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## **Preamble**

The Local Government Act prescribes that the role of Council includes:

### **2.7 The role of the Council**

- (2) *Without limiting subsection (1), the council is to-*
- (a) *oversees the allocation of the local government's*
  - (b) *determine the local government policies.*

## **Objective**

To invest the local government's surplus funds, with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, while ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration is to be given in preservation of capital, liquidity, and the return of investment.

Preservation of the real value of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.

The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

The investment is expected to achieve a predetermined market average rate of return that takes into account the Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.

## **Policy Scope**

This policy applies to all funds invested by the Shire. It is to be noted that the type of investments that the Shire has the power to invest in, is limited by prescriptive legislation provisions as outlined in the *Legislative Requirements* section below: -

## **Legislative Requirements**

All investments are to comply with the following:

- *Local Government Act 1995 – Section 6.14;*
- *The Trustees Act 1962 – Part III Investments;*
- *Local Government (Financial Management) Regulations 1996 – Regulation 19 and 19C, Regulation 28, and Regulation 49; and*
- *Australian Accounting Standards*

Section 6.14(1) provides that 'Money held in the municipal fund or trust fund of a local government that is not, for the time being, required by the local government for any other purpose may be invested as trust funds (sic) under the Trustees Act 1962 Part III'.

Section 6.14(1) provides that 'A local government is to comply with the regulations when investing money referred to in subsection (1)'.

### **Delegation of Authority**

While authority for implementation of the Investment Policy is delegated by Council to the CEO in accordance with the Local Government Act 1995, the CEO may in turn on-delegate the day-to-day management of Council's Investment to senior staff or Principal Financial Officer subject to regular reviews.

### **Prudent Person Standard**

The investment will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolios to safeguard the portfolios in accordance with the spirit of this Investment Policy, and not for speculative purposes.

### **Ethics and Conflicts of Interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the CEO.

### **Approved Investments**

Without referral to Council, investments are limited to institutions that meet this Policy's guidelines and include:

- State, Territory or Commonwealth Government Bonds;
- Interest bearing deposits;
- Bank accepted/endorsed bank bills; and
- Bank negotiable Certificate of Deposits.

For every investment event, officers will appraise at least 2 interest rate quotes – and these quotes are to include any from ADI's located in the district of Boyup Brook.

### **Prohibited Investments**

Investing officers shall not:

- a) Deposit with an institution except an authorised (deposit-taking) institution (ADI) as defined by the Banking Act 1959 (Commonwealth) section 5;
- b) Deposit for a fixed term of more than three years;
- c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory;
- d) Invest in bonds with a term to maturity of more than 3 years;
- e) Invest in foreign currency.

Further, this investment policy prohibits any investment carried out for speculative purposes e.g. Principal only investments that provide potentially nil or negative cash flow.

Finally, this policy prohibits the use of leveraging (borrowing to invest) of an investment.

**Risk Management Guidelines**

Investments obtained are to comply with three key criteria relating to:

- a) Portfolio Credit Framework: limit overall credit exposure of the portfolio
- b) Counterparty Credit Framework: limit exposure to individual counterparties/institutions
- c) Term to Maturity Framework: limits based upon maturity of securities.

a) Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P – Long Term Rating	S&P – Short Term Rating	Direct Investment – Max %	Managed Funds – Max %
AAA	A – 1+	100%	100%
AA	A – 1	100%	100%
BBB	A-2	85%	85%

If any of the local government investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

Investments fixed for greater than 12 months are to be approved by Council and reviewed on a regular term and invested for no longer than 5 years.

b) Counterparty Credit Framework

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P – Long Term Rating	S&P – Short Term Rating	Direct Investment – Max %	Managed Funds – Max %
AAA	A – 1+	85%	85%
AA	A – 1	85%	85%
A	A-2	15%	15%

Where an Australian authorised (deposit-taking) institution (ADI) has a branch or agency located in the Boyup Brook townsite, an individual institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P – Long Term Rating	S&P – Short Term Rating	Direct Investment – Max %	Managed Funds – Max %
AAA	A – 1+	85%	85%
AA	A – 1	85%	85%
BBB	A-2	85%	85%

c) Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

<b>Overall Portfolio Term to Maturity Limits</b>	
Portfolio % <1 year	100% Max; 40% Min
Portfolio % >1 year and <3 years	60%

<b>Individual Portfolio Term to Maturity Limits</b>	
ADI	Up to 3 years
Non ADI (e.g. Bonds)	3 years

### **Measurements**

The investment return for the portfolio is to be regularly reviewed by assessing the market value of the portfolio. The market value is to be assessed by officers each month, and this is to coincide with monthly financial reporting.

### **Benchmarking**

Performance benchmarks need to be established.

<b>Investment</b>	<b>Performance Benchmark</b>
Cash	Cash Rate
Enhanced/Direct Investments	UBSWA Bank Bill
Diversified Funds	CPI + appropriate margin over rolling 3-year periods (depending upon composition of fund)

### **Investment Strategy and Review**

Due to the limited range of investments now available to Council, and the term to maturity limits, the value of an investment strategy too, would be limited. Prior to investing in Government Bonds, however, a strategy will be prepared and will run in conjunction with the investment policy. The investment strategy will be reviewed with an independent investment adviser every six months with a more formal review once a year.

The Strategy will outline:

- Council's cash flow expectations.
- Optimal target allocation of investment types, credit rating exposure, and term to maturity exposure and;
- Appropriateness of overall investment types for Council's portfolio.

The Policy will be reviewed at least once every 2 years or as required in the event of legislative changes.

<b>POLICY NO.</b>	F.01
<b>POLICY SUBJECT</b>	<b>Investments and Surplus Funds</b>
<b>ADOPTION DATE</b>	17 June 2004
<b>VARIATION DATE</b>	27 August 2015, 16 November 2017, 21 May 2020
<b>POLICY REVIEWED</b>	18 June 2020

## Policy F.02

### Guidelines for Community Grants

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#### **Objective**

The Council will provide the provision of financial assistance to promote and support community-based initiatives, which meet the Shire's strategic direction annually through the Community Grants Program.

#### **Definitions**

The following definitions apply to this policy:

<b>Community Grant</b>	The provision of a set amount of funds, \$1,001 and over, for a single year in order to achieve a specific, identified purpose, awarded through the Community Grants Program.
<b>Community Donation</b>	The provision of a set amount of funds, \$1,000 and under, for a single year in order to achieve a specific, identified purpose, awarded through the Community Grants Program.
<b>Community Grants Program</b>	An annual application based, contestable funding opportunity for once off Community Donations and Grants.
<b>Extraordinary donation requests</b>	Requests made to the CEO and Shire President in writing for cash or in-kind support outside of the Community Grants Program. Requests to hire Shire facilities such as the town hall or oval as well as Shire plant and equipment are considered extraordinary donation requests.
<b>Individual</b>	A resident of the Shire of Boyup Brook.
<b>Organisation</b>	An incorporated body under the Associations Incorporation Act 2015 or a recognised corporate body created by government with an Australian Companies Number (ACN).
<b>Sponsorship</b>	The provision of cash, in-kind support or subsidy to organisations or individuals in return for specifically identified promotional opportunities for the Shire. Sponsorship requests are made in writing to the CEO and will be assessed on a case by case basis separate to the Community Grants process.

#### **Policy Statement:**

##### **1. Community Grants Program**

This is an annual application based, contestable funding opportunity for a once off contribution for a specific purpose.

The Community Grants Program opens in March each year and closes the last Friday of April. The Humanities Committee reviews the submitted applications in May and the recommendations go to Council for consideration during the adoption of the annual budget.

Funding support will be on the basis of:

- specific and once off initiatives.
- annual support for organisations for specific ongoing initiatives.
- annual support to assist organisations to become self-sufficient.

Organisations are encouraged to seek funding from other sources and not just rely on Shire funding support. Council may consider providing only a portion of the total funds requested. Preference will be given to applications that leverage funds and demonstrate a larger percentage of contribution.

## **2. Eligibility**

- Applicant organisations must be local community (including sporting) groups that provide community benefit.
- Funds may be used for construction, equipment, salaries, contract services, operational expenses, marketing expenses, consumables and administration expenses.
- Only one application per year may be funded for any one organisation.
- The funding is not to be used for direct profit or financial gain to the organisation.
- The proposal must support the mission statement, values and strategic direction of the Shire.
- Applications \$1,000 and under must be made via letter, outlining the project, community benefit and applicant's contribution. Applications over \$1,001 must complete the application form and provide additional supporting information. Only complete applications will be considered.
- Applications must reach the Shire by 5pm on the final Friday in April. Late applications will not be considered.
- The applicant organisation must be able to demonstrate the capacity to manage and be accountable for the funds and the project.
- Grants will not be provided retrospectively (for a project that is already complete or underway).

## **3. Funding Conditions**

- Council will only allocate funds for identified purposes and with specific expenditure estimates provided and will not provide block grants under any circumstances.
- Applicants shall agree that they do not represent the Shire in any capacity.
- Council may require applicants to seek part funding from other sources.
- The Shire of Boyup Brook will determine terms of payment.
- All funded entities will be required to enter into a Funding Agreement with the Shire of Boyup Brook which will detail specific conditions and terms relevant to that project.
- Funding must only be used for the purposes specified in the Funding Agreement. Any change to the purpose of the funding cannot proceed without a formal resolution from Council. The applicant will be required to make their request in writing, this will be considered by Council and a determination made.

- An acquittal of the project must be provided to the Shire 60 days after the project has been completed and no later than 30 June in the financial year, of the successful grant. Failure to provide an acquittal will eliminate consideration of future applications until such time as an acquittal is received.
- Any funds that have not been spent and acquitted by the 30 June shall be returned to the Shire of Boyup Brook.
- Payments of grant funding may be suspended at any time if, in the opinion of Council, any of the conditions of the funding agreement, or satisfactory progress, has not been achieved.
- The applicant is responsible for applying for all relevant permissions and licences associated with the project. If the project involves Shire property, the applicant must also complete the relevant hire processes and/or obtain written permission from the Shire and abide by all associated lease conditions.
- All grant and donation recipients are bound by the Shire of Boyup Brook Employee Code of Conduct.
- Applicants are able to use the Shire's logo with permission and must acknowledge Shire's support in its advertising, promotion and any media publicity in regard to the funded project.

#### **4. Assessment of Applications**

A Committee comprising of Councillor representation will assess all of the eligible applications. This Committee will then make recommendations to Council in accordance with the following assessment criteria:

1. The Committee will assess each application received in the Community Grants process on its merit and determine the value of the application in relation to whole of community benefit.
2. Applications which demonstrate a cash contribution (not just in-kind) from the organisation will be assessed as having higher merit than applications solely reliant upon grant funding.
3. Applications which demonstrate a strong ability to assist Council deliver strategic objectives and actions (as identified in the Strategic Community Plan) will generally be assessed as having higher merit than applications that do not.
4. The Committee will consider funding projects which do not have direct links to Council's strategic objectives based on the applicant's ability to explain how the project will benefit the community and why they believe their project should be funded.

Council will make the final decision and include these grant allocations in the Annual Budget. Successful applicants will be notified during September after the adoption of the budget. Decisions regarding funding applications are final and will not be reconsidered during the financial year in which the application was made.

## **5. Extraordinary Requests**

The Chief Executive Officer may in consultation with the Shire President approve combined extraordinary requests of up to \$1,000 cash or in-kind (excluding administrative support eg. photocopying), to local community groups throughout the year when requested.

Annual Budgets shall include \$1,000 per year inclusive of cash and in-kind for this purpose.

Extraordinary in-kind support may be carried out during normal working hours where there is no impact on work programs.

Extraordinary requests are once off requests for waiving hall or outdoor space hire fees, hiring shire equipment or asking for additional support outside of the Community Grants Program timeframe.

The process to apply for an extraordinary request:

1. Applicant applies in writing to the CEO and Shire President, outlining the request, community benefit, total cost and any other relevant details.
2. The CEO and Shire President set the conditions and approve the request in writing.
3. The applicant agrees to the conditions and completes either a Hire Form or Miscellaneous Hire Agreement and pays any associated bond or fees.
4. The applicant abides by the conditions of agreement and completes the project.

Alternatively, the CEO shall put to Council requests received throughout the year and outside of the Community Grants process.

### **Responsibility of Council:**

#### **1. Funding Allocations**

Council will set aside an amount of up to 2% of budgeted rate revenue as set out in the Rate Revenue Note (usually Note \*) in the Annual Budget for the Community Grants Program. Council may reserve any of this amount not distributed, in the year it was set aside, to fund future requests.

Council will not normally fund annual Community Grant and donation requests in excess of 2% of budgeted rate revenue.

#### **2. Funding Categories**

Council will determine an annual funding allocation within the following categories:

- Community Donation (\$1,000 and under)
- Community Grant (\$1,001 and over)

Extraordinary donation

### **Responsibility of the CEO**

- Extraordinary requests, either they be cash or in-kind use of facilities or plant, or in-kind provision of materials or labour, are to be recorded separately in the shire's chart of accounts (COA);

- Information about each extraordinary in-kind request recorded in the shire's COA shall include: the beneficiary of the in-kind request; a brief scope of the works or benefit; and the total cost of the benefit.
- An Extraordinary Requests Register (the Register) be kept covering the period 01 July to 30 June of a financial year, and shall include the information itemised in dot points 1 and 2 above; and
- the Register shall be made available to the Committee prior to the next year's budget deliberations.

<b>POLICY NO.</b>	F.02
<b>POLICY SUBJECT</b>	<b>Guidelines for Community Grants</b>
<b>ADOPTION DATE</b>	21 February 2019
<b>VARIATION DATE</b>	21 December 2007, 18 May 2017, 9 July 2018, 20 February 2020
<b>LAST REVIEW DATE</b>	18 June 2020

## **Preamble**

The *Local Government Act 1995* (the Act) prescribes that the role of Council includes:

### **2.7 Role of council**

- (2) Without limiting subsection (1), the council is to –
- (a) oversee the allocation of the local government's finances and resources; and
  - (b) determine the local government's policies.

### **3.57 Tenders for providing goods or services**

- (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.

## **Objectives**

- To ensure compliance with the Act and the *Local Government (Functions and General) Regulations 1996* (as amended in March 2007).
- To deliver a best practice approach, and internal procedures when purchasing for the Shire of Boyup Brook (the Shire).
- To ensure all purchasing activities that integrates consistently across all of the Shire's operational areas.

The Shire of Boyup Brook is committed to establishing efficient, effective, economical and sustainable procedures in all purchasing activities. This policy will:

- provide the Shire with effective processes for purchasing goods and services;
- ensure that purchasing transactions are carried out in a fair and equitable manner;
- strengthen integrity and confidence in the Shire's purchasing system;
- ensure that the Shire receives value for money in its purchasing;
- ensure that the Shire considers both the: staff and community health and safety; and environmental impacts of the procurement process across the life cycle of goods and services;
- ensure the Shire is compliant with all regulatory obligations;
- promote effective governance and definition of roles and responsibilities; and
- uphold respect from the public and industry for the Shire's purchasing practices which withstand probity.

## **Policy**

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 expected to be: -

<b>Amount of Purchase</b>	<b>Model Policy</b>
Up to \$5,000	Quotations not required.
\$5,001 - \$39,999	By reference to WALGA's Preferred Supply Panels or obtain at least two written quotations.
\$40,000 - \$150,000	By reference to WALGA's Preferred Supply Panels or obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations).
More than \$150,000	By reference to WALGA's Preferred Supply Panels or Conduct a public tender process.

\* The "contract period" can mean "a one-off purchase" or "a pre-defined period".

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases at, or under the \$150,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of \$150,000 or less, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed.

## **Process**

### **1.6.1 Up to \$5,000**

Where the value of procurement of goods or services does not exceed \$5,000, quotations will not be required. However, it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk.

### **1.6.2 \$5,001 to \$39,999**

This category is for the procurement of goods or services where the value of such procurement ranges between \$5,001 and \$39,999.

If not accessing WALGA's Preferred Supply Panels, at least two written quotations are required. Where this is not practical, e.g. due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining written quotations are:

- An appropriately detailed specification should communicate the requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
- Written Specification
- Selection 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 responsible officer is expected to demonstrate due diligence seeking quotes and to comply with the any record keeping and audit requirements.

Record keeping requirements must be maintained in accordance with record keeping policies.

### **1.6.3 \$40,000 to \$150,000**

For the procurement of goods or services where the value exceeds \$40,000 but is less than \$99,999 - if not accessing WALGA's Preferred Supply Panels, it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

The Local Government Purchasing and Tender Guide has a series of forms including a Request for Quotation Template which can assist with recording details. Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

## **Process Cntd – Regulatory Compliance**

### **1.7.1 Tender Exemption**

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

### **1.7.2 Sole Source of Supply (Monopoly Suppliers)**

The procurement of goods and/or services available 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 must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

### **1.7.3 Anti-Avoidance**

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 the level of more than \$150,000, thereby avoiding the need to publicly tender.

### **1.7.4 Tender Criteria**

The Shire shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

For Requests with a total estimated (Ex GST) price of:

- above \$150,000, the panel must contain a minimum of 2 members.

### **1.7.5 Advertising Tenders**

Tenders are to be advertised in a statewide publication e.g. "The West Australian" newspaper, Local Government Tenders section, preferably on a Wednesday or Saturday.

The tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 full days are provided as a minimum.

The notice must include;

1. a brief description of the goods or services required;
2. information as to where and how tenders may be submitted;
3. the date and time after which tenders cannot be submitted;
4. particulars identifying a person from who more detailed information as to tendering may be obtained;
5. detailed information shall include;
  - such information as the Shire decides should be disclosed to those interested in submitting a tender;
  - where detailed specifications of the goods or services required can be obtained;
  - where the criteria for deciding which tender should be accepted can be obtained;
  - whether or not the Shire has decided to submit a tender; and
  - whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

### **1.7.6 Issuing Tender Documentation**

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

This is essential as 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.

**1.7.7 Tender Deadline**

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

**1.7.8 Opening of Tenders**

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and preferably at least one other Shire Officer. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as *commercial-in-confidence* to the Shire. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two Shire Officers present at the opening of tenders.

**1.7.9 No Tenders Received**

Where the Shire has invited tenders, however no compliant submissions were received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the process follows the guidelines for seeking quotations between \$40,000 & \$99,999 (listed above);
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

**1.7.10 Tender Evaluation**

Tenders that have not been rejected shall be assessed by the Shire by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

**1.7.11 Addendum to Tender**

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire may vary the initial information by taking reasonable steps to

give each person who has sought copies of the tender documents notice of the variation.

#### **1.7.12 Minor Variation**

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire and tenderer have entered into a Contract, a minor variation may be made by the Shire.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

#### **1.7.13 Notification of Outcome**

Each tenderer shall be notified of the outcome of the tender following Council resolution. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

#### **1.7.14 Records Management**

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;
- Notification and award documentation.

For a direct purchasing process this includes:

- Quotation documentation;
- Internal documentation;
- Order forms and requisitions.

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

### **Process Cntd – Ethics & Integrity**

All officers and employees of the Shire of Boyup Brook 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 the 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 undertaken on a competitive basis in which all potential 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; and
- any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

### **Process Cntd – Value for Money**

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire. It is important to note that 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.

An assessment of the best value for money outcome for any purchasing should consider:

- all relevant whole-of-life costs and benefits whole of life cycle costs (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.
- The Shire of Boyup Brook Local Purchasing Preference (below), and Sale of Goods and Services Policy (Copy attached as Addendum 1).

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

### **Process Cntd – Sustainable Procurement**

Sustainable Procurement is defined as the procurement of goods and services that have fewer adverse environmental, occupational and social impacts than competing products and services.

The Shire is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders so as to focus toward goods, services and/or processes that minimise environmental and adverse occupational (as per the Shire of Boyup Brook OSH Manual's *Purchasing and Hire Guidance Note*) and social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire's sustainability objectives.

Practically, sustainable procurement means the Shire shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – the most suitable vehicle for the proposed use having regards for fuel efficiency, vehicle type and within the designated price range;
- For new buildings and refurbishments – where available use renewable energy and technologies and their suitability on each occasion.

### **Head of Power**

*Local Government Act 1995*, Sections 2.7(2)(a) & (b) and 3.57(1).

### **Review Plan**

This policy is to be reviewed every four years, review by date April 2019.

<b>POLICY NO.</b>	F.03
<b>POLICY SUBJECT</b>	<b>Purchasing Policy</b>
<b>ADOPTION DATE</b>	15 March 2007
<b>VARIATION DATE</b>	27 August 2015, 16 June 2016
<b>REVIEW DATE</b>	18 June 2020

**Preamble**

The responsibility for good governance including proper control and operation of a local government's affairs, the allocation of resources and determination of policies rests with Council. Proper policies and procedures provide for the smooth running of the organisation, whilst providing for the stewardship function of the public moneys under the control of the local government (Western Australian Local Government Accounting Manual).

The *Local Government Act 1995* (the Act) identifies the role of Council to include:

**2.8 Role of council**

- (2) *Without limiting subsection (1), the council is to –*
  - (c) *oversee the allocation of the local government's finances and resources; and*
  - (d) *determine the local government's policies.*

With Council's role focused on the broader governance and financial responsibilities, the Chief Executive Officer (CEO) has substantial operational responsibility to ensure the financial matters are handled effectively and efficiently (Western Australian Local Government Accounting Manual).

The Act identifies the duties of the CEO to include:

**6.5 Accounts and records**

*The CEO has a duty –*

- (a) *to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government;*

Further, the *Local Government (Financial Management) Regulations 1996* (the Regulations) require the local government to develop procedures for the authorization of, and payment of accounts;

**11. Payment of accounts**

- (1) *A local government is to develop procedures for the authorization of, and the payment of, accounts to ensure that there is effective security for, and properly authorized use of –*
  - (a) *cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained; and*
  - (b) *petty cash systems.*
- (2) *A local government is to develop procedures for the approval of accounts to ensure that before payment of an account a determination is made that the relevant debt was incurred by a person who was properly authorized to do so.*

## **Objective**

To object of the *Authority to Make Payments* Policy is to minimise risk and ensure that payments made by the local government accord with the Act and the Regulations.

## **Statement**

The CEO will make certain that appropriate systems and procedures are in place to ensure:

- that approved accounts for payment were incurred by properly authorised persons;
- goods or services to which each account relates were provided to a satisfactory standard and/or condition;
- that the payment of the local government's accounts occurs in a secure and properly authorised manner; and
- payments are made in a manner which allows identification of the person(s) who made the payment.

Payments made by cheque must be signed by two properly authorised signatories. In instances where one of the signatories is not the Chief Executive Officer (or Acting CEO) or Shire President (or Deputy Shire President), payments will not exceed \$150,000.00 (including GST).

Payments made by electronic funds transfer (EFT) or BPay must be processed by any two properly authorised Commbiz (the shire's Commonwealth Bank of Australia electronic banking software) password holders. In instances where one of the password holders is not the CEO (or Acting CEO) or Shire President (or Deputy Shire President), payments will not exceed \$200,000.00 (including GST).

Payments made by credit card must be authorised by the designated officer and usage will accord with the shire's *Use of Corporate Credit Cards* Policy.

## **Review Plan**

This policy is to be reviewed every four years, review by date being June 2020.

<b>POLICY NO.</b>	F.04
<b>POLICY SUBJECT</b>	<b>Authority to Make Payments</b>
<b>ADOPTION DATE</b>	16 October 2008, 16 April 2015
<b>VARIATION DATE</b>	27 August 2015, 16 June 2016
<b>REVIEW DATES</b>	16 October 2015, 20 April 2015, 16 June 2016, 18 June 2020

**Preamble**

The *Local Government Act 1995* (the Act) prescribes that the role of Council includes:

**2.9 Role of council**

- (2) *Without limiting subsection (1), the council is to –*
- (e) *oversee the allocation of the local government’s finances and resources; and*
  - (f) *determine the local government’s policies.*

The Act also prescribes that the CEO has a duty to keep records:

**6.6 Accounts and records**

*The CEO has a duty –*

- (b) *to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government;*

Further, the *Local Government (Financial Management) Regulations 1996* (the Regulations) require Council to develop procedures for authorization and payment of accounts;

**12. Payment of accounts**

- (1) *A local government is to develop procedures for the authorization of, and the payment of, accounts to ensure that there is effective security for, and properly authorized use of –*
- (a) *cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained; and*

Corporate credit cards are being used more extensively in local government, and when used correctly can streamline the time spent on paper based ordering and payments.

Further, credit cards provide a useful resource in emergency situations, and when it is not possible to raise a purchase order (i.e. when it is impractical to for a goods/ service provider to create the shire as a creditor), and at the same time provides an effective audit trail of expenses.

**Objective**

To ensure proper controls are in place for the issue to, and use of Corporate Credit Cards issued by Senior and Executive Staff on behalf of the Shire.

**Policy**

An agreement will be signed by the cardholder and the Shire (in the case of the Chief Executive Officer being the cardholder, the Shire President will sign the agreement on behalf

of the Shire and in the case of other staff the Chief Executive Officer will sign on behalf of the Shire) which sets out the cardholder's responsibilities and legal obligations when using the credit card, including:

- The corporate credit card shall only be used for purchasing goods and services on behalf of the Shire. The card is not to be used for personal or non-business use.
- What the cardholder shall do in the event their employment terminates, or they moved to a position which does not require the use of a credit card.
- What the cardholder shall do if they lose or misplace their credit card.
- Credit cards are not transferable to other users, and all surrendered credit or expired cards are to be returned to the Director of Corporate Services for cancellation and destruction, which will be recorded in the register.
- What action is to be taken in the event that a cardholder fails to comply with this policy.

A register will be established to list all cardholders, which will include the card number, expiry date of the card, credit limit and details of the goods and services the cardholder has authority to purchase.

**Head of Power**

*Local Government Act 1995, Section 2.7(2)(a) & (b) and Section 6.5(a). Local Government (Financial Management) Regulations 1996 11(1)(a).*

**Review Plan**

This policy is to be reviewed every four years, review by date 16 April 2019.

**Note:** *The Local Government Act 1995, does not make provision for the issuing of credit cards to Elected Members as a local government can only pay allowances or reimburse expenses.*

<b>POLICY NO.</b>	F.05
<b>POLICY SUBJECT</b>	<b>Use of Credit Cards</b>
<b>ADOPTION DATE</b>	16 April 2015
<b>VARIATION DATE</b>	20 June 2019
<b>REVIEW DATE</b>	27 August 2015, 20 June 2019, 18 June 2020

# Policy F.06

## Sundry Debt (Other than Rates) Management

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### **Preamble**

The responsibility for good governance including proper control and operation of a local government's affairs, the allocation of resources and determination of policies rests with Council. Proper policies and procedures provide for the smooth running of the organisation, whilst providing for the stewardship function of the public moneys under the control of the local government (Western Australian Local Government Accounting Manual).

The *Local Government Act 1995* (the Act) identifies the role of Council to include:

#### **2.10 Role of council**

(2) ... the council is to –

- (g) oversee the allocation of the local government's finances and resources; and
- (h) determine the local government's policies.

With Council's role focused on the broader governance and financial responsibilities, the Chief Executive Officer has substantial operational responsibility to ensure the financial matters are handled effectively and efficiently (Western Australian Local Government Accounting Manual).

Further, the Act identifies the duties of the Chief Executive Officer to include:

#### **6.7 Accounts and records**

*The CEO has a duty –*

- (c) to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government;

Whilst carrying out its responsibility to ensure monies owed to it are recovered in a timely, effective and efficient manner, the local government will:

- treat all people fairly and consistently under this policy;
- treat all matters under this policy confidentially; and
- treat people with respect and sensitivity in considering their circumstances.

### **Objective**

The object of the Sundry Debt (other than Rates) Management Policy is to minimize risk, provide a framework for the efficient and effective collection of outstanding sundry debts, and fulfill statutory requirements in relation to the recovery of fees, charges, and other debts (e.g. fines and grants).

## **Statement**

Sundry Debtor credit accounts will not be routinely established for the following services:

- Private Works;
- Facilities Hire or Entry Fees; and
- Cemetery Fees.

So while credit can be approved for the provision of such services, the administration will routinely seek payment in advance and/or upon their delivery.

Prior to extending credit, prospective Sundry Debtors must complete a Credit Application Form. Thereafter, the administration is responsible for the design and implementation of systems and procedures for:

- extending or denying credit to prospective Sundry Debtors;
- setting standardised payment terms for Debtors generally;
- the debt collection process; and
- stop credit actions where applicable.

Where the recovery of debt is unlikely, a provision for doubtful debts must be made in accordance with Australian Accounting Standards, and a bad debts register will be maintained and reviewed on a regular basis.

Proposed write-off of bad sundry debts greater than \$500.00 (excluding GST), must be reported to Council on a quarterly basis and will include:

- name of Debtor;
- amount to be written off;
- description of invoice; and
- reason for write-off.

For a debt to be written off either by Council or the administration, one of the following conditions must be satisfied:

- the Debtor cannot be located;
- uneconomical to pursue the debt;
- the hardship circumstances of the debtor do not warrant the taking or continuation of recovery action; or
- legal proceedings through the courts have proved, or on legal advice would prove, unsuccessful.

Where a debt is recommended to Council for write-off as a result of hardship circumstances, the name of the Debtor will be reported to Council in confidence.

## **Review Plan**

This policy is to be reviewed every four years, review by date June 2020.

<b>POLICY NO.</b>	F.06
<b>POLICY SUBJECT</b>	<b>Sundry Debt (Other than Rates) Management</b>
<b>ADOPTION DATE</b>	16 June 2016
<b>REVIEW DATE</b>	18 June 2020

## **Preamble**

The responsibility for good governance and the allocation of resources and determination of policies rests with Council. Proper policies and procedures provide for the smooth running of the organisation, whilst providing for the stewardship function of resources under the control of the local government.

The *Local Government Act 1995* (the Act) identifies the role of Council to include:

### **2.11 Role of council**

(2) ... the council is to –

- (i) oversee the allocation of the local government's ... resources; and
- (j) determine the local government's policies.

With Council's role focused on the broader governance responsibilities, the Chief Executive Officer has substantial operational responsibility to ensure employee relations matters are handled effectively and efficiently.

Asset management includes the taking of a systematic approach to managing assets through all lifecycle phases, and involves applying a combination of engineering, financial and other technical practices to the management of: an (infrastructure/ built) asset; costs; opportunities; risks; and performance.

## **Guiding Principles to Asset Management**

### **1. Accountability and Direction**

The management of assets shall:

- align with Council's vision and policy, strategy and plans for the provision of asset based services to the community;
- ensure an enterprise first, multi-disciplinary and consistent approach is taken to asset management in accordance with Council's Asset Management Framework;
- ensure that accountability for the management of Council owned or controlled assets is unambiguous, accepted and met; and
- ensure that asset management industry standards are used where appropriate and adapted if necessary to maintain organisation wide consistency.

### **2. Information Management**

The management of assets information shall ensure:

- asset information is managed in accordance with Council's information management and asset management standards and policies;
- assets under the control of Council are identified and recorded in a register with the level of detail and accuracy being based on: statutory requirements; risk management requirements; and then cost/benefit; and
- statutory requirements for external reporting are met (as a minimum).

### **3. Lifecycle Management**

Assets are managed:

- from a whole-of-life perspective (i.e. from planning and design to disposal);

- to achieve the lowest possible whole-of-life cost whilst controlling exposure to risk and loss of service;
- in support of the development of sustainable communities and are capable of adapting to changing environmental and social conditions; and
- such that statutory requirements for asset management planning are met (as a minimum).

#### 4. Service Level Management

Assets are managed such that:

- a planned approach is taken to the impacts of growth and demographic change through demand management and asset investment using an agreed growth and demographic (model) approach;
- current and desired levels of service are defined for asset based services that consider: community expectations; legislative and technical requirements; the cost of service and economic, environmental and social sustainability;
- Council commits to funding, within its means, infrastructure renewal requirements stated in asset management plans, so as to ensure the sustainability of the shire's infrastructure base; and
- investment decisions for new/upgraded infrastructure consider whole-of-life costs, including specifying additional annual operations and maintenance costs as part of the defined approval process.

#### Objective

The purpose of this policy is to provide a strategic focus to optimising the management of Council assets so as to: inform the local government of how capable it is to deliver the services and assets required by the community; and enhance productivity. Policy objectives include:

- specifies Council's overarching intentions and guiding principles for asset management;
- informs Council's strategic asset management planning and enables the development and implementation of long term Asset Management Plans; and
- includes commitments to funding infrastructure renewal requirements, legislative compliance and to the continual improvement of Council's asset management performance.

#### Statement

Council acknowledges that assets (particularly infrastructure assets) support its core business of delivering services to the Boyup Brook community. Council is committed to ensuring that infrastructure and services are provided in a sustainable manner, with appropriate levels of service to residents and visitors and taking due regard of the environment.

It is the intention of Council that the management of its assets will encompass the economic, environmental and social sustainability of both the built and natural environment whilst ensuring the most appropriate and cost effective methods of delivery of Council services for the benefit of the community. It follows therefore, that Council is committed to adopting sound asset management practices and processes so as to contribute to the achievement of the Council's vision.

Given that substantial and on-going expenditure will be required to maintain existing infrastructure, as required Council will engage high-level asset management skills and practices to ensure that its asset-intensive services (i.e. road and associated infrastructure) are delivered economically and sustainably.

Council:

- Will set the overarching policy(s) and strategy (s) directing the local government in terms of asset management.
- Oversee compliance with legislative requirements as they relate to asset management.
- Commits to funding, within its means, infrastructure renewal requirements stated in long term asset management plans.
- Formation of community feedback mechanisms such as the Building Structures Asset Management Plan and Roads Bridges Assets Management Plan.

Chief Executive Officer

- Ensures that asset management policy(s) and procedures are communicated, embedded and adhered to throughout the organisation.
- Ensures that whole of life asset management outcomes are included in business planning.
- Ensures that timely review of Council's long term asset management plans.
- Sets measurable asset management and service level accountabilities for Directors and evaluates progress at regular executive meetings.

Review Plan

This policy is to be reviewed every two years, review by date October 2020.

<b>POLICY NO.</b>	F.08
<b>POLICY SUBJECT</b>	<b>Asset Management Policy</b>
<b>ADOPTION DATE</b>	20 October 2016
<b>VARIATION DATE</b>	15 November 2018
<b>REVIEW DATE</b>	18 June 2020

### **Preamble**

The Shire of Boyup Brook is an energetic local government in the south west of Western Australia providing infrastructure and services to its community under the auspices of the *Local Government Act 1995*. The Shire delivers diverse business activities including infrastructure, planning and building, health, bushfire control, and programming and community services with a range of issues requiring oversight, management and response. These issues cover compliance, operational, strategic and governance risks.

### **Objective**

To document the Shire of Boyup Brook's commitment to the identification and management of risks that may impact on the achievement of its business objectives.

### **Statement**

Risk management is a critical contributor to the manner in which the Shire conducts its business and makes decisions. Reports to Council and Committees or Working Groups will include the risk impacts of decisions and Administration's view of the significance of these.

A Council approved, robust and consistently applied risk management methodology will be used to identify, prioritise and respond to risk management issues and Council will review the risk profile of the Shire every two years. The Council determines the risk responsiveness appropriate to the achievement of the City's objectives (as detailed in **Appendix 1**) and will review this every two years in line with a review of the risk profile.

### **Process**

The Shire's Enterprise Risk Management team (comprising the CEO, Director Works and Services and Director Corporate Services) will manage and monitor the implementation of the Risk Management Policy and associated Risk Management Framework. The Administration will progress the work required to ensure that risk management processes are appropriately embedded into operational activities to enable appropriate risk reporting to the Audit and Finance Committee.

### **Roles and Responsibilities**

#### **Council**

The Council determines the risk responsiveness appropriate to the achievement of the Shire's objectives and will review this every two years in line with a review of the risk profile. The Council approves the risk management methodology which will be used by Administration to identify, prioritise and respond to risk management issues.

#### **Audit Committee**

The Audit and Finance Committee will oversee and make recommendations to Council on the Shire's responses to risk issues, and emerging risks. The Committee will also consider if the risk management methodology is sufficiently robust, applicable and still relevant to Council.

## **Executive Management Team (EMT)**

The Executive Management Team will review and reports on the Shire's responses to managing risks.

## **All Employees / Contractors / Consultants**

Every employee within the Shire is recognised as having a role in risk management. This involves vigilance in the identification and ongoing management of risks and participating in the risk management process.

(The detail of all roles and responsibilities is to be captured in the Shire's Risk Management Framework)

## **Review Plan**

The Risk Policy and relevant components of the Risk Management Framework will be reviewed every two years in accordance with the requirements of this Policy. Regular performance reporting on the effectiveness of the Shire's systems and controls in relation to management of risks will be presented to the Audit and Finance Committee.

## **References**

### **Local Government (Audit) Regulations Amendment**

Amendments to the *Local Government (Audit) Regulations 1996* came into effect on 9 February 2013. Specifically, clause 17 which states:

*"17. CEO to review certain systems and procedures*

*(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –*

*(a) risk management; and*

*(b) internal control; and*

*(c) legislative compliance*

*(2) The review may relate to any or all of the matters referred to in sub-regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*

*(3) The CEO is to report to the audit committee the results of that review."*

In addition to the requirement for the CEO to prepare a report as outlined in clause 17, the Regulation also stipulates an additional responsibility for the Audit Committee as detailed in clause 16(c) which states:

*"(c) is to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to –*

*(i) report to the council the results of that review; and*

*(ii) give a copy of the CEO's report to the council."*

## **APPENDIX 1**

### **RISK RESPONSIVENESS STATEMENT**

Local government is expected to take a conservative approach to risk management and the Shire of Boyup Brook prudently manages its business while exploring opportunities that create value for the community.

The following statements articulate the Shire's responsiveness for risk:

### **Totally unacceptable risks**

The Shire will not undertake any strategy, activity, service or project which may involve or result in:

- Insolvency;
- Deliberate violation of Australian law and regulations;
- Serious injury to employees, volunteers, contractors and visitors;
- Serious injury in the public realm arising from the Shire's negligence.

### **Financial**

- Current Ratio: not less than 0.600:1
- Cash Balance: sufficient cash to fund 2 months operation;
- Reserves: total balance not less than 10% of progressive balance in the Shire's Long-Term Financial Plan;
- Asset Renewal: an asset renewal 'backlog' of no greater than \$500k measured over a three year average.

### **Strategic**

The City will encourage opportunities to attract investment and infrastructure development that supports significant population growth, consistent with the Shire's Strategic Community Plan.

### **Operational risks (service delivery)**

- Customer satisfaction levels will not fall below 75%;
- Staff retention levels will not fall below 85%;
- Service delivery will be conducted consistent with the Corporate Business Plan.
- Service delivery interruptions cannot exceed one week where these are within the control of the Shire.

<b>POLICY NO</b>	<b>F.09</b>
<b>POLICY SUBJECT</b>	<b>Risk Management</b>
<b>ADOPTION DATE</b>	<b>27 AUGUST 2015</b>
<b>REVIEW DATE</b>	<b>18 June 2020</b>

# Policy F.10

## Related Party Disclosure

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### Introduction

Under the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, all local governments in Western Australia will produce annual financial statements that comply with Australian Accounting Standards.

The Australian Accounting Standards Board has determined that from 1 July 2016, AASB 124 (Related Party Disclosures) will apply to government entities, including local governments. So the Shire is now required to disclose Related Party Relationships and Key Management Personnel compensation in its Annual Financial Statements.

Policy F.10 defines the parameters for Related Party Relationships and the level of disclosure and reporting required for Council to achieve compliance with the Australian Accounting Standard AASB 124 – Related Party Disclosures.

This Policy addresses the four (4) different types of related party that are to be considered by Council:

1. Entities related to Council;
2. Key Management Personnel;
3. Close family members of Key Management Personnel; and
4. Entities that are controlled or jointly controlled by either 2 or 3 above.

### Definitions

The following definitions apply to this policy:

<b>AASB 124</b>	Australian Accounting Standards Board, Related Party Disclosures Standard 124.
<b>Close family members of Key Management Personnel (KMP)</b>	Those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the Shire of Boyup Brook and include: <ul style="list-style-type: none"><li>- the KMP's children, and spouse or (domestic) partner;</li><li>- children of that KMP's spouse or (domestic) partner; and</li><li>- dependants of the KMP or the KMP's spouse or (domestic) partner.</li></ul>
<b>Entity</b>	Can include a body corporate, a partnership or a trust, incorporated, or unincorporated group or body. <i>Entity Related to a KMP</i> - Related Entities to Key Management Personnel are entities that are: <ul style="list-style-type: none"><li>- *controlled or jointly controlled by a KMP;</li><li>- apart from Council, where a KMP has significant influence over, or is a member of the key management personnel of the entity or parent of the entity; or</li><li>- controlled or jointly controlled by a close family member of a KMP of Council.</li></ul>

\*A person or entity is deemed to have *control* if they have:

- power over the entity;
- exposure, or rights, to variable returns from involvement with the entity; or
- the ability to use power over the entity to affect the amount of returns.

To jointly control, a person or entity would have contractual rights or agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

***Entity Related to Council***

This includes any entity that is either controlled, jointly controlled or over which Council has a significant influence. A person or entity is a Related Party of Council if any of the following apply:

they are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);  
they are an associate or belong to a joint venture of which Council is part of;

- they and Council are joint ventures of the same third party;
- they are part of a joint venture of a third party and Council is an associate of the third party;
- they are a post-employment benefit plan for the benefit of employees of either Council or an entity related to Council;
- they are controlled or jointly controlled by close family members of the family of a KMP;
- they are identified as a close or possibly close member of the family of a person with significant influence over Council or a close or possibly close member of the family of a person who is a KMP of Council; or
- they, or any member of a group of which they are a part, provide KMP services to Council.

***Key Management Personnel (KMP)***

AASB 124 defines KMP as “*those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity*”.

- Key Management Personnel for the Shire of Boyup Brook are:
  - o elected Council Members (including the President); and
  - o persons employed under s5.36 of the *Local Government Act 1995* in the capacity of Chief Executive Officer, Senior Employee or Director.

***Material (materiality)***

Means the assessment of whether a transaction, either individually or in aggregate with other transactions, by omitting it or misstating it could influence decisions that users make on the basis of an entity's financial statements. For the purpose of this Policy, it is not considered appropriate to set either a dollar value or a percentage value to determine materiality.

<b>Ordinary Citizen Transaction</b>	A transaction that an ordinary member of the community would undertake in the ordinary course of business with the Shire of Boyup Brook.
<b>Related Party</b>	A person or entity that is related to the entity preparing its financial statements.
<b>Related Party Transaction</b>	A transfer of resources, services or obligations between the Shire of Boyup Brook and a related party, regardless of whether a price is charged.
<b>Significant (significance)</b>	Likely to influence the decisions that users of the Council's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the Council and related party outside a public service provider/ taxpayer relationship.

## **Objective**

The objective of this Policy is to provide guidance on:

- the identification of Council's related parties;
- management of related party transactions;
- recording such transactions; and
- disclosure of the transactions in the Shire of Boyup Brook annual financial statements in accordance with AASB 124.

## **Policy Statements**

### **1. Key Management Personnel (KMP)**

All Key Management Personnel (KMP) are responsible for assessing and disclosing their own, their close family members' and their related entities' relationship with Council. All related parties will be included in the self-assessment. A disclosure form is provided as an Attachment to this Policy.

### **2. Related Party Transactions**

#### **2.1 Ordinary Citizen Transaction**

For the purpose of this Policy, an Ordinary Citizen Transaction is one that occurs between Council and KMP and/or related parties which satisfy the following criteria. The transaction would:

- occur during the normal course of Council delivering its public service goals;
- be under the same terms that would be available to a member of the community; and
- belong to a class of transaction that an ordinary member of the community would normally transact with Council.

This includes for example facility hire, and the payment of rates and dog registrations.

There is no obligation to disclose Ordinary Citizen Transactions.

Transactions between Council and Related Parties that would normally be considered Ordinary Citizen Transactions but where the terms and conditions differ from normal practice however, will be disclosed.

## 2.2 Non-ordinary Citizen Transactions

All related party transactions that do not satisfy the definition of an Ordinary Citizen Transaction (as per 2.1) will be disclosed in accordance with AASB 124.

The following are examples of transactions that will be disclosed if they are with a related party and are not an Ordinary Citizen Transaction:

- purchases of sales or goods (finished or unfinished);
- purchases or sales of property or other assets;
- rendering or receiving services;
- leases;
- transfers of research and development;
- transfers under licence agreements;
- transfers under finance arrangements (including loans and equity contributions in cash or kind);
- provisions of guarantees or collateral;
- commitments to do something if a particular event occurs or does not occur in the future, including execution of contracts (recognised or unrecognised); and
- settlement of liabilities on behalf of Council or by Council on behalf of the related party.

## **3. Disclosure of Information**

### 3.1 Council disclosure

AASB 124 provides that Council will disclose the following financial information in its financial statements for each financial year period:

- the nature of any related party relationships;
- the amount of the transactions;
- the amount of outstanding balances, including commitments, including:
  - (i) their terms and conditions, whether they are secured, and the nature of the consideration to be provided in settlement; and
  - (ii) details of any guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The following matters will be considered in determining the materiality and significance of any related party transactions:

- significance of transaction in terms of size;
- whether the transaction was carried out on non-market terms;
- whether the transaction is outside normal day-to-day business operations, such as the purchase and sale of assets;
- whether the transaction is disclosed to regulatory or supervisory authorities;
- whether the transaction has been reported to senior management; and

- whether the transaction was subject to Council approval.

Regard will also be given for transactions that are collectively, but not individually significant.

All transactions involving related parties will be captured and reviewed to determine materiality or otherwise of such transactions, if the transactions are Ordinary Citizen Transactions (OCTs), and to determine the significance of each of the transactions.

### 3.2 Key Management Personnel disclosure

In accordance with this Policy, KMP will provide a Related Party Disclosure in the form set out in the Attachment twice yearly, no later than the following dates each financial year:

- 30 December each year; and
- 30 June each year.

## **4. Review of Related Parties**

A review of KMP's and their related parties will be completed every 12 months. Particular events, such as a change of Councillors, Chief Executive Officer, Senior Employee(s) or Director(s) or a corporate restructure will also trigger a review of Council's related parties immediately following such an event.

The Chief Executive Officer shall implement a suitable system to identify related parties. The primary identification method of close family members and associated entities of Key Management Personnel shall be by (but not limited to) KMP self-assessment. KMP have a responsibility to identify and report any changes to their related parties as they occur.

The Chief Executive Officer shall identify suitable methodology and procedures for identifying and reporting on related party transactions such that accurate data will be collated from 01 July 2017. Identification and reporting methods shall consider:

- transactions occurring via Council's accounting and electronic records management systems;
- other transactions not passing through Council's electronic accounting / management systems;
- the identification of the associated terms and conditions of the related party transactions;
- declarations in the Financial Interests Register; and
- information provided in Primary and Annual Returns.

If any elected member or employee believes a transaction may constitute a related party transaction they will notify the Chief Executive Officer who shall, in consultation with the Director Corporate Services, make a determination on the matter.

## **5. Privacy & Confidentiality**

### 5.1 Access to information

The following persons are permitted to access, use and disclose the information provided in a related party disclosure or contained in a register of related party transactions for the purposes of 5.2.

- the Chief Executive Officer;
- Executive Assistant;
- Director Corporate Services;
- Manager Finance;
- an Auditor of Council (including an Auditor from the WA Auditor General's Office); and
- other officers as determined by the Chief Executive Officer.

### 5.2 Permitted purposes

Persons specified in 5.1 may access, use and disclose information in a related party disclosure or contained in a register of related party transactions for the following purposes:

- assess and verify the disclosed related party transaction;
- reconcile identified related party transactions against those disclosed in the related party disclosure or contained in a register of related party transactions;
- comply with the disclosure requirements of AASB 124; or
- verify compliance with the disclosure requirements of AASB 124.

### 5.3 Confidentiality

The following information is classified as confidential and is not available for inspection by or disclosure to the public:

- information (including personal information) provided by a KMP in a related party disclosure; and
- personal information contained in a register of related party transactions.

### **Policy Application**

This policy applies to Key Management Personnel and Related Parties of the Shire of Boyup Brook.

<b>POLICY NO:</b>	F.10
<b>POLICY SUBJECT:</b>	<b>Related Party Disclosures</b>
<b>ADOPTION DATE:</b>	20 July 2017
<b>REVIEW DATE:</b>	June 2018, 18 June 2020

### **Preamble**

The responsibility for good governance including proper control and operation of a local government's affairs, the allocation of resources and determination of policies rests with Council. Proper policies and procedures provide for this smooth running of the organisation, whilst providing for the stewardship function of the public moneys under the control of the local government (Western Australian Local Government Accounting Manual).

The *Local Government Act 1995* (The Act) identifies the role of Council to include:

2.7 Role of council

(2) the council is to-

- (a) oversee the allocation of the local government's finances and resources;
- (b) determine the local government's policies.

With Council's role focused on the broader governance and financial responsibilities, the Chief Executive Officer has substantial operational responsibility to ensure the financial matters are handled effectively and efficiently (Western Australian Local Government Accounting Manual).

### **Objective**

The object of this Rates Strategy Policy is to guide both the shire's Corporate Business Plan and Long Term Financial Plan as they relate to the levying of rates in the district.

### **Statement**

#### **Rating Principles**

The principles to be observed when implementing Councils rating policy are:

- Objectiveness
- Fairness and equity
- Consistency
- Transparency
- Administrative efficiency

The key premise upon which the Rating Strategy Policy is structured is that rates will be based on the predominant "use" of a property.

#### **Rating based on the "use" of a property**

Rates will be based on the "use" of a property.

Where the predominant use is rural or mining, the basis of rating will be Unimproved Value (UV). UV Urban and Special Rural properties are also captured in this property category.

Sub-classes within this rate category might be UV - Rural, UV - Mining, UV - Special Rural, or UV - Other.

Where the predominant use is neither rural nor mining, the basis of rating will be Gross Rental Value (GRV). Residential, Commercial, industrial, and Special Rural properties are captured in this property category.

### **Differential Rating**

Differential rating is supported, e.g. As guided by the Western Australian Local Government Grants Commission's (The Grants Commission) Balanced Budgets, and will be applied in the Shire of Boyup Brook where the project benefit, e.g. increase in rate revenue, or a more equitable distribution of the rate burden, is likely to exceed the cost of undertaking the differential rating.

### **Spot or split rating**

Spot rating, of a portion or portions within rateable parcels of land, will not normally be applied.

For rate assessments that are for one lot or location only, the predominant use of that property must be determined. For rate assessments that are for more than one lot or location the predominant use of the whole property must be considered.

Where the predominant use cannot be clearly identified or where two or more significant activities occur, Council may apply split rating (in circumstances where the projected increase in rates revenue is likely to exceed the cost of undertaking that split).

The predominant use of land is to be determined by:

- If one of the activities is more noticeable or imposing than the other activities occurring on the land.
- The nature, scale, frequency and duration of the activities on the land.
- Locality in which the land is situated.
- The size of the property.
- The zoning of the land.
- Promotion of the activity being conducted on the land.

Where land is zoned as Special Rural, that land is prima facie presumed to be used for non-rural purposes, and if rated on its UV, it may subsequently be rated on its GRV as the underlying characteristics of the land is for residential purposes.

### **The Rates Revenue Pool of Moneys Levied**

When levying rates the shire will have regard for the percentage split of revenue contributed to the total rates pool by each of the rates categories (rural, mining and other i.e. GRV) as assessed by the Grants Commission.

In determining its *Rates Standards* (for each of the rates categories), the Grants Commission uses data from the Information Return provided by local governments. The Commission uses a three year average to provide a more stable result. Landgate provides the Commission with information on the number of assessments, valuations and area for each local government. The Commission also averages this data over a three year period.

The Grants Commission uses a regression analysis to determine the best mathematical fit, however it adjusts this formula to accommodate the unique circumstances of WA Local Governments.

For the 2016/17 grants determinations, the Grants Commission used the following formula:  
\$272.90 per assessment + \$0.00154 x valuations + \$2.84 per ha =rural contributions.  
\$1260/61 x assessments +\$0.2653 x area + \$0.0636 x valuations = mining contributions.  
\$824.11 per assessment +\$0.0316 in the dollar = GRV contributions.

### **Rates Concessions**

In the instance where: a rateable unit of land straddles the Boyup Brook district and an adjoining district; and the land is rated by both the Shire of Boyup Brook and the adjoining district, that land shall receive a 50% concession on its rates regardless of whether the adjoining district affords the land a concession or not.

### **Review Plan**

This policy is to be reviewed every year, review by date June 2020..

### **Dates Reviewed**

21 June 2018  
20 June 2019

<b>POLICY NO</b>	F.11
<b>POLICY SUBJECT</b>	<b>Rating Strategy</b>
<b>ADOPTION DATE</b>	15 June 2017
<b>VARIATION DATE</b>	20 June 2019
<b>REVIEW DATE</b>	21 June 2018, 20 June 2019, 18 June 2020

**Guidelines for Community and Commercial Lease Negotiations Policy**

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**Policy Objective**

This policy establishes protocols for the CEO to negotiate community and commercial leases. Through the implementation of this Policy, Council aims to maximise the benefit to the community whilst ensuring responsible management of community assets.

**Policy Scope**

This policy applies to all new leases and licences, including the renewal of leases and licences for community, sporting groups and commercial entities.

**Policy**

Leases are to include a range of standard clauses such as: Indemnity; Statutory Obligations and Notices; Breach; Governing Law; Disputes; Goods and Services Tax; and, and the Schedule.

The below table i.e. the framework, outlines the matters to be negotiated in a community or commercial lease, and identifies who will be responsible for each of the costs.

**CEO's Responsibility**

**The CEO is responsible for managing lease negotiations under this framework.** Other clauses that may be negotiated by the CEO include:

- Alterations and capital improvements - e.g. the Lessee is to obtain prior written consent from Council.
- Casual hire - Lessee is to obtain prior written consent from the CEO.
- Assignment, Subletting and Charging - Lessee is to obtain prior written consent from the CEO.
- The term of the lease or license.

**Council's Responsibility**

Should a prospective lessee wish to deviate from these standard requirements, they are to put a written request to Council for approval. Once a lease has been negotiated, the final draft lease will be presented to Council for approval.

**Standard Lease Charges:**

Item	Description	Who is responsible for payment - Community Lease		Who is responsible for payment - Commercial Lease	
		Shire	Lessee	Shire	Lessee
*Rates	local government services and other charges	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
*ESL	local government services and other	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Item	Description	Who is responsible for payment - Community Lease		Who is responsible for payment - Commercial Lease	
	charges				
*Bins (based on fees and charges)	local government services and other charges		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Electricity	Utility		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Gas	Utility - replacing gas bottle		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Septic Tank	Emptying of Septic Tank		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
*Water Rates	local government services and other charges	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Water Charges	Utility		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Telephone	Outgoings		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Building/Property Insurance	Insurance: Shire is to on charge.		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Public Liability Insurance	Insurance		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Contents Insurance	Insurance		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Termite	Public building safety inspection	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Electrical inspection RCD only	Public building safety inspection	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Fire equipment	Public building safety inspection	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Cost to prepare the lease	legal fees	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Legal action in regards to lessee breach, work done at lessee request in regards to lease.	legal fees		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

*\*These costs are as per the Fees and Charges in the Annual Budget.*

<b>POLICY NO.</b>	F.12
<b>POLICY SUBJECT</b>	<b>Guidelines for Community and Commercial Lease Negotiations Policy</b>
<b>ADOPTION DATE</b>	15 November 2018
<b>VARIATION DATE</b>	21 February 2019
<b>REVIEW DATE</b>	November 2019, 18 June 2020

# Policy F.13

## Regional Price Preference

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### **Preamble**

The responsibility for good governance including control and operation of a local government's affairs, the allocation of resources and determination of policies rests with Council. Proper policies and procedures provide for the smooth running of the organisation, whilst providing for the stewardship function of the public moneys under the control of the local government (Western Australian Local Government Accounts Manual).

The Local Government Act 1995 (the Act) identifies the role of Council to include:

#### *2.7 Role of Council*

- (2) *Without limiting subsection (1), the council is to-*
- (a) *oversee the allocation of the local government's financial and resources;*
  - (b) *determine the local government's policies.*
- and

With Councils's role focused on the broader governance and financial responsibilities, the Chief Executive Officer (CEO) has substantial operational responsibility to ensure that human resource and finance matters are handles effectively and efficiently.

### **Objective**

To promote local business partnerships within the Shire of Boyup Brook by recognising that the overheads of regional (local) suppliers (i.e. those suppliers operating a business continuously for 6 months or more out of premises located in the district of Boyup Brook) might be higher than some non-regional suppliers.

### **Definitions**

In the policy the following words have the following meanings:

<b>Construction</b>	Is the carrying out of any works that are construction, reconstruction, renovation or alternation to any structure where these is a design element that has been initiated by the Shire. This includes but is not limited to residential buildings, commercial buildings, shelters and civil construction.
<b>Goods</b>	Includes tangible and quantifiable material requirements, usually prefabricated and capable of being moved or transported.
<b>Local Supplier</b>	Is a business within the Shire which conforms to the definition of a 'regional tenderer/respondent' under this policy.
<b>Premises</b>	Means a physical location within the Shire's boundaries, which includes residential property that is registered with the Shire as a 'home occupation' or 'home business'.
<b>Price Preference</b>	Is defined as the willingness to pay a higher price for the procurement of goods or services that are supplied by a 'regional

tenderer/respondent' by assessment their tender/quotation deadline and submits a tender/quotation for the supply of goods or services.

**Regional Tenderer/Respondent** Is a supplier that has been operating a business continuously out of premises within the Shire for a period of no less than six (6) months prior to the tender/quotation deadline and submits a tender/quotation for the supply of goods or services

**Services** Means any task, consultancy, work or advice to be performed or provided to the Shire. This includes but is not limited to services such as consultancies, installations, maintenance works, repairs, cleaning, waste removal, external auditors etc.

### **Statement**

The Shire of Boyup Brook will encourage local suppliers to do business with Council through the provision of a regional price preference advantage in conjunction with standard tender/quotation considerations. This policy applies to all Shire tenders and quotations above \$5,000 (excluding GST).

A preference will be given to a regional tenderer/respondent by assessing their tender/quotation as if the price bids were reduced by:

- a) 10% (up to a maximum price reduction of \$50,000 (excluding GST) for goods or services;
- b) 5% (up to a maximum price reduction of \$50,000 (excluding GST) for construction (building) services; or
- c) 10% (up to a maximum price reduction of \$500,000 (excluding GST) for goods or services (including construction building services) if tenders/quotations are being sought for the first time for goods or services currently undertaken by Council.

### **Proof of Eligibility**

Regional tenderers/respondents that intend to claim a regional price preference under this policy will be required to submit suitable proof of eligibility with their tender/quotation. To be eligible to claim a price preference regional tenderers/respondents must intend to manage/deliver the majority of the contract outcomes from premises within the Shire.

If, in the opinion of the Shire, a supplier has deliberately provided false or misleading information so as to benefit from this policy, their tender/quotation may be considered non-conforming and as such may be excluded from evaluation.

### **Competitive Purchasing**

Whilst price is a competitive consideration in the provision of goods or services via tender/quotation, it is only one aspect of the evaluation process. Value for money principles, as described within Council's F.03 Purchasing Policy, will be employed by assessing the price component in conjunction with the selection criteria and requirements.

The tender/quotation that is determined to be both cost effective and advantageous to the Shire will be the most likely to be accepted.

## **Roles and Responsibility**

The CEO will implement procedures to ensure that employees with purchasing authority use a competitive market for their local tender/quotation requirements so as to encourage economic growth and local business partnerships where it is practical and reasonable to do so.

The CEO will ensure that the application of a regional price preference is clearly identified within tender/quotation documents to which the preference is to be applied and that this policy is made available to local suppliers.

## **Reference and Related Documents**

- F.03 Purchasing Policy
- Shire of Boyup Brook Code of Conduct
- Local Government (Functions and General) Regulations 1996

<b>POLICY NO.</b>	F.13
<b>POLICY SUBJECT</b>	<b>Regional Price Preference</b>
<b>ADOPTION DATE</b>	18 April 2019
<b>REVIEW DATE</b>	18 June 2020

### **Preamble**

The responsibility for good governance and the allocation of resources and determination of policies rests with Council. Proper policies and procedures provide for the smooth running of the organisation, whilst providing for the stewardship function of resources under the control of the local government.

The *Local Government Act 1995* (the Act) identifies the role of Council to include:

#### **2.12 Role of council**

- (2) ... the council is to –
- (k) oversee the allocation of the local government's ... resources; and
  - (l) determine the local government's policies.

With Council's role focused on the broader governance responsibilities, the Chief Executive Officer has substantial operational responsibility to ensure employee relations matters are handled effectively and efficiently.

### **Objective**

The Vetting Policy has been established to ensure that: all staff and volunteers of the Shire of Boyup Brook meet 'Proof of Identity' criteria; and that the shire's employees have the right to work in Australia.

Vetting Procedures minimum requirements are:

- Right To Work (in Australia)
- National Police Clearance
- 100 Point Proof of Identity
- Working with Children (where applicable)

### **Statement**

In order to assure that the Vetting policy is effectively implemented, the following roles and responsibilities apply:

#### **Council**

- Sets overall policy and a framework for the administration to work within.

#### **Chief Executive Officer**

- Ensures the Vetting policy, and any procedures that derive from it, are communicated, embedded and adhered to.
- Ensures that policy objectives and outcomes are communicated to shire Human Resource and Payroll staff.
- Sets measurable Vetting procedure accountabilities for senior staff, and evaluates progress at regular executive meetings.

## **Review Plan**

This policy is to be reviewed every four years, review by date September 2023.

<b>POLICY NO.</b>	F.14
<b>POLICY SUBJECT</b>	<b>Vetting Policy</b>
<b>ADOPTION DATE</b>	19 September 2019
<b>REVIEW DATE</b>	18 June 2020

## **Policy F.15**

### **Financial Hardship Policy**

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#### **Objective**

Council acknowledges that due to exceptional circumstances ratepayers may at times encounter difficulty in paying rates and service charges as they fall due.

It is not the intention of Council to cause hardship to any ratepayer through the Council's recovery procedures and consideration will be given to acceptable arrangements to clear any debt, where possible, prior to the end of the current financial year.

Council recognises there are cases of genuine extreme financial hardship where the interest on outstanding rates will cause the ratepayer further hardship. The guideline below outlines the scope and criteria for assessing applications of cases of extreme financial hardship and to write off interest of up to \$500 on outstanding rates.

#### **Statement**

On 21st May 2020, the Council delegated to the Chief Executive Officer (CEO) the power under s6.12(1)(c) of the *Local Government Act 1995* to write off interest on outstanding rates incurred in respect of the current financial year, subject to the conditions outlined below. Financial hardship relief policy is to continue each financial year until revoked by Council.

The Chief Executive may waive interest charges and/or write off interest on outstanding rates subject to the following conditions:

- a) In the opinion of the Director Corporate Services (DCS) or other delegated officer, the ratepayer is experiencing extreme and genuine financial hardship.
- b) The ratepayer's circumstances are supported by an original hardship letter from a financial counsellor.
- c) The ratepayer is not a corporation or trustee.
- d) The ratepayer is not bankrupt or subject to a bankruptcy petition.
- e) The maximum interest amount to be written off without reference to Council is \$500.
- f) The property is the principal place of residence.
- g) The applicant must be the owner or co-owner of the property and liable for payment of rates and charges.
- h) The applicant enters into a payment plan for the payment of rates and charges.

<b>POLICY NO.</b>	F.15
<b>POLICY SUBJECT</b>	<b>Financial Hardship Policy</b>
<b>ADOPTION DATE</b>	21 May 2020
<b>REVIEW DATE</b>	18 June 2020