EFFICIENCY AND EFFECTIVENESS

Adopted by Council 25 August 2015
1. **PREAMBLE**

The City of Mitcham is committed to providing value for money. The Efficiency and Effectiveness Program was endorsed by the Council in May 2012 to pursue this commitment, and establish an underlying environment of continuous improvement.

Key objectives of the Efficiency and Effectiveness Program are reducing costs, optimising business processes and improving service in line with the following Local Government Act 1999 provisions:

**Principles to be observed by a council (Ch 2, Sec 8)**

A council must act to uphold and promote observance of the following principles in the performance of its roles and functions:

(a) provide open, responsive and accountable government;

(g) manage its operations and affairs in a manner that emphasises the importance of service to the community;

(h) seek to ensure that council resources are used fairly, effectively and efficiently

**Roles of members of councils (Ch 5, Part 3, Sec 59)**

The role of a member of a council is:

(iii) to keep the council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery under review

2. **PURPOSE**

This policy has been prepared to provide a clear commitment to identifying and pursuing efficiency and effectiveness opportunities, including service reviews, efficiency savings and continuous improvement.

This policy provides overarching accountability and structure to ensure good and proper management of the Efficiency and Effectiveness Program.

3. **SCOPE**

This policy applies to the Efficiency and Effectiveness Program, plus all contributing projects, activities and initiatives.

This policy applies to;

- Elected Members
- Council Staff
- All departments of the City of Mitcham
- All services provided by the City of Mitcham
4. DEFINITIONS

In this Policy:

**Efficiency** is a measure of how well the City of Mitcham is able to accomplish something with the least amount of waste.

**Effectiveness** is a measure of how well the City of Mitcham is able to meet the needs and desires of the **community**.

**Services** include the actions of helping or doing work for someone and the provision of commodities or assets supplying a need.

**Service Levels** are measurements of performance against set objectives. A defined service level identifies required deliverables and outputs of the service.

**Cost Savings** are a reduction in net expenses.

**Efficiency Savings** are a reduction in net expenses achieved by accomplishing something more efficiently.

5. PRINCIPLES

5.1 The City of Mitcham is committed to providing value for money through means of efficient and effective service delivery.

5.2 Efficiency is the delivery of services for the best possible price / least resources required.

5.3 Effectiveness is the extent to which the service and service level is aligned with the community's needs.

5.4 The Efficiency and Effectiveness Program is built on the concept of “continuous improvement”, where a sustained effort is applied to improve products, services and processes.

5.5 The Efficiency and Effectiveness Program deliverables must be qualified against community and other requirements which ensure services are not compromised.

6. POLICY STATEMENT

The Efficiency and Effectiveness Program comprises:

- Service Reviews
- Efficiency Savings
- Continuous Improvement

The Efficiency and Effectiveness Program will be delivered with open, responsive and accountable governance that seeks to ensure Council resources are used efficiently and effectively.

Progress and achievements will be reported to Council on a regular basis.

6.1 Service Reviews

6.2.1 Service reviews will provide the mechanism to identify if a service meets the needs and desires of the community and ensures that the service provides value for money.
6.2.2 Elected Members and Administration may identify service areas for review (prompts may include community feedback, audit recommendation, annual business planning, etc).

6.2.3 Community input will be actively sought where appropriate, as a key driver of efficient and effective service delivery.

6.2.4 A Council decision is required to progress service reviews that are requested by Elected Members.

6.2.5 Service reviews are subject to available resources.

6.2.6 A Council decision is required to reduce or increase service levels that will impact on the community, even if there is no budgetary impact.

6.2.7 Changes to services or service levels are generally informed by community feedback / consultation.

6.2 Efficiency Savings

6.2.8 Efficiency savings will provide value for money, by delivering the same or better outcomes at lower costs.

6.2.9 Efficiency savings targets will be determined collaboratively between Elected Members and the Executive Leadership Group.

6.2.10 Efficiency savings targets will be established as part of the Annual Business Planning process.

6.3 Continuous Improvement

6.2.11 Continuous improvement will provide value for money by enabling and supporting projects, activities and initiatives that seek to increase efficiency and effectiveness.

6.2.12 Continuous improvement will establish an underlying environment of sustainable, positive change.

6.2.13 Continuous improvement will utilise existing resources and seek to enhance:

- Quality
- Workflow
- Accuracy
- Compliance
- Capacity

7. POLICY REVIEW

This policy will be reviewed every two years unless deemed necessary.

8. VERSION HISTORY

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## 9. DOCUMENT CONTROL

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