



Council Policy Manual - Part 3

Financial Management



Date 26 April 2023

Version 1.0



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3.1 Purchasing – Framework

OBJECTIVE

The objects are to –

- obtain quality goods and services that are judged to deliver the best value-for-money or be the most advantageous,
- provide compliance with the Local Government Act, 1995 and the Functions and General Regulations,
- deliver a best practice approach and procedures to internal purchasing for the Shire,
- ensure consistency for all purchasing activities that integrates with all the Shire operational areas.

STATUTORY CONTEXT

Local Government (Functions and General) Regulations 1996 –

- r.11A – purchasing policy required, and matters to be addressed

CORPORATE CONTEXT

Delegation Register –

- 3.1 – Municipal Fund – Incurring Expenditure
- 3.7 – Tenders – authority to set specifications, criteria, call, accept, vary

Policy Manual 2018 –

- 1.1 – Code of Conduct
- 3.2 – Purchasing – Regional Price Preference
- 3.3 – Credit Cards – including store, fuel and debit cards

POLICY STATEMENT

1. The following Council Policy Schedules are adopted, and form part of this Statement –
 - 3.1(a) – Purchasing Principles
 - 3.1(b) – Purchasing Thresholds
 - 3.1(c) – Regulatory Compliance for all Purchasing
 - 3.1(d) – Specific Requirements for Tenders
2. Where the goods or services are to be accessed from the WA Local Government Association Preferred Supplier Panel or State Government Common Use Agreement, compliance with Policy Schedule 3.1(b) Purchasing Thresholds, clause 1 is required.
3. Proposals for consultancies, works and services etc, to be provided on Shire managed sites are also to be assessed in accordance with –
 - Policy 9.1 OSH – Employees, Volunteers, Contractor and Visitors,
 - OSH Contractors Manual
 - any instructions issued by the CEO
4. Exceptional Circumstances
 - a) Under exceptional circumstances, where goods or services need to be purchased urgently and there is insufficient time to obtain quotations, the CEO may make the required purchase, notwithstanding the thresholds and



requirements of Schedule 3.1(b), subject to the purchase being less than \$150,000.00 ex GST. Unique value for money circumstances that preclude obtaining quotes must exist, such as –

- it is opportunistic such as eliminating otherwise applicable costs,
 - it enhances operational efficiency, or
 - mitigates against risk etc.
 - it is appropriate for continuity of previous works, services, or design, but is not to exceed 50% of an original competitively sourced provider to a maximum of \$20,000
- b) Procurement under exceptional circumstances must be approved in advance by the CEO.
- c) Exercise of this authority is to be in consultation with the Shire President.

APPLICATION

5. This Policy applies to all purchasing and procurement activity, and is not limited to tendering.

HISTORY

Former Policy	6.5.5, 6.5.6	
Reviewed	26 April 2023	Resolution No. #2304-05

REFERENCES

None



Schedule 3.1(a) – Purchasing Principles

1. Ethics & Integrity

All officers and employees of the Shire shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure fair and equitable treatment of all parties –

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money,
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire policies and code of conduct,
- purchasing is to be on a competitive basis in which all suppliers are treated impartially, honestly and consistently,
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements,
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed,
- any information provided to the Shire by a supplier shall be treated as commercial-in-confidence until such time as the purchase decision is made, and is not to be released unless authorised by the supplier or relevant legislation, and
- consideration must be given to any Local Price Preference Policy adopted by Council.

2. Value for Money

Value for money is an overarching principle recognised by the Regulations that allows the best possible outcome to be achieved for the Shire. Compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

What constitutes “value for money” or “most advantageous” considerations are to be itemised and detailed as part of evaluation – use of these terms are not adequate.

An evaluation of the best value for money outcome for any purchasing should consider –

- all relevant whole-of-life costs and benefits (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal,
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality,
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history),
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable,
- continuity of supply or service, and particularly timeliness of any warranty service, emergency or maintenance/repair response, familiarity with works/conditions etc,
- where a new or start up business makes a submission, the anticipated longevity of the business, its relevance to the region and if goods or service previously not available in the region.

Where a higher priced conforming offer is recommended, there should be clear benefits over lower priced conforming offers.



3. **Sustainable Procurement**

Sustainable procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services, and considerations must be balanced against value for money outcomes.

– *End of Schedule*



Schedule 3.1(b) – Purchasing Thresholds and Requirements

1. Purchasing Thresholds

The value of a purchase is not limited to the financial year when the purchase was initiated, but may be over several financial years depending on the procurement or type of contract.

Records where required or obtained, the following are to be attached to the purchase order:

- a) Note of verbal specification and submission (**Record on the Quotation Acceptance Form – Appendix A**);
- b) **Quotation Acceptance Form**, specification required, assessment criteria set, summary of submissions, evaluation made.

General purchasing thresholds

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is anticipated.

Anticipated Value of Purchase Excl. GST	Requirement	Documentation	Evaluation Panel
Up to \$2,000	Quotations not required for items of minor recurrent nature, such as groceries, stationery, hardware, mechanical, reticulation consumables etc. Employee must be satisfied that the price is competitive	None, corporate credit card can be used and no requirement for a purchase order provided its within the delegated authority to do so	One Employee
\$2,001 to \$10,000	Direct supplier Seek one verbal quote or one written quote Written quotations recommended but not required	Required Verbal quotations received may be recorded on Quotation Acceptance Form (Appendix A) Recommended Written quotations received which can be by email.	One Employee
\$10,001 to \$40,000	Seek at least one written quotation	Required Written quotations	One Employee
\$40,001 to \$100,000	Seek at least two written quotations noting the higher cost, the more prudent to seek additional written quotations.	Required Written quotations received Recommended <ul style="list-style-type: none"> • Written specifications • Assessment criteria • Evaluation panel 	Two Employees



\$100,001 \$249,999	Seek three written quotations containing price and specification of goods and services	<p>Required</p> <ul style="list-style-type: none"> • Written specification • Written assessment criteria • Written quotations received • Evaluation panel <p>Recommended</p> <p>As the cost approaches \$250,000, it would be prudent to conduct a public tender</p>	Two Employees
\$250,000 and above	Conduct a public tender process or WALGA Preferred Supplier / State Government Common Use Agreement Refer to Council for decision unless prior delegation to CEO	<p>Required</p> <ul style="list-style-type: none"> • Written specification • Written assessment criteria • Written quotations received • Evaluation panel 	Two Employees or One Employee and One external person

WALGA Preferred Supplier or State Government Common Use Agreement Thresholds

Less than \$250,000	As per General threshold	As per General Thresholds	As per General Thresholds
\$250,000 and above	Seek a single or up to three quotations containing price and specification of goods and services depending on the risk and knowledge of both the Officer and Supplier. Refer to Council for decision unless prior delegation to CEO	As per General Thresholds	As per General Thresholds

Quotation Acceptance Form

Appendix A to this Policy (Quotation Acceptance) may be completed for all purchase orders issued above \$2,000 with a summary of the verbal quotations received included in this form and/or a copy of all written quotations attached.

Exemptions From Request For Quote (Not Applicable to Tenders)

At times it may be necessary to vary from the requirements of Schedule 3.1(b) for a number of reasons including:

- The need to engage short term staff to relieve existing staff when on leave or due to a vacancy.
- Legal expenses where a specific firm is considered to be the preferred provider of such services.
- Emergency situations (See definition of Emergency Purchases).
- Urgent works such as electrical and plumbing repairs where immediate work is required to address a safety or operational issue.
- The services required rely on intellectual property (IP)* accrued by a person or organisation that has undertaken previous work for the Shire.
- The purchase involves the acquisition of software and the preferred software has been identified following thorough investigation of available alternatives.
- The purchase involves the renewal of software maintenance and service agreements where software continues to meet the needs of the Shire and the cost of running a procurement process or commissioning and implementing a new system would make a change uneconomical.

In the instance where staff deem it necessary to vary from these policy requirements as outlined above (the exemptions), the form attached as Appendix A must be completed and authorised by the Chief Executive Officer or Manager responsible for the employee.



*IP is property that results from intellectual and creative efforts (organisation’s activities). Refer to Guide to Intellectual Property Law May 2020 (Justice Connect).

Definition of Emergency Purchases

Emergency purchases are defined as the supply of goods or services associated with:

- (a) A local emergency and the expenditure is required (within existing budget allocations) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets; OR
- (b) A local emergency and the expenditure is required (with no relevant available budget allocation) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets in accordance with s.6.8 of the *Local Government Act 1995* and Functions and General Regulation 11(2)(a); OR
- (c) A State of Emergency declared under the *Emergency Management Act 2005* and therefore, the Functions and General Regulations apply as follows:
 - a. 11(2)(aa) – the supply of the goods or services is associated with a state of emergency; or
 - b. 11(2)(ja) - the contract is a renewal or extension of the original contract where:
 - i. The original contract is to expire within 3 months; and
 - ii. The renewal or extension is for a term of not more than 12 months from the expiry of the original contract; and
 - iii. The contract for renewal or extension is entered into at a time when there is in force a state of emergency declaration applying to the district, or part of the district, of the local government;
 - c. (3) For the purposes of 11(2)(aa):
 - i. The contract for the supply is entered into while there is in force a state of emergency declaration applying to the district, or part of the district, of the local government; and
 - ii. The local government considers that the goods or services are required for the purposes of addressing a need arising from the hazard, or from the impact or consequences of the hazard, to which the state of emergency declaration relates.

Time constraints, administrative omissions and errors do not qualify for definition as an emergency purchase. Instead, every effort must be made to research and anticipate purchasing requirements in advance and to allow sufficient time for planning and scoping proposed purchases and to then obtain quotes or tenders, as applicable.

How the Emergency Purchase is Applied – Within Budget

<p>Emergency Purchases (<i>Within Budget</i>)</p>	<p>Where goods or services are required for an emergency response and are within scope of an established Panel of Pre-qualified Supplier or existing contract, the emergency supply must be obtained from the Panel or existing contract using relevant unallocated budgeted funds.</p> <p>However, where due to the urgency of the situation; a contracted or tender exempt supplier is unable to provide the emergency supply <u>OR</u> compliance with this Purchasing Policy would cause unreasonable delay, the supply may be obtained from any supplier capable of providing the emergency supply. However, an emergency supply is only to be obtained to the extent necessary to facilitate the urgent emergency response and must be subject to due consideration of best value and sustainable practice.</p> <p>The rationale for policy non-compliance and the purchasing decision must be evidenced in accordance with the Shire/Town/City’s Record Keeping Plan.</p>
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How the Emergency Purchase is Applied – No Budget Allocation

<p>Emergency Purchases (No budget allocation available) Refer for Clause 1.4.3</p>	<p>Where no relevant budget allocation is available for an emergency purchasing activity then, in accordance with s.6.8 of the <i>Local Government Act 1995</i>, the President must authorise, in writing, the necessary budget adjustment prior to the expense being incurred.</p> <p>The CEO is responsible for ensuring that an authorised emergency expenditure under s.6.8 is reported to the next ordinary Council Meeting.</p> <p>The Purchasing Practices prescribed for Emergency Purchases (within budget) above, then apply.</p>
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NOTES

Any work done under warranty / guarantee is not considered to be a purchasing activity, but is a part of the original contract or agreement to purchase.

1. Any work done outside of warranty / guarantee, even if it may affect warranty / guarantee, is a purchasing activity.
2. Management of that risk is an administrative task, and may be a factor in a “value for money” consideration.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$250,000 threshold (excluding GST). If a decision is made to seek public tenders for contracts of less than \$250,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

2. Quotations/Submissions

1. If required or appropriate, any Evaluation Panel is to be established prior to the request for submissions. The Panel is to consist of a mix of skills and experience relevant to the nature of the purchase. The Panel is to assess the submissions against the specifications set, the assessment criteria, value for money, local price preference and any other relevant matter.
2. Where required and prior to submissions being requested, the specifications for the procurement and the assessment criteria for determining the procurement are to be determined in writing.
 - For quotations – by the purchasing officer, and approved by the relevant Manager within their approved purchasing limits, otherwise by the CEO
 - For tenders – by the purchasing officer, approved by the relevant Manager, and authorised by the CEO under delegated authority.
3. The general principles relating to written quotations / submission are:
 - An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
 - The request for written quotation should include as a minimum the:
 - Written specification
 - Assessment criteria to be applied
 - Price schedule
 - Conditions of responding
 - Validity period of offer
 - Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
 - Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.



- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

The Local Government Purchasing and Tender Guide produced by the Western Australian Local Government Association (WALGA) should be consulted for further details and guidance.

3. Specifications, Assessment Criteria and Evaluation

Specifications

Applies to all procurements as determined by the thresholds in clause 1:

A. Where a specification is provided or required by clause 1, the specification may include:

- Details, format and request to be appropriate to the procurement
- How many / how much
- What size / power etc
- How fitted out
- Standard / quality required
- Type of construction
- Where the work / product is to be delivered etc.

B. If a written specification has been issued the assessment criteria is to be included in the written specification.

Assessment Criteria

Assessment criteria are to be determined prior to evaluation i.e. how the submission is to be assessed and scored, and may include:

- Details and record to be appropriate to the procurement
- Local provider or external
- Standard of work, quality of item
- Reliability, service, warranty
- References
- Price etc

Evaluation

After close of the submission period, an evaluation is to be made based on the following i.e. how the submission was actually assessed and scored:

- To what extent was each specification met
- How does the submission measure against each criteria
- Which score provides best value for money



Appendix A Quotation Acceptance Form (Also used for variations or request for exemptions)



Quotation Acceptance Form

Quotations sought regarding: _____

Nature of the supply: _____

Name of supplier:	1.	2.	3.
Price (GST included):			

Project/General Ledger Code:	
Budgeted Allocation:	Financial Year:

Have you complied with the requirement of the **Purchasing Policy**? Yes/No
If no, please detail why the requirements of the Policy should be varied for this purchase.
Please attach additional documentation if required.

Officer - Recommended Supplier

Name of supplier:	
Supporting narration:	
Signed:	Date:

Manager - Recommended Supplier

Name of supplier:	
Supporting narration:	
Signed:	Date:

Version 1 - 7 July 2021

Schedule Ends _____



Schedule 3.1(c) – Regulatory Compliance for all Purchasing

1. Sole Source of Supply (Monopoly Suppliers)
 - a) Procurement from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that –
 - there must genuinely be only one source of supply
 - every endeavour to find alternative sources has been made,
 - written confirmation of this must be kept on file for later audit.
 - b) The application of provision “sole source of supply” should only occur in very few cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.
 - c) Approval of purchasing from a monopoly supplier other than those exempted in the Regulations is restricted to the CEO.
2. Anti-Avoidance
 - a) The Shire shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below a particular threshold to avoid the requirements of higher level of compliance.
3. Specifications
 - a) Before submission or quotes or tenders are sought, the CEO is to determine in writing the specifications under Schedule 3.1(b) for deciding the standards and requirements of the purchase.
4. Assessment
 - a) Before submission or quotes or tenders are sought, the CEO is to determine in writing the assessment criteria under Schedule 3.1(b) for deciding which offer should be accepted.
5. Receiving Submissions
 - a) All submissions are to remain confidential until the purchase decision is made.
6. Evaluation of Submissions
 - a) Evaluation is to be recorded against the specifications set and assessment criteria established. Reasons for the decision are to be recorded.
 - b) Where an evaluation panel is established under Schedule 3.1(b) it should include a mix of skills and experience relevant to the nature of the purchase.
7. Records Management
 - a) All records associated with the procurement process must be recorded and retained. For a tender process this includes –
 - Tender documentation, including specifications and assessment criteria,
 - Internal documentation,
 - Evaluation documentation,
 - Enquiry and response documentation,
 - Notification and award documentation.
 - b) For a direct purchasing process this includes –
 - Quotation documentation, including any specification and assessment criteria
 - Internal documentation, such as evaluation etc
 - Purchase orders issued and requisitions.



- c) Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire's internal records management policy.

– *End of Schedule*



Schedule 3.1(d) – Specific requirements for tenders

1. Requirement to call tenders

The requirements to call tenders is –

- a) as per Regulations;
- b) where required or directed by Council,
- c) at the discretion of the CEO, and
- d) applies to both purchases and disposition of property.

2. Tender Exemption

In some instances public tenders or quotation procedures are not required, regardless of the value of expenditure. The permitted exemptions are stipulated in the Local Government (Functions and General) Regulations 1996 r.11.

3. Tender documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without recording the details of all parties who acquire the documentation.

This is essential since if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire not to compromise its duty to be fair.

4. Purchase Criteria

- a) Before submission or quotes or tenders are sought, the CEO is to determine in writing under delegated authority the specifications and assessment criteria for deciding which offer should be accepted.

5. Tender Deadline

A tender that is not received in full in the required format by the advertised tender deadline is to be rejected.

6. Receiving and Opening Tenders

- a) All tenders must be clearly marked, sealed and placed in the locked tender box until the official opening.
- b) When lodgement of tenders by email is permitted, the email is to be sent to a separate email inbox that remains unused until the close of the tender period.
- c) When tenders are opened there must be at least two employees present, or one local government employee and at least one person authorised by the CEO.

7. Tender Acceptance

All tenders and procurement over \$250,000 are to be presented to Council for decision.

– End of Schedule



3.2 Purchasing – Regional Price Preference

Responsible Areas	Finance and Administration
Responsible Officer	Manager Finance and Administration
Affected Staff	CEO, Manager Finance and Administration, Finance Coordinator, WSM

Objective

To detail the conditions under which a local preference may apply to purchasing

Scope

Local Governments are required to ensure that they have effective and accountable systems in place to safeguard the Shire's financial resources. This includes the development of proper systems to authorise, verify and record the proper use of credit cards.

Policy

The following Council Policy Schedules are adopted, and form part of this Statement – Schedule 3.2 – Regional Price Preference.

Delegation Register –

- 3.1 – Municipal Fund – Incurring Expenditure
- 3.7 – Tenders – authority to set specifications, criteria, call, accept, vary

Policy Manual 2018 –

- 1.1 – Code of Conduct
 - 3.1 – Purchasing Framework

APPLICATION

1. The Regional Price Preference applies to providers and suppliers –
 - a) established within the preference region,
 - b) based outside the preference region.
2. This Policy applies to all purchasing and procurement activity, and is not limited to tendering.

NOTES

Statutory requirement are to be observed. The Functions & General Regulations require –

- **Statewide notice of proposed policy, amendment or revocation,**
- **public comment period of 4 weeks,**
- **submissions to be considered prior to adoption, and**
- **Statewide notice of adoption.**



1. Definitions

price preference is the application of a discount to the price when comparing submitted prices only, so as to give a marginal advantage to a regional offer, and does not refer to the price that is to be accepted.

preference region is specified as the geographical area which comprises the Shire of Victoria Plains;

regional tenderer as defined under the *Local Government (Functions and General) Regulations 1996 s 24B(2)* as a supplier that has been operating a business continuously out of premises within the region for at least 6 months and submits a tender for the supply of goods and/or services;

start up businesses means a business of less than 10 employees, which has commenced within the preceding 6 months prior to closing date of tender or quote, or would be established specifically for the purposes of the tender

regional content preference is the incentive for businesses/contractors outside the region to purchase goods, services and construction from within the region, but excludes travel and accommodation costs.

tenderer includes a new or start up business where the owner or provider has been resident of the region for at least 6 months

2. Preference principles

The Shire will encourage local industry to do business with the Shire by providing incentive through the adoption of a regional price preference advantage in conjunction with standard evaluation considerations, and as part of usual procurement consideration.

The price preference will apply to suppliers who are based in, and operate from the preference region in relation to all purchasing by the Shire for the supply of goods and services and construction (building) services, unless specifically stated otherwise, providing they are competitive in regard to specification, service, delivery and price.

3. Start-up Businesses

Where a new or start up business having less than 10 employees makes a submission, the anticipated longevity of the business, its relevance to the region and if goods or service previously not available in the region, are to constitute a component of “value for money” or “most advantageous” considerations as per Function and General Regulations r.24D(3). Reasons are to be itemised, and detailed as part of the “value for money” evaluation in accordance with Policy Sch.3.1(a) – Purchasing Principles.

4. Regional business preference

This preference enables businesses/contractors within the preference area to claim a price preference for their whole bid, regardless of the origin of the labour or materials, as all labour and materials are deemed to be regional content.

The following levels of preference are to be applied to whole of contract for all purchasing under this provision

Reduction % to be applied to whole of purchase	Contract for	Maximum reduction value per purchase
10%	Goods or services	\$50,000
5%	Construction (incl. building and roadworks etc) services	\$50,000

To qualify as a local business/contractor, a supplier must meet the following conditions –



- a) A permanent business location in the preference region for at least six (6) months. *Local Government (Functions and General) Regulations 1996* states that the 6 month calculation is based on the period prior to when the tender closes.
- b) Have permanent staff based in the preference region
- c) Management and delivery of the majority of the quotation / contract will be carried out from their business location in the preference region.

The price of the bids from the local businesses/contractors will be reduced / discounted for evaluation purposes only, by the percentage to the maximum value set out in this clause.

5. Regional Content Preference

Some businesses / contractors may be based outside the preference region, but utilise significant resources based in the preference region. This preference provides an incentive for businesses / contractors outside the preference region to purchase goods, services and construction from within the preference region.

The preference applies to the value of the goods, materials or services that are purchased from within the preference region, and are referred to as *Regional Content*.

The following levels of preference are to be applied to the portion of the proposal claimed / identified as the Regional Content portion of the contract for all purchasing under this policy –

Reduction % to be applied to Regional Content only of purchase	Contract for	Maximum reduction value per purchase
10%	Goods or services	\$50,000
5%	Construction (incl. building and roadworks etc) services	\$50,000

Regional content limitations for suppliers based outside the preference region are –

- a) some or all of the goods, materials or services are to be supplied from regional sources. The preference only applies to that part of the tender or quote that has been supplied from regional sources, which needs to be specified in the submission.
- b) businesses outside of the preference region who claim that they will use regional business in the delivery of the contract outcomes –
 - must stipulate who the regional provider will be and the value of the regional content, and
 - will be required as part of the contract conditions, to demonstrate that they have actually used the regional provider.

The price of the bids from the businesses/contractors using preference region content will be reduced for evaluation purposes and for that component of the bid only, by the amounts set out in above.

6. Scope

It should be noted that price is only one factor to be considered when the Shire assesses submissions. Accordingly, a regional submission where price is within the preference is not guaranteed of procurement, as the submission must also meet other relevant criteria, as per Policy 3.1 – Purchasing Framework.



Legislation/local law requirements

Local Government (Functions and General) Regulations 1996 -

r.24B - terms used

r.24C - authority to adopt a policy

r.24D - maximum % discount and maximum \$ value of discount permitted

r.24E - once prepared, Statewide notice is required, submissions invited, and if significant changes made, further Statewide notice

r.24F - Policy can't be adopted until after Statewide notice of adoption, specified matters must be in the policy, and the policy must be included in tender specifications

Office Use Only			
Relevant delegations	3.3		
Initial Council adoption	Date	13 August 2018	Resolution#
Last reviewed	Date		Resolution#
Next review due	Date		



3.3 Credit Cards – Including store, fuel and debit cards

Responsible Areas	Finance and Administration
Responsible Officer	Manager Finance and Administration
Affected Staff	CEO, Manager Finance and Administration, Finance Coordinator, WSM

Objective

To ensure the proper management of corporate credit, store, fuel and debit cards.

Scope

Local Governments are required to ensure that they have effective and accountable systems in place to safeguard the Shire's financial resources. This includes the development of proper systems to authorise, verify and record the proper use of credit cards.

Policy

1. Schedules adopted

The following Policy Schedules are adopted, and form part of this Statement –

- Sch.3.3(a) – Corporate, Store, Fuel and Debit Cards – Cardholder Agreement
- Sch.3.3(b) – Reconciliation of Credit Cards, Store Cards and Debit Cards
- Sch.3.3(c) – Purchasing using Credit Cards

2. Authority

All cardholders must have either the authority or delegated authority to commit Shire to expenditure.

3. Personal Use

- a) Providing Schedule 3.3(c) – Purchasing using Credit Cards is complied with, personnel may use a Corporate Credit Card for purchases.
- b) Cardholders still have full responsibility for the use of the card and must ensure 3.3 (c) is complied with. Breaches of this condition will result in the Shire being liable for any unauthorised transactions and may result in disciplinary action, including but not limited to, repayment of the purchase personally.

4. Cardholder Responsibilities

- a) Ensure each card is maintained in a secure manner and guarded against improper use.
- b) Cards are to be used only for Shire official activities, there is no approval for any private use.
- c) All documentation regarding a card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- d) Card limits are not to be exceeded.
- e) Purchases on any card are to be made in accordance with Shire of Victoria Plains – Purchasing Policy.
- f) Reconciliation is to be completed within 7 days of the date of the card statement being issued.
- g) All cards are to be returned to the CEO on or before the employee's termination date with a full acquittal of expenses.
- h) All cardholder responsibilities as outlined by the card provider.



- i) Cash advances or withdrawals are not permitted.

5. Cardholder Agreement

- a) The Cardholder Agreement is contained in Policy Schedule 3.3(a).
- b) Failure to comply with any of these requirements could result in the card being withdrawn from the employee.
- c) In the event of loss or theft through negligence or failure to comply with the Shire's Policy any liability arising may be passed on to the cardholder.

6. Consequences of Non-Compliance

Failure to comply with the Delegations, Policy or Procedures may result in disciplinary action up to and including termination of employment.

APPLICATION

7. Card Reconciliation Procedures

- a) Card statement accounts will be issued to the relevant cardholder who will, within 7 days, acquit the transactions on the account. A template is attached to this policy identifying the reconciliation requirements.
- b) Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied.
- c) Transactions shall be accompanied by a job number for costing purposes.
- d) If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration all expenditure is of a business nature'. Approval of this expense is referred to the CEO for a decision.
- e) Should approval of expenses be denied by the CEO recovery of the expense shall be met by the cardholder.
- f) The cardholder shall sign and date the card statement with supporting documentation attached stating all expenditure is of a business nature.
- g) A monthly report and reconciliation of all card transactions will be included in the accounts for payment report presented to Council.

8. Use of Cards

Corporate Credit Cards or Debit Cards may be used to purchase fuel products upon approval of the CEO and provided it can be demonstrated as being used in a shire asset upon request.

9. Disputed Transactions

- a) The Shire is responsible for paying all accounts on the monthly card statement and the bank processes a direct debit from Council's operating bank account for such.
- b) When a Cardholder believes that charges are incorrect they should first contact the supplier to determine the causes of the discrepancy and if necessary the Creditors Officer will notify the bank in writing.
- c) Any amounts in dispute must be highlighted on the copy of the Cardholders statement and a copy of the written notification to the bank attached.

10. Cancelled Cards

Cancellation of a Card may be necessary where the:

- a) Cardholder changes job function within Council



- b) Cardholder terminates employment with Council
- c) Council terminates employment with the Cardholder
- d) Card is no longer required
- e) Cardholder has not adhered to set procedures
- f) Misuse of the Card.

11. Review of Card Use

All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the CEO for a decision.

12. Procedures for Lost, Stolen and Damaged Cards

- a) The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Manager Finance & Administration of the loss or theft without delay.
- b) Advice of a damaged card is to be provided to the Manager Finance & Administration who will arrange a replacement.

13. Additional Cardholders

The CEO is the primary cardholder for the Shire and may delegate additional cardholders within the Shire's approved total credit limit, and in accordance with the Delegation adopted by Council.

REFERENCES

Fuel card statements have all relevant details provided. Other than certification by the cardholder, no further procedures are required.



Schedule 3.3(a) – Corporate, Store, Fuel and Debit Cards – Cardholder Agreement

Conditions of use of Corporate Credit, Store, Fuel and Debit Cards –

1. Ensure all cards are maintained in a secure manner and guarded against improper use.
2. All cards are to be used only for Shire of Victoria Plains official activities as prescribed by the CEO, there is no approval given for any private use.
3. Ensure no one else other than the authorised cardholder uses any card issued.
4. All documentation regarding a card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
5. Card limits are not to be exceeded.
6. Observe all cardholder responsibilities as outlined by the card provider.
7. Purchases on all cards are to be made in accordance with Shire of Victoria Plains Purchasing Policy.
8. Reconciliation is to be completed within 7 days of the date of card statement being issued on the supplied template.
9. Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied.
10. Transactions shall be accompanied by a job number, cost centre and element type for costing purposes.
11. If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration all expenditure is of a business nature. Approval of this expense is referred to the CEO for a decision.
12. Should approval of expenses be denied by the CEO recovery of the expense shall be met by the cardholder.
13. The cardholder shall sign and date each card statement with supporting documentation attached stating all expenditure is of a business nature.
14. Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the CEO on the next working day.
15. All cards are to be returned to the CEO on or before the employee's termination date with a full acquittal of expenses.

ACKNOWLEDGEMENT OF RECEIPT OF CREDIT, STORE, FUEL AND DEBIT CARD/S

- a) I have read this policy and understand my responsibilities which include the requirement that the card/s can only be used for official business only and acknowledge receipt of the following cards noted below.
- b) I acknowledge that failure to comply with the Delegations or Policies may result in disciplinary action up to and including termination of employment.



Card type Credit, Debit, Store, Fuel	Organisation	Number

Name and Signature _____ Date _____

– End of Schedule



Schedule 3.3(b) – Reconciliation of Credit Cards, Store Cards and Debit Cards

Standard reconciliation format –

Card Reconciliation

CARD -	Type		Number		Cardholder		
Item No.	Chq/EFT	Date	Supplier	Purchases	Amount	Type	Funding

Card Total \$

– End of Schedule



Schedule 3.3(c) – Purchasing using Credit Cards

HOW I MAKE A PURCHASE

- Use this form to seek prior approval from the card holder before purchasing goods and services using a Corporate Credit Card.
- Obtain prices for purchases, complete this form and submit to the credit card holder for authorisation.
- Once authorised, complete the purchase and attach the receipt/tax invoice and any other supporting documentation to this form and submit to the Finance department.

Request is compliant with Delegation 3.1 and Policy 3.1			
Requested by		Tax invoice or supporting documentation attached	
Signature		Date	

Supplier		
GL Account / Job No	Description of Goods	AMOUNT (incl GST)
GST Code		
TOTAL		

REASON FOR USING CREDIT CARD FOR THE PURCHASE



AUTHORISED

Cardholder position	Cardholder Name	Cardholder Signature	Date

GST CODES

	Income and purchases subject to GST		Free income and purchase
	No report		Input tax

– End of Schedule

Office Use Only			
Relevant delegations	3.3		
Initial Council adoption	Date	21 June 2018	Resolution#
Last reviewed	Date	28 April 2023	Resolution# #2304-05
Next review due	Date		



3.4 Investments

Responsible Areas	Finance and Administration
Responsible Officer	Manager Finance and Administration
Affected Staff	CEO, Manager Finance and Administration, Finance Coordinator

Objective

To take a conservative approach to the investment of the Shire of Victoria Plains surplus funds, but with a focus to add value, whilst ensuring that its liquidity requirements are being met.

Scope

Local Governments are required to ensure that they have effective and accountable systems in place to safeguard the Shire's financial resources. This includes the development of proper systems to authorise, verify and record the investment of monies in appropriate financial institutions.

Policy

The Chief Executive Officer shall be responsible for the management of the Council's funds and for reporting to the Council on these affairs.

Not less than two quotations shall be obtained from authorised institutions whenever an investment is proposed. The best quote on the day is to be determined taking into consideration administrative and banking costs as well as giving due regard to the limitations set in this policy.

In determining the term of maturity of any financial investment, regard shall be had to the cash flow needs of the Council, the intended purpose of the funds to be invested, prevailing interest rates and trends, and such other matters that would be appropriate in exercising the level of care, diligence and skill required by subsection 18(1) of the Trustee Act 1962.

Funds must be invested in an authorised institution as defined in this policy in Australian currency only. The types of investments that can be made are:

- Interest bearing deposits
- Bank accepted / endorsed bank bill.

Definitions

Authorised institution includes any of the following institutions

- Commonwealth Bank – CBA
- National Australia Bank – NAB
- Australia and New Zealand Bank – ANZ
- Westpac Banking Corporation
- Bankwest
- Suncorp Metway Bank
- Bank of Queensland – BoQ
- Adelaide Bank / Bendigo Bank



- Macquarie Bank

Relevant management practices/documents

Nil

Legislation/local law requirements

All investments are to be made in accordance with

- Local Government Act 1995 – Section 6.14
- The Trustees Amendment Act 1962 – re, Part III Investments (as amended 1997)
- Local Government Financial Management Regulations 1996 (19,28 and 49)
- Australian Accounting Standards

Office Use Only			
Relevant delegations	3.3		
Initial Council adoption	Date	17 October 2018	Resolution#
Last reviewed	Date	26 April 2023	Resolution# 2304-05
Next review due	Date		



3.5 Self Supporting Loans

STATUTORY CONTEXT

Local Government Act 1995 –

- s.6.20 – Power to borrow

- s.6.21 – Restrictions on borrowing

Local Government (Financial Management) Regulations 1996

- r.20 – When local public notice not required for exercise of power to borrow

CORPORATE CONTEXT

None

POLICY STATEMENT

1. A request to Council to raise a self-supporting loan will be considered only from community or not for profit organisations.

APPLICATION

2. Each request will be considered on its merits, and the organisation may be asked to provide guarantors or other acceptable security.

3. In the event of Council agreeing to make funds available on a self-supporting basis, Council reserves the right to control and/or to carry out any of the following –

- a) the preparation of plans and specifications for the proposed work,
- b) the calling of tenders for the proposed work,
- c) the preparation of the contract documents,
- d) the letting of the contract,
- e) sole supervision of the project,
- f) sole authorisation of expenditure of funds for the project.

HISTORY

Former Policy 6.2.3

Adopted 17 October 2018

REFERENCES



3.6 Debit Management

Responsible Areas	Finance
Responsible Officer	Manager Finance and Administration
Affected Staff	CEO, Finance Staff

Objective

To assist the CEO with conducting debt collection in a clear, efficient and consistent manner to improve transparency and reduce the likelihood of unrecoverable debts.

This policy provides a framework for the recovery of debts that incorporates effective and flexible payment arrangements in order to achieve Council's budgetary objectives, whilst giving all due consideration and assistance to ratepayers and debtors who display a genuine commitment to clearing their debt.

Scope

This policy applies to any person or organisation owing rates, charges, fees or other debts to the Shire of Victoria Plains.

Policy

- 1 In order for the Shire of Victoria Plains to operate effectively it must manage and control overdue accounts to reduce the likely occurrence of unrecoverable debts and to ensure consistency across all debt collection activities.
- 2 Council recognises that under Regulation 5 (1)(a) of the *Local Government (Financial Management) Regulations 1996* the CEO is directly responsible for establishing efficient systems and procedures for the proper collection of all money owing to the Shire of Victoria Plains including debt recovery practices. This includes requirements in line with legislation and with due regard to ensuring that debt collection is carried out in a fair and equitable manner.
- 3 The Shire of Victoria Plains observes separate practices used for the collection of general debts and those attributed to outstanding rates.

General Debts

All general debts older (including sundry debtors) than 180 days and over \$5,000 must be presented by the CEO to Council with a report outlining actions taken by the administration to recover the debt and proposing a way forward in terms of debt recovery.

The CEO may implement, for this purpose, an Executive Policy related to general debtor management outlining the Shire's credit terms and debt collection practices. Making at least two attempts to contact a debtor before submitting the debt to the Shire's debt collection agency is considered appropriate.

Outstanding Rates

General Requirements

Rate notices are due 35 days from the issue date in accordance with the *Local Government Act 1995*.

Amounts that remain outstanding past the prescribed due date will have daily interest applied as detailed on the rates notice. This requirement may be waived through further Council Policy or decision on the grounds of financial hardship or exceptional circumstances (declaration of a State of Emergency or a natural hazard).



Details of outstanding rates do not need to be presented to Council each month.

The CEO must present a report to Council on all rates that are overdue by more than 36 months or in excess of \$5,000. This report must detail all actions taken by the Shire to recover the debt and provide Council with a proposed way forward, noting that provisions exist under Section 6.64 of the *Local Government Act 1995* for the recovery of unpaid rates.

Executive Policy

The CEO may implement, for the collection of outstanding rates, an Executive Policy that encapsulates the following:

Payment by Instalments

The Administration to determine what portion of the full rates bill being paid would constitute a rate payers intention to pay by instalments if they have not paid the full first instalment amount by the due date – this portion must be a suitable percentage of the first instalment amount listed on the rates notice e.g. 20%.

Pensioner/Seniors Rebate

Ratepayers who have provided evidence of their pensioner or seniors rebate eligibility have until 30 June to make payment on their rates without incurring any interest penalties under the *Rates and Charges (Rebates and Deferments) Act 1992*, however their ESL and waste service charges must still be paid in full by the due date.

If it is determined that the ratepayer is not a pensioner/senior and has not made a suitable payment to be deemed to be paying by instalments, and rates remain outstanding then:

- I. 14 days after the rates notice due date, the ratepayer must be issued with a final notice requesting they contact the Shire to make payment or enter into a payment arrangement.
- II. 30 days after issuing final notices the Shire must review all outstanding rates and issue a letter of demand to all ratepayers with no payment arrangement or evidence of suitable payments being made to the Shire.
- III. Within 14 days of issuing letters of demand the Shire must attempt to make contact with the ratepayer via phone, email or another method that may involve consulting other agencies, to try and facilitate payment.
- IV. 60 days after the rates being due the Shire must instruct their debt collection agency to issue letters of demand to all ratepayers with overdue rates and no approved payment arrangement.

Pursuit of Rates

The Administration to manage how the Shire will pursue rates overdue for more than 60 days.

The Administration to issue notices to lessees/tenants, where the property owner of a leased or rented property on which rates and service charges have been outstanding for more than 90 days, cannot be located or refuses to settle rates and service charges owed. This is in line with the provisions under Section 6.60 of the *Local Government Act 1995*. The lessee or tenant would be required to pay to the Shire the rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

Definitions

Debt: A sum of money owed or due to the Shire. This may be a rate, fee or charge or other debt.

Rates: Amounts owed to a local government based on charges laid upon the rateable land within its district.

Payment Arrangement: A bilateral agreement between the Shire and an individual/organisation to facilitate the repayment of overdue money owed to the Shire.



ESL: Emergency Services Levy.

Relevant management practices/documents

To be developed

Legislation/local law requirements

Local Government Act 1995: Part 6, Division 4, Clause 6.13 – Interest on money owing to local governments

Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.45 – Options for payment of rates and service charges

Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.51 - Accrual of interest on overdue rates or service charges

Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.56 - Rates or service charges recoverable in court

Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.60 - Local government may require lessee to pay rent

Local Government Act 1995: Part 6, Division 6, Subdivision 6, Clause 6.64 - Actions to be taken

Local Government (Financial Management) Regulations 1996: Regulations 5 and 11

Rates and Charges (Rebates and Deferments) Act 1992

Departmental Guideline Possession of Land For Recovery of Rates and Service Charges

Office Use Only			
Relevant delegations	Delegation 3.6 – Write Off of Sundry Debts (CEO up to \$200)		
Initial Council adoption	Date	28 April 2020	Resolution#
Last reviewed	Date	26 April 2023	Resolution# #2304-05
Next review due	Date		



3.7 Panels of Pre-Qualified Suppliers

Responsible Areas	Administration
Responsible Officer	Chief Executive Officer
Affected Staff	Nil

OBJECTIVE

To set out the Shire's policy with respect to the establishment of panels of pre-qualified suppliers (contract panels) in accordance with Part 4, Division 3 of the *Local Government (Functions and General) Regulations 1996*.

STATUTORY CONTEXT

Head of Power: *Local Government Act 1995*

Subsidiary Legislation: *Local Government (Functions and General) Regulations 1996 Division 3 – Panels of Pre-qualified suppliers*

Influencing Legislation: *State Records Act 2000*

CORPORATE CONTEXT

Policy manual 3.1–Purchasing Framework

POLICY STATEMENT

Definitions

Contract Panel: Is a panel made up of pre-qualified suppliers. May also be referred to as “panel” throughout the policy.

Pre-qualified Supplier: A supplier who meets the requirements (specification) to be on a contract panel.

Shire: Means the Shire of Victoria Plains.

Time Period: The minimum time period a contract panel is established for is two (2) years.

General

The Shire may establish panels of pre-qualified suppliers where:

- Goods and/or services are likely to be purchased on a continuing and regular basis
- There are sufficient suppliers and a competitive market for the goods or services concerned
- The scope of activity for the goods and/or services covered by the procurement activity is assessed to be of low risk
- There are efficiencies that will be gained by establishing a panel and;

The Shire has the capacity and capability to establish a panel and manage the risks associated with doing so.



Before establishing a contract panel

Before establishing a contract panel, the Shire must satisfy itself that there is, or will be a continuing need for the particular goods and services to be supplied by pre-qualified suppliers. This may be done by searching records for the frequency, type and cost of goods supplied or work undertaken in two (2) or more prior financial years.

What must be included in the written specification

Council (or the CEO if delegated authority) must approve a specification before seeking submissions for the establishment of a contract panel. The specifics will vary depending on the nature of each panel, but as a minimum each specification must include:

Key requirements

- The specification requirements in Policy 3.1 - Purchasing Framework applies in the first instance
- The scope of goods or services covered
- The potential volume of work that may be procured under the panel
- A stipulation that there is no guarantee that the Shire will purchase goods or services from pre-qualified suppliers on a panel
- The time period covered, which shall be for a minimum period of two (2) years
- The criteria for deciding how applications will be assessed and accepted
- The Shire employee or other person who will manage the panel and contracts on behalf of the Shire
- The process to remove a prequalified supplier from a panel
- What record keeping requirements a panel member is to meet and;
- That the Shire may vary the information referred to in:
 - Invitations for submission to join a panel and;
 - Schedule 1 attached to this policy.

When the panel has been established

- How quotes will be obtained from pre-qualified suppliers. This must be in accordance with the Shire's criteria under Policy 3.1 – Purchasing Framework.
- Any particular contract entered into with a pre-qualified supplier must not be for longer than 24 months. including any options to extend it. Subject to these factors, each panel specification will set out whether the Shire intends to:
 - Obtain quotations from each pre-qualified supplier on the panel with respect to all purchases; or
 - Purchase goods or services exclusively from any pre-qualified supplier appointed to the panel, and under what circumstances (e.g. what provisions will apply where a panel member is unable to or declines to supply the goods or services and the Shire might then move to the next highest ranked pre-qualified supplier); or
 - Develop a ranking system for the supply of goods or services with work awarded in accordance with a set process and which could be rotational, subject to a time constraint or any other matter relevant to the goods or services supplied.
- How pre-qualified suppliers will be invited to quote for the goods and services that they are expected to supply – which will be by email unless exceptional circumstances apply such as an IT outage, power interruption or emergency;



How the Shire will communicate with pre-qualified suppliers in a clear, consistent and regular way - which will be by email unless exceptional circumstances apply such as an IT outage, power interruption or emergency. Information sent to one supplier must be provided to all if quotes or proposals are being sought from more than one panel member; and

- The number of pre-qualified suppliers the Shire intends to put on panel.

[Invitations for submissions to join a panel](#)

Once a specification has been approved, State-wide public notice is to be given inviting applications to join a panel. Regulation 24AE provides for a minimum of 14 days for submissions, unless there is an emergency or genuine urgency involved.

Each invitation must:

- Include a brief description of the goods or services required;
- Identify a person from whom more detailed information may be obtained, including the list of detailed information. The list of detailed information is set out in Schedule 1 to this policy;
- Where applications may be submitted;
- The date and time after which applications cannot be submitted.

Receiving, opening and assessing applications to join or form a panel

Regulation 24AF provides that Regulation 16 applies to the receipt and opening of applications to join a panel.

Regulation 24AI requires the Shire to notify applications of the outcome of their application to join a panel.

[Record keeping requirements](#)

Tender Register

Information about panels must be recorded in the Shire's tenders register in accordance with Regulation 24AG. This includes:

- A brief description of the goods or services required;
- A copy of the State-wide public advertisement inviting applications;
- The name of each application received and opened;
- The name of the successful applicant; and
- The pricing schedule, or a summary of the amount of the consideration sought.

Records for each Panel and Contracts Awarded

Although Policy 3.1 – Purchasing Framework sets out the record keeping requirements for purchasing matters, the CEO will ensure other information as set out below is kept on file for each Panel as follows:

- Initiation documentation which justifies the need for a Panel to be created and approval of the draft specification by Council (or the CEO under delegated authority)
- A copy of the State-wide public advertisement inviting applications;
- Requests for applications documentation;
- Copies of applications received;
- Evaluation and negotiation documentation, including clarifications sought
- Approval and award documentation;
- Correspondence to applicants notifying of the establishment and composition of the panel;



- Subject to the provisions of each panel, requests for quotation sought pre-qualified
- suppliers and contracts awarded to panel members; and
- Purchase orders issued under the contract.

Information with regards to the panel offerings, including details of suppliers appointed to the panel, must be kept up to date, consistent and made available for access by all employees of the Shire.

Contract management and monitoring panel performance

The CEO is responsible for ensuring that contracts established with pre-qualified suppliers are performed in accordance with the specification. As a minimum, the criteria regarding contract monitoring and/or performance measurement is set out in Policy 3.1 – Purchasing Framework.

APPLICATION

Applies to those who are deemed suitable as pre-qualified suppliers.

HISTORY

OCM 26 February 2020: New Policy

NOTES

Schedule 1

To satisfy Regulation 24AD (5) of the Regulations, when establishing a panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the panel must also prescribe references to:

- The Shire’s written policy re prequalified suppliers and purchasing framework;
- Such information the Shire decides should be disclosed to those interested in applying to the Panel;
- The detailed specifications of the goods or services to be supplied;
- The criteria for deciding which applications to joining the Panel should be accepted;
- An explanation how the panel will operate;
- Whether or not the Shire intends to buy the goods exclusively from pre-qualified suppliers on the
- A statement to the effect that there is not a guarantee that the Shire will purchase goods or services from pre-qualified suppliers on the Panel;
- The period for which the Panel will be established;
- The number of pre-qualified suppliers the local government intends to put to the panel.

Office Use Only			
Relevant delegations	3.7, 3.8		
Initial Council adoption	Date	26 February 2020	Resolution#
Last reviewed	Date	26 April 2023	Resolution# 2304-05
Next review due	Date		



3.8 Financial Hardship Policy

Responsible Areas	Administration
Responsible Officer	Manager Finance and Administration
Affected Staff	Finance Staff

Objective

This Financial Hardship Policy outlines how the Shire of Victoria Plains (“we”) will assist a residential customer (“you”) who cannot pay a debt (including water services) because of financial hardship. The Shire of Victoria Plains recognises that from time to time, challenges will arise and result in financial hardship for our ratepayers.

This Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding.

Scope

This policy recognises the requirements of the applicable legislation (see the statutory listing including the relevant orders in the Legislation/Local Law Requirements section of this policy) and applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Any other financial debt in excess of \$500

This Policy is not intended to provide rate relief to ratepayers who are not able to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

Policy

1. Payment difficulties, hardship and vulnerability¹

Payment difficulties, or short term financial hardship, occur where a change in a person’s circumstances result in an inability to pay a rates or service charge debt.

Financial hardship occurs where a person is unable to pay rates and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be it they are a property owner, tenant, business owner etc.

2. Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Sickness or recovery from sickness;
- Unanticipated circumstances such as caring for and supporting extended family.
- loss of your or a family member’s primary income;
- spousal separation or divorce;

¹ Adapted from the Ombudsman Western Australia publication, **Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance:** <http://www.ombudsman.wa.gov.au/>



- loss of a spouse or loved-one;
- physical or mental health issues;
- a chronically ill child;
- budget management issues associated with a low income; and
- other unforeseen factors affecting your capacity to pay, such as a reduction in income or an increase in non-discretionary spending.

3. Identifying Customers in Financial Hardship

If you think you may be in financial hardship we encourage you to contact us as soon as possible. You may ask your financial counsellor to contact us on your behalf.

We will assess within three business days whether we consider you to be in financial hardship. If we cannot make our assessment within three business days, we will communicate this with you and advise of a new timeframe.

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

4. Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act are of an agreed frequency and amount. These arrangements will consider the following:

- a) That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- b) The payment arrangement will establish a known end date that is realistic and achievable;
- c) The ratepayer will be responsible for informing the Shire of Victoria Plains of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, we reserve the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

5. Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

6. Deferral of Rates

Deferral of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;
- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.



7. Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the 3rd due payment, then we will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any Rates and Service Charge debts that remain outstanding on 1 July each year, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of that financial year (1 July – 30 June).

Rates and service charge debts that remain outstanding at the end of the financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

8. Review

We will establish a mechanism for review of decisions made under this policy, and advise the applicant of their right to seek review and the procedure to be followed.

9. Communication and Confidentiality

We will maintain confidential communications at all times and we undertake to communicate with a nominated support person or other third party at your request.

We will advise ratepayers of this policy and its application, when communicating in any format (i.e. verbal or written) with a ratepayer that has an outstanding rates or service charge debt.

We recognise that applicants for hardship consideration are experiencing additional stressors, and may have complex needs. We will provide additional time to respond to communication and will communicate in alternative formats where appropriate.

We will ensure all communication with applicants is clear and respectful.

10. Useful Information

Redirection of rate notice: We will advise you of your right to have your rate notice redirected to another person if you are absent or ill.

Financial counselling:

Financial counsellors may offer free, independent information to help you take control of your financial situation.

The Financial Counsellors' Association of WA (FCAWA) can refer you to a financial counsellor in your area. Alternatively, you can call the Financial Counselling Helpline. The Helpline provides a free confidential service for all Western Australians with financial problems and queries.

Website: www.fcawa.org

Financial Counselling Helpline: 1800 007 007

Definitions

Nil

Relevant management practices/documents

Executive Policy regarding Debt Management/Recovery

Procedures regarding Debt Management/Recovery



Legislation/local law requirements

Local Government Act 1995 – s6.49

Local Government (Financial Management) Regulations 1996

Office Use Only			
Relevant delegations	Delegations: 3.4; 3.5 & 3.6		
Initial Council adoption	Date	27 May 2020	Resolution #
Last reviewed	Date	26 April 2023	Resolution # 2304-05
Next review due	Date		



3.9 Rating Strategy

The policies in this section are broken down as follows:

3.9.1. Rating of Properties

3.9.2. Rating Increases

3.9.3. Rating of Sewerage Schemes (Calingiri and Yerecoin)

3.9.4. Charging for Waste (General and Recycling)



3.9.1 Rating of Properties Policy

Area Responsible	Governance / Finance
Responsible Officer	Chief Executive Officer
Affected Staff	CEO, Manager Finance & Administration, Rates Officers

OBJECTIVE

To establish a policy –

- (a) outlining the categories of rateable properties,
- (b) detailing the various codes needed for computer systems.
- (c) noting additional rating options other than general rating.

SCOPE

This policy applies to all rateable properties within the Shire.

STATUTORY CONTEXT

Local Government Act 1995 includes –

- s.6.32 authority to impose rates and service charges
- s.6.33 differential rates
- s.6.35 minimum payment
- s.6.36 notice of certain rates
- s.6.37 specified area rates
- s.6.47 concessions

POLICY

1. Categories of properties

The categories of properties for the purposes of rating and rating codes are –

GRV 1 – all properties, regardless of zoning or land use within a townsite, and not otherwise categorised

GRV 2 – properties outside of a townsite, where the land either in whole or part –

- i) is used for commercial or industrial purposes in excess of those directly related to the agricultural use of the land;
or
- ii) the commercial or industrial activity offers services or products to other parties; and
- iii) the activity is on a portion of the land not exceeding 5 hectares unless otherwise determined by Council;

GRV 3 – concentrated mining activity that if located in a townsite, would be rated as a GRV property, including but not limited to –

- i) accommodation villages;
- ii) support services such as industrial area, etc

UV 1 – all properties, regardless of zoning or land use outside a townsite –

- i) not otherwise UV categorised, generally being agricultural in nature;



- ii) excluding commercial or industrial properties valued as UV 2;

UV 2 – properties outside of a townsite, where the land either in whole or part –

- i) is used for commercial or industrial purposes in excess of those directly related to the agricultural use of the land; or
- ii) the commercial or industrial activity offers services or products to other parties;
- iii) the activity is on a portion of the land exceeding 5 hectares unless otherwise determined by Council; and
- iv) the property or portion of property is not valued as GRV 2;

UV 3 – all mining activity other than GRV 3.

Notes: These categories are the minimum required as per the Rating Strategy adopted 22 February 2023. It is expected that further categories or sub-categories, or re-naming of the categories, may be required to give full effect to the Strategy, and to enable computer software to be correctly programmed.

2. Differential rating

- (1) Differential rating is not proposed for GRV properties.
- (2) Differential rating is proposed for –
 - a) UV 2 – Council may resolve to apply subcategories at some future date, that would be determined by factors including but not limited to –
 - i) the type of activity;
 - ii) the area / extent of the activity on the property
 - iii) the impact of the activity to the amenity of the area
 - b) UV 3 – mining leases, exploration licences, prospecting licences etc
- (3) Differential rating is not to exceed 2 times the general rate for that category (GRV 1 or UV 1) without Ministerial approval.

3. Specified area rating

No specified area rating is proposed by Council at this time.

4. Concessional rating

Concessional rating may be considered by Council only for the phasing in of increased rates on commercial / industrial properties changing rating from UV 1 to GRV 2.

5. Future policy changes

Council reserves the right to amend or delete all or any provisions of this policy at any time.

DEFINITIONS

GRV means those properties having a gross rental value as supplied by Landgate.

townsite means –

- a) the towns of – Calingiri, Bolgart, Yerecoin and Piawaning
- b) the areas valued as GRV by Landgate in the localities of – New Norcia, Mogumber and Gillingarra

UV means those properties having an unimproved value as supplied by Landgate.



Office Use Only			
Relevant delegations	Nil		
Initial Council adoption	Date		Resolution #
Last Reviewed	Date	26 April 2023	Resolution # 2204-10
Next review due	Date		



3.9.2 Rating Increases (GRV and UV) Policy

Area Responsible	Governance / Finance
Responsible Officer	Chief Executive Officer
Affected Staff	CEO, Manager Finance & Administration, Rates Officers

OBJECTIVE

To establish a policy to guidance for increases to general GRV and UV rate increases.

SCOPE

This policy applies to all rateable land in the Shire of Victoria Plains.

STATUTORY CONTEXT

Local Government Act 1995

s.6.32 authority to impose rates and service charges

Sch.6.1 provisions for phasing in of valuations

POLICY

1. Fundamental principles

- (1) Rates are levied in accordance with the requirements of the Local Government Act and Regulations to meet the gap between income from other sources and the necessary or planned expenditure for the year
- (2) A rate increase **IS NOT** calculated on the rate in the dollar, but as a % increase from the total rates levied the previous year, and the total rates to be levied in the proposed budget.
- (3) Using the rate in the dollar to calculate a % increase **IS NOT** a reliable gauge for % increases due to –
 - (a) annual UV revaluation by Landgate,
 - (b) regular GRV revaluation by Landgate, and
 - (c) change of status of property due to construction, demolition, rating category etc.

2. Base data

- (1) The principal data used to develop the annual budget includes –
 - a) community directions – as outlined in Community Strategic Plan, Corporate Business Plan etc increases in contractual costs (eg: waste collection)
 - b) community expectations – both for increasing variety, level and quality of services and minimal rate increases, and
 - c) increases in fixed costs such as utilities costs (power, water, insurances etc)
 - d) increases in employment costs (wages, worker’s compensation etc)
 - e) Strategic Community Plan and Corporate Business Plan.
- (2) The % increase will be informed by –
 - a) the Consumer Price Index as published by the Australian Bureau of Statistic; and
 - b) the WA Local Government Construction Cost Index as published by the WA Local Government Association.

3. Gross rental value properties

- (1) The current level of gross rental rating is considered to be appropriate, and no increases other than those required to meet annual budget requirements are planned at this time.
- (2) Where a commercial / industrial property outside a townsite is changed from UV 1 to GRV 2 –
 - a) Council may consider phasing in the increase in rates on that property;



- b) any phasing in is not to exceed 3 years, consistent with the provisions of the *Local Government Act 1995* Schedule 6.1 cl.1(1).

4. Unimproved value properties

- (1) The current level of unimproved rating is considered to be appropriate, and no increases other than those required to meet annual budget requirements are planned at this time.

5. Minimum rates – GRV

- (1) Minimum rates for GRV properties are considered well below the average of those of adjoining local governments.
 (2) Minimum rating for GRV 1 properties will increase by a cumulative amount comprising –
 a) the previous year’s minimum rate as a base;
 b) adding the % rate revenue increase for the GRV 1 category; and
 c) an additional **10%** per year for 5 years.
 (3) Differential minimum rating is not currently proposed for GRV properties

6. Minimum rates – UV

- (1) Minimum rates for UV properties are considered well below the average of those of adjoining local governments.
 (2) Minimum rating for UV 1 properties will increase by a cumulative amount comprising –
 a) the previous year’s minimum rate as a base;
 b) the % rate revenue increase for the UV 1 category; and
 c) an additional **6%** per year for 5 years
 (5) Differential minimum rating for the following categories as set in Policy 0.0 Rating of Properties, will be considered and adopted annually by Council, as necessary –
 a) UV 2
 b) UV 3

7. Future policy changes

Council reserves the right to amend or delete all or any provisions of this policy at any time.

DEFINITIONS

GRV means those properties having a gross rental value as supplied by Landgate
rating code references are as outlined in Policy 0.0 Rating of Properties

townsite means –

- a) the towns of – Calingiri, Bolgart, Yerecoin and Piawaning; and
 b) the properties having a gross rental value as supplied by Landgate in the localities of – New Norcia, Mogumber and Gillingarra

UV means those properties having an unimproved value as supplied by Landgate

Office Use Only				
Relevant delegations				
Initial Council adoption	Date		Resolution #	
Last Reviewed	Date	26 April 2023	Resolution #	2204-10
Next review due				



3.9.3 Rating of Sewerage Scheme (Calingiri and Yerecoin) Policy

Area Responsible	Governance / Finance
Responsible Officer	Chief Executive Officer
Affected Staff	CEO, Manager Finance & Administration, Rates Officers

OBJECTIVE

To establish a policy for the rating and charging for the sewerage schemes.

SCOPE

This policy applies to all properties in the townsites of Calingiri and Yerecoin.

STATUTORY CONTEXT

Health (Miscellaneous Provisions) Act 1911

s.41 power to make and levy a sanitary rate

s.106 power to make pan (connection) charges

POLICY

1. Fundamental principles

- (1) Rating of Calingiri and Yerecoin sewerage schemes will be on the basis of GRV as from 2023-2024 Budget
- (2) Sewerage rates and charges will be levied under the authority and provisions of the *Health (Miscellaneous Provisions) Act 1911*.
- (3) Sewerage rates will be levied on all rateable properties connected or able to be connected (whether connected or not) to a sewerage scheme.
- (4) Sewerage charges will be applied to all non-rateable properties connected to the scheme on the basis of –
 - (a) small – 1 to 4 connections;
 - (b) medium – 5 to 10 connections,
 - (c) large – 11 or more connections
- (5) Subject to the requirements of each scheme separately for Calingiri and Yerecoin, Council will determine in the annual budget the –
 - (a) rate / \$ for rateable properties;
 - (b) charges per level for non-rateable properties;
 - (c) minimum rates.
- (6) Any surplus funds to the expenditure required for the current year, is to be transferred to the corresponding Reserve Account for the relevant scheme, to be used for the purposes of the scheme in accordance with legislative requirements.
- (7) Back rating or charging of properties will not be made.

2. Base data

Until such time as a detailed and costed sewerage asset management plan is accepted by Council resolution, the amount to be raised for each scheme is to be informed by –



- (a) infrastructure valuation as provided by Local Government Insurances Services WA;
- (b) annual depreciation rates as advised by Moore Australia (2018) and auditors, and adopted in the annual statements;
- (c) anticipated maintenance costs;
- (d) anticipated capital expenditures over the next 10 years minimum, annualised; and
- (e) provisions to be made in reserve accounts.

3. Sewerage schemes rating codes

The categories of properties for the purposes of rating and rating codes are –

- (a) Rateable properties –
 - SCR** –within Calingiri townsite, regardless of zoning or land use, and either connected or capable of being connected to the sewerage scheme
 - SYR** –within Yerecoin townsite, regardless of zoning or land use, and either connected or capable of being connected to the sewerage scheme
- (b) Non-rateable properties –
 - SCNS** –within the Calingiri townsite, having 1 to 4 connections (small)
 - SCNM** –within the Calingiri townsite, having 5 to 10 connections (medium)
 - SCNL** –within the Calingiri townsite, having 11 or more connections (large)
 - SYNS** –within the Yerecoin townsite, having 1 to 4 connections (small)
 - SYNM** –within the Yerecoin townsite, having 5 to 10 connections (medium)
 - SYNL** –within the Yerecoin townsite, having 11 or more connections (large)

Notes: These categories are the minimum required as per the Rating Strategy adopted 22 February 2023. It is expected that further categories or sub-categories, or re-naming of the categories, may be required to give full effect to the Strategy, and to enable computer software to be correctly programmed.

4. Minimum sewerage rates

- (1) A minimum rate will be set for each scheme as determined by Council in the annual budget.
- (2) The minimum rate will be applied to all rateable properties, whether vacant or not, in accordance with clause 1(3) above.

5. Future policy changes

Council reserves the right to amend or delete all or any provisions of this policy at any time.

DEFINITIONS

GRV means those properties having a gross rental value as supplied by Landgate

townsite means –

- a) the towns of – Calingiri, Bolgart, Yerecoin and Piawaning; and
- b) the properties having a gross rental value as supplied by Landgate in the localities of – New Norcia, Mogumber and Gillingarra



Office Use Only				
Relevant delegations	Nil			
Initial Council adoption	Date		Resolution #	
Last Reviewed	Date	26 April 2023	Resolution #	2204-10
Next review due	Date			



3.9.4 Charging for Waste (General and Recycling) Policy

Area Responsible	Governance / Finance
Responsible Officer	Chief Executive Officer
Affected Staff	CEO, Manager Finance & Administration, Rates Officers

OBJECTIVE

To establish a policy to provide the foundations and guidance for charging of general and recycling waste.

SCOPE

This policy applies to all townsite properties and those outside townsites within the Shire accessing waste and recycling collection services.

STATUTORY CONTEXT

Local Government Act 1995

s.6.32 authority to impose rates and service charges

s.6.38 uses and limitations on use of service charges

Waste Avoidance and Resources Recovery Act

s.3(1) definition of local government waste

s.50 local government may provide / contract waste services

s.67 local government may impose receptacle charge

s.69 mandating collection of local government waste to the local government

POLICY

1. Application of charges - general waste and recycling

- (1) Other than vacant land, all residential land within a townsite, will receive one general waste bin and one recycling bin, regardless of whether the property –
 - a) is vacant; or
 - b) is likely to use the service or not.
- (2) Premises in a townsite other than residential may utilise the contracted services by agreement, which is evidenced by the charge appearing on the rate notice.
- (3) Premises outside a townsite may utilise the contracted services by written request, under such conditions as may be imposed by the Shire and for which agreement is evidenced by the charge appearing on the rate notice.
- (4) On written application of the owner or occupier, additional general waste bins or recycling bins may be supplied at an additional cost as per subclause (5).
- (5) A property will be charged pro-rata for a service for the remaining full months of the financial year where –
 - i) the premises under construction reach practical completion as determined by the Building Surveyor; or
 - ii) the premises are outside a townsite and commenced by agreement.
- (6) Premises will receive a pro-rata refund for a service for the remaining full months of the financial year where –
 - i) the premises are demolished or destroyed; or



ii) the premises are outside a townsite and the service is terminated by agreement.

(7) On application by the owner of the premises, Council may by resolution exempt the property from either or both the general waste or recycling service.

2. Charges – general waste service

(1) The charge per bin for the general waste service will be set by Council so as to recover –

a) the full cost of collection of general waste by the contractor, excluding –

i) public litter bins; and

ii) public buildings, such as the Shire offices, depot and the like;

b) a portion of the landfill maintenance costs as determined by Council, having consideration to the level of use of landfill sites by those not having access to the waste collection service.

(2) As from the 2023-2024 Budget, no discount for any additional general waste bins to premises will be given.

3. Charges – recycling service

(1) The charge per bin for the recycling service will be set by Council so as to recover a portion of the recycling collection costs, noting that the full cost of collection of the collection of recycling by the contractor is not practicable or reasonable.

(2) As from the 2023-2024 Budget, no discount for any additional recycling bins to premises will be given.

(3) Parity with the general waste per bin charge will be implemented over 2 years, by a cumulative amount comprising –

a) the previous year's recycling charge per first bin as a base;

b) in 2023-2024 – 50% of the gap between the previous year's recycling charge and that being charged for general waste; and

c) in 2024-2025 – full parity.

4. Repair or replacement of damaged or missing bins

(1) When a bin is damaged or missing the owner or occupier of the relevant property is required to pay the cost (including any administration costs), of –

a) repair – where the bin is repairable; or

b) replacement - if it is considered the bin is beyond repair or the bin is missing;

(2) Where it can be shown to the CEO's satisfaction that the bin is likely to have been stolen or damaged out of the owner or occupier's control, the cost of repair or replacement may be waived.

"satisfaction" may include, but is not limited to –

a) provision of a statutory declaration;

b) copy of a Police report;

c) known vandalism occurring at the same time to other close by properties.

5. Future policy changes

Council reserves the right to amend or delete all or any provisions of this policy at any time.

DEFINITIONS

townsite means –

a) the towns of – Calingiri, Bolgart, Yerecoin and Piawaning; and



- b) the properties having a gross rental value as supplied by Landgate in the localities of New Norcia, Mogumber and Gillingarra.

Office Use Only				
Relevant delegations	Nil			
Initial Council adoption	Date		Resolution #	
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