



Memorandum

To: All employees
From: Dale Stewart, Chief Executive Officer
Subject: Review of Private Works & Tools & Equipment Policies
File Ref: ADMIN.2

At the April 2011 meetings of Council requested me to seek comment from all employees on the following Council Policies.

The policies have been in existence for about 3 years now with only 3 different employees having taken up the opportunity of the policy.

Prior to 3 years ago Council policy was that employees could not hire Council equipment at all.

The current policies read as follows;

P140101 PRIVATE WORKS POLICY

Council not tender for private works and only undertake private works as approved by the CEO or Director of Infrastructure Services in the following circumstances:

- 1. Direct requests from Government Departments.*
- 2. For ratepayers where the value of works billed is likely to be under \$500 and does not detract from Councils normal works programming.*
- 3. Direct requests from developers/individuals when local contractors either cannot take the contract or are not invited to do so.*
- 4. For sporting and local non-profit organisations.*
- 5. Private Works only involves 'wet hire' of plant and equipment.*
- 6. Council employees are permitted to hire Councils Plant & Equipment for works on their own property or minor private tasks subject to it not involving commercial profit or gain. In these circumstances only duly trained personnel shall operate the hired machinery and all cost of hire be charged at normal adopted rates unless the hirer is also the trained operator. In such cases the charge to apply will be the adopted Council hire fee less the operator's hourly wage rate and overhead calculation.*

P140401 COUNCIL TOOLS AND EQUIPMENT

- 1. Private use by Council employees of Councils tools and equipment not be permitted under any circumstances.*
- 2. All tools and equipment belonging to the Shire of Denmark be clearly marked to identify ownership. (Note: This policy does not apply to consumable items such as fence posts, nuts, bolts, sharpening files, drainage pipes, etc.).*
- 3. Private use is defined as use by an employee on non work related tasks and is intended to support the Councils Code of Conduct dealing with similar provisions.*
- 4. Council's tools and equipment is defined as small items of plant such as the asset class known as 'minor plant and equipment'. Such things typically include chainsaws, electrical tools and equipment, whipper snippers, mowers and the like. Plant that is licensed and assets falling into the class of Motor Vehicles and Major Equipment or Computer Equipment is not covered by this policy.*

5. *Nothing in this policy prevents a Council employee hiring equipment under the Councils Private Works Policy.*

The view of Council is that perhaps these policies require amendment or repeal however, prior to making a decision, Councillors wished to gather the views of employees as to the importance and or impact to them, if any (of change or repeal).

Options for Council include;

- Repeal of the policy to revert to the situation where employees cannot under any circumstances hire equipment;
- Status quo (no change);
- Review such that employees can hire equipment at the same cost to all ratepayers and residents (no discount for labour) or;
- Review such that there is a maximum value of hire or use and some limitation such that the hire is minimal and simply to respond to a problem (car broken down, moving furniture whilst moving house etc).

The reason for review at this time is that the Department of Local Government has recommended that the policy be repealed and that staff not be allowed private hire. Their view is that this will minimise both complaints from the public about perceptions of misuse and reduce the potential for corruption. The public perception is that ratepayers don't get discounts or favours in using public assets – so why should the employees of a local government.

This, in essence, is the crux of the problem that has been a contentious issue for local governments throughout WA for many years. Do you allow your employees that are suitably trained and use their equipment in their paid 'day' job, the right to hire or use that equipment (and or at a discount to that of the ratepayer) for their own private works on a weekend or out of hours? Private enterprise often allows this to occur, so why shouldn't a local government? The response of organisations such as the Department of Local Government is that it means that the Council is open to criticism of corruption and misuses of ratepayers' funds. On the other hand the argument is that a local government has the same need of most businesses – it has equipment that is under utilised and the use of it out of hours doesn't detract from normal operations and if it can be used safely and at no cost the ratepayer – why not let your employees benefit from their training. What harm can it cause..? Typically the answer is only – perception! The perception of the public is that the employee is getting something that they couldn't – and it is a public asset being used that they have paid for.

I am happy to receive any feedback / comments to me (in writing please) on the issue and review of these policies prior to the close of business on Friday, 24 June 2011.

Should anyone require further information or advice on this matter please see your Director or myself.



Dale Stewart
Chief Executive Officer
Email: ceo@denmark.wa.gov.au

7 June 2011