances are paid in arrears and in twelve equal monthly instalments. Payments are processed at the end of each month.

1.3 Information and Communication Technology Allowance

- 1.3.1 The Information and Communication Technology (ICT) Allowance is determined each year during development of the annual budget and will be set at the maximum level determined each year by the Salaries and Allowances Tribunal. This allowance is fixed at 100% of the SAT determination.
- 1.3.2 The ICT allowance covers:
 - The cost to purchase a tablet PC eg. iPad (through the Shire IT department);
 - telecommunication expenses;
 - purchase of a printer (if required);
 - expenses incurred for the maintenance and repair of the tablet PC and any consumable supplies; and
 - provision of an internet connection or dataplan.
- 1.3.3 This allowance is paid in arrears and in twelve equal monthly instalments.

2. Reimbursement of Expenses

2.1 Travel Costs

- 2.1.1 Elected members, while using their own private motor vehicle, are entitled to be reimbursed for travel costs to and from their home incurred for the following purposes:
 - a) To any Council or committee meeting regardless of whether or not they are a member;
 - b) To any community meeting as an authorised delegate or liaison member;
 - c) To meetings of an organisation to which they have been appointed as Council delegate or liaison member;
 - d) To any conference or other function that they have been authorised by Council to attend; and
 - e) To perform a function in their official capacity as an elected member.
- 2.1.2 Where a motor vehicle is used, reimbursement of travel expenses is calculated on a cents per kilometre basis payable as prescribed in the *Local Government Officers' (Western Australia) Interim Award 2011*.

OR-04 - Elected Members Fees Expenses Allowances and Equipment

Page 2 of 4

- 2.1.3 If an elected member is provided with a Shire vehicle to attend official duties, no travel costs are claimable.
- 2.1.4 Where a taxi is used, reimbursement will be made in full upon lodgment of receipts accompanying the claim form which includes date, travel destinations and function/meeting attended.
- 2.1.5 Parking fees incurred as a result of travel to any occasion referred to in clause 2.1.1 of this policy shall be reimbursed upon lodgment of receipts accompanying the claim form.
- 2.1.6 Reimbursement of travel costs will be processed monthly upon receipt of the claim form and receipts.

2.2 Child Care Costs

- 2.2.1 Elected members shall be entitled to reimbursement of the lesser amount of actual child care costs or \$25 per hour for care of children of which they are parent or legal guardian, whilst attending to Council business.
- 2.2.2 For the purpose of this section the number of hours claimed shall be limited to the actual length of the meeting, with a nominal time allowance for networking opportunities and travel to and from the place of care.
- 2.2.3 Reimbursement of child care costs will be processed upon receipt of the claim form and receipts which must include detail of the date, number of hours, rate and function/meeting attended.

3. Gifts to Elected Members upon Retirement

- 3.1 Upon retirement, elected members who have served at least one full 4 year term of office are entitled to receive a gift to the value of \$50 per year of service, to a maximum of \$250.

4. Equipment

4.1 Provision of Equipment

- 4.1.1 All elected members following their election will receive, (to be paid from their ICT Allowance), a tablet PC eg iPad with keyboard, stylus and standard operating applications, equivalent to those provided to the Executive Leadership Team, such as:
 - Keynote - Apple's equivalent of Powerpoint
 - Numbers – Apple's equivalent of Excel
 - Pages – Apple's equivalent of Word
 - GoodReader and PDF Expert – for viewing and annotating PDFs
 - Notability and Penultimate – for taking notes including audio notes
 - Sophos – mobile control
 - Any additional software as determined from time to time by the CEO.
- 4.1.2 Software maintenance and support for the tablet PC will be provided by the Shire's IT department.
- 4.1.3 In the event of damage, elected members are to have the tablet PC repaired, preferably at the official store, eg. Apple store.
- 4.1.4 At the end of their term of office the tablet PC will remain with the retiring elected member at no charge.

- 4.1.5 Elected members who are re-elected for a further term may retain the same tablet PC as long as it is supported by the manufacturer or may opt to purchase a new one via the Shire.

4.2 Mobile Telephone

- 4.2.1 The President is entitled to be provided with a smartphone – equivalent to the smartphone provided to the Executive Leadership Team - in addition to the ICT Allowance, including a monthly call allowance of up to \$125.
- 4.2.2 The Shire will not pay telephone, internet nor additional communication connections for elected members, as these are covered by the ICT Allowance.

4.3 Stationery

- 4.3.1 Elected members will be supplied with a formal name badge. Lost or irreparably damaged badges will be replaced on request, and within reason.
- 4.3.2 Elected members will be provided with a quantity of 500 colour printed business cards for relevant Shire business within each term of office. The business card format will include: photograph, name, bestowed titles and contact information (address, Shire email, phone, fax and mobile (if provided)).

5. Insurance

Elected members will be provided with insurance cover for:

- 5.1 **Personal Accident** whilst performing their official duties. Cover does not include ordinary medical expenses.
- 5.2 **Management Liability** for matters arising out of the performance of the official duties of their office provided the performance or exercise of the official duty is, in the opinion of Council, not illegal, dishonest, against the interests of the Shire or otherwise in bad faith.
- 5.3 **Public Liability** for matters arising out of the performance of the official duties of their office but subject to any limitations set out in the insurance policy.
- 5.4 **Elected members are encouraged to include their electronic devices in their household contents insurance.**

6. Other Expenses

It is not expected that elected members will incur any other expenses in the performance of their duties. Should an elected member incur an expense they believe they are entitled to have reimbursed; the matter shall be presented to the Audit and Governance Committee for determination.

Shire of Mundaring

POLICY

ELECTED MEMBERS ALLOWANCES and EXPENSES

Policy Ref: OR-04

Committee Rec:	SPC10.04.05	Date:	18 April 05
Adopted by:	RC13.04.05	Date:	26 April 05
Amended by:	C16.09.11	Date:	27 September 2011
Reviewed:	C5.12.14	Date:	9 December 2014
Reviewed:	C5.09.15	Date:	9 September 2015
Reviewed:			
Procedure Ref:	N/A	Delegation Ref:	N/A
Statute Ref:	Local Government Act 1995 Local Government (Administration) Regulations 1996 Salaries and Allowances Act 1975		
Local Law Ref:	N/A		

PURPOSE

To provide guidance and clarity with regard to the allowances and expenses that will be paid to elected members in accordance with the *Local Government Act 1995*, *Local Government (Administration) Regulations 1996* and the *Salaries and Allowances Act 1975* to enable them to carry out the functions as an Elected Member of the Shire of Mundaring.

POLICY

1. ~~Meeting~~ Allowances

1.1 Annual Meeting Attendance Fees

- 1.1.1 Annual meeting attendance fees are determined each year during development of the annual budget and will be within the range determined each year by the Salaries and Allowances Tribunal. ~~These fees are fixed at 75% of the scale between the minimum and maximum levels as determined by SAT each financial year.~~
- 1.1.2 Payment of the annual fee is made on the principle that each elected member regularly attends Council and committee meetings to which they are appointed and carries out other responsibilities of their office.
- 1.1.3 Any taxation liability arising from the payment of meeting fees is the responsibility of each elected member.
- 1.1.4 Payment may be made to an elected member's superannuation fund if requested.

~~OR-04 - Elected Members Fees Expenses Allowances and Equipment - Track Changes~~
~~OR-04 - Elected Members Fees Expenses Allowances and Equipment~~

- 1.1.5 Meeting attendance fees are payable in arrears and in ~~four~~ ~~twelve~~ equal ~~quarterly~~ ~~monthly~~ instalments payable at the end of October, December, March and June.

1.2 President and Deputy President Allowances

- 1.2.1 President and Deputy President Allowances are determined each year during development of the annual budget and will be within the range determined each year by the Salaries and Allowances Tribunal. ~~These fees are fixed at 75% of the scale between the minimum and maximum levels as determined by SAT each financial year.~~
- 1.2.2 These allowances are paid in arrears and in ~~four~~ ~~twelve~~ equal ~~quarterly~~ ~~monthly~~ instalments payable at the end of October, December, March and June. ~~Payments are processed at the end of each month.~~

1.3 Information and Communication Technology Allowance

- 1.3.1 The Information and Communication Technology (ICT) Allowance is determined each year during development of the annual budget and will be set at the maximum level determined each year by the Salaries and Allowances Tribunal. ~~This allowance is fixed at 100% of the SAT determination.~~
- 1.3.2 The ICT allowance covers:
- The cost to purchase a tablet PC eg. iPad (~~via~~ ~~through~~ the Shire IT department);
 - telecommunication expenses;
 - purchase of a printer (if required);
 - expenses incurred for the maintenance and repair of the tablet PC and any consumable supplies; and
 - provision of an internet connection or dataplan.
- 1.3.3 This allowance is paid in arrears and in ~~four~~ ~~twelve~~ equal ~~quarterly~~ ~~monthly~~ instalments payable at the end of October, December, March and June.

2. Reimbursement of Expenses

2.1 Travel Costs

- 2.1.1 Elected members, while using their own private motor vehicle, are entitled to be reimbursed for travel costs to and from their home incurred for the following purposes:
- a) To any Council or committee meeting regardless of whether or not they are a member;
 - b) To any community meeting as an authorised delegate or liaison member;
 - c) To meetings of an organisation to which they have been appointed as Council delegate or liaison member;
 - d) To any conference or other function that they have been authorised by Council to attend; and

~~OR-04 - Elected Members Fees Expenses Allowances and Equipment - Track Changes~~
~~OR-04 - Elected Members Fees Expenses Allowances and Equipment~~

e) To perform a function in their official capacity as an elected member.

- 2.1.2 Where a motor vehicle is used, reimbursement of travel expenses is calculated on a cents per kilometre basis payable as prescribed in the *Local Government Officers' (Western Australia) Interim Award 2011*.
- 2.1.3 If an elected member is provided with a Shire vehicle to attend official duties, no travel costs are claimable.
- 2.1.4 Where a taxi or uber service is used, reimbursement will be made in full upon lodgment of receipts accompanying the claim form which includes date, travel destinations and function/meeting attended.
- 2.1.5 Parking fees incurred as a result of travel to any occasion referred to in clause 2.1.1 of this policy shall be reimbursed upon lodgment of receipts accompanying the claim form.
- 2.1.6 Reimbursement of travel costs will be processed monthly upon receipt of the claim form and receipts.

2.2 Child Care Costs

- 2.2.1 Elected members shall be entitled to reimbursement of the lesser amount of actual child care costs or \$25 per hour for care of children of which they are parent or legal guardian, whilst attending to Council business.
- 2.2.2 For the purpose of this section the number of hours claimed shall be limited to the actual length of the meeting, with a nominal time allowance for networking opportunities and travel to and from the place of care.
- 2.2.3 Reimbursement of child care costs will be processed upon receipt of the claim form and receipts which must include detail of the date, number of hours, rate and function/meeting attended.

3. Gifts to Elected Members upon Retirement

- 3.1 Upon retirement, elected members who have served at least one full 4 year term of office are entitled to receive a gift to the value of \$50 per year of service, to a maximum of \$250.

4. Equipment

4.1 Provision of Equipment

- 4.1.1 All elected members following their election will receive, (to be paid from their ICT Allowance), a tablet PC eg iPad with keyboard, stylus and standard operating applications, equivalent to those provided to the Executive Leadership Team, ~~such as:~~
- ~~• Keynote – Apple's equivalent of Powerpoint~~
 - ~~• Numbers – Apple's equivalent of Excel~~
 - ~~• Pages – Apple's equivalent of Word~~
 - ~~• GoodReader and PDF Expert – for viewing and annotating PDFs~~
 - ~~• Notability and Penultimate – for taking notes including audio notes~~
 - ~~• Sophos – mobile control~~
 - ~~• Any additional software as determined from time to time by the CEO.~~
- 4.1.2 Software maintenance and support for the tablet PC will be provided by the Shire's IT department.

~~OR-04 - Elected Members Fees Expenses Allowances and Equipment - Track Changes~~
~~OR-04 - Elected Members Fees Expenses Allowances and Equipment~~

4.1.3 In the event of damage, elected members are to have the tablet PC repaired, preferably at the official store, eg. Apple store.

~~4.1.4 At the end of their term of office the tablet PC will remain with the retiring elected member at no charge.~~

4.1.45 Elected members who are re-elected for a further term may retain the same tablet PC as long as it is supported by the manufacturer or may opt to purchase a new one via the Shire.

4.2 Mobile Telephone

4.2.1 The President is entitled to be provided with ~~a smartphone~~ a smartphone – equivalent to the smartphone and associated corporate Shire plan provided to the Executive Leadership Team - in addition to the ICT Allowance, ~~including a monthly call allowance of up to \$125.~~

4.2.2 The Shire will not pay telephone, internet nor additional communication connections for elected members, as these are covered by the ICT Allowance.

4.3 Stationery

4.3.1 Elected members will be supplied with a formal name badge. Lost or irreparably damaged badges will be replaced on request, and within reason.

4.3.2 Elected members will be provided with a quantity of 500 colour printed business cards for relevant Shire business within each term of office. The business card format will include: photograph, name, bestowed titles and contact information (address, Shire email, phone, fax and mobile (if provided)).

5. Insurance

Elected members will be provided with insurance cover for:

5.1 **Personal Accident and Corporate Travel** whilst performing their official duties. Cover does not include ordinary medical expenses.

5.2 **Management Liability** for matters arising out of the performance of the official duties of their office provided the performance or exercise of the official duty is, in the opinion of Council, not illegal, dishonest, against the interests of the Shire or otherwise in bad faith.

5.3 **Public Liability** for matters arising out of the performance of the official duties of their office but subject to any limitations set out in the insurance policy.

5.4 **Elected members are encouraged to include their electronic devices in their household contents insurance.**

6. Other Expenses

It is not expected that elected members will incur any other expenses in the performance of their duties. Should an elected member incur an expense they believe they are entitled to have reimbursed; the matter shall be presented to Council for a determination ~~the Audit and Governance Committee for determination.~~

~~OR-04 - Elected Members Fees Expenses Allowances and Equipment - Track Changes~~
~~OR-04 - Elected Members Fees Expenses Allowances and Equipment~~

Shire of Mundaring

POLICY**ELECTED MEMBERS ALLOWANCES and EXPENSES**

Policy Ref:	OR-04		
Adopted by:	RC13.04.05	Date:	26 April 05
Amended by:	C16.09.11	Date:	27 September 2011
Reviewed:	C5.12.14	Date:	9 December 2014
Reviewed:	C5.09.15	Date:	9 September 2015
Reviewed:			
Procedure Ref:	N/A	Delegation Ref:	N/A
Statute Ref:	<i>Local Government Act 1995</i>		
	<i>Local Government (Administration) Regulations 1996</i>		
	<i>Salaries and Allowances Act 1975</i>		
Local Law Ref:	N/A		

PURPOSE

To provide guidance and clarity with regard to the allowances and expenses that will be paid to elected members in accordance with the *Local Government Act 1995*, *Local Government (Administration) Regulations 1996* and the *Salaries and Allowances Act 1975* to enable them to carry out the functions as an Elected Member of the Shire of Mundaring.

POLICY**1. Allowances****1.1 Annual Meeting Attendance Fees**

- 1.1.1 Annual meeting attendance fees are determined each year during development of the annual budget and will be within the range determined each year by the Salaries and Allowances Tribunal.
- 1.1.2 Payment of the annual fee is made on the principle that each elected member regularly attends Council and committee meetings to which they are appointed and carries out other responsibilities of their office.
- 1.1.3 Any taxation liability arising from the payment of meeting fees is the responsibility of each elected member.
- 1.1.4 Payment may be made to an elected member's superannuation fund if requested.
- 1.1.5 Meeting attendance fees are payable in arrears as 12 monthly instalments.

OR-04 - Elected Members Allowances and Expenses

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1.2 President and Deputy President Allowances

- 1.2.1 President and Deputy President Allowances are determined each year during development of the annual budget and will be within the range determined each year by the Salaries and Allowances Tribunal.
- 1.2.2 These allowances are paid in arrears as 12 equal monthly instalments.

1.3 Information and Communication Technology Allowance

- 1.3.1 The Information and Communication Technology (ICT) Allowance is determined each year during development of the annual budget and will be set at the maximum level determined each year by the Salaries and Allowances Tribunal.
- 1.3.2 The ICT allowance covers:
- The cost to purchase a tablet PC eg. iPad (via the Shire IT department);
 - telecommunication expenses;
 - purchase of a printer (if required);
 - expenses incurred for the maintenance and repair of the tablet PC and any consumable supplies; and
 - provision of an internet connection or dataplan.
- 1.3.3 This allowance is paid in arrears as 12 equal monthly instalments.

2. Reimbursement of Expenses

2.1 Travel Costs

- 2.1.1 Elected members, while using their own private motor vehicle, are entitled to be reimbursed for travel costs to and from their home incurred for the following purposes:
- a) To any Council or committee meeting regardless of whether or not they are a member;
 - b) To any community meeting as an authorised delegate or liaison member;
 - c) To meetings of an organisation to which they have been appointed as Council delegate or liaison member;
 - d) To any conference or other function that they have been authorised by Council to attend; and
 - e) To perform a function in their official capacity as an elected member.
- 2.1.2 Where a motor vehicle is used, reimbursement of travel expenses is calculated on a cents per kilometre basis payable as prescribed in the *Local Government Officers' (Western Australia) Interim Award 2011*.
- 2.1.3 If an elected member is provided with a Shire vehicle to attend official duties, no travel costs are claimable.
- 2.1.4 Where a taxi or uber service is used, reimbursement will be made in full upon lodgment of receipts accompanying the claim form which includes date, travel destinations and function/meeting attended.

OR-04 - Elected Members Allowances and Expenses

- 2.1.5 Parking fees incurred as a result of travel to any occasion referred to in clause 2.1.1 of this policy shall be reimbursed upon lodgment of receipts accompanying the claim form.
- 2.1.6 Reimbursement of travel costs will be processed monthly upon receipt of the claim form and receipts.

2.2 Child Care Costs

- 2.2.1 Elected members shall be entitled to reimbursement of the lesser amount of actual child care costs or \$25 per hour for care of children of which they are parent or legal guardian, whilst attending to Council business.
- 2.2.2 For the purpose of this section the number of hours claimed shall be limited to the actual length of the meeting, with a nominal time allowance for networking opportunities and travel to and from the place of care.
- 2.2.3 Reimbursement of child care costs will be processed upon receipt of the claim form and receipts which must include detail of the date, number of hours, rate and function/meeting attended.

3. Gifts to Elected Members upon Retirement

- 3.1 Upon retirement, elected members who have served at least one full 4 year term of office are entitled to receive a gift to the value of \$50 per year of service, to a maximum of \$250.

4. Equipment

4.1 Provision of Equipment

- 4.1.1 All elected members following their election will receive, (to be paid from their ICT Allowance), a tablet PC eg iPad with keyboard, stylus and standard operating applications, equivalent to those provided to the Executive Leadership Team.
- 4.1.2 Software maintenance and support for the tablet PC will be provided by the Shire's IT department.
- 4.1.3 In the event of damage, elected members are to have the tablet PC repaired, preferably at the official store, eg. Apple store.
- 4.1.4 Elected members who are re-elected for a further term may retain the same tablet PC as long as it is supported by the manufacturer or may opt to purchase a new one via the Shire.

4.2 Mobile Telephone

- 4.2.1 The President is entitled to be provided with a smartphone – equivalent to the smartphone and associated corporate Shire plan provided to the Executive Leadership Team - in addition to the ICT Allowance.
- 4.2.2 The Shire will not pay telephone, internet nor additional communication connections for elected members, as these are covered by the ICT Allowance.

4.3 Stationery

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- 4.3.1 Elected members will be supplied with a formal name badge. Lost or irreparably damaged badges will be replaced on request, and within reason.
- 4.3.2 Elected members will be provided with a quantity of 500 colour printed business cards for relevant Shire business within each term of office. The business card format will include: photograph, name, bestowed titles and contact information (address, Shire email, phone, fax and mobile (if provided)).

5. Insurance

Elected members will be provided with insurance cover for:

- 5.1 **Personal Accident and Corporate Travel** whilst performing their official duties. Cover does not include ordinary medical expenses.
- 5.2 **Management Liability** for matters arising out of the performance of the official duties of their office provided the performance or exercise of the official duty is, in the opinion of Council, not illegal, dishonest, against the interests of the Shire or otherwise in bad faith.
- 5.3 **Public Liability** for matters arising out of the performance of the official duties of their office but subject to any limitations set out in the insurance policy.
- 5.4 **Elected members are encouraged to include their electronic devices in their household contents insurance.**

6. Other Expenses

It is not expected that elected members will incur any other expenses in the performance of their duties. Should an elected member incur an expense they believe they are entitled to have reimbursed; the matter shall be presented to Council for a determination.

8.4 Review of Council Policy OR-17 Disposal of Minor Assets

File Code	GV.OPP 1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Paul O'Connor, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	<ol style="list-style-type: none">1. OR-17 Disposal of Surplus Minor Assets - Current Policy ↓2. OR-17 Disposal of Surplus Minor Assets - Revised Policy with Tracked Changes ↓3. AMENDED - OR-17 Disposal of Surplus Minor Assets ↓

SUMMARY

As part of the Shire's undertaking to review its policies the Committee is requested to review Policy OR-17 Disposal of Minor Assets and subsequently recommend that the revised policy be adopted by Council.

BACKGROUND

The purpose of Policy OR-17 is to establish guidelines for the responsible and accountable disposal of minor assets deemed surplus to the Shire's requirements in support of community groups.

The Policy was first adopted by Council in May 2013 and has not been reviewed since its adoption.

STATUTORY / LEGAL IMPLICATIONS

1. As per section 3.58 of the *Local Government Act 1995*, a local government can only dispose of property to the highest bidder at a public auction, by public tender or by inviting submissions by local public notice, unless regulations determine otherwise.
2. Regulation 30 (3) of the *Local Government (Functions and General) Regulations 1996* states that a disposition of property, other than land, is exempt if its market value is less than \$20,000.

POLICY IMPLICATIONS

Policy OR-17 establishes guidelines for the responsible and accountable disposal of minor assets deemed surplus to the Shire's requirements in support of community groups.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.2 – Transparent, responsive and engaged processes for Shire decision making

Strategy 1.2.1 – Increase transparency and responsiveness of Shire administration processes

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Reputation - To assist community groups the Shire may from time to time offer them its surplus minor assets. A perception that all community groups do not receive equitable treatment may give rise to claims of bias.		
Likelihood	Consequence	Rating
Possible	Minor	Low
Action / Strategy		
A policy and supporting procedure are in place to provide guidelines for the responsible and accountable disposal of minor assets deemed surplus to the Shire's requirements in support of community groups.		

EXTERNAL CONSULTATION

Nil

COMMENT

Policy OR-17 has been reviewed and the following amendments are proposed –

- Amending the terminology of “commercial value” used within the policy to “market value” so that it is consistent with the terminology used within the relevant legislation.
- The insertion of the reference to assets being disposed of “in a safe manner”.

ATTACHMENT 1 is the current policy, **ATTACHMENT 2** is a tracked changes version, **ATTACHMENT 3** is the proposed final version.

VOTING REQUIREMENT

Simple Majority

Preamble to Committee Recommendation

The Committee in line with Councils commitment to environment sustainability amended the draft policy to state that where possible, the disposing of assets will be via recycling rather than destruction.

COMMITTEE RECOMMENDATION	ARC7.08.18		
Moved by	Cr Jeans	Seconded by	Mr Wilkinson

That Council adopts the revised policy OR-17 Disposal of Surplus Minor Assets as reviewed in August 2018, **as amended**.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

Shire of Mundaring

POLICY

DISPOSAL OF SURPLUS MINOR ASSETS

Policy Ref:	OR-17	
Committee Rec:	Audit and Governance	Date: 7 May 2013
Adopted:	C28.05.13	Date: 28 May 2013
Amended:		Date:
Reviewed:		Date:
Procedure Ref:		Delegation Ref:
Statute Ref:	<i>Local Government Act 1995 s. 3.58 (5) (d); Local Government (Functions and General) Regulations 1996 regulation 30 (3)</i>	

Local Law Ref:

PURPOSE

To establish guidelines for the responsible and accountable disposal of minor assets deemed surplus to the Shire's requirements in support of community groups.

POLICY

Legislation:

As per s. 3.58 of the *Local Government Act 1995*, a local government can only dispose of property to the highest bidder at a public auction, by public tender or by inviting submissions by local public notice, unless regulations determine otherwise.

Regulation 30 (3) of the *Local Government (Functions and General) Regulations 1996* states that a disposition of property, other than land, is exempt if its market value is less than \$20,000.

Application:

This policy applies to minor assets only, which are surplus to the Shire's requirements and have little or no commercial value (up to \$100 per item).

Statement:

The Shire of Mundaring recognises the need to support, develop and foster a harmonious community and further recognises the role of community groups in achieving this objective.

To assist these groups the Shire may from time to time offer them its surplus minor assets, provided no risk liability is attached to the asset being given away.

All community groups should receive equitable treatment to avoid claims of bias.

The decision to make such an offer is to be made by the Chief Executive Officer or delegate, who may determine to advertise and seek applications from interested community organisations.

Where such a decision is made, applications will be assessed on the basis of demonstrated need and proposed use.

Where no expressions of interest have been received from community organisations, surplus minor asset items may be offered to elected members or Shire employees through internal advertising on a "first come first served" basis.

If an item doesn't attract interest from community groups, elected members or employees, it may be disposed of by recycling or destruction.

Shire of Mundaring

POLICY**DISPOSAL OF SURPLUS MINOR ASSETS**

Policy Ref:	OR-17	
Committee Rec:	Audit and Governance	Date: 7 May 2013
Adopted by:	C28.05.13	Date: 28 May 2013
Amended:		Date:
Reviewed:	xx.xx.xx	Date: xx August 2018
Procedure Ref:	Admin-23	Delegation Ref: n/a
Statute Ref:	Local Government Act 1995 s. 3.58 (5) (d); Local Government (Functions and General) Regulations 1996 regulation 30 (3)	
Local Law Ref:	n/a	

PURPOSE

To establish guidelines for the responsible and accountable disposal of minor assets deemed surplus to the Shire's requirements in support of community groups.

POLICY**Legislation:**

As per ~~section~~ 3.58 of the *Local Government Act 1995*, a local government can only dispose of property to the highest bidder at a public auction, by public tender or by inviting submissions by local public notice, unless regulations determine otherwise.

Regulation 30 (3) of the *Local Government (Functions and General) Regulations 1996* states that a disposition of property, other than land, is exempt if its market value is less than \$20,000.

Application:

This policy applies to minor assets only, which ~~have little or no market value (up to \$100 per item) and~~ are surplus to the Shire's requirements ~~and have little or no commercial value (up to \$100 per item).~~

Statement:

The Shire of Mundaring recognises the need to support, develop and foster a harmonious community and further recognises the role of community groups in achieving this objective.

To assist these groups the Shire may from time to time offer them its surplus minor assets, provided no risk liability is attached to the asset being ~~gifted~~ given away.

All community groups should receive equitable treatment to avoid claims of bias. The decision to make such an offer is to be made by the Chief Executive Officer or delegate, who may determine to advertise and seek applications from interested community organisations.

Where such a decision is made, applications will be assessed on the basis of demonstrated need and proposed use.

Where no expressions of interest have been received from community organisations, surplus minor asset items may be offered to elected members or Shire employees through internal advertising on a "first come first served" basis.

If an item doesn't attract interest from community groups, elected members or employees, it may be disposed of by recycling or destruction in a safe manner.

Shire of Mundaring

POLICY

DISPOSAL OF SURPLUS MINOR ASSETS

Policy Ref:	OR-17	
Adopted by:	C28.05.13	Date: May 2013
Reviewed:	xx.xx.xx	Date: xx August 2018
Procedure Ref:	Admin-23	Delegation Ref: n/a
Statute Ref:	<i>Local Government Act 1995 s. 3.58 (5) (d)</i> <i>Local Government (Functions and General) Regulations 1996 regulation 30 (3)</i>	
Local Law Ref:	n/a	

PURPOSE

To establish guidelines for the responsible and accountable disposal of minor assets deemed surplus to the Shire's requirements in support of community groups.

POLICY

Legislation:

As per section 3.58 of the *Local Government Act 1995*, a local government can only dispose of property to the highest bidder at a public auction, by public tender or by inviting submissions by local public notice, unless regulations determine otherwise.

Regulation 30 (3) of the *Local Government (Functions and General) Regulations 1996* states that a disposition of property, other than land, is exempt if its market value is less than \$20,000.

Application:

This policy applies to minor assets only, which have little or no market value (up to \$100 per item) and are surplus to the Shire's requirements

Statement:

The Shire of Mundaring recognises the need to support, develop and foster a harmonious community and further recognises the role of community groups in achieving this objective.

To assist these groups the Shire may from time to time offer them its surplus minor assets, provided no risk liability is attached to the asset being gifted.

All community groups should receive equitable treatment to avoid claims of bias.

The decision to make such an offer is to be made by the Chief Executive Officer or delegate, who may determine to advertise and seek applications from interested community organisations.

Where such a decision is made, applications will be assessed on the basis of demonstrated need and proposed use.

Where no expressions of interest have been received from community organisations, surplus minor asset items may be offered to elected members or Shire employees through internal advertising on a "first come first served" basis.

If an item doesn't attract interest from community groups, elected members or employees, it shall be disposed of by recycling, or if recycling is not possible by destruction in a safe manner.

8.5 Draft Policy OR-22 Christmas Closure

File Code	GV.OPP 1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Paul O'Connor, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Draft Policy - OR-22 Christmas Closure ↓ 2. AMENDED - Draft Policy - OR-22 Christmas Closure ↓

SUMMARY

Historically there has been a practice to close for business from the end of the last working day prior to Christmas Day and re-open on the first working day following the New Year's Day public holiday. This practice has applied to the Shire Administration, Libraries and Operations Centre.

As the effect of the Christmas closure is to reduce service levels over this period it is considered appropriate that a Council Policy governing this practice be adopted.

BACKGROUND

Historically, on an annual basis the Shire has, over the Christmas and New Year period:

1. Closed the Administration Centre, Operations Centre, and Libraries for business from the end of the last working day prior to Christmas Day, to re-open on the first working day following the New Year's Day public holiday.
2. Kept recreational facilities, Mundaring Visitor Centre and the Children's Services' Office open during this period, with some variation to standard operating hours applied to the Aquatic Centres.
3. Established emergency requirements for all Shire facilities during this period.
4. Provided the public with advance notice of closure times and dates via the internet, social media, local newspapers and signage on Shire buildings and facilities.

In the past there has been little or no negative feedback from the general public to the Shire closing over the Christmas/New Year period.

STATUTORY / LEGAL IMPLICATIONS

Section 2.7 of the *Local Government Act 1995* (the Act) outlines Council's role in overseeing the allocation of resources and being responsible for the performance of the local governments functions.

2.7. Role of council

(1) The council —

(a) governs the local government's affairs; and

(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government's finances and resources; and

(b) determine the local government's policies.

One of the CEO's functions under section 5.41 of the Act is the CEO is responsible for the management, supervision and direction of employees.

POLICY IMPLICATIONS

The Policy will provide guidelines for the closure of Shire buildings and facilities over the Christmas/ New Year period.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.2 – Transparent, responsive and engaged processes for Shire decision making

Strategy 1.2.1 – Increase transparency and responsiveness of Shire administration processes

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Financial and Reputational. The period from Christmas through to New Year is known to be a quiet period in terms of conducting business activity. Many businesses, both locally and nationally, traditionally close over this period. This reflects the fact that a significant portion of people tend to use this time to focus on quality time with their families, holidays and general relaxation. There is a risk that it will be unproductive and inefficient for the Shire to remain fully operational over the Christmas/New Year period.

Likelihood	Consequence	Rating
Likely	Minor	Moderate
Action / Strategy		
Council adopting a policy that stipulates that only essential services are to remain open and that appropriate emergency arrangements are in place.		

EXTERNAL CONSULTATION

Nil

COMMENT

The draft Policy OR-22 Christmas Closure essentially reflects the Shire's historical practice. The draft policy also makes provision for the CEO to have the discretion to vary the times of closure so that the period may include up to one day prior to Christmas Day and up to two days after New Year's Day. This discretion would be used where Christmas Day or New Year's Day fall on particular days e.g. Christmas Day falls on a Tuesday or New Year's Day falls on a Wednesday or Thursday.

The current Organisational Practice document OP-50 Christmas Closure will remain in place as this document provides the guidelines to employees in terms of using leave entitlements to account for those days that are not designated as public holidays.

VOTING REQUIREMENT

Simple Majority

Preamble to Committee Recommendation

It was agreed to include the advertising of emergency contacts during the Christmas closure period.

COMMITTEE RECOMMENDATION		ARC8.08.18	
Moved by	Cr Fox	Seconded by	Mr Wilkinson

That Council adopts Policy OR-22 Christmas Closure, **as amended**.

CARRIED 7/0

For: Cr Brennan, Cr Jones, Cr Daw, Cr Fisher, Cr Fox, Cr Jeans and Mr Wilkinson

Against: Nil

Shire of Mundaring

POLICY

CHRISTMAS CLOSURE

Policy Ref:	OR-22		
Committee Rec:		Date:	August 2018
Adopted:		Date:	September 2018
Amended:		Date:	
Reviewed:		Date:	
Procedure Ref:	OP-50	Delegation Ref:	N/a
Statute Ref:	N/a		
Local Law Ref:	N/a		

PURPOSE

To provide guidelines for the closure of Shire buildings and facilities over the Christmas/ New Year period.

POLICY

The Administration Centre, Operations Centre, and Libraries will be closed for business from the end of the last working day prior to Christmas Day and will re-open on the first working day following the New Year's Day public holiday.

Recreational facilities, Mundaring Visitor Centre and the Children's Service's Office will open during this period with some variation to standard operating hours applied to the Aquatic Centres.

The Chief Executive Officer will have discretion to vary the times of closure so that the period may include up to one day prior to Christmas Day and up to two days after New Year's Day.

Emergency requirements are to be established and available for all Shire facilities during this period.

The public will be advised of closure times and dates via the internet, social media, local newspapers and signage on Shire buildings and facilities.

Shire of Mundaring

POLICY

CHRISTMAS CLOSURE

Policy Ref:	OR-22		
Committee Rec:		Date:	August 2018
Adopted:		Date:	September 2018
Amended:		Date:	
Reviewed:		Date:	
Procedure Ref:	OP-50	Delegation Ref:	N/a
Statute Ref:	N/a		
Local Law Ref:	N/a		

PURPOSE

To provide guidelines for the closure of Shire buildings and facilities over the Christmas/ New Year period.

POLICY

The Administration Centre, Operations Centre, and Libraries will be closed for business from the end of the last working day prior to Christmas Day and will re-open on the first working day following the New Year's Day public holiday.

Recreational facilities, Mundaring Visitor Centre and the Children's Service's Office will open during this period with some variation to standard operating hours applied to the Aquatic Centres.

The Chief Executive Officer will have discretion to vary the times of closure so that the period may include up to one day prior to Christmas Day and up to two days after New Year's Day.

Emergency requirements are to be established and available for all Shire facilities during this period.

The public will be advised of closure times, dates and emergency contacts via the internet, social media, local newspapers and signage on Shire buildings and facilities.

9.0 URGENT BUSINESS (LATE REPORTS)

Nil

10.0 CLOSING PROCEDURES

10.1 Date, Time and Place of the Next Meeting

The next Audit and Risk Committee meeting will be held on Tuesday, 20 November 2018 in the Committee Room, 7000 Great Eastern Highway, Mundaring.

10.2 Closure of the Meeting

The Presiding Person declared the meeting closed at 6.41pm.