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# POLICY FUNDAMENTALS – LOCAL GOVERNMENT

## WHAT COULD GO WRONG?

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# CAN YOU OPERATE SUCCESSFULLY WITHOUT A MOTOR VEHICLE POLICY?

- Reasons why you need a comprehensive MVP
  - You are employing people who need and usually want clear guidelines
  - The community and local government share an especially close relationship which brings with it constant scrutiny
  - Local Government exists under laws created and monitored by the relevant State Government and they expect high standards of behaviour and financial management
  - Motor vehicles are one of the primary indicators of Council efficiency and standards
  - The risk of not managing your vehicle fleet well will always result in higher costs, increased injuries, lower service delivery standards, potential fraud and untold grief for middle and senior management
  - Employees will quickly identify unfair practices and morale will suffer

# HOW DO I GO ABOUT IT?

- Understand what your Council's overriding philosophy/mission is
- Consult with the senior managers, Councilors and staff to make sure that you know what they are expecting from the MVP
- List all of the risks that are associated with operating a motor vehicle fleet, whether leased, owned, rented or grey
- Benchmark with other Councils and FMO's where feasible
- Know your starting position to measure improvements
- Set targets and be relentless in achieving them
- Accept that there will be problems and have a plan to manage them

# WHAT ELEMENTS SHOULD BE IN THE POLICY?

- The fleet profile & procurement
- Asset management function
- Asset configuration & retention
- Conditions for business use & private use
- Emergency response
- Environmental factors
- Council image & livery
- Fuel management
- Controls & reporting
- Risk management & safety
- GPS monitoring & job dispatch

# CASE STUDY - MVP REVIEW

- Review by AEC of
  - Council's Motor Vehicle Policy (MVP)
  - Motor Vehicle Use Organisational Guideline
  - Use of Telematics
- Why?
  - Inconsistent application of the MVP
  - Variable use of Council vehicles for commuting
  - Some inappropriate Council vehicle use and the increasing need to use some employee private vehicles to meet business needs
- Available telematics data was not being used to its full capability to manage vehicle utilisation, fleet maintenance planning, driving behaviour and idle time.

# TELEMATICS

- Telecommunications + informatics
- Vehicle telematics encompasses
  - global positioning systems and
  - how fast a vehicle is traveling
  - how long it stops
  - driveline use
  - fuel consumption
  - where it, or associated equipment, is located
- Effective use of Telematics can improve safety outcomes, reduce operating costs and idle time, enhance service response and identify under utilised vehicles and plant.

# ASSESSING THE CURRENT SITUATION

- It is vital that you base any policy and operational review on reliable data and information, which, for this review included
  - Consultation with managers and staff to better understand current practices including commuter use, private vehicle use and equity issues
  - Analysis of available telematics and fuel data for 90 Council owned vehicles, trucks and heavy plant, including utilisation, idle time, speeding, out of area use, out of working time use and high fuel consumption
  - Analysis of Council fleet related costs
  - Understanding the desired outcomes for Council based on existing policies and procedures
  - Benchmarking

# TELEMATICS BEST PRACTICE

- Implementing and correctly using a Telematics system can assist in
  - Improving Workplace Health and Safety outcomes
  - Reducing unnecessary travel distances and stop/idle time
  - Monitoring out of area use
  - Improving car pool operations
  - Assisting with fuel management
  - Improving job dispatch
  - Improving service response times
  - Improving vehicle management including maintenance
  - Improving driver behavior
  - Reducing operating costs
  - Increasing efficiency by automated capture of vehicle trips to replace manual logbook entries



# ANALYSIS

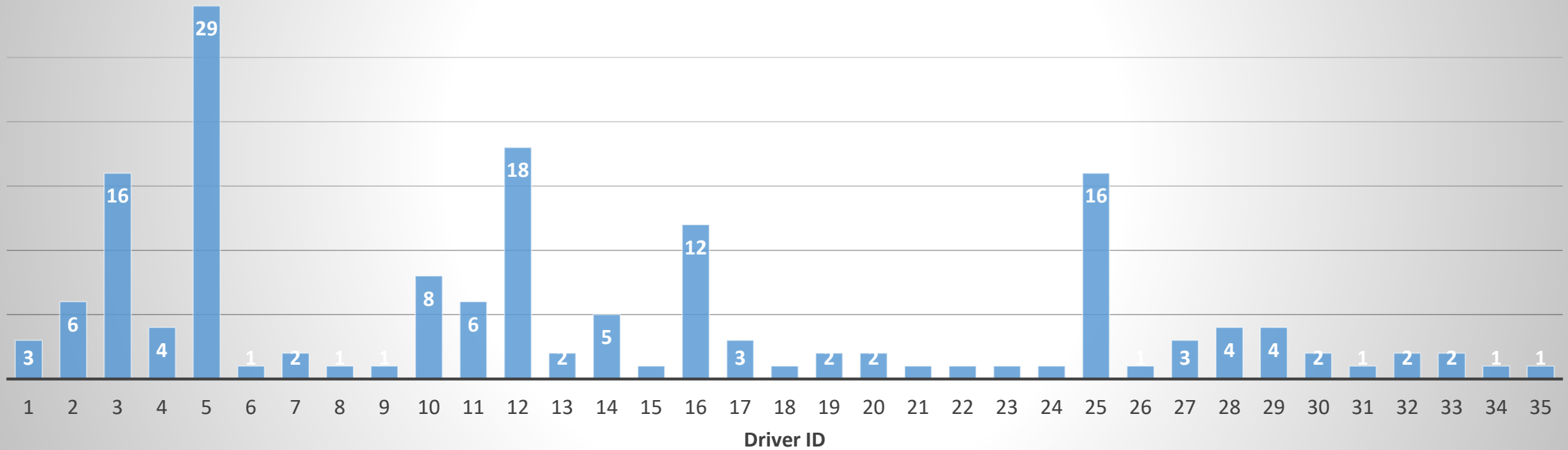
- Only 2 drivers had signed the Motor Vehicle Use Agreement
- 45 vehicles were being used for commuting with an annual cost of over \$100,000. Average return commute = 36km per day
- Annual telematics operating cost = \$21,000
- Installation cost for 90 units = \$33,700
- Annual cost to Council of private vehicle use = \$41,000
- At least 5 Council vehicles parked at the main office for more than 4 continuous hours during the day
- Council purchases heavy 4WD vehicles with high operating costs to manage FBT liability for commuting

# ANALYSIS – TELEMATICS RAW DATA

Vehicle Label	VIN	Driver	Violation Time	Over Thresh old (kph)	Posted Speed (kph)	Inst Speed (kph)	Max Speed (kph)	Avg Speed (kph)	Latitud e	Longit ude	Odome ter	Addres s
			09-02-17 15:00	24	90	114	114	74				
			16-02-17 10:40	24	50	74	74	56				
			17-02-17 15:11	34	60	93	108	106				
			24-02-17 5:24	26	60	85	113	98				
			06-02-17 6:41	27	50	77	92	76				
			22-02-17 11:05	27	60	87	97	82				
			24-02-17 5:22	29	60	89	100	80				
			06-02-17 6:37	37	50	87	89	68				
			06-02-17 6:39	42	50	92	97	85				
			06-02-17 6:08	26	60	85	85	34				

# ANALYSIS - GRAPHICAL

## Driver Over Speed Instances



# ANALYSIS - SUMMARY

Report Period	02-01-17	28-02-17
Threshold speed limit exceeded (kmh) (Based on data extraction)	24	
Number of drivers in Council	90	
Number of drivers exceeding the speed limit	35	
Percentage of drivers exceeding the speed limit	39%	
Number of violations	164	
Number of drivers with 10 or more violations	5	
Number of violation of those with 10 or more violations	91	
Total percentage of violations by the drivers with 10 or more	55%	
Highest number of violations by a single driver	29	
Highest recorded speed (kmh)	138	
Highest speed over a speed limit (kmh)	42	

# ANALYSIS - FINDINGS

- In one month there were 164 instances of a vehicle exceeding the speed limit by **more than 24kmh**
- The highest over speed recorded was 82kmh in a 40kmh zone
- One driver had 29 over speed instances by at least 24kmh in one month
- Five drivers accounted for 56% of all speeding instances
- Fuel consumption by vehicles was not being regularly monitored against accepted standards
- Very few drivers had signed the vehicle use agreement
- Inconsistent allocation of commuter vehicles resulting in some staff concerns about the lack of equity

# RECOMMENDATIONS

- Adopt the **revised** MVP, Motor Vehicle Use Agreement and the Motor Vehicle Plant and Equipment Use Guidelines
- Ensure all drivers using Council or private vehicles sign the Motor Vehicle Use Agreement
- Use telematics to develop a basic set of month end exception reports to monitor utilisation, idle time, speeding, hours and locations of non-approved use
- Use the telematics data to better manage the car pool arrangement
- Use telematics to improve maintenance management

# RECOMMENDATIONS - CONT

- Require those employees with a commuter use Council vehicle to remain at work until 4pm to maximise utilisation, unless on approved Council business
- Annually review the cost and benefits of the telematics system
- Add two small new **or** near new vehicles to the car pool and significantly reduce the use of private vehicles
- Introduce a formal driver awareness program and address ongoing poor driving behaviour
- Monitor fuel consumption against approved standards
- Ensure all drivers have their licence details accurately recorded by Council and that they are reviewed annually

# SUMMARY

It is essential that your organisation has an up to date and comprehensive Motor Vehicle Policy to reduce risks, improve operational efficiency, deliver optimum service and maintain a fair and safe workplace.

## QUESTIONS?