SHIRE OF COOLGARDIE

M I N U T E S

OF THE

ORDINARY COUNCIL MEETING

23 May 2017

6.00pm

COOLGARDIE

SHIRE OF COOLGARDIE

NOTICE OF ORDINARY MEETING OF COUNCIL

Dear Elected Member

The next ordinary meeting of the Shire of Coolgardie will be held on Tuesday 23 May 2017 in the Coolgardie Council Chambers, Coolgardie commencing at 6:00pm.

JAMES TRAIL
ACTING CHIEF EXECUTIVE OFFICER

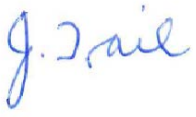
ORDINARY COUNCIL MEETING

23 May 2017

Welcome to the Ordinary Council Meeting of the Shire of Coolgardie.

The dates, times and locations of the Ordinary Council Meetings for 2017 are listed hereunder. This month's meeting is highlighted.

Tuesday	24 January 2017	6.00pm	Coolgardie
Tuesday	28 February 2017	6.00pm	Kambalda
Tuesday	28 March 2017	6.00pm	Coolgardie
Wednesday	26 April 2017	6.00pm	Kambalda
Tuesday	**23 May 2017**	**6.00pm**	**Coolgardie**
Tuesday	27 June 2017	6.00pm	Kambalda
Tuesday	25 July 2017	6.00pm	Coolgardie
Tuesday	22 August 2017	6.00pm	Kambalda
Tuesday	26 September 2017	6.00pm	Coolgardie
Tuesday	24 October 2017	6.00pm	Kambalda
Tuesday	28 November 2017	6.00pm	Coolgardie
Tuesday	19 December 2017	6.00pm	Kambalda



James Trail
ACTING CHIEF EXECUTIVE OFFICER

DISCLAIMER

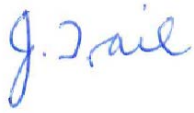
INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

PLEASE NOTE:

THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.

THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.

MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.



James Trail
ACTING CHIEF EXECUTIVE OFFICER

COUNCIL MEETING INFORMATION NOTES

1. Your Council generally handles all business at Ordinary or Special Council Meetings.

2. From time to time Council may form a Committee to examine subjects and then report to Council.

3. Generally all meetings are open to the public; however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.

4. Public Question Time. It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

   Written notice of each question should be given to the Chief Executive Officer fifteen (15) minutes prior to the commencement of the meeting. A summary of each question and response is included in the Minutes.

   When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.

5. Councillors may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter trivial, insignificant or in common with a significant number of electors or ratepayers. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

   Members of staff, who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of the meeting will advise the Officer if he/she is to leave the meeting.

6. Agendas including an Information Bulletin are delivered to Councillors within the requirements of the Local Government Act 1995, i.e. seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

   Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item including a recommendation will then be submitted to Council for consideration.
   The Agenda closes the Monday week prior to the Council Meeting (i.e. ten (10) days prior to the meeting).

   The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

7. Agendas for Ordinary Meetings are available in the Coolgardie and Kambalda Offices/Libraries seventy-two (72) hours prior to the meeting and the public are invited to secure a copy.
8. Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda (page 3).

9. Public Question Time – Statutory Provisions – Local Government Act 1995

Time is to be allocated for questions to be raised by members of the public and responded to at:

(a) Every ordinary meeting of a council; and
(b) Such other meetings of councils or committees as may be prescribed

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meetings – s5.24 (1) (b)

Local Government (Administration) Regulations 1996

Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:

(a) Every special meeting of a council; and

(b) Every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

Reg 6 (1) the minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.

(2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

Local Government (Administration) Regulations 1996

Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:

(a) by the person presiding at the meeting; or

(b) in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members,

Having regard to the requirements of sub regulations (2) and (3).

(2) The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.

(3) Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.

(4) Nothing in sub regulation (3) requires:

(a) A council to answer a question that does not relate to a matter affecting the local government;

(b) A council at a special meeting to answer a question that does not relate to the purpose of the meeting; or

(c) A committee to answer a question that does not relate to a function of the committee.

10. Public Inspection of Unconfirmed Minutes (Reg 13)

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection in the Coolgardie and Kambalda Offices/Libraries within ten (10) working days after the Meeting.

NOTE:

10.3 Unopposed Business

(1) Upon a motion being moved and seconded, the person presiding may ask the meeting if any member opposes it.

(2) If no member signifies opposition to the motion the person presiding may declare the motion in sub clause (1) carried without debate and without taking a vote on it,

(3) A motion carried under sub clause (2) is to be recorded in the minutes as a unanimous decision of the Council or committee.

(4) If a member signifies opposition to a motion the motion is to be dealt with according to this Part.

(5) This clause does not apply to any motion or decision to revoke or change a decision which has been made at a Council or committee meeting.

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1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Shire President, M Cullen declared the meeting open at 6.00pm and welcomed fellow Councillors, visitors, and staff and thanked them for their attendance.

2.0 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 PRESENT:

Shire President, Malcolm Cullen
Councillor, Tracey Rathbone
Councillor, Kathie Lindup
Councillor, Norm Karafilis
Councillor, Sherryl Botting
Councillor, Betty Logan

MEMBERS OF STAFF:
Acting Chief Executive Officer, James Trail
Deputy Chief Executive Officer, Jill O'Brien
Executive Assistant, Tyler Thornton

MEMBERS OF THE PUBLIC:
Jan McLeod

2.2 APOLOGIES:
Councillor, Kris Johnstone

2.3 APPROVED LEAVE OF ABSENCE:
Nil

3.0 DECLARATIONS OF INTEREST

3.1 DECLARATIONS OF FINANCIAL INTERESTS – LOCAL GOVERNMENT ACT SECTION 5.60A

3.2 DECLARATIONS OF PROXIMITY INTERESTS – LOCAL GOVERNMENT ACT SECTION 5.60B

3.3 DECLARATIONS OF IMPARTIALITY INTERESTS – ADMINISTRATION REGULATION 34C

Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTION TIME TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

5.1 Jan McLeod

1. Now that the last rate instalment has been paid, all ratepayers who choose this method of payment have overpaid their rates by $60.00. this issue has been ongoing since 2016 and a response was to "be reported to the May Ordinary meeting of Council" This has not happened. It was also brought up at the Annual Electors meeting. I am very disappointed in Council in not addressing this issue and am still awaiting a constructive response.
2. What will be the benefit to Shire in GRV rating mining tenements as UV rating contributes 71% of rate revenue now? (Shire figures)
3. When will the road-train policy, maintenance/ capital contributions on haulage campaigns be discussed as this impacts on the mining rate strategy
4. The Shire had discussions with the Kambalda Swimming club re the blocking of their entry to their clubrooms. When will work be done to open their access?
5. What is the procedure regarding the Shire considering the installation of speed bumps in Silver Gimlet St, Kambalda West?
   There is a park, on one of the two bends, which is well used and a number of small children living in the street. Some cars have a tendency to travel too fast and end up on the wrong side of the road which is a worry for child safety.
6. When will a copy of the Financial Report for the month ending 30 April be available?

Shire of Coolgardie

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ABN: 89 88 33 88 617
Irish Mulga Drive, Kambalda WA 6442

Postal Address:
PO Box 138, Kambalda WA 6442

OCR10528

01 July 2017

Mrs Jan McLeod

RE: Response to Public Question Time Ordinary Council Meeting 23 May 2017

Thank you for your questions in correspondence to the Ordinary Meeting of Council, Tuesday 23 May 2017 at the Coolgardie Council Chambers. You have requested Information on a number of questions which I have set out in order below.

1. **Now that the last rate instalment has been paid, all ratepayers who choose this method of payment have overpaid their rates by $60.00. this issue has been ongoing since 2016 and a response was to "be reported to the May Ordinary meeting of Council" This has not happened. It was also brought up at the Annual Electors meeting. I am very disappointed in Council in not addressing this issue and am still awaiting a constructive response.**
   An Item regarding this will go to the special meeting on 13 June 2017 with the budget review as the intent was to always have it with the budget review.
2. **What will be the benefit to Shire in GRV rating mining tenements as UV rating contributes 71% of rate revenue now? (Shire figures)**
   The Shire's intent is to look at GRV Rating of mining infrastructure in accordance with guidance provided in rating policy Valuation of Land – Mining (ss 6.28 and 6.29) released in April 2014.
3. **When will the road-train policy, maintenance/ capital contributions on haulage campaigns be discussed as this impacts on the mining rate strategy**
   A review of Shire policies will be going to the June Council meeting and these policies will be included. It was also raised at the mining strategy meeting with the Minister of Mining.
4. **The Shire had discussions with the Kambalda Swimming club re the blocking of their entry to their clubrooms. When will work be done to open their access?**
   We are awaiting a response from the President of the swimming club. Provided quote but haven't received anything back in writing.

5. **What is the procedure regarding the Shire considering the installation of speed bumps in Silver Gimlet St, Kambalda West?**
   There is a park, on one of the two bends, which is well used and a number of small children living in the street. Some cars have a tendency to travel too fast and end up on the wrong side of the road which is a worry for child safety.
   Consultation. It would have to be a request, and it would have to be budgeted and planned.
6. **When will a copy of the Financial Report for the month ending 30 April be available?**
   A copy of the financial report will go to the special meeting on the 13 June 2017.

I would like to thank you for taking the time to correspond with the Council, and for the opportunity to hopefully provide clarification to your questions. If you have any enquiries into this matter, please contact the office at your convenience.

Yours Sincerely,

J. Trail

James Trail
Acting Chief Executive Officer

6.0 APPLICATIONS FOR LEAVE OF ABSENCE

COUNCIL RESOLUTION: # 110/17

Moved: Cr, S Botting
Seconded: Cr, T Rathbone

That Council approve leave of absence for Cr, Kathie Lindup from 05 June 2017 to 09 June 2017 and from 26 June 2017 to 30 June 2017

CARRIED ABSOLUTE MAJORITY 6/0

7.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

7.1 ORDINARY MEETING OF COUNCIL 26 APRIL 2017

OFFICERS RECOMMENDATION:

That the minutes of the Ordinary Meeting of Council of 26 April 2017 be confirmed as a true and accurate record.

COUNCIL RESOLUTION: # 111/17

Moved: Cr, N Karafilis
Seconded: Cr, S Botting

That the minutes of the Ordinary Meeting of Council of 26 April 2017 be confirmed as a true and accurate record.

CARRIED ABSOLUTE MAJORITY 6/0

8.0 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

President's Report
May 2017

The month of May has been a busy period for Councillors and Staff working through the Level of Service Review and the Fleet Management report with our consultants John Ravlic and Grant Andrews respectively, and this was followed up by workshops to discuss the LOS Templates prepared by our staff coordinators. Further workshops have been held to discuss the Shire Policy Manual Review and the Delegation Manual update.
I would like to acknowledge the excellent job that our staff and coordinators have managed to achieve, with many intensive hours going in to complete these Templates and Manuals. Following on with further consultation during the next three weeks, the Level of Service Templates, Policy and Delegation Manuals will be presented to Council for consideration in June.

Council has formed a committee comprising all seven Elected Members and the Shire HR Officer for the purpose of recruiting a Chief Executive Officer for the Shire of Coolgardie. The Recruitment Committee has advertised the position during the month of April with the closing date for applications on May 5th. With five applications being received, the Recruitment Committee have reviewed the CVs of all the applicants and short listed three of these for personal interviews during the process to select a preferred candidate to offer a three year contract for the position of Chief Executive Officer of the Shire. It is hoped that this process could be completed by mid June.

At this months briefing forum, Councillors discussed the formulation of RoadWise Committees in Coolgardie and Kambalda. This initiative has been proposed by WALGA road safety advisor Cherie Wallace, who has offered to co-ordinate community consultation in each town during June with a view to forming these committees to promote road safety initiatives on local roads and also to work in consultation with Driver Reviver volunteers to reduce the risk of driver fatigue related crashes on our regional highways.

The Shire Annual General Meeting of Electors for the 2015/16 year was held at the Coolgardie Recreation Centre on May 11th with Councillors and Staff and six residents attending. The Annual Report, President's Report and Auditor's Financial Report were discussed during the meeting, and in general business, the main areas of concern raised by the residents were:

- The recent hike in GRV valuations in Coolgardie, resulting in increased rates for residents.
- The pensioner concessions on rates, and the payment levy on rates notices.
- There needs to be improved tourism initiatives in the Shire.

It was explained during the meeting that most of these concerns would be addressed in the coming months as the Shire is working on producing a Rating Strategy for the 2017/18 year, and we have Mia Hicks preparing a business case - tourism strategy for our Visitor Centre.

At the conclusion of the meeting after much constructive debate, one resident actually addressed the meeting saying she has noticed the changes the Council is making and thanked everyone for their contribution, which was a very pleasing result for us all.

The CEO and l were invited to attend a meeting with Senator Rick Wilson and Federal Social Services Minister Tudge in Kalgoorlie on May 17th.The Ministers were in the region for consultation regarding the rollout of the National Disability Insurance Scheme, possible trial sites for the introduction of the Cashless Debit Card and anti-social issues facing communities across the Goldfields Regions. This follows on from discussions at the Regional Council meeting in April, where several Shires expressed support for the introduction of a trial for the Debit Card to be rolled out in the Goldfields as one step toward reducing the anti-social problems facing these communities.

On May 3rd to May 5th as the Goldfields Delegate on WALGA State Council, l travelled to the Murchison Region for the May State Council meeting. The itinerary included visits to the towns of Mt Magnet, Cue and Meekatharra, with overnight stays in Cue and Sandstone on the way home. It was a good opportunity to see how these Shires are operating and quite interesting to note there is strong mining activity in Mt Magnet and Meekatharra, and there is a major influx of tourists in all of these towns, with most of the caravan parks brimming with vans and motorhomes.lt was reported to me that many of these visitors come from the eastern states for the winter months to prospect for gold in these regions, as well as taking in the various local tourist attractions. This is possibly an idea that could go into the strategy Mia Hicks is developing for our Visitor Centre business case.

Malcolm Cullen.
Shire President.

9.0 PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil

10.0 REPORTS OF COMMITTEE

Nil

11.0 REPORTS OF OFFICERS

11.1 CHIEF EXECUTIVE OFFICER

AGENDA REFERENCE: 11.1.1

SUBJECT: Monthly Activity Report

LOCATION: Nil

APPLICANT: Nil

FILE REFERENCE: NAM5457

DISCLOSURE OF INTEREST: The author has no financial interest in this report.

DATE: 15 May 2017

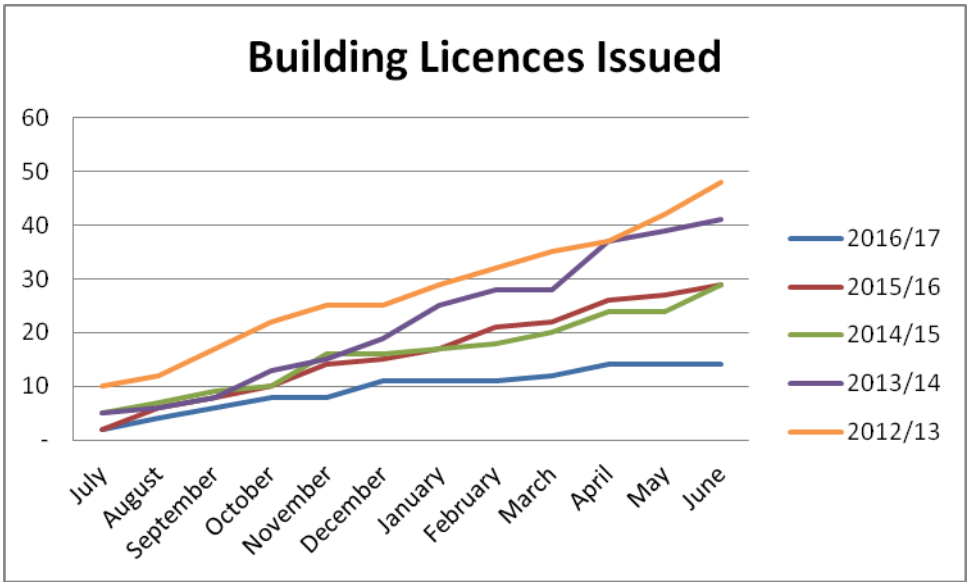
AUTHOR: Executive Assistant, Tyler Thornton

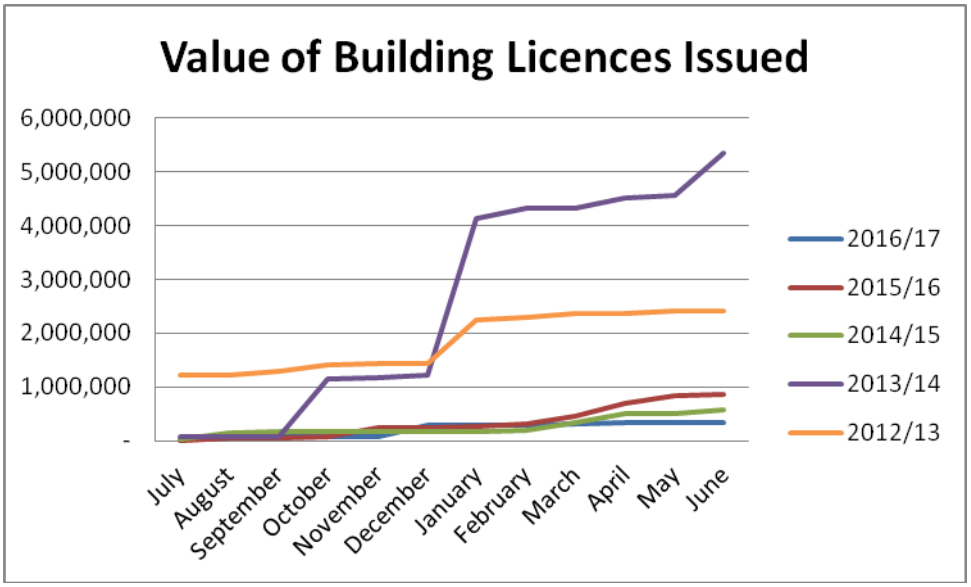
SUMMARY:
For Council to receive the monthly activity reports for April 2017.

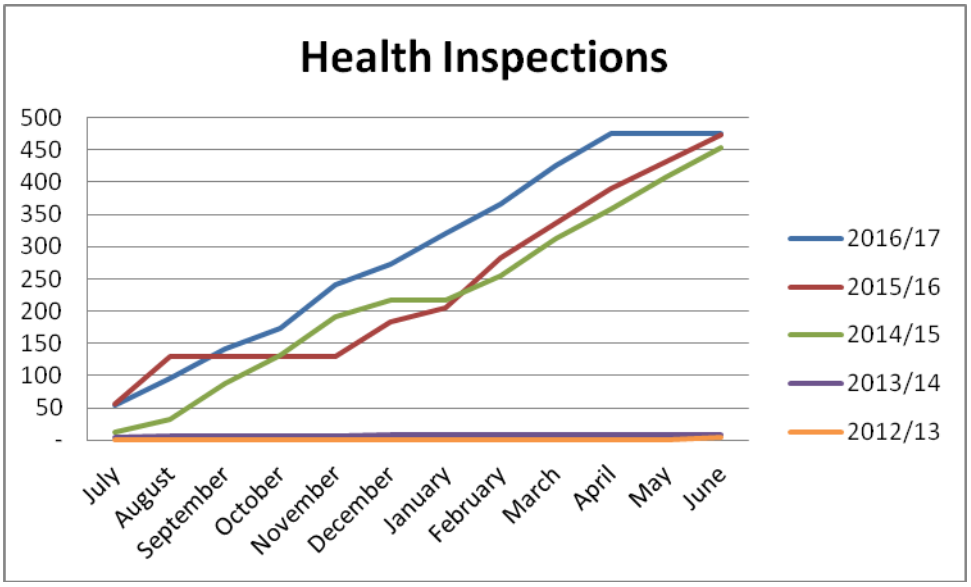
BACKGROUND:
This report is to provide Council information on the activity of various Council services and facilities.

COMMENT:

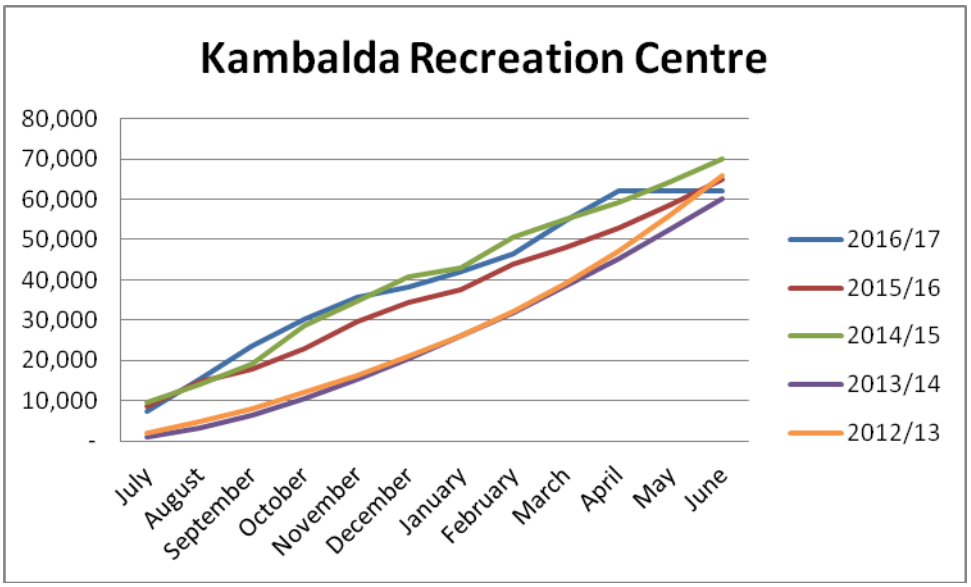
Development Services

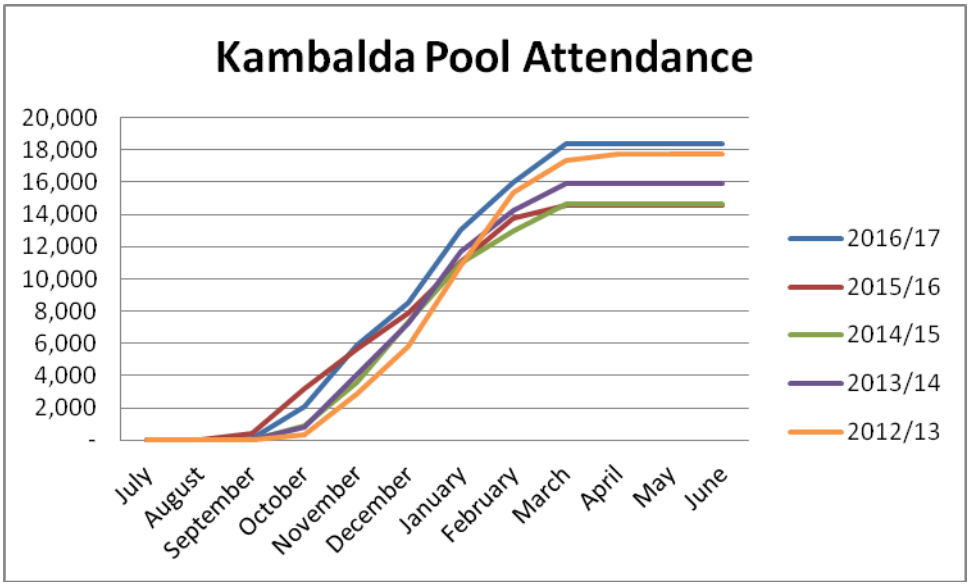


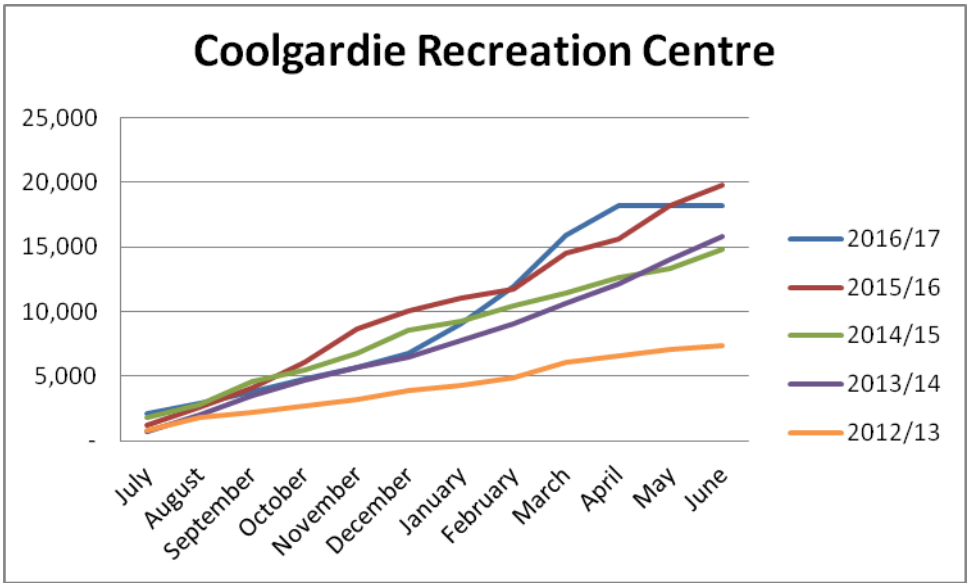




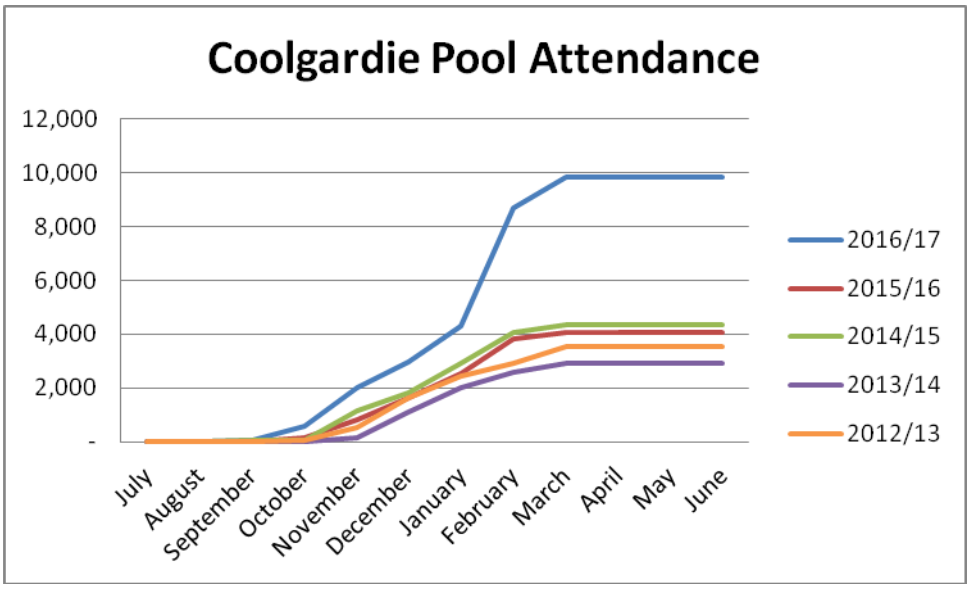
Recreation Services

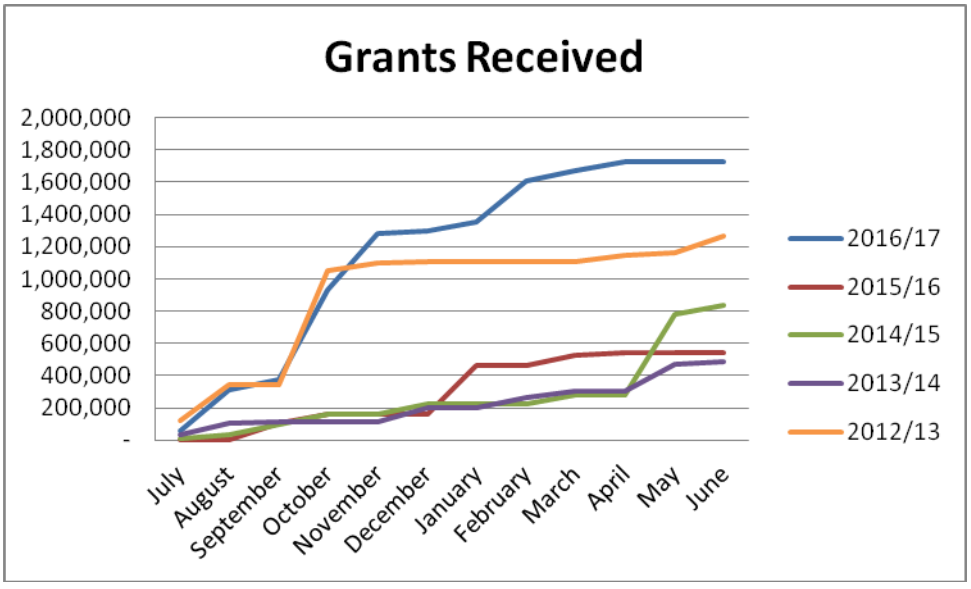


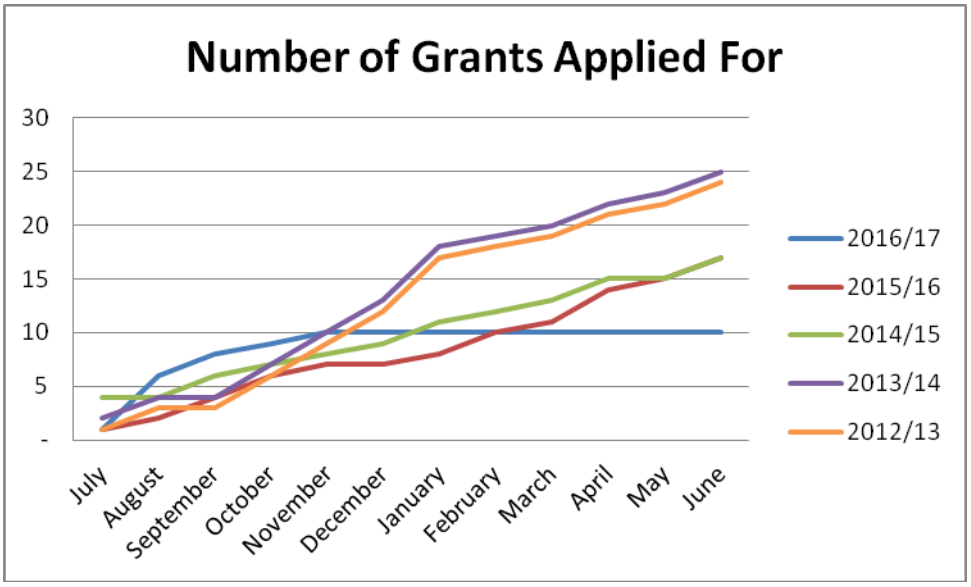

Kambalda Pool Attendance
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
July
August
September
October
November
December
January
February
March
April
May
June
2016/17
2015/16
2014/15
2013/14
2012/13

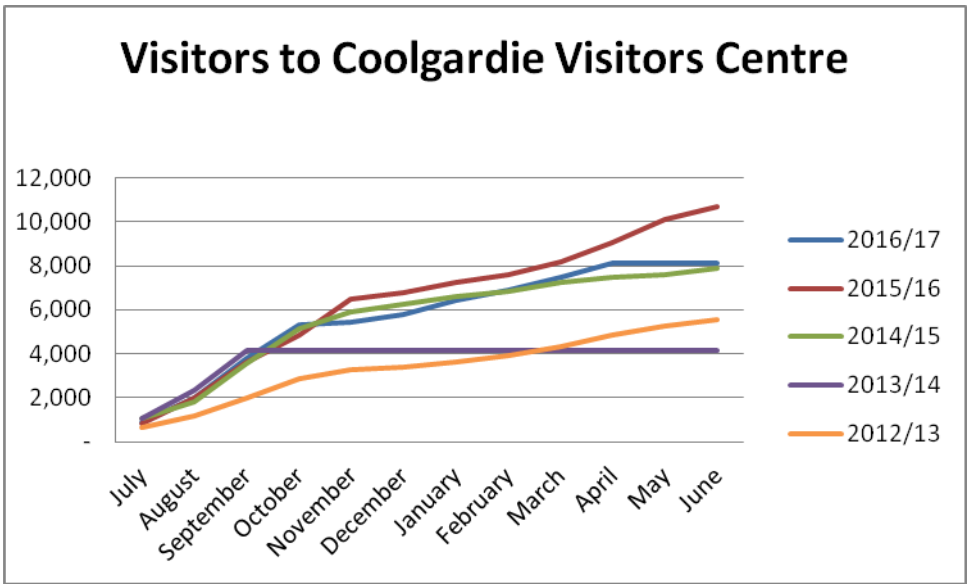

Coolgardie Recreation Centre
25,000
20,000
15,000
10,000
5,000
-
July
August
September
October
November
December
January
February
March
April
May
June
2016/17
2015/16
2014/15
2013/14
2012/13

Community Services

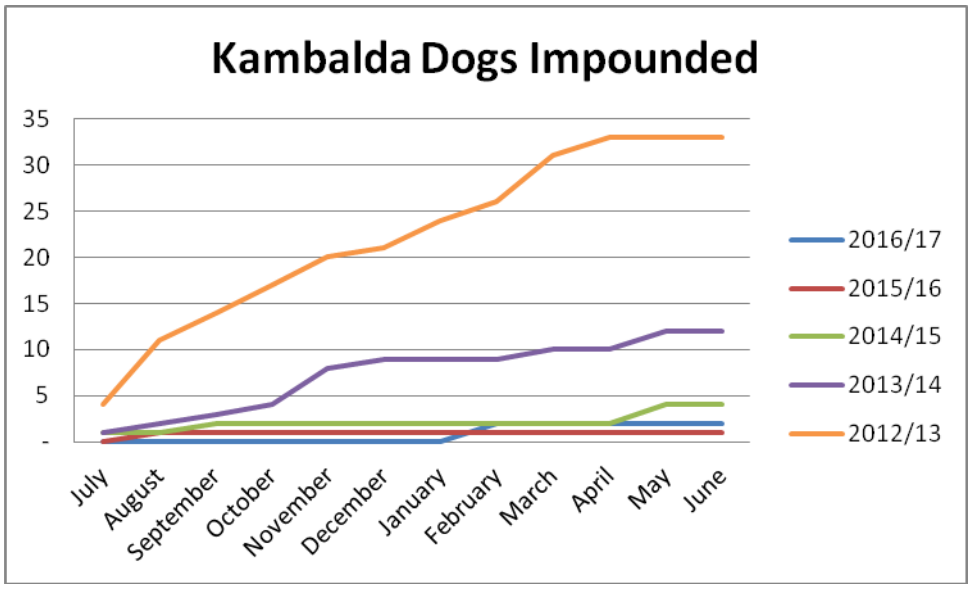


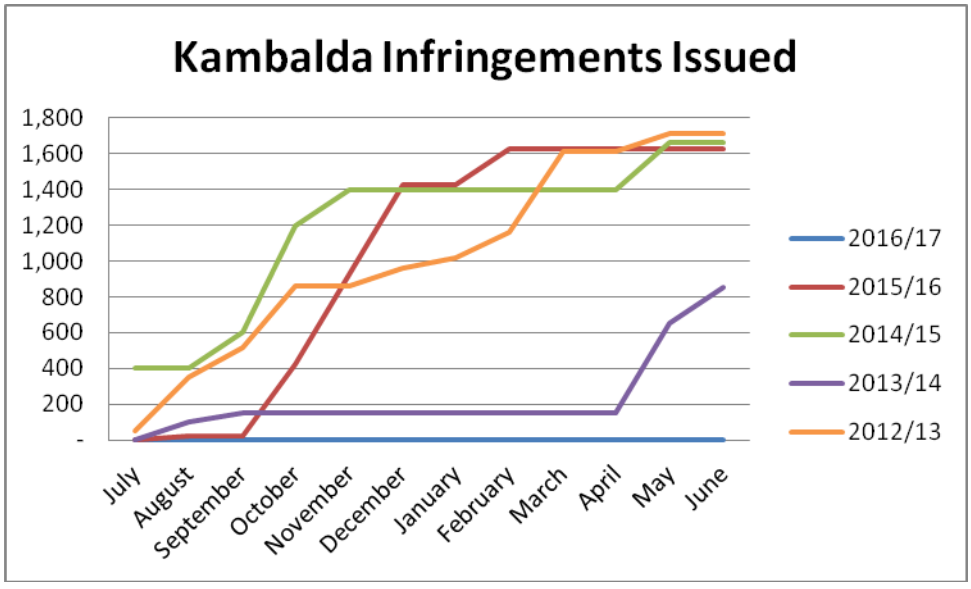


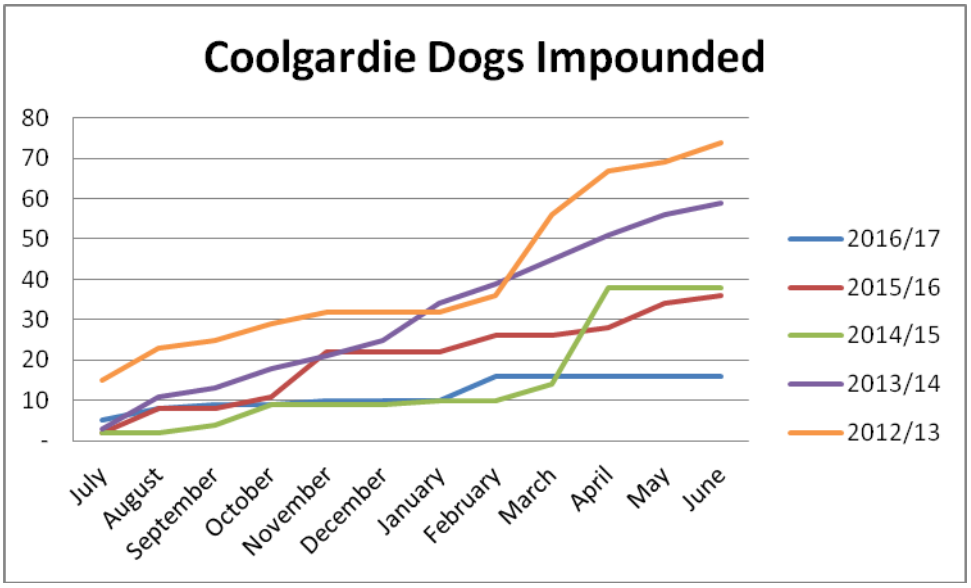

Number of Grants Applied For
30
25
20
15
10
5
-
July
August
September
October
November
December
January
February
March
April
May
June
2016/17
2015/16
2014/15
2013/14
2012/13

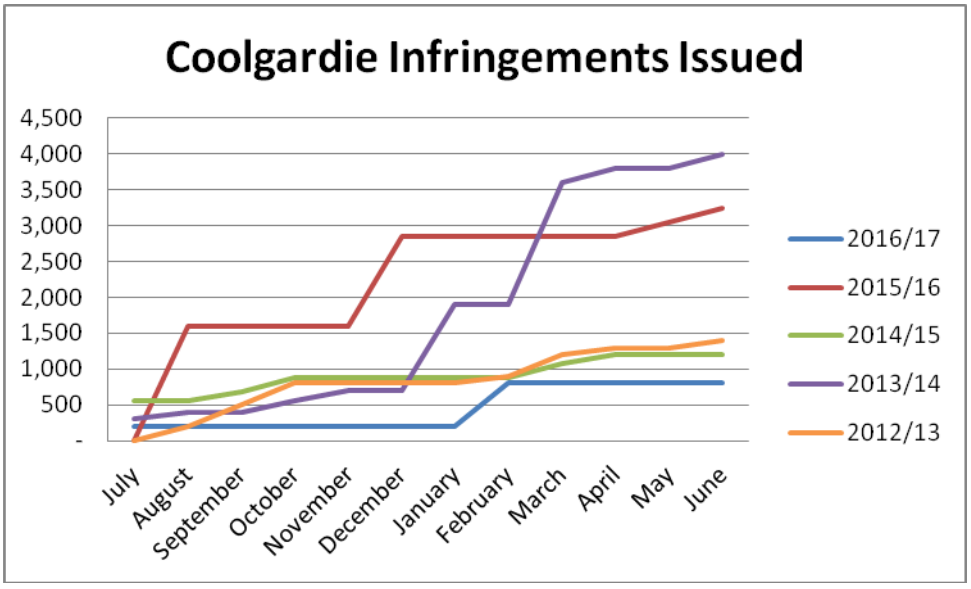

Visitors to Coolgardie Visitors Centre
12,000
10,000
8,000
6,000
4,000
2,000
-
July
August
September
October
November
December
January
February
March
April
May
June
2016/17
2015/16
2014/15
2013/14
2012/13

Ranger Services






Coolgardie Dogs Impounded
80
70
60
50
40
30
20
10
-
July
August
September
October
November
December
January
February
March
April
May
June
2016/17
2015/16
2014/15
2013/14
2012/13


Coolgardie Infringements Issued
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
July
August
September
October
November
December
January
February
March
April
May
June
2016/17
2015/16
2014/15
2013/14
2012/13

Technical Services

Document Number	Date	Description	Description
ICS20334	15/05/2017	WRF 3319 Investigate drainage at Kambalda East Primary School behind the basketball courts and assembly area.	Outstanding
NCS5474	09/05/2017	WRF 3223 Coolgardie Park: the base of the 4 pommels (play equipment) is rising out of the softfall material.	Outstanding
ICS20255	05/05/2017	WRF 3318 Graffiti removal from bike track off Quandong between Mallee Drive & Irish Mulga Drive.	No further action
ICS19991	10/04/2017	WRF 3222 Woodward St resident - drainage ditch out front of house is a traffic hazard (car scrapes bottom of ditch & visitors complain how sandy/boggy area is now). He'd like ditch lined with blue metal or other appropriate product.	Resolved

Governance

DATE	RES. No.	ACTION REQUIRED	
Ordinary Council Meeting 16 December 2014			
16 Dec14	227/14	COUNCIL RESOLUTION: # 227/14 That Council pursuant to Section 6.64(1)(b) of the Local Government Act 1995, where all reasonable efforts to locate the owner of the properties listed in attachment 1 and attachment 2 proceed to: 1. Surrender to the Crown the 78 properties listed in the attachment 1 which have rates in arrears for three or more years, where the cost of proceedings for the recovery of outstanding rates would be equal or exceed the value of the land, 2. Sell the 12 properties listed in attachment 2 which have arrears for three or more years, and recover from the proceeds of the sale the outstanding balances which total $77,765.04.	In Progress - Review being done to auction 12 properties
Ordinary Council Meeting 27 January 2015			
27 Jan	013/15	COUNCIL RESOLUTION: # 013/15	Pending –

15		That Council disposes of the property at Lot 101 (No. 68) Serpentine Rd, Kambalda East by public tender.	Waiting on Town Planning Scheme
Ordinary Council Meeting 24 March 2015			
24 March 15	050/15	<u>COUNCIL RESOLUTION: # 050/15</u> That Council resolves to – 1) Instruct the Chief Executive Officer or his nominated representative to pursue vesting of a reserve over Vacant Crown Land and Lot 117 as indicated on the attached plan for the purpose of Horse Blocks, and on completion of the process to report to Council for Direction 2) Indemnify the Department of Regional Development and Lands against any cost or compensating claims arising from the taking process.	In progress
24 March 15	051/15	<u>COUNCIL RESOLUTION: # 051/15</u> That Council resolve to – 1) Instruct the Chief Executive Officer or his nominated representative to pursue vesting of a reserve over Vacant Crown Land and Lot 117 as indicated on the attached plan for the purpose of Motorised Sports, and on completion of the process to report to Council for Direction 2) Indemnify the Department of Regional Development and Lands against any cost or compensating claims arising from the taking process.	In progress
Ordinary Council Meeting Minutes 28 July 2015			
28 July 15	137/15	<u>COUNCIL RESOLUTION: # 137/15</u> That Council resolve to – 1) Instruct the Chief Executive Officer or his nominated representative to pursue vesting of a reserve over Vacant Crown Land as indicated on the attached plan for the purpose of Rifle Club, and on completion of the process to report to Council for Direction 2) Indemnify the Department of Regional Development and Lands against any cost or compensating claims arising from the taking process.	In progress
Ordinary Council Meeting 22 September 2015			

22 Sept 15	193/15	COUNCIL RESOLUTION: # 193/15 That Council agree that 1. Expressions of interest be sought for the use and access of Reserve 49358 for a period of 60 days (Kambalda Airstrip). 2. The Chief Executive Officer be authorised to negotiate with applicants and present a draft lease agreement to Council for endorsement prior to application to the Minister for Lands for approval of the lease.	In Progress Meeting to be held
Ordinary Meeting of Council 22 March 2016			
22 March 16	051/16	COUNCIL RESOLUTION: # 051/16 That Council make application to the Hon Minister for Lands to take a Management Order over Lot 500 on Deposited Plan 72918 for "Recreation" to support land sailing activities on Lake Lefroy and AGREE to provide the Minister for Lands with a statement confirming that *"The Shire of Coolgardie indemnifies the Hon Minister for Lands against all claims for compensation incurred by the Minister in progressing the proposal to take native title and non-native title interests, as well as any other costs that may be payable in relation to the acquisition of rights and interests of Lot 500 on Deposited Plan 72918 for the proposed reservation with Management Order in favour of the Shire of Coolgardie for the purpose of 'Recreation'.*	Pending
Ordinary Council Meeting 26 April 2016			
26 April 16	068/16	COUNCIL RESOLUTION: # 068/16 That Council 1. Authorise the Chief Executive Officer or his delegate to negotiate an agreement between Goldfields Masonic Homes Inc and the Shire of Coolgardie for the sale of the six units, known as Montana Homes for a total of $30,000.00 (being $5,000.00 per unit), *with Masonic Homes Inc to provide a written commitment to construct an additional two units subject to Grant funding availability.* 2. Advise the Minister for Lands of their support for the transfer of the Management Order over Reserve 35500,	In Progress with shire lawyers

		Lot 2126 of the units known as Montana Homes, 1, 3, 5, 7, 9, 11 Hunt Street Coolgardie to Goldfields Masonic Homes Inc 3. Advertise the proposed disposal of Reserve 35500, Lot 2126 to Goldfields Masonic Homes Inc. in accordance with Section 3.58 of the Local Government Act 1995. 4. Authorise the President and Chief Executive Officer to affix the Common Seal and sign the associated contract documents.	
26 April 16	071/16	<u>COUNCIL RESOLUTION: # 071/16</u> That Council 1. Review the effect the proposed lease between the Shire of Coolgardie and The National Trust of Australia (WA) for Warden Finnerty's Coolgardie Western Australia will have on the annual operating budget for the year ending 30 June 2017 2. Invite representatives of the National Trust of Australia (WA) to discuss future plans for the property. 3. Defer the decision to sign the lease between the Shire of Coolgardie and the National Trust of Australia (WA) for Warden Finnerty's Coolgardie Western Australia until negotiations with the National Trust of Australia (WA) regarding the current condition of the building and other improvements on the land, and 4. An item be presented to Council immediately following discussions with the National Trust of Australia (WA) to recommend actions to be taken for the future of the operation of services at Warden Finnerty's Coolgardie Western Australia.	In Progress-with Shire lawyers
Ordinary Meeting of Council 26 July 2016			
26 July 16	127/16	<u>COUNCIL RESOLUTION: #127/16</u> That Council 1. commence a review of the Shire of Coolgardie Local Laws as required by the Local Government Act 1995 Section 3.16; - Parking Angle 1953 - TV Masts and Antennae 1960 - Signs, Hoardings – Draft Model by law no 13 1967 - Signs, Hoardings and Bill Posting 1996 - Sick Leave 1969 - Recreation Areas 1985 - Recreation Reserve 1971	In Progress-Project Officer preparing action plan

		- Reserve Recreation (Parks) 1985 - Coolgardie Cemetery 1972 - Dogs 1997 - Bees 1989 - Intersections Fencing and Obstructions at 1996 - Signs 1997 - Health Local Laws 1998, 1999 - Standing Orders 2000 - Standing Orders 2001 - Health Amendment Local Laws 2000, 2001 - Health Act 1911, 2002 - Health Amendment Local Laws 2002, 2003 2. Advertise in state-wide public notice and local public notice be given of the review and that the closing date for submissions by the public will be Friday 31 October 2016.	
Ordinary Council Meeting 27 September 2016			
27 Sep 16	248/16	COUNCIL RESOLUTION: #248/16 That Council approve the request to apply to the Department of Lands to amend reserve number 49358 (Ariel landing ground) to a Recreation reserve with the power to lease	In Progress
Ordinary Meeting of Council 25 October 2016			
25 Oct 16	289/16	COUNCIL RESOLUTION: # 289/16 That Council defer Agenda item 11.3.3 (change of tenure for Shire reserve) presented in the October 2016 Ordinary Meeting of Council until the February Ordinary Meeting of Council. At this time future information and updates will be provided as to the status of this land purpose issue	In Progress
Ordinary Council Meeting 24 January 2017			
24 Jan 17	005/17	COUNCIL RESOLUTION: # 005/17 That Council 1. Approve the draft amended Regional Price Preference Policy in principle. 2. Give statewide public notice of its intention to adopt a Regional Price Preference Policy, inviting submissions from the public for a minimum of 4 weeks from the date of the notice. 3. Make a copy of the proposed Regional Price Preference	To be advertised

		Policy available for public inspection in accordance with the notice.	
Ordinary Council Meeting 28 February 2017			
28 Feb 17	050/17	ALTERATIVE MOTION: # 050/17 That Council Refer the matter of the movable administrational building at the Kambalda airport to be brought to discussion in March 2017	In Progress
28 Feb 17	054/17	COUNCIL RESOLUTION: # 054/17 That Council make a submission to the Environmental Protection Authority of Western Australia on the Public Environmental Review on the proposed Tellus Sandy Ridge Facility with the following comments for consideration: 1. The Sandy Ridge (Waste Management) Facility operations should be subject to compliance with a Licence for Prescribed Premises issued by the Environmental Protection Authority's Department of Environment Regulation of Western Australia. 2. The Shire of Coolgardie should have the right to visit and inspect the premises at any time with or without Department of Environment Regulation staff for the purposes of assessing compliance with any approval conditions and any other relevant legislative requirements relating to law, order, safety, public health and protection of the environment; 3. The Shire of Coolgardie should have the right to be provided with a copy of all facility environmental monitoring reports including records relating to transportation, receipt and storage/disposal of waste on the site and annual compliance returns that are required to be provided to the Department of Environment Regulation as part of compliance with any licence conditions; 4. The Shire of Coolgardie should have the right to engage the services of an appropriately qualified environmental consultant to carry out an annual independent environmental assessment of the site operations at the expense of the licence holder to a value not exceeding $25,000 per year increased annually by CPI Capital Cities, Perth.	In Progress
28 Feb 17	056/17	OUNCIL RESOLUTION: # 056/17 That Council update the Shire of Coolgardie's list of delegations and approve the Chief Executive Officer to appoint Authorised Officers and Designated Officers to	In Progress

		enforce and administer the provisions of the *Food Act 2008 and Food Regulations 2009:* Authorised Officers (Enforcement) Designated Officers (Administration) Environmental Health Officers Building Surveyors Chief Executive Officer Environmental Health Officers Deputy Chief Executive Officer Co ordinators Rangers	
28 Feb 17	060/17	ALTERNATIVE RECOMMENDATION: # 060/17 That Council request this application come back to Council for discussion in March 2017 for clarification on the late attachments	In Progress
Ordinary Council Meeting 28 February 2017			
14 Marc 17	066/17	COMMITTEE RECOMMENDATION: # 066/17 That the Audit Committee: 1. Accepts the Annual Financial Statements for the period ending 30th June 2016, Independent Auditor's Report and Management Report for the Year Ended 30 June 2016 2. Recommends the Council adopt the Annual Financial Statements for the period ending 30th June 2016 3. Recommends the Council receive the Management Report for the Year Ended 30 June 2016 4. Recommends to Council the Acting Chief Executive Officer prepare an action report on the matters raised in the Management Report for the year ended 30 June 2016 to be presented to the Council at the April 2017 Ordinary Meeting of Council 5. Recommend to Council that the action report be forwarded to the Minister in accordance with s 7.12A (4) of the Local Government Act 1995	In Progress
28 March 17	081/17	COUNCIL RESOLUTION: # 081/17 1. That Council continues to charge One Tree Community Service the discounted rent of $10,000.00 per annum for the day care facility occupied at the Kambalda Community Recreation Facility by One Tree Community Services. 2. In March 2018 a rent review will be presented to Council to determine any changes in One Tree Services' financial position.	In Progress

28 March 17	084/17	COUNCIL RESOLUTION: # 084/17 1. That Council authorise the CEO to negotiate a new lease for the portion of three (3) rooms and the shared reception area at the Kambalda Health Centre, 2 Gumnut Place, Kambalda. *"Description: Portion of the premises known as the Kambalda Health Centre and comprising exclusive use of offices 8, 9 and 24 together with shared use of reception area 26 and non-exclusive use of common areas. Exclusive use area is approximately 43.1 sqm.* 2. *That the lease agreement is brought back to Council for final adoption*	In Progress
28 March 17	086/17	COUNCIL RESOLUTION: # 086/17 Authorise the Acting Chief Executive Officer to negotiate a swimming pool management contract between Lew Franich and the Shire of Coolgardie for the 2017/18 pool season.	In Progress
28 March 17	092/17	COUNCIL RESOLUTION: # 092/17 That Council: 1) Form a CEO Recruitment Committee made up of the following Councillors and HR Advisor, Rebecca Horan: a. Cr, M Cullen b. Cr, T Rathbone c. Cr, K Lindup d. Cr, B Logan e. Cr, N Karafilis f. Cr, K Johnstone g. Cr, S Botting 2) Provide delegated authority to the CEO Recruitment Committee to the manage the recruitment and selection of CEO, other than the final appointment, in accordance to Section 5.36, Local Government Act 1995) and make recommendation to Council on the role of Acting CEO; Offer a remuneration package for the CEO position, in line with the Salaries and Allowances Tribunal's determination for the Shire of Coolgardie	In Progress
Ordinary Council Meeting 26 April 2017			
26 April 17	105/17	COUNCIL RESOLUTION: # 105/17 1. That Council request the CEO to investigate options for the	

		lease of land to the Kambalda subcentre branch 2. That Council request all relevant stakeholders be consulted as part of the process 3. That Council request following those discussions that the CEO write to the minister to lease the appropriate reserve giving the Shire the power to lease to the Kambalda Sub Centre branch of St Johns Ambulance.

Delegated Authority Used				
Date	Requesting Group	Description	Delegation used	Amount
24/09/2013	Shire of Coolgardie	Authority to enter under Acts and Regulations	Authority to Enter	$0.00
6/05/2016	Kambalda Football Club	Gym Membership	Donation	$240.00
13/09/2016	Christian Aboriginal Parent School (CAPS)	Caps Charity Ball	Donation 2 Tickets	$25.00 EACH
19/09/2016	Hope Community Services	Donation from Shire of Coolgardie to Hope Services.	Donation, Electricity 5 hours$75.00 and Cash Payment $25.00	$100.00
25/01/2017	Recreation Services Coordinator	3x Bunnings vouchers for sport prizes for the community survey	Donation 3 vouchers	$150.00
01/02/2016	Kambalda Men's shed	Advertise in colour in February Cool Rambler to promote and encourage new members	Advertisement in February Cool Rambler	$60.00
25/03/2017	St Johns Ambulance	Expression of thank you for service with 2 hours free anaconda hire	Donation	$200.00
9/03/2017 – 17/03/2017	Coolgardie primary school	Swimming lessons in Coolgardie (6 days, 12km)	Donation	$2.28

CONSULTATION:
Nil

STATUTORY ENVIRONMENT:
Nil

POLICY IMPLICATIONS:
Nil

FINANCIAL IMPLICATIONS:
Nil

STRATEGIC IMPLICATIONS:
Nil

VOTING REQUIREMENT:
Simple Majority

OFFICERS RECOMMENDATION:

That Council note the various activity reports and delegated authority used for April 2017.

COUNCIL RESOLUTION: # 112/17

Moved: Cr, Rathbone
Seconded: Cr, K Lindup

That Council note the various activity reports inclusive of the amended building license graphs and delegated authority used for April 2017.

CARRIED SIMPLE MAJORITY 6/0

AGENDA REFERENCE:	11.1.2
SUBJECT:	Monthly List of Municipal and Trust Fund Payments
LOCATION:	Nil
APPLICANT:	Nil
FILE REFERENCE:	NAM5494
DISCLOSURE OF INTEREST:	Nil
DATE:	15 May 2017
AUTHOR:	Finance Coordinator, Joelee Nolan

SUMMARY:
For Council to receive the list of accounts for April 2017

BACKGROUND:
The Local Government (Financial Management) Regulations 1996, Regulation 13(3)(b) requires that Council receive a list of accounts paid in the month, and that this be recorded in the minutes. Council has delegated to the Chief Executive Officer that authority to make these payments from Municipal and Trust Funds.

COMMENT:
Presented in this item is a table of accounts (invoices), and includes that cheque (or EFT) identifier for the transaction, the entity, date and amount paid, description of the goods, service, or other that relates to the payment. Extra details of invoices relating to payments are included for the information of Councillors.

The schedule of payment made under delegated authority as summarised below and recommended to be received by Council, has been checked and is supported by vouchers and invoices which have been duly certified as to the receipt of goods and provision of services, and verification of prices and costings.

CONSULTATION:
Nil

STATUTORY ENVIRONMENT:
Local Government (Financial Management) Regulations 1996, Regulation 13 – Lists of Accounts.

POLICY IMPLICATIONS:
CS-PROCUREMENTS POLICY. Policy CS-11 sets the guides with regards to the purchase of goods or services provided.

FINANCIAL IMPLICATIONS:
Nil

STRATEGIC IMPLICATION:
Solutions focussed and customer oriented organisation.
▪ High quality corporate governance, accountability and compliance.

Effective management of infrastructure, heritage and the environment.
▪ Develop and maintain Shire buildings, facilities and infrastructure assets.

VOTING REQUIREMENT:
Simple Majority

OFFICER RECOMMENDATION:

That Council receive listing (attached) of accounts paid during the month of April 2017 by the Acting Chief Executive Officer under delegated authority of Council.

1. Municipal accounts totalling $720,709.30 on Municipal vouchers EFT13317 -- EFT13446, cheques 51819 - 51832, and direct payments made during the month of April 2017.
2. Trust payments totalling $3,299.20 on cheques 2130 - 2131

COUNCIL RESOLUTION: # 113/17

Moved: Cr, T Rathbone
Seconded: Cr, S Botting

That Council receive listing (attached) of accounts paid during the month of April 2017 by the Acting Chief Executive Officer under delegated authority of Council.

1. Municipal accounts totalling $720,709.30 on Municipal vouchers EFT13317 -- EFT13446, cheques 51819 - 51832, and direct payments made during the month of April 2017.
2. Trust payments totalling $3,299.20 on cheques 2130 - 2131

CARRIED SIMPLE MAJORITY 6/0

Shire of Coolgardie
Payments by Delegated Authority
1 April 2017 to 30 April 2017
Municipal - Cheque

Chq/EFT	Date	Name	Amount	
51819	06/04/2017	AUSTRALIAN SERVICES UNION	Payroll deductions	-52.70
51820	06/04/2017	BUNGARRA ELECTRICAL SERVICES	install new flow metre at CWWTP	-356.00
51821	06/04/2017	MINCOR RESOURCES NL	Rates refund	-78.85
51822	06/04/2017	SYNERGY	Synergy Bulk invoice	-18183.34
51823	06/04/2017	WATER CORPORATION	Bulk water usage	-14285.48
51824	21/04/2017	AUSTRALIAN SERVICES UNION	Payroll deductions	-52.70
51825	21/04/2017	CHRISTINE JANE EWAN	Refund for 3 month gym membership. Volunteer ambulance officer.	-160.00
51826	21/04/2017	COOLGARDIE GOLF CLUB INC	Community assistance for Coolgardie Golf Course	-2000.00
51827	21/04/2017	FOCUS MINERALS LTD	Rates refund	-932.54
51828	21/04/2017	KALGOORLIE MONUMENTAL WORKS	Repair grave in coolgardie cemetery	-825.00
51829	21/04/2017	SHIRE OF COOLGARDIE CASH	Petty Cash 24.02.2017-12.04.2017	-497.40
51830	21/04/2017	SYNERGY	Bulk Electricity Invoices	-13939.95
51831	21/04/2017	TELSTRA	Satellite Phone	-269.01
51832	21/04/2017	WATER CORPORATION	Bulk Water usage	-20395.82
				72,028.79

Shire of Coolgardie
Payments by Delegated Authority
1 April 2017 to 30 April 2017
Municipal - EFT

Chq/EFT	Date	Name	Description	Amount
EFT13317	06/04/2017	ARROWMISS COURIERS	Freight	-297.00
EFT13318	06/04/2017	AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY	License renewal notice	-370.00
EFT13319	06/04/2017	BEYOND THE BOARDROOM	Team building workshop	-3960.00
EFT13320	06/04/2017	BP AUSTRALIA LIMITED	March 2017 BP bulk fuel bill	-6121.14
EFT13321	06/04/2017	BUNNINGS BUILDINGS SUPPLIES	Grey cement and rolls of abelflex	-3204.16
EFT13322	06/04/2017	BURKE AIR PTY LTD	Split system removal and installation	-1573.00
EFT13323	06/04/2017	CABCHARGE	Cab charges	-143.66
EFT13324	06/04/2017	CALTEX AUSTRALIA	March 2017 Caltex Fuel Bill	-7523.90
EFT13325	06/04/2017	CENTRAL REGIONAL TAFE	Course enrolment	-600.00
EFT13326	06/04/2017	COATES HIRE OPERATIONS	Hire of smooth drum roller	-3721.53
EFT13327	06/04/2017	COCA COLA AMATIL	Drinks fridge items	-506.04
EFT13328	06/04/2017	COMPLETE AQUATIC SERVICES	Commercial Pool servicing	-3207.59
EFT13329	06/04/2017	COVS PARTS PTY LTD	Batteries for hino dutro truck	-1011.54
EFT13330	06/04/2017	COYLE'S MOWER & CHAINSAW CENTRE	Small sthil chainsaw chains	-100.00
EFT13331	06/04/2017	ELITE GYM HIRE	Repair to Octane Cross Trainer	-110.00
EFT13332	06/04/2017	ENVIRONMENTAL MONITORING SYSTEMS PTY LTD	February - Sewerage Compliance	-13880.61
EFT13333	06/04/2017	FIESTA CANVAS	Repair shade sails from Coolgardie Pool	-3626.70
EFT13334	06/04/2017	Foxtel Management Pty Ltd FOXTEL	Monthly foxtel	-99.00
EFT13335	06/04/2017	GOLDFIELDS LOCKSMITHS	Repair broken door handle and lock	-307.52
EFT13336	06/04/2017	GOLDFIELDS PEST CONTROL	Spider Spray	-330.00
EFT13337	06/04/2017	GOODNEWS NEWSAGENCY	March 2017 monthly newspapers	-144.60
EFT13338	06/04/2017	HEATLEY INDUSTRIAL,SAFETY&PACKAGING - HEATLEY SALES PTY LTD	Work boots	-440.13
EFT13339	06/04/2017	KAMBALDA EAST DELI	Catering	-860.50
EFT13340	06/04/2017	KAMBALDA HANDYMAN & MECHANICAL CONTRACTING	Replace faulty door latch to Kambalda Public disabled toilet	-91.03
EFT13341	06/04/2017	KMART AUSTRALIA	Prizes for march pingo	-196.00
EFT13342	06/04/2017	Kalgoorlie Tyrepower	2 x tyres and 1x rim to suit 930h cat loader	-8692.00
EFT13343	06/04/2017	Kambalda Tilt Tray & Transport	Tilt tray vehicle into kalgoorlie	-130.00
EFT13344	06/04/2017	LITTLE INDUSTRIES	4 tonne of 7mm mrd metal	-651.75
EFT13345	06/04/2017	MALCOLM THOMPSON PUMPS	Assest and identify valve	-932.80
EFT13346	06/04/2017	MAPS GROUP LTD t/a Procurement Australia	Proposal for Risk Management and Insurance Services.	-7700.00
EFT13347	06/04/2017	MARKET CREATIONS	March 2017 CRC monthly website hosting	-33.00
EFT13349	06/04/2017	MINERAL RESOURCES LIMITED	Rates refund	-359.32
EFT13350	06/04/2017	MOBILE PEST CONTROL	Pest control at Coolgardie depot	-330.00
EFT13351	06/04/2017	NETSIGHT PTY LTD	Myosh monthly subscription March 2017	-305.80
EFT13352	06/04/2017	OIL & SPICE CAFE	Catering	-253.00
EFT13353	06/04/2017	PACK & SEND BUNBURY	Freight of Coolgardie Mine Memoribillia	-186.00
EFT13354	06/04/2017	PLANET PET AND AQUARIUM	Dog bed covers asstd sizes	-99.85
EFT13355	06/04/2017	RESOURCES TRADING HUB	1 x mw fuel grinder 5 b/less skin for coolgardie workshop	-1588.95
EFT13356	06/04/2017	RMM CARPET CLEANING	March 2017 Cleaning	-5104.00
EFT13357	06/04/2017	RMM Office Supplies	Stationary order	-816.38
EFT13358	06/04/2017	RSA Works	Road safety auditing and works management	-14927.00
EFT13360	06/04/2017	RYCO HYDRAULICS PTY LTD	Fabricate hydraulic hose to suit sweeper attatched to bobcat	-164.69
EFT13361	06/04/2017	SILVERLAKE RESOURCES	Rates refund	-1429.76
EFT13362	06/04/2017	SPORTSPOWER KALGOORLIE	Shoes	-190.00
EFT13363	06/04/2017	ST. IVES GOLD MINING COMPANY PTY LIMITED	Rates refund	-994.82
EFT13364	06/04/2017	STATE LAW PUBLISHER	Shire of Coolgardie Local Planning Scheme and Strategy 2017	-2739.15
EFT13365	06/04/2017	SUNNY SIGN COMPANY PTY LTD	Stock Code - PS W5-7BH-WA x 2	-836.50
EFT13366	06/04/2017	SUPA TURF (West Multi Services Pty Ltd)	STADIA 10L Marking Liquid	-771.01
EFT13367	06/04/2017	TAPS INDUSTRIES PTY LTD	Tender# 06/16.	-17351.50
EFT13368	06/04/2017	TECHNOGYM AUSTRALIA PTY LTD	A035-GG Plastic Handle	-225.50
EFT13369	06/04/2017	THE MURRAY HOTEL PERTH	Accommodation and meals	-278.00
EFT13370	06/04/2017	TOLL IPEC PTY LTD	Freight charges	-145.31
EFT13371	06/04/2017	TOTAL ASPHALT & TOTAL TRAFFIC MANAGEMENT PTY LTD	Salmon gum road coat seal using aggregate	-110348.53
EFT13372	06/04/2017	UNIQCO GROUP OF COMPANIES	Plant and fleet management, April 2017	-3850.00
EFT13373	06/04/2017	WA LOCAL GOVERNMENT ASSOCIATION - WALGA	Tender management services - IT Upgrade	-6229.25
EFT13374	06/04/2017	WAY OUT WEST CAFE	Catering	-270.00
EFT13375	06/04/2017	WML CONSULTANTS PTY LTD	Develop detail design drawings for Ladyloch/Morgan/Arizona intersection.	-4268.00
EFT13376	06/04/2017	WOOLWORTHS LTD (113483)	Catering items for March Pingo	-344.28
EFT13377	06/04/2017	WORMALD FIRE SYSTEMS	Work for Kambalda Community recreation Facility	-970.33
EFT13378	06/04/2017	ZION REAL ESTATE	Cleaning of 110 Forrest Street Coolgardie	-880.00
EFT13379	21/04/2017	AIR LIQUIDE	March 2017 Cylinder fee.	-104.51
EFT13380	21/04/2017	AIT SPECIALISTS PTY LTD	Completion of the review of records and dertmination - Fuel tax Credits	-4971.18

Shire of Coolgardie
Payments by Delegated Authority
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Chq/EFT	Date	Name	Description	Amount
EFT13381	21/04/2017	AUSTRALIA POST	March 2017 Australia Post charges.	-584.18
EFT13382	21/04/2017	BERNADINI PTY LTD (LSA OILS)	Engine oil	-22.37
EFT13383	21/04/2017	BOC LIMITED	March 2017 Cylinder fees	-210.30
EFT13384	21/04/2017	BOQ Asset Finance & Leasing Pty Limited	Monthly printer services	-6275.33
EFT13385	21/04/2017	BRYAN AND CYNTHIA PARSISSONS TRANSPORT	Clear fire hazard properties x 6 within the town site of Coolgardie	-3300.00
EFT13386	21/04/2017	BUNNINGS BUILDINGS SUPPLIES	Supplies for the Anzac Day Project	-27.05
EFT13387	21/04/2017	BURKE AIR PTY LTD	Repair air-conditioner	-1003.75
EFT13388	21/04/2017	COCA COLA AMATIL	Drink fridge items	-224.64
EFT13389	21/04/2017	COVS PARTS PTY LTD	Adhesive spray trim glue	-1119.82
EFT13390	21/04/2017	Civic Legal	Haven Caravan Park, professional fees	-10352.10
EFT13391	21/04/2017	D&G Engineering T/A Nanosoft	Graydon Roberts, hours worked	-1320.00
EFT13392	21/04/2017	DORMA Automatics	Planned periodic inspections to automatic doors.	-126.50
EFT13393	21/04/2017	DUN & BRADSTREET (AUSTRALIA) PTY LTD - D&B	MGL Disbursements	-35.00
EFT13394	21/04/2017	EMERGE TECHNOLOGIES	Remote Support Back up Servers.	-1837.00
EFT13395	21/04/2017	Floss and Popcorn Supply Co	50 buckets and delivery	-148.65
EFT13396	21/04/2017	GOODNEWS NEWSAGENCY	Craft materials for story time activity	-10.00
EFT13397	21/04/2017	HARVEY NORMAN AV/IT SUPERSTORE	Replacement of stereo system in the coolgardie gym	-399.00
EFT13398	21/04/2017	HERSEY JR & A	Nut & bolt kit UNF	-589.13
EFT13399	21/04/2017	JASON WILLIAM CLEELAND	Clear blocked disabled toilet	-242.00
EFT13400	21/04/2017	KAMBALDA HANDYMAN & MECHANICAL CONTRACTING	Replace all Kambalda Plant Room Doors with Steel frame doors	-3189.45
EFT13401	21/04/2017	KEC ELECTRICAL CONTRACTORS	Remove Lighting Fixtures and Install LED Bulk Fixtures at the Kambalda Swimming Pool	-5370.20
EFT13402	21/04/2017	KLEENHEAT GAS PTY LTD	Gas bottle	-142.18
EFT13403	21/04/2017	KMART AUSTRALIA	School Holiday Program Pingo Easter Eggs	-417.50
EFT13404	21/04/2017	Kambalda Tilt Tray & Transport	Recover broken down Holden Captiva and deliver to Shire Depot	-150.00
EFT13405	21/04/2017	L&A FRANICH	March 2017 Coolgardie Pool Contractor	-12308.45
EFT13406	21/04/2017	LANDGATE	Mining tenements	-372.40
EFT13407	21/04/2017	LG ASSIST AUSTRALIA	Advertisement on LG Assist website for CEO Position	-302.50
EFT13408	21/04/2017	MCLEODS BARRISTERS AND SOLICITORS	Montana House	-2022.35
EFT13409	21/04/2017	MIA HICKS CONSULTING	Business plan for the Coolgardie Visitor Centre	-8211.50
EFT13410	21/04/2017	MINING SUPPLIES KAMBALDA	Rags and safety glasses	-329.12
EFT13411	21/04/2017	MOMAR AUSTRALIA	Mo flow 1ltr bottles (carton of 12)	-1661.55
EFT13412	21/04/2017	MOORE STEPHENS (WA) Pty Ltd	Royalties for Regions	-1045.00
EFT13413	21/04/2017	MORANS STORE PTY LTD	Supplies for the Welcome to Coolgardie Afternoon Tea	-175.11
EFT13414	21/04/2017	OIL & SPICE CAFE	Catering	-319.00
EFT13415	21/04/2017	POOL ROBOTIC PERTH	Dolphin Dynamic ProX2	-1741.25
EFT13416	21/04/2017	RAVIM RBC	Coolgardie Service Review	-11000.00
EFT13417	21/04/2017	RSL Kambalda Sub Branch	Pancake Day 2017 donation	-269.00
EFT13418	21/04/2017	SOUTHERN RIVER SERVICES	Trim trees East Kambalda	-10040.00
EFT13419	21/04/2017	STAPLES	Stationary order	-59.08
EFT13420	21/04/2017	SUEZ ENVIRONMENTAL (SITA)	March 2017 Residential and Commercial Waste Disposal	-19341.73
EFT13421	21/04/2017	Siburan Resources Limited	Rates refund	-753.12
EFT13422	21/04/2017	TAPS INDUSTRIES PTY LTD	Tender# 06/16	-429.00
EFT13423	21/04/2017	THREAT PROTECT	Community Centre & Gym alarm monitoring. Quarterly in advance from April 2017	-889.50
EFT13424	21/04/2017	TOLL IPEC PTY LTD	Freight charges	-22.88
EFT13425	21/04/2017	TOTAL ASPHALT & TOTAL TRAFFIC MANAGEMENT PTY LTD	Reseal 14630m2 using PMD Quondong Road	-129917.11
EFT13426	21/04/2017	UNIQCO GROUP OF COMPANIES	Plant and fleet management	-3300.00
EFT13427	21/04/2017	WA COUNTRY HEALTH SERVICE	April 2016 Kambalda Medical Centre	-726.75
EFT13428	21/04/2017	WESTRAC PTY LTD	Diagnose & repair Cat 12M grader	-2118.80
EFT13429	21/04/2017	WOOLWORTHS LTD (113483)	Holiday Program Cooking Week 1/2	-259.47
EFT13431	21/04/2017	YMCA WA Kalgoorlie	School holiday program	-145.00
EFT13432	21/04/2017	AUSTRALIAN TAXATION OFFICE	March 2017 Bas	-67329.00
EFT13433	26/04/2017	AMPAC DEBT RECOVERY (WA) PTY LTD	Mining debt recovery, costs for the month of March 2017	-20706.21
EFT13434	26/04/2017	Accidental Health & Safety ENSURV PTY LTD ATF THE HARRIS FAMILY TRUST	First aid kit servicing across the Shire	-4165.94
EFT13435	26/04/2017	BERGMEIER EARTHMOVING (DAVENNE HOLDINGS PTY LTD)	4,100 Tonne at $17.60 As per Tender 04/16	-72352.72
EFT13436	26/04/2017	COMPLETE AQUATIC SERVICES	Prominent Delta Hiood PRO1027903 Prominent Dilta Pump Complete Hood	-1572.97
EFT13437	26/04/2017	ELITE GYM HIRE	Repair to Recumbent Cycle bike (replace drive belt)	-266.20
EFT13438	26/04/2017	GOLDFIELDS DEANS AUTOGLASS	Window tint	-412.50
EFT13439	26/04/2017	GOLDFIELDS ELECTRICAL CONTRACTORS PTY LTD	Electrical installation for the Coolgardie Golf Club	-3350.60
EFT13440	26/04/2017	HARVEY NORMAN AV/IT SUPERSTORE KALGOORLIE	Apple ipads Air Wi-fi 32GB	-3948.00
EFT13441	26/04/2017	IT VISION	Work on Pensioners 97 Hours	-13029.50
EFT13442	26/04/2017	KALPUMPS	Service and repair aerator	-2617.45

Shire of Coolgardie
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Municipal - EFT

Chq/EFT	Date	Name	Description	Amount
EFT13443	26/04/2017	MEDELECT	Defibrillator Pads	-346.50
EFT13444	26/04/2017	MERCURE HOTEL	Accommodation for training	-400.00
EFT13445	26/04/2017	PMH ELECTRICAL CONTRACTING SERVICES PTY LTD	Fault find, parts and labour	-2474.33
EFT13446	26/04/2017	WA COUNTRY HEALTH SERVICE	Lease of Kambalda Medical Centre for April 2017	-726.75
				690,452.31

Shire of Coolgardie
Payments by Delegated Authority
1 April 2017 to 30 April 2017
Municipal - ClickSuper

Chq/EFT	Date	Name	Description	Amount
DD5075.1	11/04/2017	NORTH SUPERANNUATION	Payroll deductions	-632.83
DD5075.2	11/04/2017	ASGARD INFINITY EWRAP SUPERANNUATION	Superannuation contributions	-283.51
DD5075.3	11/04/2017	Nowlan Superannuation Fund Pty Ltd	Payroll deductions	-281.59
DD5075.4	11/04/2017	REST SUPERANNUATION	Superannuation contributions	-135.66
DD5075.5	11/04/2017	WA LOCAL GOVERNMENT SUPERANNUATION	Superannuation contributions	-10446.00
DD5075.6	11/04/2017	BT Super for Life - Savings Account	Superannuation contributions	-971.15
DD5075.7	11/04/2017	AUSTRALIAN SUPER	Superannuation contributions	-1541.49
DD5075.8	11/04/2017	AMP SIGNATURESUPER	Superannuation contributions	-294.36
DD5075.9	11/04/2017	TASPLAN SUPER	Superannuation contributions	-223.79
DD5094.1	11/04/2017	WA LOCAL GOVERNMENT SUPERANNUATION	Superannuation contributions	-20.76
DD5105.1	25/04/2017	NORTH SUPERANNUATION	Payroll deductions	-630.11
DD5105.2	25/04/2017	ASGARD INFINITY EWRAP SUPERANNUATION	Superannuation contributions	-283.51
DD5105.3	25/04/2017	Nowlan Superannuation Fund Pty Ltd	Payroll deductions	-303.26
DD5105.4	25/04/2017	REST SUPERANNUATION	Superannuation contributions	-131.78
DD5105.5	25/04/2017	WA LOCAL GOVERNMENT SUPERANNUATION	Superannuation contributions	-9892.05
DD5105.6	25/04/2017	BT Super for Life - Savings Account	Superannuation contributions	-1008.90
DD5105.7	25/04/2017	AUSTRALIAN SUPER	Superannuation contributions	-1532.11
DD5105.8	25/04/2017	AMP SIGNATURESUPER	Superannuation contributions	-203.25
DD5105.9	25/04/2017	TASPLAN SUPER	Superannuation contributions	-222.08
DD5075.10	11/04/2017	TWU SUPER	Superannuation contributions	-205.87
DD5075.11	11/04/2017	FIRST CHOICE EMPLOYER SUPER	Superannuation contributions	-199.32
DD5075.12	11/04/2017	AMP	Superannuation contributions	-213.55
DD5105.10	25/04/2017	TWU SUPER	Superannuation contributions	-204.36
DD5105.11	25/04/2017	FIRST CHOICE EMPLOYER SUPER	Superannuation contributions	-199.31
DD5105.12	25/04/2017	AMP	Superannuation contributions	-196.39
				30,256.99

Shire of Coolgardie
Payments by Delegated Authority
1 April 2017 to 30 April 2017
Trust

Chq/EFT	Date	Name	Description	Amount
2130	18/04/2017	PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA	TRANSWA TICKETS MARCH 2017	-2764.85
2131	18/04/2017	SHIRE OF COOLGARDIE	TRANSWA MARCH 2017 COMMISSIONS	-534.35
				3,299.20

11.2 DEPUTY CHIEF EXECUTIVE OFFICER

AGENDA REFERENCE: 11.2.1

SUBJECT: Fleet management

LOCATION: Shire of Coolgardie

APPLICANT: Uniqco

FILE REFERENCE: NAM5485

DISCLOSURE OF INTEREST: Nil

DATE: 15 May 2017

AUTHOR: Deputy Chief Executive Officer, Jill O'Brien

SUMMARY:

For Council to consider adopting the "Use of Council vehicle" policy and the "OHS fleet safety and motor vehicle guidelines" to replace the current HR 01 –Motor vehicle policy and accept the 6 month executive report for fleet management prepared by Uniqco Fleet Management.

BACKGROUND:

Uniqco Fleet Management has been engaged by the Shire to manage comprehensive reporting on industry key performance indicators, including:

- Fleet management risk assessment.
- Plant, vehicle and equipment list showing asset details on record.
- Utilisation data on actual versus projected utilisation.
- Fuel consumption and emissions.
- Services due schedule showing planned maintenance requirements.
- Scheduled vs unscheduled downtime ratio.
- Details of repair and maintenance tasks.
- Maintenance status monitoring progress of maintenance and repair jobs.
- Maintenance timesheet report providing information on labour hours.
- Approved and unapproved budget reports to assist with optimising annual replacements.
- Ten year replacement program with optimum replacement points based on time elapsed and utilisation.
- Expenses and recoveries report analysing expenditure and income for recovery and capita replacement purposes

Grant Andrews Managing Director from Uniqco Fleet Management presented an update to Council (report attached) outlining the review of the progress over the last six months and the recommended changes in fleet management based on data provided to date including

- Recommending a replacement policy for light fleet and heavy plant

- Providing a draft light fleet use policy for adoption by Council
- Providing comments on strategies for the Shire to minimize FBT (Fringe benefit tax) liabilities and improve attraction and retention
- Reviewing current turnover time frames for plant and heavy vehicles
- Making comment if there are any other considerations that the shire should take into account in relation to its plant replacement program

COMMENT:
The executive report supports both the "Use of Council vehicle" policy and the "OHS fleet safety and motor vehicle guidelines"

CONSULTATION:
Grant Andrews – Managing Director – Uniqco Fleet management

STATUTORY ENVIRONMENT:
Nil

POLICY IMPLICATIONS:
If Council agree to adopt the Use of Council vehicle" policy and the "OHS fleet safety and motor vehicle guidelines" the HR 01 –Motor vehicle policy will become redundant.

FINANCIAL IMPLICATIONS:
Nil

STRATEGIC IMPLICATION:
Solutions focused and customer oriented organisation.
▪ High quality corporate governance, accountability and compliance.
▪ Effective communication and engagement processes.
▪ Attraction, development and retention of a productive and effective workforce.
▪ Development of Shire's resources to provide optimum benefit to the community.

VOTING REQUIREMENT:
Simple Majority

OFFICER RECOMMENDATION:

That Council
1. Adopt the "OHS fleet safety and motor vehicle guidelines" and the "Use of Council vehicle" policy to replace the current HR 01 –Motor vehicle policy.
2. Accept the 6 month executive report for fleet management from Uniqco Fleet management as per attachment.

COUNCIL RESOLUTION: # 114/17

Moved: Cr, T Rathbone
Seconded: Cr, K Lindup

That Council suspend standing orders

CARRIED ABSOLUTE MAJORITY 6/0

COUNCIL RESOLUTION: # 115/17

Moved: Cr, K Lindup
Seconded: Cr, T Rathbone

That Council resume standing orders

CARRIED ABSOLUTE MAJORITY 6/0

COUNCIL RESOLUTION: # 116/17

Moved: Cr, T Rathbone
Seconded: Cr, B Logan

That Council
1. Adopt the "OHS fleet safety and motor vehicle guidelines" and the "Use of Council vehicle" policy to replace the current HR 01 –Motor vehicle policy.
2. Accept the 6 month executive report for fleet management from Uniqco Fleet management as per attachment.

CARRIED SIMPLE MAJORITY 6/0

SHIRE OF COOLGARDIE

OHS

Fleet Safety

&

Motor Vehicle Guidelines

2017

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1. Introduction

In maintaining and operating the vehicle fleet for its employees, the Shire of Coolgardie has a legal obligation and duty of care under the Occupational Safety and Health Act 1984 to provide a safe and healthy workplace.

Fleet safety is a critical occupational health and safety issue for the Shire.

The Shire of Coolgardie is obliged to provide safe workplaces (vehicles are classed as a place of work), safe systems of work and to provide employees with safety information, instruction and training related to work-related driving. Taking steps to minimize the risk of injury to employees through their involvement in motor vehicle accidents will protect the health and well-being of employees. An additional benefit to the Shire is possible cost savings as employers are subjected to costs both directly (workers' compensation and vehicle repair costs) and indirectly (loss of corporate knowledge) as a result of a motor vehicle accident.

2. Scope and Purpose of Guidelines

These Guidelines are intended to assist in the implementation of a program for motor vehicle fleet selection and use, have been compiled based on research into contemporary vehicle safety features and best practice driver behaviour with the assistance from the WA Department of Transport Safe Driving.

As such, the Guidelines are aimed at raising the Shires staff awareness of the issues in the interests of employee safety and the cost effective operation of vehicle fleets. They are not intended to mandate minimum standards, as these may vary. The Shire will select, maintain and manage vehicles in accordance with best management practices and in the interests of maximising organisational efficiency and effectiveness.

3. Benefits of Implementing an OHS Fleet Purchase and Use Policy

It is anticipated that these Guidelines will result in the following positive outcome:

- Enhancement of the Shire of Coolgardies' OHS reputation both internally and externally; and compliance with Occupational Health and Safety legislation.

4. Selection of Vehicles

The practical aim of these Guidelines is to encourage and assist the Shires staff to choose the safest fleet vehicles, appropriate for the purposes for which the vehicles will be used. Specifying mandatory safety requirements over and above those required by law is not considered appropriate for the Shire as such an approach is not flexible enough to take into account the different operational needs of each department.

These Guidelines provide research results and information on active and passive safety features that the Shire of Coolgardie should consider when ordering vehicles.

The following safety features should be considered when choosing a fleet vehicle.

This list is not exhaustive the Shire of Coolgardie should choose vehicles having regard to the availability of safety features and individual business requirements, which may necessitate additional safety features not noted below.

4.1. *Active Safety Features (Accident Prevention)*

Active safety features can help prevent vehicle accidents by providing the driver with better means of controlling the vehicle and avoiding hazards. Many vehicle features make an obvious contribution to active safety, such as tyres, brakes, lights and steering. Others are not so obvious, like seats and air-conditioning. Examples of active safety features include:

- Anti-lock Braking System (ABS);
- Speed alert systems;
- Daytime Running Lights (DRLs);
- Clear glazed windows;
- Cruise control including proactive cruise control;
- Air conditioning;
- Weight and size;
- Highly visible colour;
- Reversing aids i.e. warning beeper when vehicle is reversing and / or reversing camera.

4.1.1. Anti-lock Braking System (ABS)

Anti-lock brakes are designed to improve the manoeuvrability of a vehicle when braking by stopping the wheels from locking in an emergency stop. With better control of the vehicle, the driver of an ABS-equipped vehicle has a better chance of avoiding an accident. It has been shown that vehicles with ABS are much less likely to be involved in rear end collisions and accidents on wet or icy roads.

4.1.2. Speed Alert Systems

A speed alert system will help drivers to drive within speed limits. This system alerts drivers when a set speed is reached. While not preventing speeding, the driver is made aware that the set speed has been reached.

4.1.3. Daytime Running Lights (DRLs)

DRLs are weak headlights that are illuminated during the day in order to make vehicles more conspicuous and thus reduce the likelihood of their involvement in accidents. It is possible to fit vehicles with a device that will automatically activate DRLs when the ignition is switched on, but which can be overridden when full strength headlights are on. Also, vehicles are available with headlights that automatically switch off when the engine is stopped and the driver's door opened.

DRLs have been shown to improve vehicle visibility and estimation of distance with a resultant reduction in accident rates. If a vehicle is not equipped with DRLs, an alternative is that the vehicle be driven on the open highway with dipped headlights.

4.1.4. Clear Glazed Windows

Unless there is a specific reason, it is suggested that no extra tint be fitted to any window in the vehicle over the body tint commonly fitted by vehicle manufacturers.

This is because tinted glass causes an unnecessary hazard by obscuring up to 25 per cent of what the driver needs to see. In particular, research has shown the recognition of approaching vehicles at intersections, and judgment of speed and distance when light levels are low, becomes more and more difficult as we get older.

4.1.5. Cruise Control

Cruise control helps drivers to drive within speed limits. Cruise control allows the driver to set a speed so that the vehicle will remain at that speed unless the driver touches the accelerator, brake or clutch.

Where proactive cruise control is fitted the driver must familiarise themselves of how this option operates and under what conditions it improves their level of safety.

4.1.6. Air Conditioning

Air conditioning increases driver comfort and helps maintain attention. It is also the most efficient demister of windows to help maintain clear visibility in wet or humid weather.

4.1.7. Highly Visible Colours

Light, highly visible colours such as yellow and white are safer colours than colours such as black or grey which can blend into the road and are less visible. It is suggested that the choice of safe colours be a priority for vehicles used predominantly on the open road.

4.1.8. Reversing Aids

Having a warning beeper fitted that sounds when the vehicle is reversing can prevent accidents.

Reversing camera, parking aids are available whereby an ultrasonic sensing device alerts the driver to an object behind the vehicle. They are not adequate to detect small children behind the vehicle and therefore should not be depended on for this function.

4.2. *Passive Safety Requirements – Reduce Injury in an Accident*

While active safety features can help reduce the chance of an accident, not all vehicle accidents are avoidable. In the event of an accident, passive safety features are designed to prevent or minimise injury to the vehicle's occupants. Some features help absorb accident forces; some restrain occupants from colliding with the vehicle interior, and others prevent objects inside the vehicle from striking the driver or passengers. Therefore, it is important to choose a vehicle with both good active and passive safety features.

Examples of passive safety features include:

- 'Acceptable' or five star rating or better on ANCAP (Australian New Car Assessment Program) Ratings;
- Seat belts;
- Air bags;
- Vehicle Stability Control (VSC);
- Traction Control (TRC);
- Brake Assist (BA);
- Head restraints;
- Cargo barriers.

4.2.1. 'Acceptable' or Five Star Rating or Better on ANCAP (Australian New Car Assessment Program) Ratings

Information on the safety levels of new vehicles is available through the Australian New Car Assessment Program (ANCAP).

ANCAP test results determine a vehicle's "crashworthiness", or how well it protects occupants in an accident. Successive studies over recent years by the Monash University Accident Research Centre (MUARC) have shown there is strong correlation between ANCAP results and vehicle accidents.

ANCAP results can be found at: www.ancap.com.au

4.2.2. Cargo Barriers

Loads must be secured. Cargo barriers prevent loose cargo shifting into the front of the vehicle in an accident, with serious consequences for occupants. Loose cargo can also affect air bag triggering, causing them to malfunction or not to deploy. Cargo barriers are available as an optional extra and the Shire should consider having cargo barriers fitted to vehicles without a boot for storage (i.e. station wagons, hatchbacks) where the vehicles are used to transport cargo, unless operational reasons prevent it. Cargo barriers should meet standard AS/NZS 4034:1994, or later standards as they are developed. Where the back seat of a vehicle is used for carrying loads, it is suggested that tie down straps be installed so that the load can be well secured.

4.3. *Other Safety Considerations*

- **Vehicle Stability Control (VSC)**

  System that ensures control in cornering situations the way ABS does under braking and TRC does under acceleration. The VSC system utilises electronic sensors in conjunction with the ABS and TRC hardware to help control any potential understeer or oversteer situations. Understeer is when the vehicle loses front-wheel traction and wants to push forward nose first. Oversteer is when the rear wheels lose traction and the tail begins to slide.

- **Traction Control (TRC)**

  A sophisticated electronic system designed to minimise stopping distances by maximising braking power to the wheels with the most grip. It replaces the conventional load sensing proportioning valve. EBD can adjust the fore / aft brake balance according to vehicle load and the right / left brake balance if the brakes are applied during cornering.

- **Brake Assist (BA)**

  A system designed to assist the driver in emergency braking, where the driver cannot apply the high pedal force required to obtain the shortest possible braking distance. It supplements the braking power applied if the driver has not pushed hard enough on the brake pedal in an emergency braking situation – working in conjunction with ABS.

4.3.1. Four Wheel Drive Vehicles

Large 4WD vehicles are much heavier than other passenger vehicles and are therefore likely to inflict more damage in accidents with smaller vehicles and pedestrians. Many of the larger vehicles are unstable and prone to roll-over accidents as a result of the vehicle height to width ratio and their high centre of gravity. As well, base model 4WDs are unlikely to be equipped with safety features such as airbags and ABS brakes. Because of their weight, 4WDs do not perform well in emergency braking situations. As a result, the Shire should only consider purchasing 4WD vehicles when there is a clear operational need.

4.3.2. First Aid Kits

The Shire of Coolgardie fleet vehicles will carry an appropriate first aid kit.

4.3.3. Fire Extinguisher

The Shire of Coolgardie will consider the benefits of fleet vehicles carrying a fire extinguisher that is securely fixed in the vehicle.

4.3.4. Bull Bars

The Shire of Coolgardie will only consider installing bull bars where they are absolutely necessary as it has been shown that they increase injury levels to pedestrians, cyclists and motorcyclists in an accident. Also Bull Bars or nudge bars must be installed correctly so as not to interfere with the vehicles safety systems i.e. air bags.

4.4. *Selection of Vehicles - Responsibilities*

4.4.1. Staff Responsibilities

- Where a staff member has input into vehicle selection, consider the safety issues outlined in these Guidelines in the selection and only select vehicles with maximum safety features while still meeting particular operational and financial requirements of the Shire; and
- Utilise safety features provided in vehicles.

The OHS Regulation 2001 covers consultation requirements. Consultation enables employees to contribute to the decisions that affect their health, safety and welfare. Consultation helps the Shire of Coolgardie and employees to work together to seek solutions that lead to healthier and safer workplaces.

4.4.2. Management Responsibility

- Consider the safety issues outlined in these Guidelines in the selection of vehicles and select vehicles with maximum safety features while still meeting particular operational and financial requirements of the Shire of Coolgardie
- Ensure any staff that have input into vehicle selection are aware of the safety features discussed in these Guidelines. The Occupational Safety and Health Act 1984 which sets out the employers "duty to consult" with employees about OHS matters; and
- As a vehicle is a workplace for the purposes of the Occupational Safety and Health Act 1984, be aware of the obligations of the Fleet Manager to provide a safe workplace (as required for all workplaces such as offices or building sites).
- Actively select vehicles for inclusion in the motor vehicle contract that have appropriate safety features and set minimum specifications in relation to safety features where possible; and
- Prohibit the inclusion of options that compromise safety (e.g. tinted glass, bull bars) unless justified by the Shire of Coolgardie for operational requirements.

5. se of Vehicles

Improvement in vehicle safety goes a long way to addressing road safety issues. However, a safe vehicle is not enough. Driver behaviour is a contributory factor in 90-95% of vehicle accidents.

These Guidelines provide research results and information to maximise safety.

The Shire of Coolgardie will adopt the following vehicle use behaviours for their staff when they are driving a Shire vehicle:

5.1. *Compliance with Road Rules and Courtesy*

All legislative requirements associated with vehicle usage, in particular parking restrictions and speed limits, must be adhered to. Reducing speed is the best means of reducing vehicle accident risk and the severity of those accidents.

All Shire employees using fleet vehicles or rental vehicles must carry their driver's license with them at all times and adhere to the Road Rules relevant to the jurisdiction in which the vehicle is being driven.

5.1.1. The Shire of Coolgardie Driver is Responsible

- Drivers are responsible for all passengers being properly restrained in a seatbelt or approved child restraint. There are fines and demerit points for a driver who is not wearing a seatbelt or who fails to ensure that passengers use seatbelts where available. Passengers aged 16 years and over who do not use an available seatbelt will also be fined.
- It is dangerous and illegal to have too many people in a vehicle, for example people sitting on the floor or on other people's laps. All passengers should be seated and wearing seatbelts or other restraints. Learner drivers, P1 and P2 licence holders are not allowed to carry anyone who is not wearing a seatbelt or not using a child restraint

A national system of driver licence classes has been introduced in WA. All States and Territories in Australia have a uniform driver licence system. The licence classes are:

C Car
R Rider
LR Light Rigid
MR Medium Rigid
HR Heavy Rigid
HC Heavy Combination
MC Multi-Combination

5.1.2. Car

A 'Class C' licence covers vehicles up to 4.5 tonnes gross vehicle mass (GVM). GVM is the maximum recommended weight a vehicle can be when loaded.
A 'Class C' licence allows you to drive cars, utilities, vans, some light trucks, car-based motor tricycles, tractors and implements such as graders.
You can also drive vehicles that seat up to 12 adults, including the driver.

5.1.3. Motorcycle

Motorcycle riders require a 'Class R' licence.

5.1.4. Rigid Vehicle Licences

Different licence classes are required by drivers of rigid vehicles:

- A Light Rigid 'Class LR' covers a rigid vehicle with a GVM of more than 4.5 tonnes but not more than 8 tonnes. Any towed trailer must not weigh more than 9 tonnes GVM. Also includes vehicles with a GVM up to 8 tonnes which carry more than 12 adult including the driver and vehicles in class 'C'.
- A Medium Rigid 'Class MR' covers a rigid vehicle with 2 axles and a GVM of more than 8 tonnes. Any towed trailer must not weigh more than 9 tonnes GVM. Also includes vehicles in class 'LR'.
- A Heavy Rigid 'Class HR' covers a rigid vehicle with 3 or more axles and a GVM of more than 8 tonnes. Any towed trailer must not weigh more than 9 tonnes GVM. Also includes articulated buses and vehicles in class 'MR'.

Any complaint relating to the manner in which a Shire vehicle has been driven will be investigated.

5.1.5. Staff Responsibility

- Be courteous drivers;
- Ensure driver's license is correct for the vehicle being driven, current and carried at all times whilst driving;
- Be aware of and comply with the Road Rules relevant to the jurisdiction in which the vehicle is being driven;
- Drive at speeds that are safe for the conditions, recognising that, in some circumstances, this may be below the posted speed limit; and
- Use speed alert systems and cruise control where available.

5.1.6. All Licence Holders

The law requires the holder of a driver licence to notify, as soon as practicable, the RTA of any long term injury or illness that may impair his or her ability to drive safely. The RTA must be satisfied that all licence holders are medically fit to drive. A licence holder can be directed to have regular medical examinations because of a medical condition or because of advanced age. Some drivers must also have an annual driving test.

The rules apply to all licence holders, including people who have three or five year licences.

5.1.7. Management Responsibility

- New employees to be informed of the Shire of Coolgardie policy for the safe use of fleet vehicles as part of their job induction;
- Ensure work schedules allow sufficient time for travel;
- Monitor speeding fines issued to staff whilst driving the Shire of Coolgardie vehicles and provide details of infringements to the driver's manager; and
- Monitor fuel consumption of vehicles and provide feedback about fuel consumption (low fuel consumption is a sign of non-aggressive / non-speeding / driving a correctly tuned vehicle).

5.2. *Maintenance and Monthly Vehicle Checks*

All Shire vehicles must be maintained in a safe, roadworthy condition.

Maintenance of vehicles should take place according to the vehicle manufacturer's specification.

5.2.1. Staff Responsibility

- Use the vehicle in an appropriate and safe manner;
- Conduct checks of key components against a checklist covering headlights, fuel, brakes, mirrors, tyres, and ensure windscreens are clean and free of cracks or chips, etc.; and
- Promptly report any vehicle faults in writing.
- Use "Fortnightly Vehicle Checklist" – See section 11
- To advise the Shire HR Coordinator when and if they accrue demerit points.

In addition, prior to each trip, the driver is responsible to ensure the general roadworthiness of the vehicle and its suitability for the trip / work to be undertaken. This may include the checking of fuel, oil, coolant, brake fluid, lights, windscreen washers and wipers, water, battery and tyre tread and pressure and taking corrective action where necessary.

5.2.2. Management Responsibility

- Ensure that records are kept of vehicle inspections, maintenance, repairs and modifications (WorkCover OHS requirements);
- Ensure that all vehicles are maintained in a safe, roadworthy condition; and
- Remove unsafe vehicles from use.

5.3. *Smoking*

Smoking in a Shire vehicle is not permitted at any time. A Shire of Coolgardie vehicle is a workplace for the purposes of the Occupational Safety and Health Act 1984 and smoking is prohibited in the workplace.

5.3.1. Staff Responsibility

- Not to smoke in a Shire fleet vehicle or permit others to smoke in the vehicle.

5.3.2. Management Responsibility

- Promote non-smoking in the workplace.

5.4. *Alcohol and Drugs*

It is illegal to drive while under the influence of alcohol or drugs, including some over-the-counter and prescription medicines. All legislative requirements associated with driving and alcohol consumption, and the consumption of drugs or alcohol in the workplace must be adhered to. The Shire of Coolgardie employees are not to be under the influence of drugs or alcohol whilst in control of a Council vehicle.

Blood Alcohol Concentration (BAC) WA has three blood alcohol limits: Zero, 0.02 and 0.05. Zero applies to:

- Novice drivers;
- Taxi drivers*;
- Drivers of passenger vehicles with capacity to carry more than 12 adult passengers*;
- Drivers of omnibuses*;
- Drivers of certain heavy vehicles*;
- Drivers of vehicles carrying dangerous goods*;
- Extraordinary licence holders; and
- Recently disqualified drivers;

* *The zero BAC limit for certain drivers may not apply at all times. Please visit **www.transport.wa.gov.au/dvs** for further information on when a driver must have a BAC limit of zero.*

0.02 applies to:

Drivers who hold a provisional licence that are no longer Novice Drivers.

0.05 applies to:

ALL other licences (including overseas and interstate licence holders) not subject to a 0.02 or zero limits.

For vehicles classed as "plant equipment, heavy trucks and machinery", under the Occupational Safety and Health Act 1984, the alcohol limit is **0.00.**

Alcohol and Drug Related Breaches – Motor Vehicle Insurance & Workers Compensation

***	***It should be noted that insurance companies may not accept a motor vehicle claim or workers' compensation claim where an accident or injury is sustained and the presence of drugs or alcohol have been identified by a positive test.***

Where an employee, contractor, volunteer or work experience person is proven to drive or attempt to drive a Council motor vehicle, truck or mobile equipment when returning a positive result **of alcohol or other drugs** and has an accident**,** Councils insurer may agree to indemnify Council for the loss or damage to Council's vehicle.

It is then normal practice for the **insurer to seek a full recovery of these costs from the offending driver**. It is possible the driver may have no liability cover if the prescribed content of alcohol or drugs exceeds the legal limit at the time of the incident. Workers Compensation Claims in the event of a claim involving **alcohol or other drugs** the insurer may not accept the claim.

5.4.1. Staff Responsibility

- Not drive a vehicle under the influence of drugs or alcohol.

5.4.2. Management Responsibility

- Educate staff on alcohol and drugs in the workplace.
- Encourage drivers not to consume any alcohol in the period prior to driving; and
- Ensure drivers are made aware of the effect of alcohol and drugs on driving performance.

5.5. *Fatigue*

With the goals of the Shires Fatigue Management Plan Occupational Health and Safety Policy Statement in mind, the Shire of Coolgardie will use appropriate risk assessment tools to measure, mitigate and monitor the risks associated with fatigue. In addition, mitigation strategies will be reviewed and audited to ensure compliance with OHS requirements.

Under OH&S legislation, the Shire has the primary duty of care. However, there is also a provision for the Shire of Coolgardie's **employee's duty of care**.

This refers to the duty of a Shire employee to assist the Shire of Coolgardie in meeting health and safety obligations and to take reasonable care not to put themselves, or others, at risk. In other words, an employee has a duty to take reasonable care for their own health and safety, and for the health and safety of others that may be affected by their acts or omissions at the workplace

Fatigue is the result of inadequate rest over a period of time, leading to a markedly reduced ability to carry out a task. The Shire of Coolgardie staff and their supervisors should plan realistic schedules, be rested before departure, stop for appropriate rest breaks (at least every two hours, even if not feeling tired) and avoid driving during normal sleeping hours. Employees should be made aware that accumulated sleep deprivation or sleep disorders such as sleep apnea will increase their accident risk.

It is suggested that the Shire staff and their supervisors take the following into account:

- A journey longer than two hours should be broken at least once for a 10-minute break;
- Consideration should be given to staying overnight if there is a requirement to travel a long distance and there is a risk of driver fatigue;
- Where practical, driving long distances should be avoided where driving conditions are difficult, such as driving in heavy rain, fog or into the sun; and
- If a driver is fatigued they should be encouraged to find a suitable location to pull off the road and take a "Powernap" for 10 minutes or more. Research shows that a Powernap can significantly reduce the risk of fatigue-related accidents. A preventative Powernap before the journey is also effective.
- Employees, who operate plant or other heavy vehicle, are required to abide by the legislation requirements regarding Fatigue Management from WorkSafe WA.

Signs of fatigue include:

- Constant yawning;
- Drifting in the lane;
- Sore or heavy eyes;
- Trouble keeping your head up;
- Delayed reactions;
- Daydreaming;

- Variations in driving speed; and
- Difficulty remembering the last few kilometres.

The only effective remedy for fatigue is sleep.

5.5.1. Staff Responsibility

- Do not drive while fatigued;
- Have a “Powernap” if tired;
- Share the driving if possible;
- Avoid starting a long trip after a day’s work;
- Avoid driving at times when you would normally be asleep;
- Avoid tight meeting schedules;
- Avoid driving after 17 hours since your last sleep; and
- Use other forms of travel (e.g. bus) when practical.

5.5.2. Management Responsibility

- Ensure that appropriate work scheduling is encouraged and implemented (i.e. minimise driving in the late afternoon and encourage staff to stay overnight on long trips);
- Educate staff on the dangers of driving whilst fatigued; and
- Educate staff on sleep disorders and encourage staff to seek medical advice if they have any symptoms.

5.6. *Daytime Running Lights (DRLs)*

The Shire requires that vehicles be driven with dipped headlights or DRLs on during the day, especially on the open highway.

5.6.1. Staff Responsibility

- Have DRLs on at all times where fitted; and
- If DRLs are not fitted, drive with dipped headlights, especially on the open highway.

5.6.2. Management Responsibility

- Educate staff on the benefits of using DRLs to improve vehicle visibility.

5.7. *Mobile Phones*

It is an offence to drive a vehicle while using a mobile phone without a hands-free kit.

Mobile phones can cause distractions in two ways:

- Taking your hands off the wheel; and
- Becoming engrossed in an intense conversation and not concentrating on the road.

Shire of Coolgardie employees must pull over and stop their vehicle if required to talk on the phone.

Shire of Coolgardie adopt the following practices for their staff:

- Staff shall keep mobile phone use to an absolute minimum when driving. This means diverting calls to voicemail and checking messages regularly when it is safe to pull over;
- Staff do not make calls, dial numbers or text message while driving; and
- Staff to pull over to the side of the road when it is safe, before making or answering a call.

5.7.1. Staff Responsibility

- Never use handheld mobile phones whilst driving or stationary in traffic;
- Minimise the use of a hands free mobile phone whilst driving or stationary in traffic;
- Pull over, if safe, to use a mobile phone; and
- Use message bank, where appropriate.

5.7.2. Management Responsibility

- Actively discourage the use of mobile phones whilst operating fleet vehicles and reiterate to employees that it is an offence to drive a vehicle while using a mobile phone without a hands-free kit.

5.8. *Other Driving Distractions*

Drivers should be aware of and minimise other driving distractions such as eating drinking and programming the vehicles GPS (if fitted) whilst driving. These have the potential to cause a distraction in the same way as mobile phones.

5.8.1. Staff Responsibility

- Minimise other driving distractions such as eating and drinking whilst driving or stationary in traffic.
- Not to program the vehicles GPS whilst driving or stationary in traffic.

5.8.2. Management Responsibility

- Actively discourage eating and drinking whilst operating fleet vehicles.
- Actively discourage programming a GPS whilst operating / driving or stationary in traffic.

5.9. *Towing*

All legislative requirements associated with towing must be adhered to. A vehicle should not tow a trailer if the trailer has a loaded mass exceeding the towing capacity of the vehicle or the towing capacity of the tow bar fitted to the vehicle. The towing capacity of a vehicle or tow bar is as specified by the manufacturer.

Towing anything heavy greatly increases the stress on any vehicle, so suspension, brakes, steering, tyres and the cooling system need to be in excellent condition.

5.9.1. Staff Responsibility

- Comply with all legislative requirements for towing; and
- Only tow if it is safe to do so and the driver can control the towed load.

5.9.2. Management Responsibility

- Promote safe towing practices; and
- Ensure that appropriate vehicles are selected where they are to be used for towing purposes.

6. Driver Education and Awareness

An aim of these Guidelines is to encourage and assist employees to be safer drivers.

Drivers of Shire of Coolgardie vehicles should be aware that they have sole responsibility and legally responsible for ensuring all children aged less than seven years of age are restrained in appropriate, standards approved restraints. A penalty applies for failing to ensure children are appropriately restrained:

The regulations requires all children aged up to seven are required to travel in an approved child restraint and make sure they are protected when travelling in a vehicle.

- Children younger than six months must be secured in rearward facing restraints;
- Children between six months and four years must be secured in either a rear or forward facing restraint;
- Children between four and seven years must be secured in forward facing child restraint or booster seat;
- Children younger than four years cannot travel in the front seat of a vehicle with two or more rows;
- Children between four and less than seven years cannot travel in the front seat of a vehicle with two or more rows, unless all other back seats are occupied by children younger than seven years in a child restraint or booster seat.

Employees should consult the vehicle manufactures handbook or the vehicle supplier for the correct anchorage point locations or seek advice from an RTA Authorised Fitting Station. Call **13 22 13** to find your nearest RTA Authorised Fitting Station.

Drivers of a Shire of Coolgardie vehicle are responsible for the purchase, provision and fitting of child restraints at no cost to the Shire. The restraint must be removed when the vehicle is being used on Shire business.

6.1. *Induction Programs*

Induction is an important opportunity to inform new employees of the details of the fleet management policy and the Shires commitment to road safety. It is also critical that the vehicles assigned to new employees meet the requirements of their particular job.

The induction program undertaken by the employee's manager / supervisor consists of:

- Vehicle familiarisation in the particular types of vehicle which the employee will be driving. If necessary, this may require some specific vehicle induction training by the employees manager / supervisor;
- Maintenance procedures and cleaning requirements;
- What to do in the event of an accident;
- Expected driver behaviour, employees be informed of the Shires policy on fleet safety; and
- The importance of maintaining a courteous attitude to other road users and using government vehicles in a responsible manner.

6.2. *Driver Education Programs*

Driver training and education by the employee's manager / supervisor help ensure a competent workforce and increase awareness and knowledge of road safety issues.

However, manager / supervisor should be focusing on driver attitude to road safety (factors such as speed, alcohol, not wearing seat belts and driving when fatigued).

Drivers must adhere to the Road Rules relevant to the jurisdiction in which the vehicle is being driven, and be encouraged to practice defensive driving techniques. As part of this, drivers should be educated to drive at speeds that are safe for the conditions, recognising that, in some circumstances, this may be below the posted speed limit.

Also, drivers should be educated in respect to the distance needed, on average, to stop a vehicle, and to make use of advisory speed signs.

It is suggested that the Shire of Coolgardie manager / supervisor identify driver training needs, with particular focus on the type of vehicle to be driven, and arrange appropriate training or retraining, including providing regular tool box meetings on using seat belts, combating fatigue, driver responsibility and the impact of alcohol and drugs.

6.3. *Improper Vehicle Use and Traffic Infringement Monitoring*

The Shire of Coolgardie will develop systems to monitor and report on improper vehicle use and levels of traffic infringements and put in place processes to sanction employees who consistently have disregard for the vehicle and / or breach road rules.

6.4. *Need to Travel*

In order to eliminate unnecessary travel, staff should be encouraged to consider if the journey is essential. Thought should be given to alternate arrangements other than vehicle travel, such as telephone and video conferencing.

7. Implementation of Guidelines

A safe driving policy will only work if staff are encouraged to follow it and everyone knows about it.

The Shire of Coolgardie will encourage employees to actively participate and communicate the policy by:

- Clearly setting out the responsibilities of managers and employees for implementing and maintaining the policy;
- Managers championing the policy;
- The establishment of an subcommittee of the current OSH committee to oversee accident reduction / driver safety improvement and oversee reasonable improvements to safety for vehicles and associated equipment;
- Providing audit forms in vehicles to enable drivers to ensure regular maintenance checks are carried out (such as tyre pressure, windscreen condition etc. – Fortnightly Vehicle Checklist);
- Using internal communications to make sure all staff know about the policy, and including regular features on safe driving in staff newsletters;
- Enhancing the reputation of the Shire by advertising the fact that the Shire of Coolgardie has a safe driving policy at every opportunity;
- Making the policy part of the Shires health and safety policy;

- Encouraging healthy eating, sleep, work and exercise habits that assist safe driving;
- Internal promotion of the reduction in injuries / vehicle accidents and costs to the Shire of Coolgardie to encourage continuous improvement in driver behaviour; and
- Including the policy in all staff induction.

8. Vehicle Accident Monitoring

Consistent monitoring and analysis of accident data is the foundation for an effective fleet safety policy. Without carefully considered evaluation systems in place, the other elements of fleet safety will be far less effective. Thorough monitoring of fleet data will ensure that the program's safety measures are actually addressing problem areas in the fleet.

Councils Reporting Procedures require that all Incidents / Accidents must be verbally reported immediately to your supervisor. Following the verbal advise of the accident, a Motor Vehicle Accident Report form is to be completed, in addition to an Incident/Hazard Report, should personal injury occur. These forms are to be completed within 2 business days of the accident/incident.

9. Review of Guidelines

Guidelines will be reviewed every 12 months by the HR Advisor in consultation with the CEO.

The effectiveness of the Guidelines will be evaluated by considering the level of adherence to the Guidelines by the Shire.

10. Additional Resources

The Shire has a fleet safety policy that matches its particular activities and priorities. A number of Australian state jurisdictions and research organisations have developed extensive materials to help organisations develop and improve their fleet safety policy.

Examples of model fleet safety policies and resources include:

- Transport WA' drive safe handbook
- ANCAP results can be found; www.ancap.com.au

This policy should be read in conjunction with the following documents;

- Appendix ------: Private Use Policies & Private Use Agreement (as above)
- WA Commerce "Staying alive on the road"

11.

Vehicle Inspection Report

Fortnightly Vehicle Check

Vehicle Registration No.: ..... Plant No.: .....

Vehicle Type: Service Date:

Item	Operational Yes / No	Comments
Headlights		
Warning lights (blinkers)		
Hazard lights		
Brake lights		
Reversing lights		
Interior light		
Brakes		
Windscreen		
Tyre pressure		
Tyres - condition		
Oil level		
Water level		
Steering fluid level		
Brake fluid level		
Hands free phone unit		
All windows		
First Aid Kit		
Seat belts		
Rear Vision and Side Mirrors		
Tyre Jack		

Items to be reported/fixed: .....

.....

.....

.....

.....

Signed: Date:

uniqco
FLEET STRATEGY
& PERFORMANCE

6 MONTH EXECUTIVE REPORT

FOR

SHIRE OF COOLGARDIE

14th Feb 2017

V1.0

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REPORT SCOPE

The report is to:

- Review the progress so far in the recommended changes in fleet management
- Based on data provided to date, recommend a replacement policy for light fleet and heavy plant
- Provide a draft light fleet operational Workplace Health and Safety policy for adoption by Council
- Provide a draft light fleet use policy for adoption by Council
- Provide comment on strategies for the Shire to minimise FBT liabilities and improve attraction and retention
- Review current turnover timeframes for plant and heavy vehicles
- Make comment if there are any other considerations that the Shire should take into account in relation to it's plant replacement program

EXECUTIVE SUMMARY

The focus areas for the review were:

- Utilisation for heavy vehicles and plant
- Optimum replacement timing for the whole fleet and
- Options for provision of light vehicles and
- Policies for vehicle usage and strategies to minimise FBT

Heavy plant

A number of heavy vehicles and plant were identified as below the Institute of Public Works Engineering (IPWEA) utilisation benchmarks and these should be subject to an operational review in the first instance.

We recommend the fleet be changed over at the optimum replacement points recommended by the IPWEA based on a combination of age or actual utilisation (engine hours or kilometres travelled) whichever occurs first. Timesheet hours should not be taken into consideration as these are not a true reflection of how hard the item is working.

Items should only be held beyond optimum replacement where utilisation is lower than the benchmarks, and subject to a risk assessment by a qualified and experienced mechanic. This process can be applied to the identified low utilised plant, trucks, tractors, mowers, generators to extend their life.

For extension beyond optimum replacement to be feasible it is essential to ensure that scheduled maintenance takes place as per the manufacturer's recommendations.

There will be circumstances where an asset has to be replaced early. This could be due to the item no longer being suitable for the task, safety concerns or where the asset is suffering excessive failures culminating in high operational downtime and repair and maintenance costs. Where it is considered the risk of retaining the vehicle is too high it should be disposed of early.

Light fleet

For the light vehicle fleet, irrespective of make/mode/type, we recommend the change-over be at 5 years and 120,000km or 150,000km for vehicles that exceed 30,000km a year. While we accept that there may be some exceptions from time to time with attractive offers from dealers, this recommendation is based on vehicle whole of life cost.

Vehicles should not generally be held beyond 5 years due to the increasing risk in terms of vehicle safety, breakdowns and increasing maintenance costs.

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The Shire is not currently including the full cost of providing a fully maintained motor vehicle for private use in a staff member's employment package. Without this, employment packages are undervalued, which makes it increasing difficult to obtain staff support to consider alternative options.

Vehicles – Council assets

Council vehicles allocated for work-related purposes are the same as any other council asset used to provide goods and services to the community. Their use is subject to consideration of efficiency, effectiveness and economy as well as appropriate standards of probity and accountability.

Uniqco's approach

The Shire needs to consider a move towards greater transparency by adopting Uniqco's approach to valuing the benefit of vehicles being salary packaged.

Uniqco's recommendations are designed to move the Shire towards greater transparency and best practice. What steps the Shire takes and the timing of those steps is entirely up to the Shire.

Improved transparency includes easier access to key information for ratepayers, the wider public and Parliament. The Victorian Auditor General concluded that salary packaging approaches by councils make it difficult to differentiate employee salary costs from fleet costs.

"no-worse-off" test

The Uniqco approach is based on recent fleet management developments in the public sector. The implementation of Uniqco's approach, which may be different from the local government industry norm, can be undertaken over time as employment contracts become due. Otherwise, the Shire may consider implementing Uniqco's approach earlier. Either way the changes to employment contracts must be subject to the "no-worse-off" test. Where changes are made to employment contracts in a way that ensures the affected employee is "no-worse-off".

Fleet management – performance audits

The Auditor General's performance (effectiveness and efficiency) audits may focus on an issue or theme and will allow ratepayers to benchmark their councils. Since 2004 Victorian, Tasmanian and NSW Auditor Generals, as part of their program of performance audits, have conducted fleet management audits involving government agencies and local governments. Uniqco expects the WA Auditor General, in due course, to conduct similar performance audits. As councils, may be the subject of these performance audits they need to continue to take steps towards greater transparency and accountability and this includes their fleet arrangements.

Shaping fleet management

Auditor Generals across the country have shaped the development of public sector fleet management. Auditor Generals have encouraged public sector agencies to move past traditional salary packaging and look for new ways of providing vehicles for key personnel as part of their attraction and retention strategies.

Salary Packaging – choices and flexibility

Councils should offer salary packaging choice and flexibility to their employees. It is this choice and flexibility that will result in greater attraction and retention of talent. While some approaches may meet the needs of employees there are others that may not.

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There are essentially four options for Council to consider in salary packaging a vehicle for employees:

1. The Council provides a fully maintained car as part of the employee's total remuneration package for private and business use;
2. The Council provides a car allowance as part of the employee's total remuneration package and the employee provides their own fully maintained car for private and business use, which may be leased/financed;
3. The Council provides a car as well as a car allowance, which is an FBT offset paid by the employee as a post-tax contribution, as part of the employee's total remuneration package for private and business use; and
4. The Council provides a car as part of the employee's total remuneration package or a "cash out" option, which is discounted to provide for a pool vehicle.

Where vehicle usage is predominantly private it should be capped at 35,000 kms per annum, within the salary package. Private usage beyond the cap should attract additional contributions from the employee within the salary package. Both council and management should be aware of the true cost of providing a motor vehicle as part of an employment package. This cost should include the cost of depreciation, cost of capital, running costs, registration/insurance, FBT and the administrative cost.

Once the true annual cost is determined it can be included in the employment package as a vehicle allowance which can be used to offer alternatives to a vehicle provided by council that is not required for car pool use. Alternatives include a novated lease, cashing out in part or in full. This can result in a win-win with the Shire reducing FBT liabilities and the employee having the flexibility to choose a vehicle to meet their private as well as business use needs or simply cash out.

A novated lease may not be attractive to all eligible staff, but the offer of the car allowance and their choice of vehicle can be very attractive. Where this option is being considered each individual staff member is advised to discuss the implications with their financial advisor or accountant.

Should a staff member (not on contract) opt to continue with a council provided vehicle they should not be offered a choice of vehicle. We recommend council owned vehicles be selected based on the lowest whole of life cost vehicle in a class commensurate with the staff member's position in the organisation. The vehicle is to be changed according to policy based on optimum replacement timing.

Staff that continue to opt for a council owned vehicle should then be required to contribute a post-tax amount to offset the FBT liability associated with private use.

Note that none of these changes can be offered to people with contracts unless the person elects to opt for the choice of providing their own vehicle.

A draft policy for Council owned light vehicles has been provided in a separate document for review and comment.

The majority of the recommendations potentially have significant financial impact on the organisation and should be relatively straightforward to implement at an operational level.

Critical to realising the benefit will be the development of an aligned executive that recognises and communicates the value provided at the operational level and the opportunity available to the Council in the successful implementation of these recommendations.

We understand that resource in the form of staff time and technology will be required to drive this change, but Uniqco is very familiar with the amount of effort required to affect these change as we currently provide this as an outsourced service to your organisation. The time expertise and effort required can however, see savings that will exceed the cost of implementation.

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In order to implement a sustainable change, we advise:

1. The creation of a steering group to champion the change and provide regular updates to the Council and provide governance over the implementation.
2. Sequencing and prioritisation of the recommendations detailed in this report into an implementation plan.
3. Establishment of a reporting framework for both the operational (plant and fleet) performance / compliance and the realisation of the benefits achieved from implementing these recommendations.
4. Close liaison with Human Resources and Finance to ensure accurate data provision and measurement of financial outcomes.

A summary of the recommendations for Council to implement are included below.

SUMMARY RECOMMENDATIONS

The following recommendations are categorised by the level of:

1. Relative positive impact and benefit the recommendation will have on the organisation through the application of best practice (High, Medium & Low)
2. The ease of implementing the recommendation based on Uniqco's assessment of current practices and organisational culture. (Ease, Somewhat easy & Difficult)

Light Fleet Recommendations	*Impact to Organisation*	*Ease of Implementation*
Average Annual Vehicle Operating Costs		
1. Council adopts average annual costs to represent the true cost of providing a fully maintained council vehicle.		
Optimum Changeover of Light Fleet		
2. Council adopts the optimum economic changeover of light fleet vehicles (based on resale value, servicing and maintenance costs, downtime costs and changeover costs) of 5 years or 150,000km whichever occurs first.		
3. Vehicles are not held beyond 5 years due to increasing risk in terms of vehicle safety and breakdowns and increasing maintenance costs.		
4. Where vehicles exceed their warranty period, continue to purchase roadside assistance from RAC (or similar) or the manufacturer of the vehicle.		
Risk Management in the Choice of Fleet Vehicles		
5. The following minimum standards be adopted: a) ANCAP 5 star rating for passenger cars and 4 star rating for utilities. b) Green vehicle star rating of minimum of Euro Level 5 for passenger cars, 4WD wagons, utilities and vans		
6. Where utilities are required for operational reasons, passenger air bags, ABS braking and diesel fuel (where available) be included in the standard vehicle specification.		

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Light Fleet Recommendations	Impact to Organisation	Ease of Implementation
Private Use and Fringe Benefits Tax		
7. Where light vehicles that attract FBT are used for a substantial amount of work-related travel, Council should use logbooks in accordance with Australian Taxation Office guidelines to minimise FBT liability noting that this will also provide invaluable information on business use for managing the fleet.		
8. For the purpose of FBT calculations Council note the opportunity for low utilisation vehicles that are held for 5 years, to reduce the base value of a car by one-third in the FBT year that starts after the car has been owned or leased for four years.		
9. Staff with private use of a council vehicle be required to make a post-tax contribution to offset the FBT liability.		
Vehicle Values to be Included in Salary Packages		
10. Light vehicle values be included in staff salary packages		
Own or Lease?		
11. The Council continues to own rather than lease (operating) light vehicles.		
Car Allowance		
12. Subject to the staff vehicle not being required for car pool use the Council offer a Car Allowance option to senior staff on the proviso that the employee must provide their own vehicle for their business use without any additional payments from Council.		

Heavy Fleet Recommendations	Impact to Organisation	Ease of Implementation
Utilisation		
13. Actual utilisation is regularly reported to management.		
14. Consideration is given to:		
a) Review the ownership of the all 6x4 and 8x4 tippers		
b) This review to be completed after the service delivery and works program review		
15. A business case review is based on actual utilisation (Kilometres or Engine Hours) and not on timesheet hours for the replacement of any plant or heavy fleet.		
Optimum Replacement Timing		
16. The IPWEA optimum replacement benchmarks based on a combination of age and utilisation are adopted.		
17. Prior to holding an item beyond optimum replacement an operating risk analysis is undertaken.		
Ten Year Plant & Heavy Vehicle Replacement Plan		
18. A 10 year plant and heavy vehicle replacement budget based on optimum replacement principles of age and utilisation be adopted.		
19. If there is a shortage of capital, rather than defer replacement the Council lease long term hire major items of the heavy fleet with predictable utilisation.		

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1. LIGHT FLEET

1.1. Key deliverables

The report is to:

- Recommend a replacement policy for light fleet and heavy plant based on data provided to date
- Provide a draft light fleet operational Workplace Health and Safety policy for adoption by Council
- Provide a draft light fleet use policy for adoption by Council.

1.2. Light Fleet Intelligence and Trends

There have been significant changes in the light vehicle market since 2008 including:

- Far lower resale values driven by low cost Chinese manufactured vehicles now on the market. These offer an attractive price entry option for people who would previously have purchased second hand vehicle.
- The new vehicles available from the mainstream manufacturers being far more technologically advanced and far more reliable.
- The availability of extended warranties of up to 5 years becoming the norm.

For the above reason the trend for light fleet replacement has been an extension to the optimum replacement point. With few exceptions, the modelling now shows the lowest cost changeover occurs after 5 years / 120,000km and for high utilisation vehicles travelling more than 40,000km per year this may now be extended to 150,000km with reduced risk for all light vehicles.

We note that the Shire has already moved some vehicles to 4 cylinder vehicles and we support this move and confirm that in any policy review it should be noted that all Council vehicles will be 4 cylinder By purchasing 4 cylinder vehicles, both fuel costs and CO_2 outputs are minimised resulting in higher resale values for these low fuel consumption cars. Opting for diesel fuel vehicles as the Shire has in their light commercial fleet further enhances fuel and environmental savings.

1.3. Average Annual Vehicle Operating Costs

Uniqco uses a first principles methodology to calculate average annual costs over the life of the vehicle (based on optimum changeover) and include depreciation, fuel, repairs & maintenance, tyres and FBT. Note that FBT does not apply to utility vehicles if the vehicle is only used for commuting.

Average annual vehicle costs provide the full economic impact of various vehicle types and are a tool that can be used:

- To provide a cost of vehicles included in employment packages;
- To provide the annual charge out rate for full cost recovery;
- As a comparison of costs between make/model of vehicles; and
- To assist in fleet mix selection.

Adopting the total average annual cost for vehicle providing a council vehicle ensures the "true value" can be shown in a salary package. This also enables comparisons with other options for providing vehicles such as novated leasing.

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The "true value" is determined by an assessment of each individual based on their private and commuting use.

Table 1 provides the average annual costs for a range of fleet vehicles travelling 30,000 km/yr over 5 years.

Table 1 - Average Annual Vehicle Costs (Based on 5 years / 150,000 kms (average 30,000 km/yr)

Position	Use	Type of Vehicle	Employment Value in HR Package *	Weekly contributions post tax
CEO	Full Private Use	Luxury Saloon or Station Wagon fitted with a tow bar or 4x4 Station Wagon (Holden Caprice - Toyota Presara - Toyota Prado or Equivalent)	$29,000	NIL
Directors	Full Private Use	Luxury Saloon fitted with a tow bar or soft road 4x4 station wagon or sedan (VW Passat - Toyota Atara SL - Toyota Fortuner or Equivalent	$21,000	$140
Managers	Full Private Use	4 Cylinder Saloon or other specified vehicle as required by the position and fitted with a tow bar. (Toyota Camry Altise - Mazda CX5 - Hyundai I40)	$18,500	$120
Staff	Limited Private Use	4 Cylinder Automatic Sedan or other specified vehicle as required by the position. (VW Golf - Toyota Corolla - Hyundai I30)	$16,500	$105
Staff	Commuting Use	4 Cylinder Automatic Sedan or other specified vehicle as required by the position. (Toyota Yaris - VW Polo - Hyundai I20)	$13,000	$85
Operational	Limited Private Use	4 Cylinder Automatic Diesel Crew Cab Utility 4x4 - bull bar, tow bar, cruise control or other specified vehicle as required by the position (Mazda BT 50, VW Amarok, Toyota HiLux - Isuzu D-Max	$18,500	$105

* The values attributed to vehicles in the employment package are calculated using the following data:

- The cost to lease an equivalent vehicle over a term of 60 months and 150,000km the lease cost is inclusive of all maintenance and tyres;
- The cost of fuel based on the average fuel consumption of this type of vehicle and a fuel price of $1.20c per litre;
- Insurance cost at 1.1% of the cost of the vehicle; and
- Registration at 1.5% of the cost of the vehicle.

1.4. Optimum Changeover of Light Fleet

To deliver lowest cost light fleet, the decision of when to change over the light fleet should be based on optimum replacement timing. The optimum replacement timing (point) for a vehicle is calculated to best estimate the optimum timing, in kilometers and time, to achieve the lowest average annual cost during the life of the vehicle.

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What drives replacement timing today?

Replacement timing today is driven by more than just cost and considerations include:

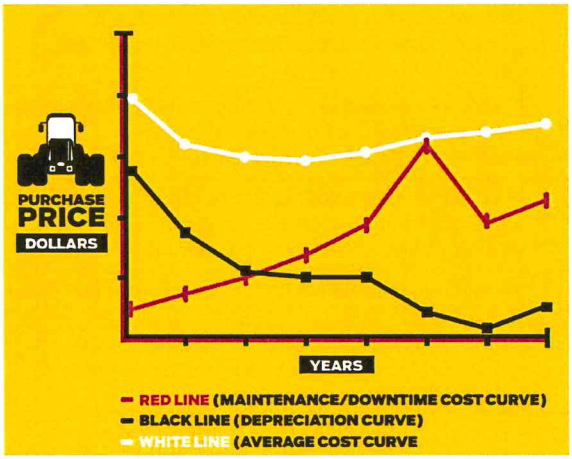
- Resale Value;
- Technology;
- Repairs and maintenance;
- WHS Risk (Safety);
- Environmental footprint; and
- FBT.

There are also the human factors

- Vested interests of staff; and
- Attraction & retention driven by HR departments.

Typically actual depreciation figures show two distinct steep drops in resale value. The first significant drop is immediately post purchase. The second drop is prior to a major component overhaul, which is when second hand buyers are aware of a large impending maintenance bill. (Refer **Figure 1** below which is provided for demonstration purposes only)

Figure 1 Optimum Changeover (Sample only)



The optimum replacement point in the life of the vehicle is near the lowest point on the average cost curve which is near when the decreasing line of depreciation intersects with the increasing cost of repairs and maintenance costs. Utilisation (kilometres travelled) is an important consideration in fleet changeover.

The Council's current light vehicle policy is to change the fleet at 2 years for cars and 3-5 years for utilities and there is no policy that outlines where utilisation is included as a factor in change over. In our experience and in comparison with other local government clients, there is a significant opportunity to realise financial benefits by adopting longer periods and taking into account the actual vehicle utilisation.

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RECOMMENDATION

Optimum Changeover of Light Fleet	*Impact to Organisation*	*Ease of Implementation*
1. Council adopts the optimum economic changeover of light fleet vehicles (based on resale value, servicing and maintenance costs, downtime costs and changeover costs) of 5 years or 120,000km and up to 150,000km for high utilisation vehicles whichever occurs first.		
2. Vehicles are not held beyond 5 years due to increasing risk in terms of vehicle safety and breakdowns and increasing maintenance costs.		
3. Where vehicles exceed their warranty period, continue to purchase roadside assistance from RAC (or similar) or the manufacturer of the vehicle.		

Risk Management in the Choice of Fleet Vehicles

The recommended criteria for vehicle choice is:

- Vehicles that are fit for the use/application proposed;
- Lowest whole of life costs;
- Safety with minimum ANCAP rating of 5 where possible; and
- Environmental considerations with minimum Green Vehicle Guide (GVG) rating of at least Euro Level 5.

RECOMMENDATION

Risk Management in the Choice of Fleet Vehicles	*Impact to Organisation*	*Ease of Implementation*
4. The following minimum standards be adopted: a) ANCAP 5 star rating for passenger cars and 4 star rating for utilities. b) Green vehicle star rating of minimum of Euro Level 5 for passenger cars, 4WD wagons, utilities and vans	 	
5. Where utilities are required for operational reasons, passenger air bags, ABS braking and diesel fuel (where available) be included in the standard vehicle specification.		

1.5. Private Use and Fringe Benefits Tax

Private and commuting use of council owned vehicles introduces additional costs to employers. In this section we look at fringe benefits tax – how it applies and strategies to minimise FBT liabilities. The Council's FBT liability in 2015/16 amounted to $55,983 for motor vehicles.

When does FBT apply?

For Fringe Benefit Tax reasons, a car is:

- a station wagon, sedan, panel van or ute (including four-wheel drive utes);
- any other goods-carrying vehicle that has a capacity to carry 1 tonne or less; or
- any other vehicle which is designed to carry less than nine passengers.

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Exempt Vehicles

Provided they are only used for home to work travel, business purposes and other minor, infrequent and irregular travel:

- Motor Cycles;
- Vehicles designed to carry a load of at least 1 tonne; and
- Taxis, panel vans, utilities and commercial vehicles designed to carry a load of less than 1 tonne but not principally designed to carry passengers.
    - According to MT 2024 this includes Nissan Navara Dual Cab Ute DX, Mazda Bravo 4WD Dual Cab Ute DX5, Toyota Hilux 4x2 Dual Cab Ute, Ford Courier 4x2Crew Cab pick-up GL and Holden Ute Series III 179kw V8.
    - Other vehicles that have more load space than passenger space may well qualify.

Availability for Private Use

A car is considered by the Australian Taxation Office to be available for private use if it is garaged at or kept at or near an employee's private residence and/or in their custody and control. Driving a car from home to work is considered private use for tax purposes.

Situations in which a car is considered **not to be available** for private use are:

a. the car is off the road for any reason for more than three days e.g. extensive repairs are being carried out, as opposed to a routine service or maintenance;
b. the vehicle is not garaged overnight at the employee's place of residence e.g. it is garaged at work and the keys to the vehicle are held by the office and there is a prohibition on the private use of the vehicle.

The lower the number of days available for private use, the lower the value for FBT purposes. This means a lower reportable benefit shown on an employee payment summary and less fringe benefits tax paid by the employer.

The Statutory Method

Under the statutory formula method, the value of the benefit is calculated as follows:

Cost of the Car ***x*** *Statutory Percentage* ***x*** *Days Vehicle Available for Private Use / Days in the Year* ***less*** *Employee Contribution*

Employee Contribution is any post-tax payment made towards the cost of the car that has not been reimbursed by the employer.

The Operating Cost (Log Book) Method

This method calculates the taxable value as a % of the total costs of operating the car during the FBT year.

- The value for FBT purposes is the private use %.
- To determine the business and private use %, a logbook must be used.
- As a minimum the logbook is required to be maintained for a continuous period of 12 weeks for the first year the logbook method is used and then every 5 years. The period may overlap 2 tax years.

Under the Operating Cost method, the value of the benefit is calculated as follows:
Total Operating Costs ***x*** *Percentage of Private Use* ***less*** *Employee Contribution*

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Reducing the value after 4 years

For the purpose of FBT calculations an employer can reduce the base value of a car by one-third in the FBT year that starts after the car has been owned or leased for four years.

- The reduction applies from 1 April after the fourth anniversary of the date on which the car was first owned or leased.
- The reduction applies only once for a particular car and the reduced base value is used for subsequent years.
- The reduction does not apply to non-business accessories added after the car is acquired.

Example:

- An employer purchases a car for $30,000 (including GST) FBT $5,760 on 1 July 2013. The employer can reduce the base value of the car by one-third ($10,000) FBT $3,840 a saving of $1,920 in the FBT for the year beginning 1 April 2018.
- If our recommendation to extend vehicle replacement to 5 years/150,000km the above benefit can be applied to low utilisation vehicles.

Utilities

For utility vehicles, private use is exempt, provided the private use of the vehicle is limited to:

- travel between home and work,
- travel that is incidental to travel in course of duties of employment, or
- non-work related use that is minor, infrequent and irregular (e.g. occasional use of the ute to remove domestic rubbish)

Private use beyond the above is subject to FBT as a residual benefit and this is the most expensive method of fringe benefits tax calculation based on 52 cents per private use kilometer or 63 cents if the vehicle is over 2500cc engine capacity and this rate is then also applied to the commuting use.

Opportunities to Reduce FBT

While the statutory method is the most commonly used method for calculating FBT payable for car fringe benefits, the Operating cost method may deliver a lower FBT liability, particularly where there is a high percentage of business use. In the case of commercial vehicles used for private use log books should be used permanently.

The best way to determine which method will minimise FBT liability is through the permanent use of log books in all vehicles with private use and then to assess which method to adopt on an annual basis.

Our recommended strategy to minimise FBT is:

(i) Selection of vehicles with lower FBT liabilities
(ii) Ensure there are post tax staff contributions for private use
(iii) Use of logbooks

- For a minimum of 3 months per year for all vehicles (only current practice for selected vehicles)
- Permanently for FBT applicable vehicles with high business use and commuting use as well as private use, as is currently the practice at the Shire
- Permanently for commercial vehicles with private use, as is currently the practice at the Shire

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The use of logbooks can reduce FBT liabilities and provide invaluable information on business use for managing the fleet.

Where vehicles are provided for private use and there is no evidence via the vehicle logbook that there is in excess of 50% business use, any additional mileage that exceeds 35,000km per annum should be recovered post-tax via a staff member contribution at the rate of $0.25c per kilometre

RECOMMENDATION

Private Use and Fringe Benefits Tax	***Impact to Organisation***	***Ease of Implementation***
6. Where light vehicles that attract FBT are used for a substantial amount of work-related travel, Council should provide a written policy that requires the use logbooks in accordance with Australian Taxation Office guidelines to minimise FBT liability noting that this will also provide invaluable information on business use for managing the fleet.	🟢	🟢
7. For the purpose of FBT calculations Council note the opportunity for low utilisation vehicles that are held for 5 years, to reduce the base value of a car by one-third in the FBT year that starts after the car has been owned or leased for four years.	🟢	🔴
8. Staff with private use of a council vehicle be required to make a post tax contribution to offset the FBT liability.	🟢	🔴

1.6. Vehicle Values to be Included in Salary Packages

Vehicle values can be identified in salary packages to firstly ensure existing and potential new staff are aware of the real cost of providing a motor vehicle. Management staff in particular can then be provided with a number of alternative options such as novated leasing or cash out. In order to do this, it is essential to recognise average annual vehicle values in the employment package. We understand that WALGA provides a table of vehicle values, however Uniqco has provided our reference table based on

- The cost to lease an equivalent vehicle over a term of 60 months and 150,000km the lease cost is inclusive of all maintenance and tyres;
- The cost of fuel based on the average fuel consumption of this type of vehicle and a fuel price of $1.20c per litre;
- Insurance cost at 1.1% of the cost of the vehicle; and
- Registration at 1.5% of the cost of the vehicle.

Refer **Table 1**

Cash Out Option in the future for Executive and Senior Management

If an employee is to be offered a cash option and does not provide their own vehicle in lieu of provision of a fully maintained Council vehicle then we would recommend a lesser value (say 70-80%) be offered where the employee does not provide a suitable vehicle for business use. This would compensate the employer for the cost of the use of a pool vehicle or taxis. We estimate this could cost on average $500 - $1000 per annum in addition to the running costs for a pool vehicle.

A cash out option can be particularly attractive to a staff member who lives close to the council offices.

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Where an employee does not provide a vehicle for business use this may put pressure on the use of other Council vehicles and may cause resentment from other staff whose allocated vehicles are used by the staff member who cashed out. If the staff member is offered a lesser cash value when a vehicle is not provided by him/her for business use then a sense of fairness is more likely to be experienced by other employees.

If the employee uses his/her own personal car on Council business, the employee's workers compensation would only cover him/her at work or when travelling to undertake duties directed by the employer.

Council may consider using the following policy clause where this option is taken: -

Where an employee accepts the cash out option in lieu of a motor vehicle the following conditions shall apply: -
The employee shall arrange their own transportation:

- *To commute to and from home to work*
- *To attend to Council business when a pool vehicle is not available during normal working hours*
- *To attend to out of hours meetings. commute direct from home to a site where attendance is required in the course of employment*

RECOMMENDATION

Vehicle Values to be Included in Salary Packages	***Impact to Organisation***	***Ease of Implementation***
9. The actual cost of providing a light vehicle to be included in staff salary packages.		

1.7. Options for Procuring Council Owned Light Vehicles

Typically the main options available to procure council vehicles include:

(i) Purchase through the WALGA contract or State Government Contract and trade the old vehicle to the new vehicle supplier;

(ii) Purchase through the WALGA contract or State Government Contract and auction trade vehicles;

(iii) Purchase through the tender process with an option to accept the trade price or auction the trade vehicle using the tendered trade price as the reserve price.

In our experience best value is generally achieved through option (ii) above and this is current practice.

1.8. Light Fleet Funding Options

(i) Capital purchase
(ii) Outsourcing through Leasing

- Fully maintained operating lease
- Standard operating lease with Council responsibility for fuel, tyres, repairs and maintenance

Leasing (Operating Lease)

The Council currently does not have any vehicles on an operating lease.

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Operational Leases are similar to the finance lease with the exception that the risk of loss on sale is born by the finance lease company and no capital is reported for the Council's assets. Subsequently, this lease type carries a risk premium leading to a higher cost to the Council. However, once agreement is made the Council does not carry any variation to their fleet capital costs. A fully maintained operating lease includes all servicing in the cost of the lease payments. In this option the finance company or supplier takes the risk on the residual value of the item and the buyer therefore pays for the risk.

All leases are tied to a period of ownership and budgeted utilisation for the vehicle. Unless the vehicle obtains the target utilisation within the period of ownership, the Council suffers a lost opportunity with unused utilisation. Conversely the Council stands to attract additional costs if the budget utilisation is exceeded. At the end of the lease term the lessee will have four alternatives:

1. Upgrade or replace with a new vehicle;
2. Extend the rental period;
3. Return the vehicle with no further payments required (conditions apply); or
4. Purchase the vehicle at a market price.

Leasing (Operating lease) of light vehicles is generally not recommended due to the risk of penalties for over utilisation and effectively "overpayment" for underutilisation. If there is a shortage of capital it is preferable to lease major items of plant with predictable utilisation.

Purchase versus Operating Lease Comparison

Table 2 provides an "apples for apples" comparison of lease versus ownership (purchase) for a range of vehicles. Based on current low interest rates and if micro managed internally, leasing can provide a competitive cost effective option. However, leasing of light vehicles is generally not recommended due to the difficulty in managing varying utilisation and the inherent risk of penalties for over utilisation and effectively "overpayment" for underutilisation.

Table 2 –Lease versus Purchase (Based on 5 years/150,000kms and an average 30,000km/yr)

Vehicle Make / Model	Cyl	Annual Cost owned	Lease cost
Toyota Camry Atara S	4	$8,875	$6,204
Toyota Camry Hybrid	4	$7,888	$6,324
Volkswagen Tiguan	4	$9,356	$9,120
Holden Captiva SX 7ST(Diesel)	4	$10,295	$8,976
Subaru Forester (Petrol)	4	$6,870	$8,676
Toyota RAV 4 (4x2)	4	$9,177	$6,780
Nissan X Trail (4x2) Diesel	4	$8,024	$9,468
Utilities 4x4 Crew Cab			
Ford Ranger XLT DT	4	$9,996	$9,000
Holden Colorado LX RC DT	4	$9,652	$9,600
Mitsubishi Triton GLX DT	4	$9,338	$8,640
Toyota Hilux SR DT	4	$9,441	$9,060

The average cost of overrunning a lease is $0.14/km however to underrun a lease by comparison is on average of $0.20 -$0.30/km in lost opportunity. For example a lease on a RAV4 for 150,000 km (Average 30,000 km/yr) would cost $33,900 over 5 years or $0.226/km. If the vehicle only travels 120,000 km the organisation will still pay $33,900 which represents a lost opportunity cost of $6,780

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over the life of the vehicle. Should there be a shortage of capital it is preferable to lease major items of plant with predictable utilisation. The pros and cons of each option are summarised in **Table 3**.

Table 3 – Own or Lease?

Organisation Owns Vehicle	
Positive	**Negative**
• Can deal with varying utilisation • Has complete control over the vehicle • Can choose to maintain under a Service Level Agreement (SLA) externally OR internally • Maintenance is normally well controlled	• Ties up capital • Difficult to estimate true cost of ownership • FBT paid by the organisation (if there is no leaseback)
Operating Lease	
Positive	**Negative**
• No requirement to provide capital funds for replacement • Scheduled maintenance included • No risk on the residual value	• Over or underutilisation costs • Maintenance failures not recorded or controlled • Scheduled maintenance is difficult to control • FBT paid by the organisation (if there is no leaseback) • Refurbishment cost of vehicle on return

RECOMMENDATION

Own or Lease?	***Impact to Organisation***	***Ease of Implementation***
10. The Council continues to own rather than lease light vehicles.		

1.9. Options for Provision of Vehicles (Other than Council Owned or Leased)

There are three main options available to Council and these require provision of a car allowance include:

1. Novated lease;
2. Cash out with no vehicle; or
3. Staff member provides their own vehicle.

Each of these options takes away the need to provide for the capital cost of a vehicle. Paramount to the take up of these options is inclusion of the "true cost" of providing a council owned vehicle in salary packages. For the purpose of discussion, we will call this a Car Allowance.

Novated Lease

Organisation packages the car costs by novating an operating lease and driver pays the FBT as part of the lease.

Under a Novated Lease the vehicle is registered in the name of the council but through a lease novation agreement belongs to the employee. Because the ATO require this type of lease to include the maintenance and running costs for the vehicle, these costs are included in the lease (post tax payments) and the service is provided by the lease company.

The onus of responsibility is placed on the employee once the novation is signed. The employer is protected at all times by the novation agreement and by indemnities provided by the employee at the time they enter into the lease. The employee meets all associated costs including the FBT from their gross pay. Should the employee leave, or the end of the lease term is reached, the full terms of the lease become the responsibility of the employee.

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While the leasing option provides benefits, the difficulty is in obtaining agreement for use of these vehicles by other staff during work hours. Car pool use would not be available for novated lease vehicles.

By adopting total vehicle costs in the salary package, a novated lease is a viable option for staff.

Offering a novated lease as an option to senior staff who would like the flexibility of choosing their own vehicle has significant advantages in staff attraction and retention. Council is also placed at an advantage in not having to provide funding for capital replacement.

Where the novated lease is an option taken in lieu of an existing Council vehicle the employee must make their leased vehicle available at all times for their own business use without any additional payments from Council or access to the Council's car pool.

Cash Out Option

If an employee is to be offered a cash option in lieu of provision of a fully maintained council vehicle then we would recommend a lesser value say 70% be offered where the employee does not provide a suitable vehicle for business use. This would compensate the employer for the cost of the use of a pool vehicle or taxis. We estimate this could cost on average $500 - $1000 per annum in addition to the running costs for a pool vehicle.

Where an employee does not provide a vehicle for business use this may also put pressure on the use of other council vehicles and could cause resentment from other staff whose allocated vehicles are used by the staff member who cashed out. If the staff member is offered a lesser cash value then a sense of fairness is more likely to be experienced by other employees.

The productivity of the employee taking this option may be affected were they to use public transport to undertake their normal council duties.

Where an employee accepts a "cash out" option the following conditions are recommended: -

The employee shall arrange their own transportation:

- *To commute to and from home to work*
- *To attend to council business when a car pool vehicle is not available during normal working hours*
- *To attend to out of hours meetings. commute direct from home to a site where attendance is required in the course of employment*

Staff providing their own Vehicle for Council Business Use

A further option is for the staff member to take the full amount of the package value of the vehicle in cash or salary sacrifice and supply their own vehicle. If such a request is to be granted the vehicle should meet all the guidelines for a Council vehicle including:

- Less than 5 years old;
- Regularly serviced as per manufacturers guidelines and service records kept; and
- Business use noted on the insurance certificate

Note that under this scenario all of the costs of owning and operating the vehicle for business and private use are the responsibility of the employee and a vehicle provided under these circumstances would not be available for use by other staff.

Discussion on Private Use Vehicles

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In summary, there are two scenarios that should be considered:

1. Organisation owns the vehicle; or
2. Annual Vehicle Allowance in lieu of Council Vehicle

Scenario 1 – Organisation Owns the Vehicle

Utilise private use contributions to reduce FBT and fleet operating costs

- FBT is the most expensive component of a company supplied vehicle
- FBT can be offset by private use contributions (lease back)
- Level of contributions has HR implications

Table 4 – Organisation Owns Vehicle

Positive	Negative
• The vehicle is available for pool use • The organisation has complete control over vehicle choice • If the vehicle is used for pool use the FBT does not appear on the employees group certificate	• Costs are difficult to control • Employees tend to take less care of the vehicle • There is always conflict regarding the choice of vehicle • Little or no control over the total private utilisation (depends where employee lives and extent of private use)

Scenario 2 - Annual Vehicle Allowance in lieu of Council Vehicle

- Calculate annual costs and include in employee salary package
- Provides more options for employees and employer

Note that the above figures were obtained from a Uniqco lease survey conducted in 2016.

Table 5 – Car Allowance

Positive	Negative
• The true value of the vehicle is understood • The employee has a number of choices ✓ Cash out (eg 70-80% of allowance) ✓ Provide their own vehicle ✓ Novated lease ✓ Hire purchase ✓ Take a council vehicle	• Establishing a fair value to provide for a vehicle • Vehicle not available for car pool use • Can appear too complicated for employees • Employees providing their own car may to try to use Council vehicles for business • By law it is still part of the company fleet

A further option is for the staff member to take the full amount of the package value of the vehicle (car allowance) in cash or salary sacrifice and supply their own vehicle. If such a request is to be granted the vehicle should meet all the guidelines for a Company vehicle:

- Less than 5 years old
- Regularly serviced as per manufacturers guidelines and service records kept
- Business use noted on the insurance certificate

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In this situation all of the costs of owning and operating the vehicle for business and private use are the responsibility of the employee and a vehicle provided under these circumstances would not be available for use by other staff.

It should be noted that where an employee receives a car allowance within his or her salary and uses that car to travel to work and to meetings, in the eyes of the law it is part of the company fleet. In the eyes of most fleet managers it probably isn't.

Reducing the number of council owned vehicles reduces the effective 'car pool' for general staff transport.

RECOMMENDATION

Car Allowance	***Impact to Organisation***	***Ease of Implementation***
11. Subject to the staff vehicle not being required for car pool use the Council offer a Car Allowance option to senior staff on the proviso that the employee must provide their own vehicle for their business use without any additional payments from Council.		

Please note that a draft policy in relation to LV and plant replacement is provided in a separate report for endorsement by Council.

1.10. Light Fleet Summary Actions

- ❑ Ensure vehicle specifications meet business use requirements and only include optional extras that add to resale value.
- ❑ Set minimum acceptance standards for ANCAP Safety Rating and Vehicle Green Guide Rating.
- ❑ Hold the vehicle for a period of 5 years or 120,000km or up to 150,000km for high utilisation vehicles (over 40,000km pa) (whichever occurs first) to minimise loss of value in resale. Irrespective of make or model holding on to the vehicle longer (up to 5 years) will reduce annual ownership costs. High utilisation vehicles can be held up to 150,000km with little risk.
- ❑ Purchase roadside assistance for the full 5 years.
- ❑ Apply private use contributions for private/commuting use vehicles that attract FBT with a minimum contribution to offset the FBT value. Offset FBT by either private contributions or a vehicle allowance.
- ❑ Offer a vehicle allowance in lieu of a car for staff whose vehicle is not required for car pool use. Allowance allows staff choice and the organisation has more control over cost. This opens the door to staff providing their own supplied vehicle including a Novated lease.
- ❑ Ensure vehicle policy includes all rules regarding staff supplying their own vehicles where this option is available. A draft policy is provided in a separate document to this report.

Our light fleet recommendations, when implemented, have the potential to improve vehicle arrangements and salary packaging for employees.

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2. PLANT & HEAVY VEHICLES

2.1. Key deliverables

The review is to:

- Review current turnover timeframes for plant and heavy vehicles
- Make comment if there are any other considerations that the Shire should take into account in relation to its plant replacement program.

2.2. Heavy Fleet Intelligence and Trends

The most recent significant change in the management of Plant and Heavy Vehicles is the introduction of On Road Chain of Responsibility (ORCoR) legislation, which is to be followed by the impending legislation around Chain of Responsibility maintenance requirements. The maintenance aspects are largely covered by the workplace health and safety legislation and incorporating this into a formalised system attached to the ORCoR will provide alignment.

What does the ORCoR mean?

- All organisations that own, hire or contract in functions that use plant or fleet will need a systematic process and policy to ensure there are no breaches of the ORCoR legislation;
- Fleet Governance including reporting and detailed records will form part of the requirement to demonstrate compliance;
- Specifications will need to be confirmed and formalised as compliant;
- Operationally organisations will be expected to hold detailed records on compliance, training, and reporting on risk; and
- In the disposal phase there is also associated risk and this needs to be incorporated in the process.

Resale values for heavy plant have been depressed for the last 2 years and will continue to be low for the foreseeable future thereby requiring organisations to review the timing on replacement in order to amortise the depreciation over a longer period. There will also be a need to review the business case for continued ownership where other options are available.

Technology changes are also going to improve productivity and make it easier and safer to operate plant and fleet but will require a new level of training and competence in this area.

During the review and with responses from the questionnaire provided the staff confirmed that some of the Plant and Fleet best practice requirements, measuring utilisation, adjusting the 10 year plan in line with their asset management principals, budgeting etc were in place but there is no formal policy adopted and endorsed by council. Therefore, many of the recommendations are made formally recognising that while the current staff undertake some aspects of best practice, they need a formal endorsed framework under which to deliver plant and fleet.

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2.3. Utilisation

Utilisation is the extent of use of a particular item of plant, vehicle or equipment and is usually measured by hours worked, or distance travelled in a nominated time frame (generally the calendar year). Knowledge of actual utilisation in kilometres or engine hours (levels and usage patterns) enables the fleet management to:

- Service vehicles based on manufacturer's recommended service intervals (programmed maintenance);
- Track actual use versus timesheet allocations to optimise operational requirements;
- Develop a floating replacement program to reduce costs in periods of lower activity, and change of plant at the optimum replacement point; and
- Develop accurate budget forecasts.

Utilisation is the key to the procurement and management of the plant and vehicle fleet. Under-utilisation, low, or poor utilisation raises questions about operational management, including coordination of use between work sites and operational units. It also raises the question of ownership versus hire. Under no circumstances should timesheet hours be used as a substitute for actual utilisation.

The first step in our review process was to calculate the average annual utilisation of each item of mobile plant/vehicles and this is used to make a comparison against national benchmarks. Using average annual utilisation provides a guide only as utilisation can vary during the life of the item and it is important to be aware of trends. Without detailed data over a number of years, we rely on discussions with mechanical and operational staff to verify our utilisation assessment. For example, an item may be showing reasonable utilisation over its life but has dropped off in recent years or vice versa.

Table 6 identifies items with average annual utilisation below IPWEA national benchmarks. We accept that there will always be cases where items are essential for the job regardless of utilisation.

Our review process included discussions with operational managers on each item of the heavy fleet and in particular those with lower than benchmark utilisation to identify the reason and also to explore opportunities for potential rationalisation.

In summary

- There is potential to extend the life of a number of assets due to low utilisation
- A business case review be undertaken for the heavy duty trucks to confirm that ownership of these trucks is the lowest cost alternative. Low utilisation may indicate that these vehicles may have a critical role working in conjunction with other plant and this will be reflected in the business case
- Always base a business case review on actual utilisation (Kilometres or Engine Hours) and not on timesheet hours

Service delivery options for heavy plant assets are to buy, hire or contract out construction and maintenance activities. Our business case template provided in **Appendix 1** addresses the own or hire decision and the step by step process checklist is included at the end of this section. Contracting out is a decision driven more by in-house capability/capacity and cost and should be addressed in more detail in the Fleet Asset Management Plan.

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Table 6 - Low Utilisation Compared to National Benchmarks (subject to confirmation of data)

Make/Model	Annual Utilisation (Engine Hrs/km)	IPWEA Annual National Benchmark	Comment
Volvo Loader Backhoe P266	191	500	Safety risk assessment to determine extended life options
Caterpillar Crawler Loader P321	292	1000	Safety risk assessment to determine extended life options
Tractor P305	150	500	Safety risk assessment to determine extended life options
Tractor P082	173	500	Business case for disposal without replacement
Truck heavy tipper P228	12600	35000	Review replacement in line with service review business case to increase utilisation
Truck heavy 8x4 tipper X 2	12000	35000	Review replacement in line with service review business case to increase utilisation

** Benchmarks were established through a consultation process conducted during the development of the IPWEA best practice Manual and reviewed by the IPWEA Fleet Panel on a regular basis.*

Utilisation needs to be constantly monitored throughout the year with monthly reports to management and supervisory staff. While the shire does undertake an annual review of both utilisation and costs Uniqco recommends monthly trend reporting reflecting average annual utilisation trends Vs timesheet hours will provide early intervention capability. Each year a "budget" or target utilisation should be established and will form the basis for the internal hire rate.

Over Utilisation

When it comes to plant and heavy vehicles the aim is to maximise utilisation, as high utilisation normally has little effect on resale value and only a marginal increase in depreciation. The only increase in cost is the operational cost and this will be recovered from jobs. High utilisation may result in earlier replacement and the need to ensure funds from depreciation are transferred to the plant reserve. The earlier replacement will be catered for in the 10 year plan if reviewed annually.

Under Utilisation

Under utilisation does come at a cost, as fixed costs have to be recovered over less operating hours.

Example - A truck with 20,000 km average annual utilisation, costing $130,000 and with an expected $20,000 resale after 8 years

Depreciation = $110,000/8 years = $13,750 / yr
= $110,000/ (20,000*8) = $0.69/km
If the vehicle doesn't travel 20,000 km the lower utilisation costs $0.69/Km below 20,000
For a vehicle travelling 15,000 km / yr the underutilisation cost is $0.69*5,000 km = $3,450 annually

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RECOMMENDATION

Utilisation	*Impact to Organisation*	*Ease of Implementation*
20. Actual utilisation is regularly reported to management.		
21. Consideration is given to:		
c) Review the ownership of the all 6x4 and 8x4 tippers		
d) This review to be completed after the service delivery and works program review		
22. A business case review is based on actual utilisation (Kilometres or Engine Hours) and not on timesheet hours for the replacement of any plant or heavy fleet.		

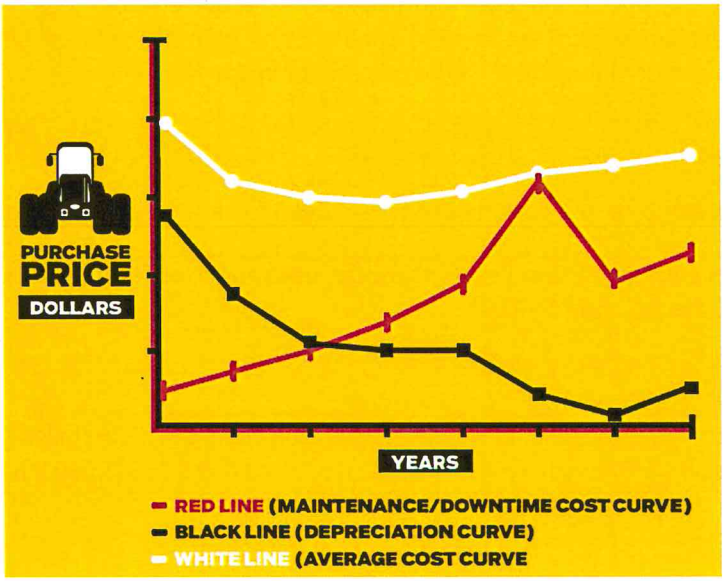
2.4. Optimum Replacement Timing

The optimum replacement timing for a plant or heavy vehicle or an item of equipment is calculated the same as has been explained for light fleet with the difference being with plant and some heavy vehicles, engine hours are the primary measure of utilisation.

Hence the optimum time will be determined in either kilometres or engine hours, and time, to achieve the lowest average annual cost during the life of the machine.

The optimum replacement point in the life of the plant item is near when the decreasing line of depreciation intersects with the increasing cost of repairs and maintenance costs. Actual depreciation figures will show two distinct steep drops in resale value. The first significant drop is immediately post purchase. The second drop is prior to a major component overhaul, which is when second hand buyers are aware of a large impending repair and maintenance bill. (Refer **Figure 4**)

Figure 4 - Optimum Replacement Point – Example only



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Optimum Replacement Calculations

An optimum replacement calculation has many variables and therefore can only really be applied to each unit individually based on given utilisation. If the utilisation increases, the optimum replacement point will occur sooner and if the utilisation drops, there may be an opportunity to delay replacing a unit. The key drivers of optimum replacement are:

- Downtime costs (lost opportunity cost of existing plant + cost of hire equipment);
- Maintenance Costs; and
- Resale value.

When calculated as per the above example and using Net Present Value (NPV) we can establish the year of lowest average cost and this is the optimum replacement point.

Items should only be held beyond optimum replacement where utilisation is lower than the benchmarks and subject to a safety risk assessment by a qualified and experienced mechanic. This process can be applied to the identified low utilised plant, trucks, tractors, mowers and generators to extend their life.

For extension beyond optimum replacement to be feasible it is essential to ensure that scheduled maintenance takes place as per the manufacturer's recommendations.

There may be circumstances where an asset has to be replaced early. This could be due to the item no longer being suitable for the task, safety concerns, or where the asset is suffering excessive failures culminating in high operational downtime and repair and maintenance costs. Where it is considered the risk of retaining the vehicle is too high it should be disposed of early.

Optimum Replacement Benchmarks

IPWEA national benchmarks provide a guide to optimum replacement points in a simplified format whereby high utilisation equipment is replaced on meter limits (hrs or kms) and lower utilisation equipment is replaced (in years) before a significant drop in resale value is experienced. This is the time when the unit becomes too old for the second hand buyer to finance in its entirety. This generally occurs at 10 years.

Continuing with and formally adopting optimum replacement in practice will reduce annual plant replacement costs in the long term, reduce maintenance costs and most importantly minimise downtime in the outside operations. We also recommend an operating risk analysis be undertaken prior to making a decision to hold an item beyond its optimum replacement point. The process involved in undertaking an operating risk assessment can be found in Section 1.8 of the IPWEA Plant & Vehicle Management Manual and a document covering the mechanical risk assessment is provided in appendix 2.

RECOMMENDATION

Optimum Replacement Timing	***Impact to Organisation***	***Ease of Implementation***
1. The IPWEA optimum replacement benchmarks based on a combination of age and utilisation are adopted.		
2. Prior to holding an item beyond optimum replacement an operating risk analysis is undertaken.		

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Optimum economic life replacement timing and Utilisation benchmarks

Group/Type	National Annual Benchmark Utilisation	Optimum Replacement Timing	
		Years	KM/Hrs
Backhoe Loader	700 Hrs	8	5,000
Excavator	700 Hrs	10	8,000
Excavator Mini	300 Hrs	8	5,000
Forklift	150 Hrs	15	5,000
Grader	1,000 Hrs	12	8,000
Heavy duty Truck (HR & HC)	35,000 Km	10	500,000
Light duty Truck (LR)	10,000 Km	10	150,000
Loader	700 Hrs	10	8,000
Medium duty Truck (MR)	20,000 Km	10	200,000
Mower Front Deck	500 Hrs	5	2,000
Reach Mower	N/A	10	N/A
Gang Mower	500 hrs	5	3000
Roller Rubber tyred	350 hrs	10	5000
Roller Vibe	350 hrs	8	5000
Skid Steer	500 Hrs	5	5,000
Sweeper (Truck Mounted Road)	1700 Hrs	8	8,000
Tractor Medium	500 Hrs	8	5,000
Tractor light	200	5	2,000
Trailer heavy	NA	15	NA
Trailer light	NA	15	NA
Wood chipper	500 Hrs	5	5,000
Rubbish Truck Side Loader	1500 hrs	8	8000
Rubbish Truck Rear Loader	1000 Hrs	8	8000
Waste Compactor (Roller)	1500	10	8000
Chain Saw	N/A	5	N/A
Blower	N/A	3	N/A
Patching Truck (hrs)	1000 Hrs	8	8000
Shredder Chipper	800 Hrs	8	5000
6 cylinder cars	20000 km	5	150000
4 cylinder cars	20000 km	5	150000
Utilities 4 & 6 cylinder	20000 km	5	150000

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2.5. Ten Year Plant & Vehicle Replacement Plan

The current 10 year plan needs to be amended in line with the recommended optimum replacement points. Any funding gap can generally be addressed by:

- Subject to a risk assessment deferring low utilisation items including the graders.
- Leasing heavy plant and vehicles with predictable utilisation such as the graders rather than deferring their replacement.

RECOMMENDATION

Ten Year Plant & Heavy Vehicle Replacement Plan	*Impact to Organisation*	*Ease of Implementation*
1. The 10 year plant and heavy vehicle replacement budget based on optimum replacement principles of age and utilisation continue to be adopted.		
2. If there is a shortage of capital rather than defer replacement, the Council lease long term hire major items of the heavy fleet with predictable utilisation .		

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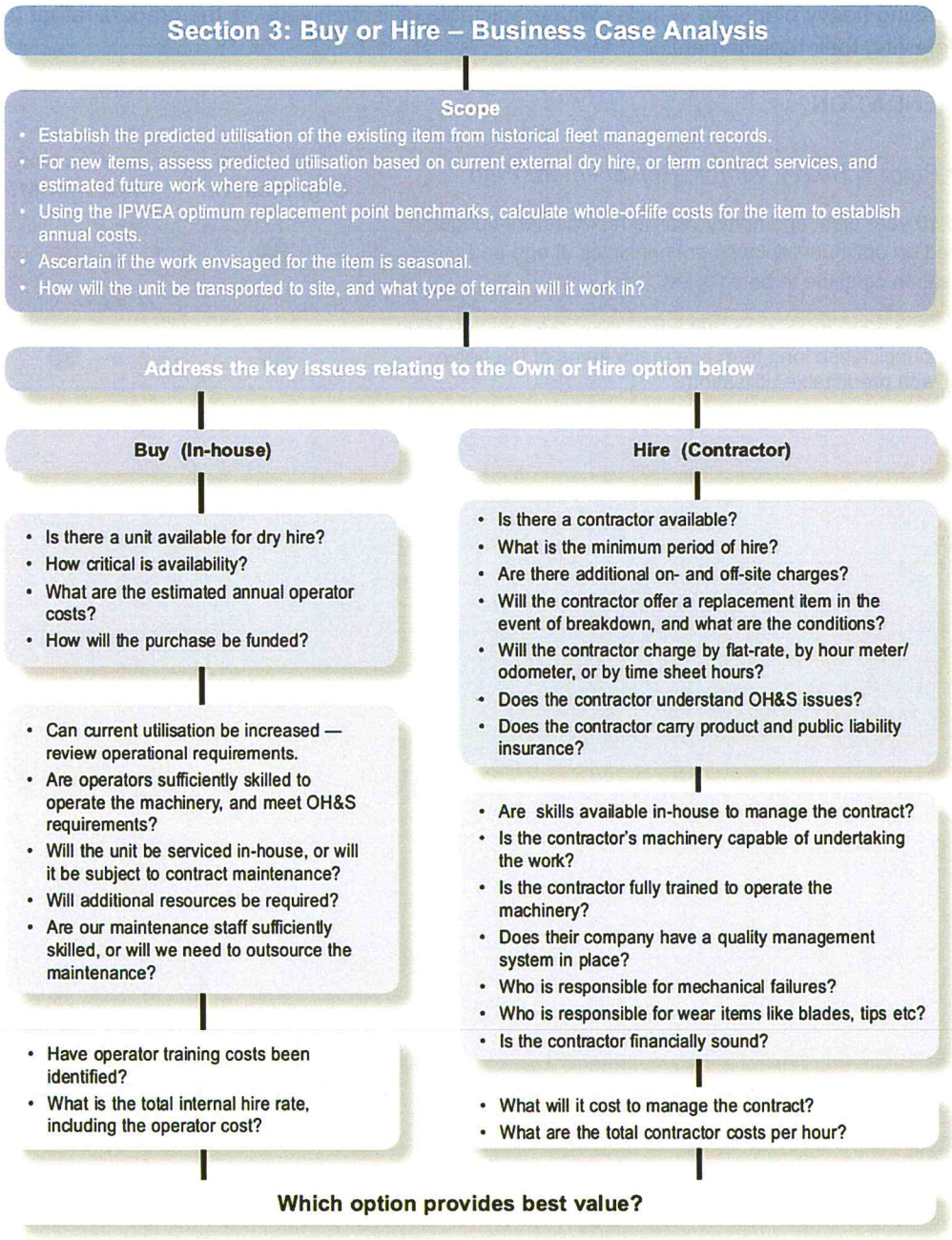
APPENDIX 1 - NEW PLANT/VEHICLE/EQUIPMENT BUSINESS CASE TEMPLATE

Step by Step Approach



Source: IPWEA Plant & Vehicle Management Manual 3rd Edition 2012

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New Plant/Vehicle/Equipment Purchase – Business Case Template with Example

DATE	Item to be purchased: 6X4 Wheel Tipper	
Item Description	**User**	**Business Unit**
Explain why the item is essential to the business operation		

New Item	Requirements of New Item
Provide details of specific requirements of the item required – these are the key items that would form the basis of a tender technical specification.	300 HP
	10m3 tipper
	Conventional cab arrangement
	Air operated swinging tail gate
	6 rod suspension
	Tow hitch and hydraulics extended for trailer use
	Air conditioning
	Bull bar

Questionnaire							
	History						
1	Does the proposed item have a history of external hire? If yes provide annual utilisation. NO	Engine Hours		Timesheet Hours		Kms	
2	What is the expected annual utilisation if the item is owned.	Engine Hours		Timesheet Hours	900	Kms	18,500
3	Was the hire wet or dry? (Dry hire is without an operator)	Hourly/Daily Dry Hire Rate					
		Hourly/Daily Wet Hire Rate					
4	If there is NO history of hire, is there a contractor available with the required skills to provide a quality service at a competitive price?	Hourly/Daily Dry Hire Rate			No dry hire available		
		Hourly/Daily Wet Hire Rate			$60/hr		
5	If a contractor is available what replacement service will the operator offer if the unit supplied breaks down?	100% availability (ie backup available) This company has a small fleet of trucks. Different scenario for single owner/operator					
6	Is there an in house plant operator sufficiently skilled?	Yes					
7	Is the work seasonal? If yes over what period?	October-April					
	Operating Conditions						
8	How will the unit be transported to site?	Self drive					
9	What terrain will the unit be working in?	Undulating					
	Operating Requirements						
10	What other items of plant or equipment will be required to support the item?	Nil					

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	Servicing and Maintenance	
11	Will the item be maintained in house or by an external operator?	In house
	In House	
12	If in house what staff resources are required for servicing and repairs?	No additional staff requirement
13	Are the in house resources sufficiently skilled?	Yes
	Contractor	
14	Is there a contractor available to undertake servicing and repairs?	Yes
15	What is the minimum hire a contractor would expect – on site, off site charges?	500 hrs for an annual supply contract for a 3 year term
16	What will it cost to manage the hire?	Advertise, prepare specs, assess tenders, certify invoices, admin costs Allow $2/hr@900hrs = $1800
17	What replacement service will the operator offer if the unit supplied breaks down?	Replacement truck within 4 hours
18	Will the contractor charge by flat rate or hour meter or a combination of both?	Timesheet hours
19	Who is responsible for mechanical failures?	Truck Owner
20	Who is responsible for wear items like blades and tips?	Truck Owner
	Operating Costs	
21	What is the estimated annual operating cost of the item?	Covered in ownership cost below
22	What is the estimated annual ownership costs?	$44,520 44,520/900 = $49.47/hr
	Operator Costs	
23	What is the estimated annual operator costs?	900hrsX $30/hr =$27,000
	Internal Hire Rate	
24	What is the estimated wet hire rate?	$30+$49.47 = $79.47
	Cost Comparison	
25	Total Contractor Cost	$60 plus $2 admin = $62/hr
26	Total Day Labour Cost	$79.47
27	Annual Cost Difference	79.47-62 = 17.47 * 900 = $15,723 in favour of Hire over Ownership

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APPENDIX 2 - RISK ASSESSMENT TEMPLATE

Section 1 Utilisation

Appendix 2: Guide to Assessing Plant and Vehicle Operating Risk

The Risk Management Standard AS/NZS 4360:2004 provides a generic guide for the establishment and implementation of risk management processes and this will be used to provide the framework for plant and vehicles being held beyond their optimum replacement point.
The diagram in Figure 1 below sets out the approach outlined in the standard.

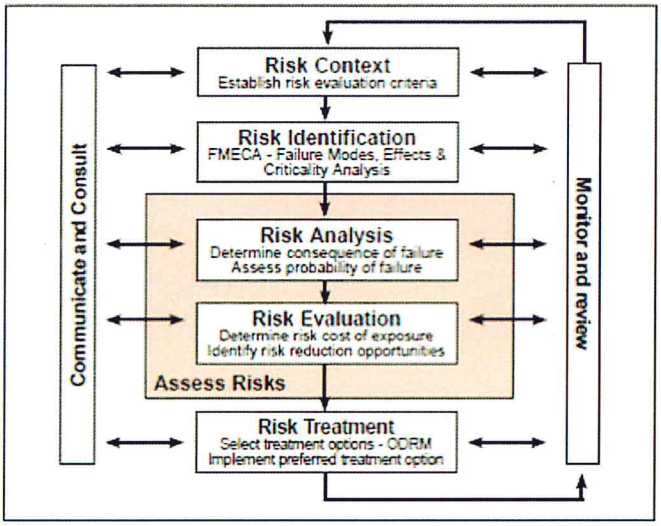

Figure 1

Scenario

The Executive Management Team at your organisation has directed that the plant and vehicle replacement budget of $3M be cut by $1M for the next financial year. We need to do an operating risk assessment on our fleet items due for replacement in order to identify the highest financial risk items that should not be deferred. We can use the Australian Standard for risk management to develop and apply an operational risk assessment.

Step 1 Risk Context

The first step in the risk management process is to establish the context within the organisation for plant and vehicles. Establishing the risk management context includes the establishment of a framework against which to assess risks. These are usually in the form of the Consequence, Likelihood and Risk matrices as shown in the tables below.

Consequence Matrix

For the purpose of this exercise we have developed a Consequence Matrix for plant and fleet and this will be used in our risk assessment.

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Plant and Fleet Consequence Matrix

Consequence	Injury	Service Interruption	Environment	Financial	Reputation
Insignificant	First-aid	<1 hour	Nil	<$1000	Nil
Minor	Doctor	1 day	Oil/fuel road spill	<$5000	Complaint
Moderate	A&E	1 week	Component failure	<$50,000	EMT
Major	ICU	1 fortnight	Vehicle write-off	<$100,000	Board
Catastrophic	Death	>1 month	Irreversible	>$500,000	Inquiry

Likelihood Matrix

Likelihood	Almost certain	Is expected to occur at most times
	Likely	Will probably occur at most times
	Possible	Might occur at some stage
	Unlikely	Could occur at some stage
	Rare	May occur in rare circumstances

Risk Matrix

	Catastrophic	Major	Moderate	Minor	Insignificant
Almost certain	Extreme	Extreme	Extreme	High	Medium
Likely	Extreme	Extreme	High	Medium	Low
Possible	Extreme	High	Medium	Medium	Low
Unlikely	High	Medium	Medium	Low	Low
Rare	Medium	Low	Low	Low	Low

Step 2 Risk Identification

There are numerous methods for identifying risks and these include brainstorming workshops and flowcharting. When considering plant and vehicle risk management, it is particularly important to identify critical assets. Critical assets are those that are deemed to be essential to the organisation and would have an impact on service delivery if they were damaged or compromised in some way. A simple approach to identifying critical plant and vehicles assets is assuming that those used in the most critical services are the most critical.

Step 3 Risk Analysis

Once the risks have been identified, we can determine the exposure by considering both the 'consequence' and 'likelihood' of an event. The objective is to separate the minor acceptable risks from the major risks that require active management.

The probability of failure is related to the condition of the plant and vehicle asset and can be assessed qualitatively (e.g. almost certain to rare, as shown above) or quantitatively using probability and statistics.

Step 4 Risk Evaluation

With the knowledge of the consequence of failure along with the likelihood of the event, the risk can be evaluated using a risk matrix such as that shown above. Although the consequences of failure may be 'major', if the event is unlikely to occur, that is 'rare', the risk may be considered low and acceptable. It is essential that both consequence and likelihood are considered together.

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Step 5 Risk Treatment

Once we know the risk of the critical assets we can prioritise actions and treatments using a risk treatment hierarchy for example as shown below.

Risk Treatment Hierarchy

Risk	Treatment
Extreme	Don't defer/priority 1 maintenance
High	Don't defer/priority 2 maintenance
Medium	Can defer short term – scheduled maintenance
Low	Can defer long term – scheduled maintenance

Example

A 3 tonne truck used in parks and gardens operations

Average annual utilisation 10,000 km

Optimum Replacement Point (ORP) 150,000 km/6 yrs

Assess the operating risk of delaying changeover of the truck by one year

Risk identification for this example

Hazard	Consequence	Likelihood	Risk	Treatment
Breakdown	Minor	Unlikely	Low	Scheduled servicing
Accident or injury (resulting from delayed replacement)	Moderate	Possible	Medium	Scheduled servicing
Environment	Insignificant	Rare	Low	Scheduled servicing
Financial	Minor	Likely	Medium	Scheduled servicing
Reputation	Insignificant	Rare	Low	Nil

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SMALL PLANT RISK INSPECTION REPORT

Items that are beyond economical life guidelines to have a plant risk inspection

Instructions:

To be completed in conjunction with the Plant Management Manual and the NOHSC 1010 (1994) "National Standard For Plant".

Part A and B – Completed by a qualified mechanical maintenance person
Part C and D – Used by Project Supervising personnel / Plant team who are operating plant and wish to extend the life of the plant or fleet item

Part A. Plant Description

Plant/Description:			
Make:		**Year of Manufacture:**	
Model:		**Rego or Owners ID Number**	
Attachments:	*Where relevant list attachments included in Table 1 at the end of this form*		
Owner/Supplier:		**Unit/Fleet No.**	
Utilisation Per Annum KM/Hrs:		**Last Serviced:**	**Next Service:**

Part B. Serviceability Check

	Inspection Item	Condition OK or Risk		Verified	Defect identified	Risk
	Safety guards - Fitted to hazards/moving parts; Good condition and suitable material to prevent contact; Signage indicating hazard if guard removed; Unable to be removed without tool (unless interlocked), suitable for type of access and hazard.	☐NA ☐Yes	☐No	☐	☐	
	Hazard / safety signage – Clearly legible, visible and fitted at appropriate positions including asset ID, DG3 and ADR reflective	☐NA ☐Yes	☐No	☐	☐	
	Detritus: Free from spoil / material / weeds, etc	☐NA ☐Yes	☐No	☐	☐	
	Emergency stops – prominent, clearly and durably marked; immediately accessible to operator position(s); manual reset; not impacted by electrical malfunction	☐NA ☐Yes	☐No	☐	☐	
	Quarterly Inspection Tag (in date) – Electrical, EWP, Scissor lift, etc.	☐NA ☐Yes	☐No	☐	☐	
	Condition of accessories ie towbars, blades, buckets, attachments etc	☐NA ☐Yes	☐No	☐	☐	
ENGINE	**Permanent guards** - fitted to prevent access to fan, belts, pulleys, gears etc whilst in operation.	☐NA ☐Yes	☐No	☐	☐	
ENGINE	**Oil** – Level OK + No leaks +oil sample	☐NA ☐Yes	☐No	☐	☐	
ENGINE	**Air intake hoses and clamps** – good condition, secure	☐NA ☐Yes	☐No	☐	☐	
ENGINE	**Air cleaner indicator level** – within serviceability range	☐NA ☐Yes	☐No	☐	☐	
OTHER	**Quick hitches**: Safety system for retaining attachment if failure; lifting point closed eye with rated capacity (kg); information permanently marked (Manufacturer, serial no, mass of quickhitch (kg), host machine class, rated lifting capacity), Positive lock system.	☐NA ☐Yes	☐No	☐	☐	
OTHER		☐NA ☐Yes	☐No	☐	☐	
OTHER		☐NA ☐Yes	☐No	☐	☐	

PART C. Risk

Complete Part D if defect identified	RISK (1) low (2) medium (3) high

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Owner / Mechanic sign off to verify mechanical inspection *- I certify that the described plant is to the manufacturer specifications and is being serviced and maintained by qualified personnel to the manufacturer recommendations*	
Name:	Position: Date:

Plant Inspector - Assessment and Details

☐ Plant is serviceable and suitable for continued use for _____ Months
☐ Plant is suitable for deployment on the network after corrective actions listed in part D.
☐ Plant should be replaced as per the guidelines

Name: _____ Date:

Part D FINAL CHECK: Documentation Pre-Delivery	CONFIRM
1. Plant Inspection Report	
2. Plant Risk Assessment	
3. Operators Manuals (Copy accessible)	
4. Service Manual (Copy accessible)	
5. Engineering Approval for any Attachments or Modifications	
Name:	**Position:**

Part C. Defects / Corrective Actions Include Work Order number			**Part E. Verification of Correction** (*Project Supervisor or Plant Team only)		
Part C Ref No.	**Actions Required to be taken**	**Due Date**	**Name**	**Date**	**Signed**
1					
2					
3					
4					
5					
6					
7					
8					
9					

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PLANT RISK INSPECTION REPORT

Items that are beyond economical life guidelines to have a plant risk inspection

Instructions:

To be completed in conjunction with the Plant Management Manual and the NOHSC 1010 (1994) "National Standard For Plant".

Part A B and C – Completed by a qualified mechanical maintenance person
Part D E and F – Used by Project Supervising Personnel / Plant Team who are operating plant and wish to extend the life of the plant or fleet item

Part A. Plant Description					
Plant/Description:					
Make:		**Year of Manufacture:**			
Model:		**Rego or Owners ID Number**			
Attachments:	*Where relevant list attachments included in Table 1 at the end of this form*				
Owner/Supplier:				**Unit/Fleet No.**	
Utilisation Per Annum KM/Hrs:		**Last Serviced:**		**Next Service:**	

PART C. Risk		
	Complete Part D if defect identified	**RISK** (1) low (2) medium (3) high

Part B. Serviceability Check							
		Inspection Item	**Condition OK or Risk**			Verified	Defect identified	Risk
GENERAL	Mandatory (All Plant and Vehicles)	**Seatbelt** - Fitted and in good condition.	☐NA	☐Yes	☐No	☐	☐	
		Safety Guards - Fitted to hazards/moving parts; Good condition and suitable material to prevent contact; Signage indicating hazard if guard removed; Unable to be removed without tool (unless interlocked), suitable for type of access and hazard.	☐NA	☐Yes	☐No	☐	☐	
		Hazard / Safety Signage - Clearly legible, visible and fitted at appropriate positions including asset ID, DG3 and ADR reflective	☐NA	☐Yes	☐No	☐	☐	
		Fire Extinguisher or Suppression System - Fitted, inspected and charged.	☐NA	☐Yes	☐No	☐	☐	
		Reverse Alarm - Operational.	☐NA	☐Yes	☐No	☐	☐	
		Lights - (Turn, Hazard, Stop, Tail, Headlamp and Parking).	☐NA	☐Yes	☐No	☐	☐	
		Flashing Light - Operational and visible at 360°, Non Strobe Type.	☐NA	☐Yes	☐No	☐	☐	
		All Vehicle Systems Operational (including lights, indicators, wipers and washers).	☐NA	☐Yes	☐No	☐	☐	
		Bodywork / Structural Components (including mainframe) - Damage / excess wear free from cracks.	☐NA	☐Yes	☐No	☐	☐	
		Detritus - Free from spoil / material / weeds, etc.	☐NA	☐Yes	☐No	☐	☐	
	Plant Specific	**Lockable Battery Isolator** - *(if required by risk assessment).*	☐NA	☐Yes	☐No	☐	☐	
		Emergency Stops - Prominent, clearly and durably marked; immediately accessible to operator position(s); manual reset; not impacted by electrical malfunction.	☐NA	☐Yes	☐No	☐	☐	
		Quarterly Inspection Tag (in date) - Electrical, EWP, Scissor lift, etc.	☐NA	☐Yes	☐No	☐	☐	
		Lifting, Hoisting & Towing Points - SWL / Capacity marked + good condition, load chart in cab.	☐NA	☐Yes	☐No	☐	☐	
		ROPS Canopy - EMM: Certified to AS2294.2, ISO 3471 or SAE J1040; Excavators: Certified to AS2294 or ISO 12117.2, *(if required by risk assessment).*	☐NA	☐Yes	☐No	☐	☐	
		FOPS - EMM certified to AS2294.3, ISO 3449 or SAE J1043; Excavators: ISO 10262 or SAEJ1356, *(if required by plant risk assessment).*	☐NA	☐Yes	☐No	☐	☐	
		Condition of Accessories i.e. towbars, blades, buckets, attachments etc.	☐NA	☐Yes	☐No	☐	☐	
		Travel Alarm [Auto Activating] - Operational.	☐NA	☐Yes	☐No	☐	☐	

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Part B. Serviceability Check (continued...)						
	Inspection Item	Condition OK or Risk			Verified	Defect Identified	Risk
ENGINE	**Permanent Guards** – Fitted to prevent access to fan, belts, pulleys, gears etc. whilst in operation.	☐NA	☐Yes	☐No	☐	☐	
	Water / Radiator - No corrosion and No leaks.	☐NA	☐Yes	☐No	☐	☐	
	Radiator Hose and Clamps - Good condition and fastened.	☐NA	☐Yes	☐No	☐	☐	
	Radiator Core - Good condition.	☐NA	☐Yes	☐No	☐	☐	
	Vee Belt - Good condition and adjustment.	☐NA	☐Yes	☐No	☐	☐	
	Fan Hub Bearings - Good condition, no noises.	☐NA	☐Yes	☐No	☐	☐	
	Oil - Level OK, No leaks and oil sample.	☐NA	☐Yes	☐No	☐	☐	
	Air Intake Hoses and Clamps - Good condition, secure.	☐NA	☐Yes	☐No	☐	☐	
	Air Cleaner Indicator Level - Within serviceability range.	☐NA	☐Yes	☐No	☐	☐	
	Radiator Cap - Pressure release type.	☐NA	☐Yes	☐No	☐	☐	
	Battery - Good condition; secure and well ventilated with permanently fitted cover.	☐NA	☐Yes	☐No	☐	☐	
DRIVE TRAIN	**Transmission Oil** - Level OK, No leaks and oil sample.	☐NA	☐Yes	☐No	☐	☐	
	Wheel Hub Oil - Level OK and No leaks.	☐NA	☐Yes	☐No	☐	☐	
	Wheel Nuts and Locks - Secured and good condition.	☐NA	☐Yes	☐No	☐	☐	
	Front and Rear Drive Line - Good condition.	☐NA	☐Yes	☐No	☐	☐	
	Foot and Park Brakes - Operational and within wear tolerance.	☐NA	☐Yes	☐No	☐	☐	
SYSTEMS	**Steering System and Linkages** - Good condition, emergency steering is operational or plant can be controlled under loss of power.	☐NA	☐Yes	☐No	☐	☐	
	Articulation Bearings and Retainers - Good condition.	☐NA	☐Yes	☐No	☐	☐	
	Self-Supporting Safety Props - Permanently attached.	☐NA	☐Yes	☐No	☐	☐	
	Air Systems - No leaks and air tanks drained - No oil out of drains.	☐NA	☐Yes	☐No	☐	☐	
	Hydraulics - Operational, no leaks and oil levels OK.	☐NA	☐Yes	☐No	☐	☐	
	Hydraulic Hoses - Free from damage and protected against damage at any potential contact points.	☐NA	☐Yes	☐No	☐	☐	
	Neutral Start - Must only start in neutral.	☐NA	☐Yes	☐No	☐	☐	
	Hydraulic Systems Designed to 'Fail to Safe' (i.e. failure should not permit loss of load or equipment control, uncontrolled decent etc in such a way that there is a risk to safety).	☐NA	☐Yes	☐No	☐	☐	
	Foot and Park Brakes - Operational and within wear tolerance.	☐NA	☐Yes	☐No	☐	☐	
CAB / OPERATIONS	**General Access** - • All surfaces of access system are slip resistant and good contrast. • Stable and appropriate clearances for majority of users. • Vertical access avoided (i.e. not more than 80°). • Permits three points of contact and considers operator / serviceman needs for tools of trade. • Access retractable to avoid damage where possible. • Grab rails in place and good condition and max. height of first step not >400mm when parked.	☐NA	☐Yes	☐No	☐	☐	
	Fall Protection / Guardrail - Provided if access required to machine platform or other elevated areas for maintenance, cleaning, operation etc.	☐NA	☐Yes	☐No	☐	☐	
	General Cab Condition and Seating	☐NA	☐Yes	☐No	☐	☐	
	Lights (Interior and dash) - Operational.	☐NA	☐Yes	☐No	☐	☐	
	Foot Pedals - Slip resistant and good condition.	☐NA	☐Yes	☐No	☐	☐	
	Unauthorised Use Preventable (i.e. machine fitted with lockable cabin, engine isolation and lockable housing etc. if applicable).	☐NA	☐Yes	☐No	☐	☐	
	Warning Systems, Lights and Gauges - Including horn.	☐NA	☐Yes	☐No	☐	☐	
	Controls and Linkages - Clearly labelled / free of damage.	☐NA	☐Yes	☐No	☐	☐	

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uniqco PLANT RISK INSPECTION REPORT

Part B. Serviceability Check (continued...)									
	Inspection Item					Condition OK or Risk		Verified	Defect Identified	Risk
CAB / OPERATIONS	Windows and Mirrors - Fitted and free from cracks.					☐NA ☐Yes	☐No	☐	☐	
	Air Conditioning - Operational.					☐NA ☐Yes	☐No	☐	☐	
	Reverse Camera - Fitted and operational *(if required by risk assessment).*					☐NA ☐Yes	☐No	☐	☐	
	UHF Radio - Fitted and operational.					☐NA ☐Yes	☐No	☐	☐	
TYRES & TRACKS	Tracks - Rollers / Idlers in good condition and no broken or missing shoes or bolts.					☐NA ☐Yes	☐No	☐	☐	
	Tyres - Satisfactory / serviceable condition and correctly inflated.					☐NA ☐Yes	☐No	☐	☐	
	Posn	**Tyre Serial #**	**Tread Depth**	**Posn**	**Tyre Serial #**	**Tread Depth**				
	1 (lf)		mm	2 (rf)		mm				
	3		mm	4		mm				
	5		mm	6		mm				
	7		mm	8		mm				
	9		mm	10		mm				
	11		mm	12		mm				
OTHER	Quick Hitches: Safety system for retaining attachment if failure; lifting point closed eye with rated capacity (kg); information permanently marked (manufacturer, serial no, mass of quick hitch (kg); host machine class, rated lifting capacity), positive lock system.					☐NA ☐Yes	☐No	☐	☐	
						☐NA ☐Yes	☐No	☐	☐	
						☐NA ☐Yes	☐No	☐	☐	

Owner / Mechanic sign off to verify mechanical inspection.

I certify that the described plant is to the manufacturer's specifications and is being serviced and maintained by qualified personnel to the manufacturer's recommendations.

Name:	Position:
	Date:

Plant Inspector • Assessment and Details

☐ Plant is serviceable and suitable for continued use on the network for Months.
☐ Plant is suitable for deployment on the network after corrective actions listed in part D.
☐ Plant should be replaced as per the guidelines.

Name: _____ **Date:** _____

Part D. Defects / Corrective Actions Include Work Order Number			Part E. Verification of Correction (*Project Supervisor or Plant Team ONLY)		
Part C Ref No.	**Actions Required To Be Taken**	**Due Date**	**Name**	**Date**	**Signed**
1					
2					
3					
4					
5					
6					
7					
8					
9					

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TABLE 1. Attachments Provided / Included

ATTACHMENTS		Complies / OK Condition?		Verified	Defective	WO No.
Type	Serial No					
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	
		☐NA ☐Yes	☐No	☐	☐	

Part F. FINAL CHECK: Documentation Pre-Delivery	CONFIRM
1. Plant Inspection Report	
2. Plant Risk Assessment	
3. Certificate of Approved Operation	
4. Copy of Registration	
5. Operators Manuals (Copy accessible)	
6. Service Manual (Copy accessible)	
7. Engineering Approval for any Attachments or Modifications	
Name:	Position:

Risk Item Summary					
Item	Injury	Service Interruption in Days	Environment Impact From Spill or Waste	Financial Cost in Dollars	Reputation Customer Complaints
1					
2					
3					
4					
5					
6					

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APPENDIX 3 - LIGHT FLEET - SALARY PACKAGING

Salary packaging options for the provision of car benefits to employees.

In arriving at our recommendations, we considered alternative approaches for employers in relation to how car benefits can be provided to employees and prepared some comparative calculations showing the impact of the following:

Option 1 - Where the employer pays a car allowance to an employee and the employee leases a car in their own name. The employee is therefore responsible for the maintenance and running costs of the vehicle.

Option 2 - Where the employer leases a car and provides a car fringe benefit to an employee. The employer is therefore responsible for the maintenance and running costs of the vehicle.

Option 3 - Where the employer leases a car and provides a car fringe benefit to an employee whilst also paying a motor vehicle allowance to the employee to allow the employee to make a contribution to the employer to eliminate any fringe benefits tax ('FBT') liability. The employer is again responsible for the maintenance and running costs of the vehicle.

We have used the data in respect of a "typical rural council vehicle structure" and have prepared separate calculations for employees in the following roles:

1. Rural CEO earning a salary of approximately $150,000 per annum with 10% business use of a vehicle:
   - Option 3 provides the best after tax outcome for the employee.
   - Option 3 results in the lowest cost of employment for the employer.

2. Engineer earning a salary of approximately $120,000 per annum with 70% business use of a vehicle:
   - Option 1 provides the best after tax outcome for the employee.
   - Option 3 results in the lowest cost of employment for the employer.

3. Accountant earning a salary of approximately $120,000 per annum with 10% business use of a vehicle:
   - Option 1 provides the best after tax outcome for the employee.
   - Option 3 results in the lowest cost of employment for the employer.

4. Manager earning a salary of approximately $100,000 per annum with 30% business use of a vehicle:
   - Option 1 provides the best after tax outcome for the employee.
   - Option 3 results in the lowest cost of employment for the employer.

5. Supervisor earning a salary of approximately $80,000 per annum with 80% business use of a vehicle:
   - Option 1 provides the best after tax outcome for the employee.
   - Option 3 results in the lowest cost of employment for the employer.

Please refer to the attached Appendices for the detailed calculations.

Please note that these calculations do not take into account any Goods and Services Tax ('GST') consequences.

There will be additional GST savings for employees under Options 2 and 3.

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SALARY PACKAGING EXAMPLE

APPENDIX A

Position: Rural CEO

Comparison of the impact on an Employer and Employee of providing either a car allowance or a car fringe benefit to the Employee

Opton 1 Employer pays car allowance
Option 2 Employer provides motor vehicle
Option 3 Employer provides motor vehicle and pays car allowance that is used as a recipient contribution to eliminate FBT liability.

1. Employer pays car allowance (and employee pays for car)			**2. Employer provides motor vehicle**			**3. Employer provides motor vehicle and pays motor vehicle allowance that is used as recipient contribution to eliminate FBT liability**		
	Note:			*Note:*			*Note:*	
Cash Salary		150,000	Cash Salary		150,000	Cash Salary		150,000
Car Allowance		29,000	Car Allowance		-	Car Allowance		22,103
Less:								
Motor vehicle deduction	2	(1,951)						
Taxable Income		**177,049**	**Taxable Income**		**150,000**	**Taxable Income**		**172,103**
Tax Payable	1	(53,140)	Tax Payable	1	(43,132)	Tax Payable	1	(51,310)
Medicare Levy		(3,541)	Medicare Levy		(3,000)	Medicare Levy		(3,442)
Motor vehicle expenses paid by employee	2	(19,513)	Motor vehicle expenses paid by employee		-	Employee contribution on car benefit provided		(13,483)
Cash Salary after tax and motor vehicle expenses		**102,806**	**Cash Salary after tax**		**103,868**	**Cash Salary after tax and recipient contribution**		**103,868**
Employer Superanuation Contribution (@ 12%)		21,480	Employer Superanuation Contribution (@ 12%)		18,000	Employer Superanuation Contribution (@ 12%)		20,652
Total cost to Employer			**Total cost to Employer**			**Total cost to Employer**		
Cash Salary		150,000	Cash Salary		150,000	Cash Salary		150,000
Car Allowance		29,000				Car Allowance		22,103
			Car Expenses		19,513	Car Expenses		19,513
Employer Superanuation Contribution (@ 12%)		21,480	Employer Superanuation Contribution (@ 12%)		18,000	Employer Superanuation Contribution (@ 12%)		20,652
FBT Expense		-	FBT Expense	3	14,180	FBT Expense		-
						Recipient contribution from employee		(13,483)
Total Expense for Employer		**200,480**	**Total Expense for Employer**		**201,693**	**Total Expense for Employer**		**198,785**
Total net benefit to Employee			**Total net benefit to Employee**			**Total net benefit to Employee**		
Cash Salary after tax		122,319	Cash Salary after tax		103,868	Cash Salary after tax		117,351
Employer Superanuation Contribution (@ 12%)		21,480	Employer Superanuation Contribution (@ 12%)		18,000	Employer Superanuation Contribution (@ 12%)		20,652
Motor vehicle expense		(19,513)	Motor vehicle expense		-	Recipient contribution paid to Employer		(13,483)
Total Net Benefit for Employee		**124,286**	**Total Net Benefit for Employee**		**121,868**	**Total Net Benefit for Employee**		**124,520**

Notes:

1. Tax estimates are based on 2017 year rates.

2. Motor vehicle deduction:

Lease rentals (includes maintenance)	13,800
Fuel and oil	3,960
Insurance	742
Registration	1,011
	19,513
Business use percentage	10%
Tax deduction	**1,951**

3. Motor vehicle fringe benefit:

Operating Cost Method

Lease rentals (includes maintenance)	13,800
Fuel and oil	3,960
Insurance	742
Registration	1,011
	19,513
Private use percentage	90%
FBT Taxable Value	17,562

Statutory Formula Method

Lease value of car	67,415
Statutory Fraction	20%
FBT Taxable Value	13,483
Grossed-up Taxable Value using Statutory Method	28,939
FBT Payable @ 49%	**14,180**

4. Cash allowance required to cover FBT recipient contribution

FBT Taxable Value (lowest TV chosen)	13,483
Tax rate applicable to Employee	37%
Cash allowance required (estimate) (incl ML)	**22,103**

UNIQCO INTERNATIONAL PTY LTD
SALARY PACKAGING EXAMPLE

APPENDIX B

Position: Engineer

Comparison of the impact on an Employer and Employee of providing either a car allowance or a car fringe benefit to the Employee

Opton 1 Employer pays car allowance
Option 2 Employer provides motor vehicle
Option 3 Employer provides motor vehicle and pays car allowance that is used as a recipient contribution to eliminate FBT liability.

1. Employer pays car allowance (and employee pays for car)		
	Note:	
Cash Salary		120,000
Car Allowance		21,000
Less:		
Motor vehicle deduction	2	(8,961)
Taxable Income		**132,039**
Tax Payable	1	(36,486)
Medicare Levy		(2,641)
Motor vehicle expenses paid by employee	2	(12,801)
Cash Salary after tax and motor vehicle expenses		**89,072**
Employer Superanuation Contribution (@ 12%)		16,920
Total cost to Employer		
Cash Salary		120,000
Car Allowance		21,000
Employer Superanuation Contribution (@ 12%)		16,920
FBT Expense		-
Total Expense for Employer		**157,920**
Total net benefit to Employee		
Cash Salary after tax		101,873
Employer Superanuation Contribution (@ 12%)		16,920
Motor vehicle expense		(12,801)
Total Net Benefit for Employee		**105,992**

2. Employer provides motor vehicle		
	Note:	
Cash Salary		120,000
Car Allowance		-
Taxable Income		**120,000**
Tax Payable	1	(32,032)
Medicare Levy		(2,400)
Motor vehicle expenses paid by employee		-
Cash Salary after tax		**85,568**
Employer Superanuation Contribution (@ 12%)		14,400
Total cost to Employer		
Cash Salary		120,000
Car Expenses		12,801
Employer Superanuation Contribution (@ 12%)		14,400
FBT Expense	3	4,039
Total Expense for Employer		**151,240**
Total net benefit to Employee		
Cash Salary after tax		85,568
Employer Superanuation Contribution (@ 12%)		14,400
Motor vehicle expense		-
Total Net Benefit for Employee		**99,968**

3. Employer provides motor vehicle and pays motor vehicle allowance that is used as recipient contribution to eliminate FBT liability		
	Note:	
Cash Salary		120,000
Car Allowance		6,296
Taxable Income		**126,296**
Tax Payable	1	(34,361)
Medicare Levy		(2,526)
Employee contribution on car benefit provided		(3,840)
Cash Salary after tax and recipient contribution		**85,568**
Employer Superanuation Contribution (@ 12%)		15,155
Total cost to Employer		
Cash Salary		120,000
Car Allowance		6,296
Car Expenses		12,801
Employer Superanuation Contribution (@ 12%)		15,155
FBT Expense		-
Recipient contribution from employee		(3,840)
Total Expense for Employer		**150,412**
Total net benefit to Employee		
Cash Salary after tax		89,408
Employer Superanuation Contribution (@ 12%)		15,155
Recipient contribution paid to Employer		(3,840)
Total Net Benefit for Employee		**100,723**

Notes:

1. Tax estimates are based on 2017 year rates.

2. Motor vehicle deduction:

Lease rentals (includes maintenance)	7,920
Fuel and oil	3,960
Insurance	390
Registration	531
	12,801
Business use percentage	70%
Tax deduction	**8,961**

3. Motor vehicle fringe benefit:

Operating Cost Method

Lease rentals (includes maintenance)	7,920
Fuel and oil	3,960
Insurance	390
Registration	531
	12,801
Private use percentage	30%
FBT Taxable Value	3,840

Statutory Formula Method

Lease value of car	35,432
Statutory Fraction	20%
FBT Taxable Value	7,086
Grossed-up Taxable Value using Operating Cost Method	8,243
FBT Payable @ 49%	**4,039**

4. Cash allowance required to cover FBT recipient contribution

FBT Taxable Value (lowest TV chosen)	3,840
Tax rate applicable to Employee	37%
Cash allowance required (estimate) (incl ML)	**6,296**

UNIQCO INTERNATIONAL PTY LTD
SALARY PACKAGING EXAMPLE

APPENDIX C

Position: Accountant

Comparison of the impact on an Employer and Employee of providing either a car allowance or a car fringe benefit to the Employee

Opton 1 Employer pays car allowance
Option 2 Employer provides motor vehicle
Option 3 Employer provides motor vehicle and pays car allowance that is used as a recipient contribution to eliminate FBT liability.

1. Employer pays car allowance (and employee pays for car)			**2. Employer provides motor vehicle**			**3. Employer provides motor vehicle and pays motor vehicle allowance that is used as recipient contribution to eliminate FBT liability**		
	Note:			*Note:*			*Note:*	
Cash Salary		120,000	Cash Salary		120,000	Cash Salary		120,000
Car Allowance		18,500	Car Allowance		-	Car Allowance		10,487
Less:								
Motor vehicle deduction	2	(1,187)						
Taxable Income		**137,313**	**Taxable Income**		**120,000**	**Taxable Income**		**130,487**
Tax Payable	1	(38,438)	Tax Payable	1	(32,032)	Tax Payable	1	(35,912)
Medicare Levy		(2,746)	Medicare Levy		(2,400)	Medicare Levy		(2,610)
Motor vehicle expenses paid by employee	2	(11,872)	Motor vehicle expenses paid by employee		-	Employee contribution on car benefit provided		(6,397)
Cash Salary after tax and motor vehicle expenses		**85,444**	**Cash Salary after tax**		**85,568**	**Cash Salary after tax and recipient contribution**		**85,568**
Employer Superanuation Contribution (@ 12%)		16,620	Employer Superanuation Contribution (@ 12%)		14,400	Employer Superanuation Contribution (@ 12%)		15,658
Total cost to Employer			**Total cost to Employer**			**Total cost to Employer**		
Cash Salary		120,000	Cash Salary		120,000	Cash Salary		120,000
Car Allowance		18,500				Car Allowance		10,487
			Car Expenses		11,872	Car Expenses		11,872
Employer Superanuation Contribution (@ 12%)		16,620	Employer Superanuation Contribution (@ 12%)		14,400	Employer Superanuation Contribution (@ 12%)		15,658
FBT Expense		-	FBT Expense	3	6,728	FBT Expense		-
						Recipient contribution from employee		(6,397)
Total Expense for Employer		**155,120**	**Total Expense for Employer**		**152,999**	**Total Expense for Employer**		**151,620**
Total net benefit to Employee			**Total net benefit to Employee**			**Total net benefit to Employee**		
Cash Salary after tax		97,316	Cash Salary after tax		85,568	Cash Salary after tax		91,965
Employer Superanuation Contribution (@ 12%)		16,620	Employer Superanuation Contribution (@ 12%)		14,400	Employer Superanuation Contribution (@ 12%)		15,658
Motor vehicle expense		(11,872)	Motor vehicle expense		-	Recipient contribution paid to Employer		(6,397)
Total Net Benefit for Employee		**102,064**	**Total Net Benefit for Employee**		**99,968**	**Total Net Benefit for Employee**		**101,226**

Notes:

1. Tax estimates are based on 2017 year rates.

2. Motor vehicle deduction:

Lease rentals (includes maintenance)	7,740
Fuel and oil	3,300
Insurance	352
Registration	480
	11,872
Business use percentage	10%
Tax deduction	**1,187**

3. Motor vehicle fringe benefit:

Operating Cost Method

Lease rentals (includes maintenance)	7,740
Fuel and oil	3,300
Insurance	352
Registration	480
	11,872
Private use percentage	90%
FBT Taxable Value	10,684

Statutory Formula Method

Lease value of car	31,986
Statutory Fraction	20%
FBT Taxable Value	6,397
Grossed-up Taxable Value using Statutory Method	13,730
FBT Payable @ 49%	**6,728**

4. Cash allowance required to cover FBT recipient contribution

FBT Taxable Value (lowest TV chosen)	6,397
Tax rate applicable to Employee	37%
Cash allowance required (estimate) (incl ML)	**10,487**

UNIQCO INTERNATIONAL PTY LTD
SALARY PACKAGING EXAMPLE

APPENDIX D

Position: Manager

Comparison of the impact on an Employer and Employee of providing either a car allowance or a car fringe benefit to the Employee

Opton 1 Employer pays car allowance
Option 2 Employer provides motor vehicle
Option 3 Employer provides motor vehicle and pays car allowance that is used as a recipient contribution to eliminate FBT liability.

1. Employer pays car allowance (and employee pays for car)		
	Note:	
Cash Salary		100,000
Car Allowance		18,000
Less:		
Motor vehicle deduction	2	(2,916)
Taxable Income		**115,084**
Tax Payable	1	(30,213)
Medicare Levy		(2,302)
Motor vehicle expenses paid by employee	2	(9,721)
Cash Salary after tax and motor vehicle expenses		**75,764**
Employer Superanuation Contribution (@ 12%)		14,160
Total cost to Employer		
Cash Salary		100,000
Car Allowance		18,000
Employer Superanuation Contribution (@ 12%)		14,160
FBT Expense		-
Total Expense for Employer		**132,160**
Total net benefit to Employee		
Cash Salary after tax		85,485
Employer Superanuation Contribution (@ 12%)		14,160
Motor vehicle expense		(9,721)
Total Net Benefit for Employee		**89,924**

2. Employer provides motor vehicle		
	Note:	
Cash Salary		100,000
Car Allowance		-
Taxable Income		**100,000**
Tax Payable	1	(24,632)
Medicare Levy		(2,000)
Motor vehicle expenses paid by employee		-
Cash Salary after tax		**73,368**
Employer Superanuation Contribution (@ 12%)		12,000
Total cost to Employer		
Cash Salary		100,000
Car Expenses		9,721
Employer Superanuation Contribution (@ 12%)		12,000
FBT Expense	3	5,835
Total Expense for Employer		**127,557**
Total net benefit to Employee		
Cash Salary after tax		73,368
Employer Superanuation Contribution (@ 12%)		12,000
Motor vehicle expense		-
Total Net Benefit for Employee		**85,368**

3. Employer provides motor vehicle and pays motor vehicle allowance that is used as recipient contribution to eliminate FBT liability		
	Note:	
Cash Salary		100,000
Car Allowance		9,096
Taxable Income		**109,096**
Tax Payable	1	(27,998)
Medicare Levy		(2,182)
Employee contribution on car benefit provided		(5,549)
Cash Salary after tax and recipient contribution		**73,368**
Employer Superanuation Contribution (@ 12%)		13,092
Total cost to Employer		
Cash Salary		100,000
Car Allowance		9,096
Car Expenses		9,721
Employer Superanuation Contribution (@ 12%)		13,092
FBT Expense		-
Recipient contribution from employee		(5,549)
Total Expense for Employer		**126,360**
Total net benefit to Employee		
Cash Salary after tax		78,917
Employer Superanuation Contribution (@ 12%)		13,092
Recipient contribution paid to Employer		(5,549)
Total Net Benefit for Employee		**86,460**

Notes:

1. Tax estimates are based on 2017 year rates.

2. Motor vehicle deduction:

Lease rentals (includes maintenance)	5,700
Fuel and oil	3,300
Insurance	305
Registration	416
	9,721
Business use percentage	30%
Tax deduction	**2,916**

3. Motor vehicle fringe benefit:

Operating Cost Method

Lease rentals (includes maintenance)	5,700
Fuel and oil	3,300
Insurance	305
Registration	416
	9,721
Private use percentage	70%
FBT Taxable Value	6,805

Statutory Formula Method

Lease value of car	27,743
Statutory Fraction	20%
FBT Taxable Value	5,549
Grossed-up Taxable Value using Statutory Method	11,909
FBT Payable @ 49%	**5,835**

4. Cash allowance required to cover FBT recipient contribution

FBT Taxable Value (lowest TV chosen)	5,549
Tax rate applicable to Employee	37%
Cash allowance required (estimate) (incl ML)	**9,096**

UNIQCO INTERNATIONAL PTY LTD
SALARY PACKAGING EXAMPLE

APPENDIX E

Position: Supervisor

Comparison of the impact on an Employer and Employee of providing either a car allowance or a car fringe benefit to the Employee

Opton 1 Employer pays car allowance
Option 2 Employer provides motor vehicle
Option 3 Employer provides motor vehicle and pays car allowance that is used as a recipient contribution to eliminate FBT liability.

1. Employer pays car allowance (and employee pays for car)	*Note:*		**2. Employer provides motor vehicle**	*Note:*		**3. Employer provides motor vehicle and pays motor vehicle allowance that is used as recipient contribution to eliminate FBT liability**	*Note:*	
Cash Salary		80,000	Cash Salary		80,000	Cash Salary		80,000
Car Allowance		18,500	Car Allowance		-	Car Allowance		4,414
Less:								
Motor vehicle deduction	2	(11,564)						
Taxable Income		**86,936**	**Taxable Income**		**80,000**	**Taxable Income**		**84,414**
Tax Payable	1	(19,801)	Tax Payable	1	(17,547)	Tax Payable	1	(18,981)
Medicare Levy		(1,739)	Medicare Levy		(1,600)	Medicare Levy		(1,688)
Motor vehicle expenses paid by employee	2	(14,455)	Motor vehicle expenses paid by employee		-	Employee contribution on car benefit provided		(2,891)
Cash Salary after tax and motor vehicle expenses		**62,505**	**Cash Salary after tax**		**60,853**	**Cash Salary after tax and recipient contribution**		**60,853**
Employer Superanuation Contribution (@ 12%)		11,820	Employer Superanuation Contribution (@ 12%)		9,600	Employer Superanuation Contribution (@ 12%)		10,130
Total cost to Employer			**Total cost to Employer**			**Total cost to Employer**		
Cash Salary		80,000	Cash Salary		80,000	Cash Salary		80,000
Car Allowance		18,500				Car Allowance		4,414
			Car Expenses		14,455	Car Expenses		14,455
Employer Superanuation Contribution (@ 12%)		11,820	Employer Superanuation Contribution (@ 12%)		9,600	Employer Superanuation Contribution (@ 12%)		10,130
FBT Expense		-	FBT Expense	3	3,040	FBT Expense		-
						Recipient contribution from employee		(2,891)
Total Expense for Employer		**110,320**	**Total Expense for Employer**		**107,095**	**Total Expense for Employer**		**106,107**
Total net benefit to Employee			**Total net benefit to Employee**			**Total net benefit to Employee**		
Cash Salary after tax		76,960	Cash Salary after tax		60,853	Cash Salary after tax		63,744
Employer Superanuation Contribution (@ 12%)		11,820	Employer Superanuation Contribution (@ 12%)		9,600	Employer Superanuation Contribution (@ 12%)		10,130
Motor vehicle expense		(14,455)	Motor vehicle expense		-	Recipient contribution paid to Employer		(2,891)
Total Net Benefit for Employee		**74,325**	**Total Net Benefit for Employee**		**70,453**	**Total Net Benefit for Employee**		**70,983**

Notes:

1. Tax estimates are based on 2017 year rates.

2. Motor vehicle deduction:

Lease rentals (includes maintenance)	9,480
Fuel and oil	3,960
Insurance	429
Registration	586
	14,455
Business use percentage	80%
Tax deduction	**11,564**

3. Motor vehicle fringe benefit:

Operating Cost Method

Lease rentals (includes maintenance)	9,480
Fuel and oil	3,960
Insurance	429
Registration	586
	14,455
Private use percentage	20%
FBT Taxable Value	2,891

Statutory Formula Method

Lease value of car	39,035
Statutory Fraction	20%
FBT Taxable Value	7,807
Grossed-up Taxable Value using Operating Cost Method	6,205
FBT Payable @ 49%	**3,040**

4. Cash allowance required to cover FBT recipient contribution

FBT Taxable Value (lowest TV chosen)	2,891
Tax rate applicable to Employee	32.5%
Cash allowance required (estimate) (incl ML)	**4,414**

SHIRE OF COOLGARDIE

USE OF COUNCIL VEHICLES

POLICY & PROCEDURES

Friday, May 19, 2017

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COUNCIL PROVIDED VEHICLES

The Council is charged with responsibility for providing a range of services to meet the needs and wants of the local community. To enable effective delivery of services and management of resources the Council provides a range of vehicles, plant and equipment.

1. Policy Objectives

To provide:

- Details of the terms and conditions for each category of vehicle use.
- Guidelines on the range of vehicles which Council will procure and offer to staff for commuting or private use.
- A way to maximise vehicle availability for business use.
- A way to minimise Fringe Benefit Tax (FBT) liabilities.
- An attractive employment benefit for staff.

2. Policy Responsibility

DCEO shall be responsible to ensure this policy is complied with. The Human Resources Advisor will be responsible for coordinating the implementation of the policy in collaboration with the Chief Executive Officer (CEO).

3. General

- Vehicles remain the property of the Council at all times.
- Vehicles shall be included in a car pool for use during business hours.
- All vehicles shall carry a log book which must be completed for a minimum of three (3) months per annum by all drivers of the vehicle.
- Vehicles are generally linked to a specified position, not the person holding the position.
- The nature and type of vehicle to be allocated to the position shall be based on business requirements unless approved by the CEO.
- As positions become vacant, a review will be carried out by the CEO or Deputy Chief Officer (DCEO) to determine the need for a vehicle allocation.
- Vehicles will not be the subject of negotiations for the inclusion in Certified Agreements, State Workplace Agreements or Australian Workplace Agreements.
- The right to participate in the Vehicle Scheme may be suspended at any time at the discretion of the CEO, if the officer or nominee:

    - Is convicted of a serious driving offence.
    - Judged to have incurred excessive insurance claims.
    - Has not maintained the vehicle in a suitable manner.
    - Has breached any of the agreed vehicle policy conditions.
    - Fails to provide accurate FBT information as requested.
    - Uses the vehicle to derive income from outside business unless authorised by the CEO.
    - Has acted in a manner deemed inappropriate by the CEO.

4. Council's Responsibility

- Annual Registration, Insurance and FBT payments relevant to the vehicle.
- The vehicle will be replaced at intervals according to Council's Vehicle Replacement Policy.
- The Council may undertake an independent random audit or inspection of vehicles to ensure that the conditions of this policy are being met.
- The vehicle is fully serviced and maintained by the Council for 52 weeks of the year with the Council accepting all costs associated with running of the vehicle.
- A fuel card is to be provided and used when purchasing fuel and oil only.
- The Council will charge a fee for private use of a vehicle, which may be reviewed from time to time by the CEO.

5. Schedule of Fees

The CEO will determine the contribution to be paid by staff with full private and limited private use entitlements and may review the contribution from time to time. All contributions to be deducted after tax will not be suspended due to staff being on leave unless specifically approved by the CEO.

Contribution rates shall take into account the make and type of vehicle allocated and shall be annualised and paid fortnightly over 26 pay periods.

6. Managers' Responsibilities

Managers shall be responsible for monitoring car pooling and utilisation of vehicles within their department. Swapping of vehicles should be initiated firstly within departments. If the target annual utilisation cannot be achieved, then swapping between departments should be initiated.

7. Employee Responsibilities

All persons driving a Council vehicle shall hold a current Western Australian Driver's Licence.

An officer assigned a council vehicle shall:

- Enter into an agreement to confirm the type of vehicle, type of use and contribution rate, if applicable, to the use of a Council vehicle by an officer.
- Sign their acceptance to Council's conditions of use of a council motor vehicle, which governs use, care and maintenance as detailed in this policy document.

7.1 Accident or Damage

In the event of an **accident or damage** to a vehicle it is the responsibility of the employee to:

- Report as soon as practicable to the Human Resources Advisor or DCEO, any involvement in a motor vehicle accident or upon sustaining general damage to the vehicle.
- Report any accident in a motor vehicle to the Police where required by law.

- Not accept or acknowledge any liability on behalf of the Council arising from an accident.
- Complete as soon as practical after the accident, the appropriate claim form and in consultation with the employee's supervisor, the incident report form (Copy Attached), and return them to the Payroll / Insurance Officer.

Employees or their nominated person found to be driving a Council vehicle under the influence of drugs or alcohol will be held personally responsible for any repairs or legal action resulting from any accident in which they are involved. Similar conditions shall apply to damage occurring as a result of inappropriate behaviour. Full costs relating to damage will be recovered from the employee. The employee would not normally be liable for any insurance excess costs involved if damage to the vehicle occurs in circumstances defined within authorised use.

7.2 Maintenance and Cleaning

General **maintenance** of the vehicle is the responsibility of the employee to whom the vehicle is assigned. This will include:

- Weekly check of oil, water and tyres.
- The vehicle is to be maintained in a clean and tidy condition at all times. Cleaning (internal and external) will be undertaken during the employee's own time.
- Additional features including advertising material shall not be added to the vehicle unless it can be determined that these are required to undertake the functions of the person using the vehicle.
- The vehicle is to be made available for service maintenance and repairs as required. Mechanical defects are to be reported to the Fleet Coordinator as soon as practicable.
- All vehicles are designated as work places and shall be used in accordance with the Council's Occupational Safety and Health policies including the maintenance of a smoke free environment.

7.3 Appropriate Use

Vehicles shall be used in a manner that is consistent with the nature of work requirements. Employees shall be responsible for ensuring an allocated vehicle is used appropriately at all times. Vehicles other than 4 wheel drives should not be taken off road. Employees shall be responsible for paying for any damage that occurs when a vehicle has been deemed to have been used inappropriately.

Reconditioning costs at change over may be recovered from staff if the vehicle is excessively damaged through negligence.

The fleet administrator shall report excessive reconditioning costs to the DCEO. The CEO shall decide if excessive costs are required to be paid by the officer.

An employee whose licence has been suspended shall immediately advise their supervisor and arrange for the vehicle to be returned to the Council Depot. The employee will notify the Payroll of the situation and arrange to have any deduction of payments (if being made) discontinued until the suspension expires and / or private use rights are resumed.

Excessive speeding or alcohol and drug offences while driving may result in Council withdrawing the use of a vehicle. The following process shall apply for any offences that accrue infringement demerit points:

- 1st offence – attends counselling (HR) and attends driver safety briefing (Professional Driver Trainer).
- 2nd offence – attend driver training program (Professional Driver Trainer).
- 3rd offence – may result in the withdrawal of the car for 3 months or other period to be determined by the CEO.

7.4 Fringe Benefit Tax Reporting

All Fringe Benefits Tax (FBT) reporting requirements are to be completed and submitted to the Payroll / Insurance officer by the due date. These include:

- Log books of vehicle use are to be completed when requested.
- Annual returns giving details of:
    - any employee using the vehicle,
    - the start and finish dates/times of each period of use, and
    - details of the vehicle use when allocated to another person.

Employees allocated vehicles for commuting or limited private use are required to notify the Human Resources Coordinator of any changes to the allocation of the vehicle (e.g. during leave or staff rotation etc.). Failure to do so will result in the Council assuming the vehicle is still under the employees control and associated fringe benefits will be attributed to the employee.

7.5 Vehicle Utilisation

Council vehicles are to be rotated to maximise utilisation. Employees must accept that they may be allocated a different vehicle from time to time in order to increase that vehicles utilisation.

Employees superannuation surcharge and government benefits may be affected by their reportable FBT and employees allocated a vehicle are expected to actively take part in reducing the Council's FBT liabilities.

Employees are required to submit a log book of their business and non-business related travel for a minimum period of 90 days during any FBT year (1st April - 31st March).

7.6 Other Responsibilities

It shall be the **responsibility** of the person to whom the vehicle has been allocated to ensure that:

- All drivers shall reveal any previous driving offences (not speeding or parking) up to 5 years previously, which may affect insurance cover.

- The person is familiar with the conditions of this policy and that all forms relating to the allocation of the vehicle (including nominee's information) are provided to the Council.
- To ensure that parking fines and traffic infringements are paid by the offending driver.
- The vehicle is housed in a secure and preferably off street location, and kept locked at all times when not in use.
- The vehicle will be available for Council business on a daily basis (excluding approved periods of leave). This will take precedence over private use.
- When the vehicle is not required during annual leave it is to be garaged at the Council Depot unless approved by the CEO.
- Only authorised persons (employee or nominee) may drive a Council vehicle. In an emergency any person holding a WA Drivers Licence may drive the vehicle provided the employee is a passenger in the vehicle at the time the vehicle is being driven.
- Employees are to ensure that passengers and load limits are not exceeded at any time. Off road use is not permitted except where the vehicle is designed for such use.
- **No PETS** shall be allowed in council vehicles other than those used for the transport of animals.
- **No SMOKING** is permitted in council vehicles at any time.

8. Special Conditions

In addition to the general employee responsibilities as outlined, special conditions will apply to each category of use.

8.1 Full Private Use

- The CEO and DCEO are permitted unlimited use of the vehicle throughout Western Australia but private use limited to a maximum mileage of 35,000km annually.
- Where the CEO and DCEO exceed 35,000km private use annually they will be required to make an additional contribution of $0.14 per km plus the cost of additional fuel.
- The CEO and DCEO may authorise their spouse / partner or another person as a user of the vehicle. The nomination form will be completed by the employee and submitted to the Insurance / Payroll Officer who will maintain a central register.
- The CEO and DCEO have full access to their allocated vehicle during all periods of leave and may use the Council supplied fuel card for all fuel purchases.

8.2 Limited Private Use

- Use is limited to within a radius of 300km from the Council Offices unless authorised by the CEO.
- The vehicle will be made available during office hours as a pool vehicle.
- Employees will be required to make a fortnightly contribution, payable after tax as described in the schedule of fees.
- An employee with limited private use may nominate their spouse/partner as a user of the vehicle and complete the appropriate forms. The Insurance / Payroll Officer will maintain a register of authorised persons.
- In the event of a change of duties or change to the nature of work for which the employee is employed, the Council reserves the right to withdraw the provision of a vehicle.

- Use during periods of leave, generally not exceeding four (4) weeks, will not be permitted without expressed approval of the CEO (in consultation with the DCEO), provided the vehicle is not required for municipal purposes. Where permission is given, the officer will be responsible for the cost of all fuel used while on leave.

8.3 Commuting Use

- The vehicle is available for commuting use to and from the employee's place of work and home in recognition of work requirements. Employees will not use Council vehicles for private use such as taking family to and from work / school etc., and shall not include any substantial deviation or substantial interruption of the journey without the expressed approval by the CEO.
- Diversion to attend a course of study or professional development outside normal business hours is to be authorised by the CEO and taken as part of the journey to or from work.
- In the event of a change of duties or change to the nature of work for which the employee is employed, the Council reserves the right to withdraw the provision of a vehicle.
- The vehicle will be available during office hours as a pool vehicle and will be returned to the pool during periods of long service leave, annual leave and sick leave.

9. Car Pooling Priorities

All allocated vehicles shall be available for other staff to use. Priority for allocation within the pool shall be:

- 1) Pool Vehicle/s.
- 2) Coordinator/Supervisor Vehicles.
- 3) DCEO Vehicle.
- 4) CEO's Vehicle.

10. Type of Vehicle Allocated

The Council's fleet mix consists of a variety of makes and models of vehicles. Unless otherwise determined by the CEO the following vehicle types will apply to the identified positions.

Position	Use	Type of Vehicle	Employment Value in HR Package *	Weekly contributions post tax
CEO	Full Private Use	Luxury Saloon or Station Wagon fitted with a tow bar or 4x4 Station Wagon (Holden Caprice - Toyota Presara - Toyota Prado or Equivalent)	$29,000	NIL
Deputy CEO	Full Private Use	Luxury Saloon fitted with a tow bar or soft road 4x4 station wagon or sedan (VW Passat - Toyota Atara SL - Toyota Fortuner or Equivalent	$21,000	$140
Coordinator – Supervisor	Full Private Use	4 Cylinder Saloon or other specified vehicle as required by the position and fitted with a tow bar OR 4 Cylinder Automatic Diesel Crew Cab Utility 4x4 - bull bar, tow bar, cruise control (Toyota Camry Altise - Mazda CX5 - Hyundai I40 OR Ford Ranger, VW Amarok, Toyota HiLux - Isuzu D-Max)	$18,500	$120
Staff	Commuting Use	4 Cylinder Automatic Sedan or other specified vehicle as required by the position OR 4 Cylinder Automatic Diesel Utility 4x4 - bull bar, tow bar, cruise control (Toyota Yaris - VW Polo - Hyundai I20 OR Ford Ranger, VW Amarok, Toyota HiLux - Isuzu D-Max)	$13,000	$85

** The values attributed to vehicles in the employment package are calculated using the following data*

- *The cost to lease an equivalent vehicle over a term of 60 months and 150,000km the lease cost is inclusive of all maintenance and tyres*
- *The cost of fuel based on the average fuel consumption of this type of vehicle and a fuel price of $1.20c per litre*
- *Insurance cost at 1.1% of the cost of the vehicle*
- *Registration at 1.5% of the cost of the vehicle*

Post tax contributions are calculated based on the vehicle provided and FBT liability of such a vehicle (these may vary slightly from the figures stated), the post tax contribution is then made by the staff based on a vehicle allowance paid over and above their salary, and refunded to Council as a post tax contribution. This will benefit both Council and the employee.

At the CEO's discretion the post tax contribution may be made up of an allowance and a deduction of up to $40 a week from the employee's salary to lift the use from Commuter to limited private

The total value of the vehicle entitlement will be included in the employee's total remuneration package. Only DCEO and the CEO have a choice of using the vehicle provided by Council or converting their vehicle entitlement to cash and providing their own vehicle by way of Novated Lease, Chattel Mortgage, or other means subject to approval by the CEO.

Where the employee elects to provide their own vehicle:

- It will be of a similar make / model like that usually provided by the Council; and
- It will be used by the employee for all business purposes.
- They will not have access to Council provided pool vehicles.

10.1 Employers Responsibility

- Ensure employees understand their responsibilities to ensure vehicles are legal, safe and well-maintained.
- Check vehicle documents in advance of first use of vehicle for business purposes and at least annually thereafter.
- Carry out periodic visual inspections of employees' own vehicles used for work, follow monitoring, authorisation and reporting procedures to help manage transport usage.

10.2 Employees Responsibility - using their own vehicles for business to:

- Present the vehicle's insurance policy (with the employer noted on the policy and policy for business use of the car) and service / maintenance schedule for inspection in advance of first driving for work and thereafter on request by the employer.
- Present their driving licence for inspection in advance of first driving for work and thereafter on request by the employer.
- Notify employer of any sanctions imposed on their licence, restrictions on ability to drive, material changes to insurance provision and vehicle defects.
- Co-operate with monitoring, authorisation and reporting procedures.

10.3 Minimum Vehicle Standards

As a minimum, any employee-owned vehicle used for business purposes should meet the following standards:

- Vehicle to be of a standard normally used in LG business i.e. no exotic vehicles, sports cars, custom cars.
- ANCAP rating no lower than 4 stars.
- Age of car no older than 5 years.
- Vehicle covered for Roadside Assistance.
- Vehicle fitted with a stability control system, such as ABS and ESP.

10.4 Insurance of Private Vehicle

The vehicle entitlement will only be paid where the employee holds an insurance policy that covers bodily injury to or death of third parties, bodily injury to or death of any passenger; and damage to the property of third parties, and permits the use of the car either in connection with the business, or the business of the employing department or agency. The employers name must be noted on the insurance policy as an interested party. When first using their car on official business, employees must declare in writing that they know and understand the ownership and insurance requirements.

It is the responsibility of the employer to:

- Verify the insurance status of their employees, via either the original insurance document or a cover note. Any material changes to the employee's insurance provision shall be notified to the employer.

- Employee is to provide a declaration accepting that they are paid a vehicle allowance for providing their own vehicle for business purpose. In doing so they accept that all costs relating to the vehicle including but not limited to, fuel, maintenance, tyres, insurance, accidents, insurance excess etc are for their own account. The employee must also accept as a policy that they will not have use of a Council vehicle during work hours unless in exceptional circumstances and authorised by the CEO.

11. Review Period

This policy will be reviewed by the Council two years from the date of adoption.

APPENDICES:

(1) Accident or Damage Report Form

AGENDA REFERENCE:	11.2.2
SUBJECT:	Budget amendment – Heavy Plant
LOCATION:	Shire of Coolgardie
APPLICANT:	Shire of Coolgardie
FILE REFERENCE:	NAM5495
DISCLOSURE OF INTEREST:	Nil
DATE:	18 May 2017
AUTHOR:	Deputy Chief Executive Officer, Jill O'Brien

SUMMARY:

For Council to consider the budget amendment in relation to the sale of Volvo L60 Loader and one of the 8x4 tippers P310 and Trailer P304 (trailer to the tipper P310).

BACKGROUND:

Uniqco International Vehicle Management has been engaged by the Shire to improve the Shire's fleet management processes. As part of this arrangement Uniqco are recommending to optimise resale value and maintain compliance under the local Government Act, the Shire dispose of the following plant at the May Auction at Ross's Auctions Kalgoorlie.

- Volvo L60 Loader complete with attachments and spare tyre - (see attached data sheet) suggested reserve price $20,000.
- One of the 8x4 tippers P310
- Trailer P304 (trailer to the tipper P310)

Given the low utilisation of the current 8X4 Tip Truck Uniqco recommend that one of the 8x4 Tippers P310 registration number 1EFY339 and the trailer P304 registration number 1TOI523 is placed at the next Auction at Ross's Auctions with a reserve of $170,000. Should any offer at the Ross's auction exceed $170,000 Uniiqco recommend Council authorise the immediate disposal of the unit.

COMMENT:

If the vehicles are not sold at Ross's Auctions Kalgoorlie they will be transported to Perth for disposal at the most appropriate auction.

CONSULTATION:

James Trail - Acting CEO Shire of Coolgardie
Grant Andrews- Managing Director Uniqco International Vehicle Management

STATUTORY ENVIRONMENT:
Local Government Act 1995 Section 6.8

POLICY IMPLICATIONS:
Nil

FINANCIAL IMPLICATIONS:
The written down value for the Loader as of April 2017 is $37,499.93. The estimated income after the sale of the loader will be $20,000.

The written down value for the 8x4 tipper and trailer as of April 2017 is $178,641.84. A trade-in value quoted to the Shire of Coolgardie for the sale of this asset combination is $140,000. The reserve price at auction will be set at $170,000.

The written down values for the plant are subject to change marginally, as current depreciation calculations are to the 30 April, which is the most recent application of depreciation prior to this meeting. Depreciation is applied on a monthly basis and in the case of sale of assets, will be applied up to the date of sale, thus representing an accurate written down value when sold.

STRATEGIC IMPLICATION:
Solutions focused and customer oriented organisation.
- High quality corporate governance, accountability and compliance.
- Effective communication and engagement processes.
- Development of Shire's resources to provide optimum benefit to the community.

VOTING REQUIREMENT:
Absolute Majority

OFFICER RECOMMENDATION:

That Council
1. Receive the income from the sale of the Volvo L60 Loader complete with attachments and spare tyre reserve price $20,000. Income is to be credited to account number 120475 – Proceeds from disposal of heavy plant, and debited to account number 040395 – Transfer to plant reserve.
2. Receive the income from the sale of the 8x4 tipper P310 and trailer P304, to be sold together as a whole unit, with a reserve value of $170,000. Income is to be credited to account number 120475 – Proceeds from disposal of heavy plant, and debited to account number 040395 – Transfer to plant reserve.

COUNCIL RESOLUTION: # 117/17

Moved: Cr, S Botting
Seconded: Cr, T Rathbone

That Council
1. Receive the income from the sale of the Volvo L60 Loader complete with attachments and spare tyre reserve price $20,000. Income is to be credited to account number 120475 – Proceeds from disposal of heavy plant, and debited to account number 040395 – Transfer to plant reserve.
2. Receive the income from the sale of the 8x4 tipper P310 and trailer P304, to be sold together as a whole unit, with a reserve value of $170,000. Income is to be credited to account number 120475 – Proceeds from disposal of heavy plant, and debited to account number 040395 – Transfer to plant reserve.

CARRIED ABSOLUTE MAJORITY 6/0

AGENDA REFERENCE:	11.2.3
SUBJECT:	Rates Write Off
LOCATION:	NA
APPLICANT:	NA
FILE REFERENCE:	NAM5497
DISCLOSURE OF INTEREST:	The Author has no interest in this matter
DATE:	23 April 2017
AUTHOR:	Melissa Butler, Rates Officer

SUMMARY:

Council approval is sought to write off rate debts (totalling $2171.13) that have become stale and are deemed to be unrecoverable.

BACKGROUND:

This report was prepared as a consequence of Annual Rates being issued.

COMMENT:

The Spreadsheet below has been prepared after Annual rates issued showing the below list totalling $2171.13

1. Write off Assessment amount raised in error on a dead tenement $2286.76
2. Write off assessment A1485 amount of $289.36 in deferred rates from a Pensioner rebate proceeded after the property sold 2014
3. Rural rebate originally given at a Percentage of 27 % not the advertised 50 % as applied and approved for, rebate received $786.08 entitled to $1436.67

Assessment	Address/ Lot Number	Amount	Other Information
WRITE OFF ASSESSMENTS			
A1485	65 KING STREET COOLGARDIE	deferred value from 2007. The house sold in 2014 and the deferred should have been paid and is no longer valid	$289.36
A16060	E16/387	Rates raised after tenement made dead plus intrest	$2,286.76
RATES EXEMPTION			
A17228	LOT 71 SPECIAL LEASE JAURDI LOCATION	Rural Rebate under claimed plus intrest charged	$644.80

CONSULTATION:
James Trail – Acting CEO

STATUTORY ENVIRONMENT:

1. *"6.12. Power to defer, grant discounts, waive or write off debts*
   (1) Subject to subsection (2) and any other written law, a local government may –
   (c) write off any amount of money,

Which is owed to the local government

2. *Local Government Act 1995 Section 6.47*

POLICY IMPLICATIONS:
CS-09 Rates Recovery and the reader's attention is drawn to Delegation 27:
"The Chief Executive Officer is delegated authority to write-off debts in relation to any amount of money, up to an amount of $200."

FINANCIAL IMPLICATIONS
Concessions for rates has been allowed in the 2016/2017 Annual budget

STRATEGIC IMPLICATION:
Nil

VOTING REQUIREMENT:
Absolute Majority

OFFICER RECOMMENDATION:

That Council resolve:

1. To write off rates debts totalling $2171.13 as presented in Table 1, as it has been determined that they were either raised in error, or are deemed to be unrecoverable.
2. To grant a concession of Rural rates from the 27% received to the 50% entitled the value being $644.80

COUNCIL RESOLUTION: # 118/17

Moved: Cr, T Rathbone
Seconded: Cr, N Karafilis

That Council resolve:

1. To write off rates debts totalling $2576.12 as presented in Table 1, as it has been determined that they were either raised in error, or are deemed to be unrecoverable.
2. To grant a concession of Rural rates from the 27% received to the 50% entitled the value being $644.80

CARRIED ABSOLUTE MAJORITY 6/0

11.3 COMMUNITY SERVICES

Nil

11.4 TECHNICAL SERVICES

Nil

12.0 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

13.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

13.1 ELECTED MEMBERS
Nil

13.2 OFFICERS
Nil

14.0 CONFIDENTIAL ITEMS

14.1 Acting Chief Executive Officer Annual Performance Review 2017

COUNCIL RESOLUTION: # 119/17

Moved: Cr, K Lindup
Seconded: Cr, N Karafilis

Motion to move item 14.1 into public domain

CARRIED ABSOLUTE MAJORITY 6/0

COUNCIL RESOLUTION: # 120/17

Moved: Cr, K Lindup
Seconded: Cr, T Rathbone

That Council:

1. Endorses the Shire President's Summary Acting CEO Performance Review Report (Confidential Attachment 1) and notes the outcomes of the review of the performance of the Acting Chief Executive Officer for the six months up to 1 April 2017.
2. That council note these scores for the key result areas:
    - Key Result Area 1: Governance and compliance — Average score: 3.0
    - Key Result Area 2: Strategic Direction — Average score: 3.1
    - Key Result Area 3: Organisational Management — Average score: 3.4
    - Key Result Area 4: Communication & Customer Service relationships — Average score: 3.6

CARRIED ABSOLUTE MAJORITY 6/0

15.0 CLOSURE OF MEETING

Shire President, M Cullen declared the meeting closed at 6.49pm and thanked all for their attendance.