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FINANCE

POLICY NO.	F.1
POLICY SUBJECT	Shire Community Grants, Service Agreements, Donations and Contributions
ADOPTION DATE	30 September 1999
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Annual Funding Allocations and Categories

Council will determine an annual funding allocation for the provision of community grants, service agreements and other donations and contributions within the following categories:

1. Service Agreements
2. Community Grants
3. Chief Executive Officer Donations
4. Chief Executive Hall Hire Donations
5. Rubbish & Recycling Collection Community Groups
6. Rubbish & Recycling Collection Shire Leased Facilities
7. Annual Contributions

Categories 1 and 2 are identified in the remainder of this policy as “Contestable Funding” because these are the contestable (application based) funding options available to the community.

The total annual funding allocation will be determined in the annual review of the Corporate Business Plan and the disbursement of that sum across the 7 categories will be determined in a separate process. This process will be application based for the Contestable Funding categories, with the assessment of submitted grant applications undertaken by a Working Group (comprising interested Councillors). The Working Group recommendations will be considered by Council via an agenda report. The Working Group will recommend:

- The successful applicants at category numbers 1 – 2 (and the value of each successful application).
- The recommended value of each category at numbers 3 – 7

Council may, at any time, choose to identify recipients of funding within each category 3 – 7 however the allocation of funding will be done annually in alignment with the contestable funding timeline (being categories 1 – 2).

If Council resolves, at other times during a financial year, to commit to ongoing (more than one-off) contributions towards projects, initiatives or services the amount of that contribution will be notated under Category 7 – Annual Contributions. This will be

reviewed annually at the same time as all other funding categories and will be funded via the total annual funding allocation identified in the Corporate Business Plan.

Contestable Funding Timeline

The contestable funding application period will commence on 1 December annually and close at 4.30pm on the last Friday in February annually. The Working Group will review the submitted applications no later than April annually with Council consideration of recommendations no later than May annually.

Contestable Funding Guidelines and Requirements

- A representative from the applicant entity must meet with a representative from the Shire of Bridgetown-Greenbushes Community Services Department prior to submitting an application.
- Funds may be used for construction, purchase of equipment, salaries, and contract services, operational expenses, marketing expenses, consumables, and administration expenses.
- Applicants must answer all questions in the grant application, and provide full details on all questions asked in the application form.
- Applications must reach the Shire no later than 4.30pm on the last Friday in February annually.
- Late applications will not be considered and will not be presented to the Working Group.
- Applicants must be local community (including sporting) groups, or commercial ventures that provide community benefit.
- An acquittal of the project must be provided to the Shire immediately after the project has been completed. Failure to provide an acquittal will eliminate consideration of future applications until such time as an acquittal is received.
- Grants will not be provided retrospectively (i.e. for a project that is completed or already underway).
- Funding will not be provided for recurring projects at the conclusion of either a community grant or a service agreement and will not be considered in the application assessment process.

Contestable Funding Conditions

- The Shire of Bridgetown-Greenbushes will determine terms of payment of grant funding.
- Successful applicants who receive funding of \$5,000 or more are required to present to Council (annually) on the outcome of the funded activity.
- Council may use the information provided by funded entity for its own promotional purposes.
- All funded entities will be required to enter into an agreement with the Shire of Bridgetown-Greenbushes which will detail specific conditions and terms relevant to that project.
- All funded entities must acknowledge the support of the Shire of Bridgetown-Greenbushes in all their promotional material.

- Funded entities must advise the Shire of Bridgetown-Greenbushes of any change to office bearers and their contact details.
- 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.
- Any change to a funded project cannot proceed without a formal resolution from Council – the applicant must submit a written grant variation request to the Shire of Bridgetown-Greenbushes clearly stating any proposed changes to the project and the reason why the changes are required. This will be considered by Council and a determination made.

Assessment of Applications for Contestable Funding

A Working Group comprising elected member (Councillor) representation will assess all of the eligible applications for contestable funding and will make recommendations to Council in accordance with the following assessment criteria:

1. The Working Group will assess each application received in the Contestable Funding process on its merit, and determine the value of the application in relation whole of community benefit.
2. Applications which demonstrate a cash contribution (not just an ‘in kind’ contribution) from the applicant 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 and Corporate Business Plan) will generally be assessed as having higher merit than applications that do not.
4. The Working Group will consider funding projects which do not have direct links to Council deliver strategic objectives and actions (as identified in the Strategic Community Plan and Corporate Business Plan) based on the applicants ability to explain why their project will benefit the community, or other rationale as to why their project should be funded.

POLICY NO.	F.2
POLICY SUBJECT	Depreciation of Assets
ADOPTION DATE	29 April 1999
LAST VARIATION DATE	29 November 2018 (C.04/1118)

1. Depreciation of Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation rates of non-current assets are:

- To be reviewed each reporting period;
- Recognised on a straight-line basis;

2. Capitalisation of Assets

Capital expenditure are amounts expended to acquire future service potential or economic benefits. Capital expenditure will be recognised where it can be clearly identified that the purchase represents a single acquisition (including landing, freight, commissioning, and design and other such costs) in excess of \$5,000 as required by the Local Government (*Financial Management*) Regulations 2996 *as amended*.

3. Valuation of Assets

Assets recognised, in accordance with relevant accounting standards and concepts, will be recorded initially at cost. Assets will be subsequently depreciated and revalued in accordance with Regulation 17A of the Local Government (Financial Management) Regulations 1996.

POLICY NO.	F.3
POLICY SUBJECT	Investment Policy
ADOPTION DATE	29 April 1999
LAST VARIATION DATE	29 November 2018 (C.04/1118)

1. Executive Overview

The purpose of this Policy is to ensure:

- Council conforms with its fiduciary responsibilities under Section 6.14 of the Local Government Act 1995 and Section 18(1)(a) of the Trustees Act 1962 (as amended) (the “Prudent Person” rule) – *Refer Addendum 1*
- Council at all times has in place a current set of policies and delegations for its Investment Officers.
- Adherence to the guidelines and policies outlined in this document by all Officers with delegated authority to invest/control surplus funds.

This document is to be made available to all employees involved in daily investment decisions, as well as to those who approve Council’s policies.

Notwithstanding the introduction of this Policy Document, the General Financial Management obligations imposed on Chief Operating Officers under the Local Government Act and the Local Government (Financial Management) Regulations should at all times be complied with.

2. Investment Objectives

- 2.1 To take a conservative approach to investments, but with a focus to add value through prudent investment of funds.
- 2.2 To have investment funds achieve a return consistent with the goals set by the CEO from time to time.
- 2.3 To achieve an adequate level of diversification to spread risk.
- 2.4 To achieve a high level of security by using recognised ratings criteria.

So as to ensure that Shire officers have ready access to funds for day-to-day operations, without penalty.

3. Risk Profile

The Council and delegated investment Officers have fiduciary responsibilities under Section 6.14 of the Local Government Act and therefore risks must be kept to a minimum, particularly credit risk. In this respect, the schedule of Authorised Investments (Section 10) and limits applying to counterparties (Section 11) are to be adhered to. This will ensure delegated officers comply with the *Prudent Person* rule.

Council recognises its obligations under the *Prudent Person* rule by seeking to adhere to an investment policy with a conservative bias. Council also seeks to add value to the investment portfolio through product selection and diversification.

4. Risk Management Controls

- 4.1 Documented authority to invest (*Refer Addendum 1*)
- 4.2 Documented investment procedures.
- 4.3 Documented back-up procedures, ie:
 - Staff
 - Systems, operations
 - Checking controls, supervision
- 4.4 Management reporting:
 - Monthly investment report (refer Section 12.1)
 - Monthly statements to be received from counterparties with the exception of term deposits.

The General Financial Management obligations imposed on Chief Executive Officers, under the Local Government Act and the Local Government (Financial Management) Regulations must at all times be complied with.

5. Liquidity

- 5.1 Liquidity ratio:

At least 50% of total investment portfolio must be liquifiable within 31 days.
- 5.2 Cash flow report to be monitored at least weekly to ensure cash funds are available to meet commitments.
- 5.3 Maturity analysis report to be monitored at least monthly.

6. Long-Term Investments/Reserves

Council will establish reserves, as required, upon the recommendation of the Chief Executive Officer.

Where a reserve is to be established for long-term projects, investments other than those outlined in this Policy may be appropriate. Council approval would be required in each case.

7. Diversification

- 7.1 Portfolio of investments must be diversified to ensure a spread of credit risk and market risk.
- 7.2 No more than 50% of funds may be invested into any one asset class (or product) without Council approval. The only exception being deposits with

authorised deposit-taking institutions within the meaning of the Banking Act 1959.

8. “Prudent Person” Rule

Addendum 1 outlines the legislative background of the “*Prudent Person*” rule.

These guidelines must be adhered to. In case of conflict, the “*Prudent Person*” ruling must apply, or Council approval obtained.

By way of background, the “*Prudent Person*” rule replaces the previous legislation which stipulated that all investments had to fall within the list of Authorised Trustee Investments (in accordance with Part III of the Trustees Act 1962), otherwise approval of the Minister for Local Government was required, on the advice and recommendation of the Treasurer (Local Government Act 1995, Section 6.14(1)).

9. Delegated Authority to Invest

The CEO is delegated authority by Council to make investment decisions and sign investment lodgments, withdrawals, etc. The CEO is to sub-delegate authority to appropriate Corporate Services staff the authority to place and withdraw investments subject to a minimum of two staff (may include the CEO) to be signatories to any investment decision with a suitable hierarchy of investment responsibility (amount) being established. This hierarchy shall require either the CEO or Executive Manager Corporate Services to be a signatory to any investment decision and the CEO to be a signatory to any investment decision of an amount equal to or greater than \$1 million.

10. Authorised Investments

Authorised investments are contained in Addendum 2. These investments may be made by authorised officers subject to the investment policies outlined in this document being adhered to.

11. Authorised Counterparties and Exposure Limits

	Counterparty Details	Minimum Standard & Poor’s Rating	Maximum Exposure as a % total Investment Portfolio
11.1	All authorised deposit-taking institution as defined in the <i>Banking Act 1959</i> (Commonwealth) section 5 with a maximum term 3 years (Note: at all times a minimum of 50% total investments must remain with a Bank)	A-1	100%
11.2	Western Australian Treasury Corporation fixed term	A-1	50%

	investments with a maximum term of 1 years		
11.3	Commonwealth Government (Guaranteed) Bonds (maximum term 3 years)	A-1	50%
11.4	State or Territory Government (Guaranteed) Bonds (maximum term 3 years)	A-1	50%

12. Management Reporting

12.1 Monthly Reports

Each month an investment report must be produced to the Chief Executive Officer. The report will summarise:

- Liquidity levels (cash flow report)
- Maturity profile
- Investment spread (asset classes)
- Counterparty exposure versus limits
- Returns versus benchmarks
- Any breaches of authority

12.2 Reviews

Annual reviews of the Investment Guidelines and Policy Document must be provided.

Addendum 1

Legislative Background – The “Prudent Person”

The investment options available to Local Government Authorities in Western Australia were altered in June 1997 with changes to the Trustees Act.

With the passage of changes to the Trustees Act, the list of prescribed investments has been removed and replaced by the “Prudent Person” rule.

The main features of the prudent person rule include:

- Exercising the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.
- A duty to invest funds in investments that are not speculative or hazardous.

In exercising powers of investment, there are important matters for consideration:

- The purpose of the investment and the needs and circumstances
- The desirability of diversifying investments
- The nature of and risk associated with existing investments
- The need to maintain the real value of capital and income
- The risk of capital or income loss or depreciation
- The potential for capital appreciation
- The likely income return and timing of the income return
- The length of the term of the proposed investment
- The liquidity and marketability of the proposed investment
- The aggregate value of the investment
- The effect of the proposed investment in relation to the tax liability (if any)
- The likelihood of inflation affecting the value of the proposed investment
- The costs of making the proposed investment
- The results of a review of existing investments

Addendum 2

Authorised Investments

Note: Authorised Officers may invest in the following assets subject to Delegated Authority Section 9 and Section 11.

1. Cash/Authorised Deposit-taking Institution Deposits/Securities

- (a) At Call/Short-dated deposits with an authorised deposit-taking institution as defined in the *Banking Act 1959* (Commonwealth) section 5 – maximum term 3 years.
- (b) Bills of exchange that have been accepted or endorsed by an authorised deposit-taking institution – maximum term 3 years.
- (c) Certificates of deposit and term deposits issued by an authorised deposit-taking institution whether negotiable, convertible or not – maximum term 3 years.
- (d) Bonds guaranteed by the Commonwealth Government or a State or Territory Government of the Commonwealth – maximum term 3 years.

2. Restrictions

- (a) Organisations with which deposits are placed must have a long-term credit rating of A (or equivalent or higher) as assessed by a recognised Ratings Agency.
- (b) Officers may not invest in currency that is not the currency of Australia, ie; foreign currency.
- (c) Maximum limits (% of investment portfolio) are set out in Section 11.

POLICY NO.	F.4
POLICY SUBJECT	Proceeds from Sale of Council Land
ADOPTION DATE	29 April 2001
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Purpose of Policy

To ensure the organisation retains strategic Capital assets.

Policy Statement

From time to time Council owned land is identified as being surplus to existing requirements, and a resolution is made by the Council to dispose of it in accordance with Section 3.58 of the Local Government Act 1995 (sale by auction, tender or private treaty).

All income (less sale of land costs) generated by the sale of Council land is to be deposited in the Land and Buildings Reserve for future use for acquisition of land and buildings.

It is not sustainable for operational costs of the organisation to be funded by sale of capital items. Ideally proceeds from the sale of capital items should be used for the acquisition of capital items.

POLICY NO.	F.5
POLICY SUBJECT	Regional Price Preference
ADOPTION DATE	26 October 2000
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy

In order to promote sub-regional development the Shire of Bridgetown–Greenbushes will provide a price preference to regional suppliers (located within the stipulated areas) when evaluating and awarding contracts with Council via the Tendering Process. Any price preference provided will comply with part 4A of the Local Government (Functions and General) Regulations 1995 as amended.

Policy Details

Price preference will be given to all suppliers submitting conforming tenders for the supply of goods and services (including construction (building) services) to the Shire of Bridgetown - Greenbushes, unless Council resolves that this policy not apply to a particular tender.

The following price preference will be given to suppliers submitting tenders assessed in relation to this policy;

Goods and Services – up to a maximum price reduction of \$50,000 unless a lesser amount is stipulated in the tender document.

Stipulated Area

10% up to \$10,000 to all suppliers located within the Shire of Bridgetown – Greenbushes.

5% above \$10,000 to all suppliers located within the Shire Bridgetown-Greenbushes.

Construction (building) Services – up to a maximum price reduction of \$50,000 unless a lesser amount is stipulated in the tender document.

Stipulated Area

5% to all suppliers located within the Shire of Bridgetown – Greenbushes.

2.5% to all suppliers located within the Shire of Manjimup, Shire of Nannup and Shire of Boyup-Brook.

Goods and Services, including Construction (Building) Services tendered for the first time where Council previously supplied the Goods or Services - up to a maximum price reduction of \$50,000 unless a lesser amount is stipulated in the tender document

Stipulated Area

10% to all suppliers located within the Shire of Bridgetown – Greenbushes.

5% to all suppliers located within the Shire of Manjimup, Shire of Nannup and Shire of Boyup-Brook.

Regional Price Preference will only be given to suppliers located within the stipulated areas for more than 6 months prior to the advertising date of the tender.

Located within the area stipulated is defined as having a supplier having a physical presence in the way of a shop, depot, outlet, headquarters or other premises where the goods or services specifically being provided are supplied from. This does not exclude suppliers whose registered business is located outside the stipulated area but undertake the business from premises within the stipulated area. An example is a franchisee of a multinational company.

Only those good and services identified in the tender, as being from a source located within the stipulated area will have the price preference applied when assessing the tender.

Price is only one factor that Council considers when evaluating a tender. There is nothing contained within this policy that compels Council to accept the lowest tender or any tender based on price offered.

POLICY NO.	F.6
POLICY SUBJECT	Purchasing Policy
ADOPTION DATE	28 March 2002
LAST REVIEW DATE	29 November 2018 (C.04/1118)

1.1. STATEMENT OF INTENT

The intent of this policy is to provide clear direction to staff when carrying out purchasing of goods and services for the Shire of Bridgetown-Greenbushes and to ensure that purchasing is undertaken in an efficient, effective, economical and sustainable manner that provides transparency and accountability of the procurement process. This policy:

- Provides the Shire of Bridgetown-Greenbushes with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner.
- Strengthens integrity and confidence in the purchasing system.
- Ensures that the Shire of Bridgetown-Greenbushes receives value for money in its purchasing.
- Ensures that the Shire of Bridgetown-Greenbushes considers the environmental impact of the procurement process across the life cycle of goods and services.
- Ensures the Shire of Bridgetown-Greenbushes is compliant with all regulatory obligations.
- Promotes effective governance and definition of roles and responsibilities.
- Uphold respect from the public and industry for the Shire of Bridgetown-Greenbushes purchasing practices that withstands probity.

1.2. OBJECTIVES

Purchasing Procedures are to encompass the following requirements;

To provide compliance with the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996.

Compliance with the guidelines contained within the Local Government Purchasing and Tender Guide published by the Western Australia Local Government Association.

To deliver a best practice approach and procedures to internal purchasing for the Shire of Bridgetown-Greenbushes.

To ensure consistency for all purchasing activities that integrates within all the Shire of Bridgetown-Greenbushes operational areas.

1.3. ETHICS AND INTEGRITY

All officers and employees of the Shire of Bridgetown-Greenbushes 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 of Bridgetown-Greenbushes.

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 of Bridgetown-Greenbushes 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 of Bridgetown-Greenbushes by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

1.4. VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire of Bridgetown-Greenbushes. 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.

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

1.5. SUSTAINABLE PROCUREMENT

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

The Shire of Bridgetown-Greenbushes is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with any Shire of Bridgetown-Greenbushes sustainability objectives.

1.6. PURCHASING THRESHOLDS

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Requirements
Up to \$5,000	Direct purchase from supplier at purchasers discretion following one verbal or written quotation.
\$5,001 - \$19,999	Obtain at least three verbal or written quotations.
\$20,000 - \$39,999	Obtain at least three written quotations
\$40,000 - \$149,999	Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations).
\$150,000 and above	Conduct a public tender process.

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

The CEO may, in justifiable circumstances, waive the need to seek the required number of quotations prior to undertaking a purchase.

For purchases greater than \$10,000 (ex GST), all parties providing quotations are to be notified in writing (including by fax/email) if they are unsuccessful (note successful parties will be notified formally by issue of a purchase order).

The Shire will compile and maintain a preferred list of suppliers if the CEO believes it is warranted. Only one quote, unless considered prudent to seek more, is required for prospective purchases made from a supplier listed on the Shire's preferred list of suppliers.

1.6.1 Up to \$5,000

Where the value of procurement of goods or services does not exceed \$5,000, direct purchase from the supplier may be made. 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.

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

1.6.2 \$5,001 to \$19,999

This category is for the procurement of goods or services where the value of such procurement ranges between \$5,001 and \$19,999.

At least three verbal or written quotations (or a combination of both) 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 verbal quotations are:

- Ensure that the requirement / specification is clearly understood by the Shire of Bridgetown-Greenbushes employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the Supplier contact person to confirm their accuracy.
- Written notes detailing each verbal quotation must be recorded.

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

1.6.3 \$20,000 to \$39,999

For the procurement of goods or services where the value with ranges between \$20,000 and \$39,999, it is required to obtain at least three written quotes (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

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

NOTES: The general principles relating to written quotations are;

- An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
 - 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.

1.6.4 \$40,000 to \$149,999

For the procurement of goods or services where the value with ranges between \$40,000 and \$149,999, 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.

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.

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

1.7. REGULATORY COMPLIANCE

1.7.1 Exemptions

Tenders do not have to be publicly invited where the proposed purchase is being done in accordance with Regulation 11 of the Local Government (Functions and General) Regulations. However where the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program, then compliance to the balance of this Purchasing Policy will be required. This includes meeting the requirements to obtain a minimum number of quotations unless the CEO waives such a requirement taking into account the nature of the purchase and availability/suitability of potential suppliers.

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 of Bridgetown-Greenbushes 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 \$150,000, thereby avoiding the need to publicly tender.

1.7.4 Tender Criteria

The Shire of Bridgetown-Greenbushes 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:

- Between \$40,000 and \$149,999, the panel must contain a minimum of 2 staff members; and
- \$150,000 and above, the panel must contain a minimum of 3 staff members.

1.7.5 Advertising Tenders

Tenders are to be advertised in a state wide 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;

- a brief description of the goods or services required;
- information as to where and how tenders may be submitted;
- the date and time after which tenders cannot be submitted;
- particulars identifying a person from who more detailed information as to tendering may be obtained;
- detailed information shall include;
- such information as the Shire of Bridgetown-Greenbushes decides should be disclosed to those interested in submitting a tender;
- detailed specifications of the goods or services required;
- the criteria for deciding which tender should be accepted;
- whether or not the Shire of Bridgetown-Greenbushes 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 robust 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 of Bridgetown-Greenbushes 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 at least one other Council 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 Local Government. 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 of Bridgetown-Greenbushes Officers present at the opening of tenders.

1.7.9 No Tenders Received

Where the Shire of Bridgetown-Greenbushes has invited tenders, however no compliant submissions have been 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 & \$149,999 (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 of Bridgetown-Greenbushes 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 of Bridgetown-Greenbushes 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 of Bridgetown-Greenbushes and tenderer have entered into a Contract, a minor variation may be made by the Shire of Bridgetown-Greenbushes.

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 of Bridgetown-Greenbushes internal records management policy.

POLICY NO.	F.7
POLICY SUBJECT	Reporting Forecast Budget Variations Policy
ADOPTION DATE	27 November 2003
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy Objective

Subject to Regulation 34.(1) of the Local Government (Financial Management) Regulations 1996, to set a level of reporting detail to ensure that Council is satisfied with the implementation of the annual expense budget. This recognises that budget estimates are at times anticipated well in advance, and allows for incidental ‘unders’ and ‘overs’ to be incurred without the need for reporting them via this Policy.

Policy

At the next ordinary Meeting of Council, after which the financial information becomes available, Council shall be advised of projected material over-expenditures as follows:

Budget account amount	Requirement
\$0 - \$10,000	CEO to manage to a maximum of 10%. <i>(ie: any budget line item up to \$10,000, \$1,000 is non-reportable as over-expenditure, subject to CEO approval)</i>
\$10,001 - \$50,000	Council to be advised of projected over expenditure to an amount of 10%. <i>(ie: for a budget line item of \$25,000, if it is estimated that the account will exceed expenditure by over \$2,500, it must be reported to the next Council meeting)</i>
\$50,001 and over	Council to be advised of projected over expenditure to an amount of 5%. <i>(ie: for a budget line item of \$80,000, if it is estimated that the account will exceed expenditure by over \$4,000, it must be reported to the next Council meeting)</i>
Over expenditure of over \$10,000	Special Council Meeting required. <i>(ie: for a budget line item of \$50,000, if it is estimated that the account will exceed budgeted expenditure by \$10,000 a special Council meeting must be called)</i>

The purpose of the policy is to also ensure that projected material over-expenditure at the sub-program level is reported at the next ordinary Meeting of Council, as is consistent with the Local Government (Financial) Management Regulations 1996. The Regulations identify the following sub-programs:

Program	Sub-Program
General Purpose Funding	Rates
	General Purpose Grants
	General Financing
Governance	Members of Council
	Governance - General
Law, Order & Public Safety	Fire Prevention
	Animal Control
	Other Law, Order & Public Safety
Health	Maternal & Infant Health
	Preventative Services – Meat Inspection
	Preventative Services – Administration & Inspection
	Preventative Services – Pest Control
	Preventative services – Other
	Other Health
Education & Welfare	Pre-school
	Other Education
	Care of Families & Children
	Aged & Disabled Persons
	Aged & Disabled – Senior Citizen Centres
	Aged & Disabled – Meals on Wheels
	Other Welfare
Housing	Staff Housing
	Other Housing
Community Amenities	Sanitation
	Sanitation – Household Refuse
	Sanitation – Other
	Sewerage
	Urban Stormwater Drainage
	Protection of the Environment
	Town Planning & Regional Development
	Other Community Amenities
Recreation & Culture	Public Halls & Civic Centres
	Swimming Areas & Beaches
	Other Recreation & Sport
	Television & Radio Broadcasting
	Libraries
	Heritage
Transport	Other Culture
	Streets, Roads, Bridges, Depots
	- Construction (not capitalised)

	- Maintenance
	Road Plant Purchase (if not capitalised)
	Parking Facilities
	Traffic Control
	Aerodromes
	Water Transport Facilities
Economic Services	Rural Services
	Tourism & Area Promotion
	Building Control
	Saleyards & Markets
	Plant Nursery
	Economic Development
	Public Utility Services
	Other Economic Services
Other Property & Services	Private Works
	Plant Operation
	Salaries & Wages
	Public Works Overhead
	Works & Services Management
	Waste Department
	Works & Services Department
	Fleet Department
	Corporate Services Department
	Chief Executive Officer
	Admin/Finance Activity Unit
	Planning & Finance Department
	Community Services Department
	Unclassified
	Town Planning Scheme

For forecast budget under-expenditures, amounts are to be reported to Council when it is determined that all projects in that sub-program are completed.

Regulation 34.(1) reads as follows:

“34. Financial activity statement required each month (Act s.6.4)

- (1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –*
- (a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and*
 - (b) *budget estimates to the end of the month to which the statement relates; and*
 - (c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and*
 - (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*

- (e) *the net current assets at the end of the month to which the statement relates.”*

POLICY NO.	F.8
POLICY SUBJECT	Facility Hire
ADOPTION DATE	27 March 2003
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy Statement

The Shire of Bridgetown-Greenbushes has various facilities which may be hired by organisations, groups, individuals and companies. The facilities differ whereby some have tables, chairs, crockery, cutlery available whilst others do not have any furniture, etc. All facilities are hired on an 'as is' basis and hirers must complete and sign a Facility Hire application form and adhere to the conditions of use contained therein.

Conditions of Use

Hirers of Shire of Bridgetown-Greenbushes facilities are requested to comply with the following hire conditions:

1. All venue hire fees to be paid in advance. Bookings will not be confirmed until payment has been received and receipted at the Shire offices. A cleaning/damage bond as included in Council's adopted fees and charges applies for hall hire bookings.
2. Sporting Clubs who do not have Public Liability Insurance can apply to the Bridgetown Leisure Centre Manager to operate under a Leisure Centre managed program. Where a Sporting Club applies to hire the Leisure Centre, the final decision will be at the discretion of the CEO (or his/her nominated Officer).
3. The Bridgetown Town/Lesser Hall will not be made available for hire for sport or recreation pursuits where these can occur in the Leisure Centre.
4. The use of Shire Halls for the retail selling of commercial goods will not be permitted. However the use of Shire Halls for promotion of products and services only shall be permitted.

Applications for retailing of commercial goods by community/charitable organisations may be permitted subject to Shire approval being granted prior to the event.

The selling of goods through market stalls organised by community/charitable organisations shall be permitted.

4. Compliance with any requirements/conditions listed on the Facility Hire application form.

POLICY NO.	F.9
POLICY SUBJECT	Service Agreements for Community Service Providers
ADOPTION DATE	27 November 2003
LAST REVIEW DATE	29 November 2018 (C.04/1118)

The objectives of Service Agreements aim to:

Provide the Service Agreement recipients with more longer-term security, enabling the group to forward plan and implement longer-term security and service to the groups recipients.

Encourage, promote and support community services.

Encourage community groups to forward plan their services, which will promote the stability of these services to the Shire.

Reduce the time required by organisations to prepare submissions. Many of these organisations are managed and supported by volunteers. This time which has in the past been spent on producing a yearly detailed submission could be imputed into more community service work provided by that group.

Streamline the Council budget process.

Separate on-going operational activities from one-off activities or capital purchases. (It is recommended that groups applying for Service Agreements could also apply for one-off grants through the budget process).

The purpose of Service Agreements is to fund on-going operational activities, rather than one-off activities or capital purchases. This policy aims to clearly separate these one-off grants with Service Agreements.

Selection Criteria for Applying for Service Agreement:

A group, organisation or individual providing an on-going service to the community at little or no profit.

Requirements to be Eligible for a Service Agreement:

A Service Agreement request may be for operational on-going costs only. One-off capital items or projects may be applied for through the annual Community Grants process.

The project or program must be started within 12 months of the grant award.

Grant funds may be used for staff salaries, and contract services.

Service Agreement applications must answer all questions, and provide full details on all questions asked. If a question cannot be answered, the organisation must state why it cannot be answered.

Service Agreements will be in place for 3 years unless otherwise decided by Council.

Closing date for new Service Agreement applications is the last Friday in March annually. Late applications can be accepted by a resolution of Council.

Grant applicants can be community or sporting groups, or Commercial ventures provided 100% of any grant funds provided by the Shire are for the purpose stated in the Service Agreement application.

A business plan, budget or detailed explanation of income and expenditure is required.

Provide a financial report with the Service Agreement application.

The Shire of Bridgetown-Greenbushes will determine terms of payment for Service Agreements.

Successful Service Agreement providers must provide the CEO, by 31 January each year, an interim acquittal, with written detail on services progressed via the service agreement funds.

Council may request to check the Financial Records of funded groups and organisations, eg. Cash Books and Bank Statements.

Council may use the project/program information provided by funded groups/organisations for promotional and networking purposes.

All funded groups/organisations will be required to enter into a formal agreement with the Shire of Bridgetown-Greenbushes before receiving funding regarding the Monitoring, Evaluation and Accountability and other conditions of the grant.

All funded groups/organisations *will be required to* acknowledge the support of the Shire of Bridgetown-Greenbushes in any promotional or publicity material.

It is essential that any change of office bearers, telephone numbers and postal address be notified immediately.

Payments of funds may be suspended at any time if, in the opinion of Council, any of the conditions laid down are not met, or satisfactory progress has not been achieved.

Funds will not be provided for activities that are the primary responsibility of other funding agencies.

Application to explicitly detail what the group/organisation/individual provides to the community, and how the service agreement will improve services to the Shire.
Provide a financial report with the service agreement application.

Funds are not to be expended on capital or “one-off” projects.

Applicants for a Service Agreement may also apply for grants for “one-off” or capital items through the annual community grants process.

POLICY NO.	F.10
POLICY SUBJECT	Method of Valuation of Rateable Properties
ADOPTION DATE	26 April 2018 (C.08/0418) [Supersedes GRV/UV Rating Policy]
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Background

Section 6.28(1) & (2) of the Local Government Act 1995 reads:

- (1) *The Minister (for Local Government) is to —*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the Government Gazette.*

- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*

In order to comply with Section 6.28 of the Local Government Act, Council has to determine that the rating principles of the Act are correctly applied to rateable land within the district such that rural land is rated on its Unimproved Value (UV) and non-rural land is rated on its Gross Rental Value (GRV). These values are determined by the State Government's Valuer General.

Policy

1. The process for determining the method of valuation for rateable property will be in accordance with any guidelines or policy issued by the Department of Local Government, Sport and Cultural Industries.

2. The following factors will be considered in determining whether a property is "rural" or "non-rural":
 - Land use –activities conducted on the land;
 - Livelihood generated from or on the property;
 - The land's zoning; and
 - The size of the property.

3. Split valuations of rateable properties will not generally be pursued.

POLICY NO.	F.11
POLICY SUBJECT	Collection of Outstanding Rates
ADOPTION DATE	30 June 2005
LAST REVIEW DATE	29 November 2018 (C.04/1118)

To ensure rates and/or service charges owing to the Shire of Bridgetown-Greenbushes are collected in a consistent and timely manner, the following guidelines have been adopted by Council:

1. All monies owed to Council for rates raised under Section 6.32 of the Local Government Act are deemed to be overdue following a period of thirty-five (35) days from the date of the original rates notice.
2. At the expiration of the thirty-five (35) day period, the Shire shall issue a Final Notice and invite the debtor to discuss the matter with the Shire's administration within fourteen days with a view to resolution of the outstanding debt.
3. If no satisfactory arrangement has been entered into at the expiration of the fourteen (14) days, the matter is to be referred to the Shire's debt collection service provider to continue the debt collection process. A satisfactory arrangement is one where the debtor enters into a direct debit agreement with the Shire to acquit their debt by instalments by the 30 June of the current rate year.
4. All costs associated with debt collection action will be borne by the debtor, excluding the GST charged by the debt collector and the document handling fee charged by the Court.
5. Interest on outstanding monies shall be calculated on a daily basis at a level set by Council during its annual budget process for monies outstanding for a period of greater than thirty-five (35) days in accordance with Section 6.13(6) of the Local Government Act.
6. Following the issue of a General Procedure Claim (known previously as a Summons) and addition of associated debt collection costs, the Shire's Administration will accept a reasonable offer to discharge the debt. A reasonable offer is one where the debtor enters into a direct debit agreement with the Shire to acquit their debt by instalments by the 30 June of the current rate year.
7. The Shire's Administration is to continue Legal proceedings until payment of rates imposed is secured. Subject to Section 6.68 (3A) of the Local Government Act 1995, this includes the issue of a Property Seizure and Sale Order (previously known as a Warrant of Execution) against goods and/or land. Section 6.68 (3A) identifies those instances where the sale of land to recover rates will be referred to Council.

8. In cases where the owner of a leased or rented property on which municipal rates are outstanding cannot be located or refuses to settle the outstanding debt, notices may be served on the lessee or tenant under the provisions of Section 6.60 of the Local Government Act. This requires the lessee or tenant to pay to the Council the rent due under the lease or tenancy agreement as it becomes due until the amount in arrears has been paid.

Arrangements to Pay Off Outstanding Rates and/or Service Charges

1. The CEO is authorised to consider and to either approve or reject any application for deferment or payment by instalments, in accordance with Section 6.49 of the Local Government Act.
2. All requests for extensions and/or payment by instalments must be made in writing. The application must include details to support the repayments.
3. Once an application has been approved by the CEO, officers will develop an instalment payment schedule, a copy of which will be provided to the ratepayer.

Note: Ratepayers who have made written contact with the Shire seeking an extension and/or payment by instalment method, or are subject to a separate agreement, are exempt from legal action for recovery of outstanding monies unless the payment schedule has been defaulted.

Each debtor's right to appeal in accordance with the provisions of the Local Government Act shall not be relinquished by anything contained in this policy.

POLICY NO.	F.12
POLICY SUBJECT	Accessing Water from Standpipes
ADOPTION DATE	30 June 2005
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Background and Objectives

Council has a number of standpipes within the Shire. The main function of the stand pipes is for the provision of a high pressure water supply for fire fighting purposes. It is apparent however that the majority of water is being drawn from the stand pipes for the following uses:

- By the Shire and private contractors for uses associated with road works, building works, driveway construction, etc
- By private water carting contractors for filling of domestic water tanks
- By rural land holders for supplementing farm dams

In recent years Bridgetown-Greenbushes has experienced declining rainfall and this has resulted in greater demand from the Shire's stand pipes for refilling of domestic water tanks and dams. At the same time there have been periods of Water Corporation imposed water restrictions.

There has been ample evidence of unauthorised use of the stand pipes and this has led to a decision by Council to lock all stand pipes and install a stand pipe controller on the Rose Street stand pipe.

There has also been significant community concern raised about the appropriateness of the Shire allowing contractors, via payment of an annual fee, unlimited access to the water supply during periods of water restrictions.

The objectives of this Policy are:

- Acknowledge that water is a valuable resource.
- Encourage the community to preserve the resource.
- Encourage responsible use of the resource.
- Ensure "equity and fairness" is applied for the use of this resource.
- Provide a suitable resource for Bush Fire Brigades to protect the community

Policy Statement

The stand pipes are to be locked with keys and other access provided to fire brigades so as to ensure unfettered access remains for fire suppression use.

A stand pipe controller is to be installed at the Rose Street Standpipe and this is the only stand pipe available for use by members of the public. All water taken by members of the public is to be paid for at the rates stipulated in Council's annual schedule of fees and charges.

In previous years members of the public, mainly water carting and road construction contractors, were able to pay an annual fee to take unlimited volumes of water from standpipes. Council has discontinued that practice and all water must now be paid for on a “per kilolitre” basis.

Under Council’s “Property Local Law” standpipes are classified as “local government property”. Failure to pay upfront for the taking of water will represent a breach of Clause 4.6 of the Property Local Law. Under the Local Law a fine of \$100 applies for such a breach and can be imposed for each occasion a person is proven to have taken water from a Shire standpipe without making the required payment.

POLICY NO.	F.13
POLICY SUBJECT	Grant Acceptance Policy
ADOPTION DATE	26 March 2009 (C.29/0309)
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy Intent

This policy sets out Council's position regarding the acceptance of grant funding.

Introduction

Council is committed to maximise income through the procurement of grant funding and to streamline the administrative processes associated with grant funding. To demonstrate this Council has developed a policy regarding acceptance of grant funding.

Exclusions

This policy excludes grant income in excess of \$10,000.

Procedure

1. Any matching funding required of Council is to be included in the annual budget or be endorsed by Council resolution.
2. The Chief Executive Officer is delegated authority to accept grants and incur expenditure (subject to Policy F.7) of those grants on behalf of Council, up to a maximum amount of \$10,000.
3. Where a grant is accepted on behalf of Council up to the delegated amount, details of the grant including a project overview is to be provided to Council within the Councillor Information Bulletin.
4. Where a grant is accepted on behalf of Council up to the delegated amount, the grant purpose is to be consistent with Council's Plan for the Future, budget or existing resolution of Council.

POLICY NO.	F.14
POLICY SUBJECT	Buy Local Purchasing
ADOPTION DATE	24 February 2011 (C.28/0211)
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Note this Policy should be read in conjunction with the Council's "Purchasing" Policy (F.6)

Part 1 - Objective

To stimulate economic activity and growth in the Shire by maximising the use of competitive local businesses in supplying goods, services and works purchased or contracted on behalf of the Shire of Bridgetown-Greenbushes.

Note this policy does not apply to purchasing via tender. The consideration of local suppliers in the tender process is addressed in Finance Policy F.5 – Regional Price Preference.

Part 2 - Purpose

The purpose of this Policy is to facilitate local economic development by encouraging the retention of Shire expenditure within the local economy. Increased circulation of Shire expenditure streams within the Shire district has a direct financial impact on the competitive businesses that are able to supply goods and services to Shire and also has a multiplier or 'knock on' effect to other businesses and the broader community. By minimising 'economic leakages' from the local economy Shire can make a tangible contribution to the economic prosperity of its community.

Part 3 - Policy – Data Base of Local Suppliers and Products

A local suppliers inventory of services and products will be prepared and maintained by the Shire and will be made available for use by all local businesses, including the Shire, when considering purchases.

Part 4 - Policy – Philosophy of Local Purchasing

Shire staff will have a philosophy of at all times seeking quotes from local suppliers. When seeking quotes from suppliers for the supply of goods or services staff will refer to the "data base of local suppliers and products". Where a product(s) is not specifically referenced on the data base but there exists a logical assumption (ie – similar products are provided) that the business may have access to those product(s) it is the responsibility of the purchasing officer to submit an enquiry (either verbal or written) to the local supplier to determine if they are able to supply the product(s) in question.

Where a local supplier does provide a quote in competition to a non-local supplier then the purchasing officer is to make a determination on the selection of the supplier in accordance with Parts 5, 6 and 7 of this Policy.

Part 5 - Policy – Local Purchasing (Not Including Tenders)

A price preference will apply to suppliers that are based in and operate within the district for the supply of goods and services. The preference enables businesses

within the Shire to claim a price preference with their quote for the supply of goods or services.

The following price preference will be given to local suppliers submitting quotes for consideration of the Shire:

Stipulated Area

- 10% on Shire purchases of a value up to \$5,000 to all suppliers located within the Shire of Bridgetown–Greenbushes.
- An amount of \$500 or 5% (whichever is the greater) on Shire purchases of a value between \$5,001 and \$25,000 to all suppliers located within the Shire of Bridgetown–Greenbushes.
- An amount of \$1,250 or 2.5% (whichever is the greater) on Shire purchases of a value between \$25,001 and \$149,999 to all suppliers located within the Shire Bridgetown-Greenbushes.

Note purchases of \$150,000 and over require the calling of tenders and are assessed in accordance with the Shire’s Regional Price Preference Policy.

Located within the area stipulated is defined as a supplier having a physical presence in the way of a shop, depot, outlet, headquarters or other premises where the goods or services specifically being provided are supplied from. This does not exclude suppliers whose registered business is located outside the stipulated area but undertake the business from premises within the stipulated area. An example is a franchisee of a multi-national company.

Price is only one factor that the Shire considers when evaluating a quote. There is nothing contained within this policy that compels the Shire to accept the lowest quote or any quote based on price offered.

Part 6 - Value for Money Considerations

Value for money is a key policy objective. It ensures that the Shire achieves the best possible outcome for the amount of money spent. This does not necessarily mean selecting the bid that offers the lowest initial price.

Purchasing decisions will be assessed on a value for money basis, giving full consideration to:

1. The advantages of dealing with local businesses;
2. Local content;
3. The cost of transporting products from non-local suppliers (this is particularly important if assessing quotes for the same/similar product from local and non-local suppliers).
4. The purchase or contract whole-of-life costs;
5. Compliance with specifications, guidelines and requirements;
6. Knowledge of the specific brand, make or model of the good, in particular for items of plant and machinery. If appropriate where staff have a concern about an unknown brand, make or model enquiries will be made with the supplier on

the availability of a similar model for a free trial for assessment prior to final assessment of all quotes and determination of the purchase.

7. Supplier capability to fulfil the specified requirements (ie; legal, financial, experience etc).
8. The supplier's commitment to supporting other local businesses through their subcontracting and supplier arrangements;
9. Net benefits to the Shire including maintaining an ongoing, innovative and competitive local business environment; and
10. Job creation potential.

Overall, the value for money assessment must deliver quality outcomes at competitive prices, while recognising the impact of procurement decisions on the Shire's economic prosperity.

Part 7 - Decision Making Process When Local Quotes are Received

Where a quote has been received from a local supplier any decision to award the purchase to a non-local supplier will require the approval of the relevant senior officer.

Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Plan	A plan developed for one or more assets that combines technical and financial management processes to provide a specified level of service.
Asset Management Strategy	One or more documents that outlines how the local government's asset portfolio will meet the service delivery needs of its communities into the future, enabling the local government's asset management policies to be achieved and ensuring that asset management is established as part of the local government's Integrated Plan.
Level of Service	The defined service quality for a particular activity (i.e. road maintenance) or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental considerations, acceptability and cost.
Lifecycle Cost	The total cost of an asset throughout its life including costs for planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

Policy Statement

- Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- Council owns and uses approximately \$205,005,460 of non-current assets (as at 30 June 2018) to support its core business of delivery of services to the community. The Shire's assets are physical items within the boundaries of the local government and under its control. They include but are not limited to the following asset classes:
 - Transport Infrastructure (including roads [including sealed, gravel and reseals], footpaths and dual use paths, car parks, kerbs, traffic management, signs and road side drainage);
 - Property Infrastructure (including buildings, improvements to land and furniture & equipment);
 - Parks and Reserves Infrastructure (including playground equipment);
 - Plant and equipment.

- Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.
- Adopting asset management principles will assist Council in achieving its Strategic Long Term Plan and Long Term Financial objectives.
- A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets.
This will provide positive impact on;
 - Members of the public, councillors and staff;
 - Council's financial position;
 - The ability of Council to deliver the expected level of service and infrastructure;
 - The political environment in which Council operates; and
 - The legal liabilities of Council.

Principles:

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans will be funded in the annual budget estimates.
- Service levels agreed through the budget process and defined in adopted Asset Management Plans will be fully funded in the annual budget estimates.
- Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Future service levels, where appropriate, will be determined in consultation with the community.
- Training in asset and financial management will be provided for councillors and relevant staff.

Legislation:

- Local Government Act 1995 (as amended).

- Regulations under the Act.

Responsibility:

- **Council** is responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.
- The **Chief Executive Officer** has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

Policy Review:

This policy will be reviewed annually to ensure its currency and relevance.

References:

- WA Department of Local Government: *Integrated Planning Framework and Guidelines*, October 2010.
- WA Department of Local Government: *Asset Management Framework and Guidelines*, May 2011.
- Institute of Public Works Engineering Australia, IPWEA, *Asset Management for Small, Rural or Remote Communities* Practice Note, 2011.
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POLICY NO.	F.16
POLICY SUBJECT	Use of Corporate Credit Cards
ADOPTION DATE	27 September 2012 (C.19/0912a)
LAST VARIATION DATE	29 November 2018 (C.04/1118)

Policy Objective

The objective of the Policy is to provide guidance for the use of corporate credit cards.

1.0 Use of Credit Cards

The use of Corporate Credit Cards shall only be approved if there is a demonstrated need and advantage to the Shire. These include:

- (i) Elimination or reducing time spent on paper based ordering and payments;
- (ii) Reduction of administrative costs;
- (iii) Reducing the number of payments per month;
- (iv) Provision of a useful resource in an emergency situation; and
- (v) Reducing the need to carry cash on the premises.

2.0 Applications for Corporate Credit Cards and Approval

All applications for a Corporate Credit Card shall be approved by the Chief Executive Officer.

In the case of the Chief Executive Officer, the Council shall approve the application and determine the conditions for use and maximum credit limit and credit limit for each individual transaction.

3.0 Register

A register shall be maintained by the Executive Manager Corporate Services of all Credit Cards issued. The register shall include:

- (i) Date of approval by Chief Executive Officer;
- (ii) Name of card holder;
- (iii) Conditions of use of the card; and
- (iv) A review date for continuing use of the card, not exceeding 24 months.

4.0 Issuing of Corporate Credit Cards to Elected Members

4.1 The Local Government Act does not make provision for the issuing of credit cards to Elected Members. (A Local Government can only pay allowances or reimburse expenses to an Elected Member).

4.2 Elected Members shall not be issued with a Corporate Credit Card as there are no provisions within the Act, which allow an Elected Member to incur a debt.

5.0 Policies and Procedures Governing the Use of Corporate Credit Cards

The following shall be complied with for controlling the use of Corporate Credit Cards:

General:

- 5.1 An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using the Credit Card;
- 5.2 A register by the Executive Manager Corporate Services of all current cardholders should be kept which includes card number, expiry date of the Credit Card, credit limit and details of goods and services the cardholder has authority to purchase;
- 5.3 All new and existing cardholders shall be provided with a copy of the policies relating to the use of Credit Cards;
- 5.4 When an employee misplaces their Credit Card, they shall promptly report the matter to Executive Manager Corporate Services who shall immediately cancel the card;
- 5.5 Credit Cards shall not be transferred to other users;
- 5.6 Use of the reward schemes, such as Fly Buys, will not be permitted for personal gain;
- 5.7 All surrendered Credit Cards shall be destroyed by the Executive Manager Corporate Services in the presence of another employee;
- 5.8 In the event that a cardholder fails to comply with the policies requirements, the Chief Executive Officer shall withdraw the use of the Corporate Credit Card and take appropriate disciplinary action. All criminal/illegal acts of alleged misuse shall be reported to the Police and other relevant authorities; and
- 5.9 The use of Corporate Credit Cards for personal entertainment uses is prohibited.

6.0 Purchasing

- 6.1 Credit Cards shall only be used for purchasing goods and services on behalf of the Shire;
- 6.2 Personal expenditure is strictly prohibited;
- 6.3 A Credit Card shall not be used for cash withdrawals;

- 6.4 A maximum credit card limit of \$10,000 is to be applied to the Chief Executive Officer's corporate credit card.

The maximum credit limit (not to be greater than \$5,000) for any other employees approved by the Chief Executive Officer for holding of a corporate credit card is to be determined by the Chief Executive Officer based on an assessment of the type of transactions likely to be made by the employee.

- 6.5 Purchases by facsimile, telephone or over the internet shall be authorised by the person and all paperwork shall be kept and verified.

7.0 Payments

- 7.1 The cardholder shall provide appropriate and sufficient documentary evidence of all charges, within 10 working days of month end;
- 7.2 Time frames for all payment of accounts shall be monitored by Executive Manager Corporate Services to ensure that credit charges are minimised and accounts are paid so as not incur a penalty or interest;
- 7.3 Cardholders cannot approve expenditure incurred on their own cards – these will be referred to the Chief Executive Officer for approval – the Chief Executive Officer shall refer any such instances to the Executive Manager Corporate Services.

POLICY NO.	F.17
POLICY SUBJECT	Collection of Non-Rates Fees and Charges
ADOPTION DATE	25 October 2012 (C.15/1012)
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy Objective – To provide for the collection of outstanding debts and the charging of interest as it relates to debts other than rates.

1.0 Debt Management

If the invoice is not paid by the due date then the following procedure will take place.

- 1.1 For amounts outstanding for up to 30 days, the Finance Officer - Income Stream is to issue a Statement to the debtor with an 'overdue' sticker attached to the Statement.
- 1.2 For amounts outstanding for greater than 30 days but less than 60 days, the Finance Officer Income Stream is to issue a Statement to the debtor with 'any reason for overdue account' sticker attached to the statement.
- 1.3 For amounts outstanding for 60 days but less than 90 days, the Finance Officer Income Stream is to issue a Statement to the debtor with 'final notice payment within 7 days' sticker attached to the statement.
- 1.4 For amounts outstanding for greater than 90 days, the Finance Officer income Stream is to issue a letter of demand to the debtor and instruct a debt collection agency to initiate debt recovery action.
- 1.5 Before any third party is engaged to take legal action to recover an outstanding debt, the Executive Manager Corporate Services and Chief Executive Officer are to be consulted to ensure that this action is appropriate giving due consideration to all issues that have led to the debt being overdue and not paid.
- 1.6 Once all reasonable attempts to either locate the debtor or to obtain payment have failed, the officer responsible for raising the debt will be asked to submit a written request for the invoice to be considered for write off.
- 1.7 Approval will be sought from the Chief Executive Officer, as per Delegation F.3, or from Council where the debt is greater than \$500, for approval for the debt to be written off. Once approval has been received, the appropriate entries will be made in the Accounts Receivable Ledger.

2.0 Debt Raised in Error or Debt Adjustment

If a debt has been raised in error or requires an adjustment then an explanation will be sought from the relevant staff members. Once this has been received a credit note request will be raised which is to be authorised by both the staff member who raised the initial invoice and the Executive Manager Corporate Services.

3.0 Interest on Overdue Accounts

Interest can be calculated on the total outstanding debt once it has exceeded the due date of the invoice. The decision to impose interest is up to the discretion of the Executive Manager Corporate Services.

The rate of interest imposed is that as determined by Council as contained in the Annual Budget and in accordance with Section 6.13 of the Local Government Act and Financial Management Regulation 19A.

POLICY NO.	F.18
POLICY SUBJECT	Self-Supporting Loans to Shire Community/Sporting Groups
ADOPTION DATE	25 July 2013 (C.11/0713)
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy Objectives

The purpose of this Policy is to:

- Establishes the framework within which Council may consider provision of self-supporting loans to community and sporting groups, subject to the financial position of the Shire, competing demands for funds, debt financing structure and capacity of the Shire to borrow;
- Establish the principles, constraints, criteria and administrative guidelines for the allocation and utilisation of Shire borrowings to finance self-supporting loans for community and sporting groups for the purposes of capital asset acquisition or development; and
- Ensure an organisation wide and inclusive approach is taken to the capitalisation of facilities in the district via Shire funded self-supporting loans.

Policy Scope

This policy applies to all requests received from community and sporting groups for financial support by way of self-supporting loans. The policy limits the availability of self-supporting loans and provides a guide to the eligibility and assessment criteria for each request.

Self-supporting loans will only be considered for capital asset acquisition or development to buildings and/or land, and will not be approved by Council for operational equipment or operating expense purposes.

Definitions

The following definitions are relevant to this policy:

- **Act** or **LGA** means the Local Government Act 1995.
- **Asset** means a physical component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months.
- **Association** includes society, club, institution, group or body – that is not-for-profit.
- **Council** means the Council of the Shire of Bridgetown-Greenbushes.
- **Incorporated association** means an association incorporated under the Associations Incorporation Act 1957.
- **Long Term financial plan** means a ten year rolling financial plan incorporated into the Shire's Corporate Business Plan that activates Strategic Community Plan priorities.
- **Shire** means Shire of Bridgetown-Greenbushes.

- **Strategic Community Plan** means the Strategic Community Plan adopted by the Council.

Policy Statement

Self-supporting loans are loans taken out by the Shire on behalf of community/sporting groups who undertake to meet the capital, interest and loan guarantee/administrative payments.

Community/sporting groups may make application for self-supporting loans where the funds are to be used for capital improvements to land or buildings they own, or occupy (where the property is Shire property).

The term of the loan shall be less than or equal to the half-life of the capital works or improvements being undertaken, and not more than ten (10) years. This will enable the group sufficient time to set aside a cash reserve for the future refurbishment or replacement of those improvements.

Council will only consider approving applications from groups that adequately demonstrate, by the provision of forward financial plans covering the life of the loan, a capacity to meet the loan repayments. The financial plans are to be certified by an independent Certified Practising Chartered or similarly qualified and experienced Accountant.

1.1 Matters to be considered by Council

1. The Shire's Long Term Financial Plan and forecast debit financing capacity – across the (prospective) life of a requested loan.
2. Regulated borrowing limits as determined by WA Treasury Corporation.
3. Debit Service Coverage Ratio (calculated as annual surplus before interest expense and depreciation, divided by annual debt service payments) meets that required of the Department of Local Government Standard.
4. Standard is NOT met if ratio is less than two.
5. Basic Standard if ratio is between two (2) and five (5).
6. Advanced Standard if greater than five (5).

Note: This indicator is used by the WA Treasury Corporation when considering loan applications from the Shire.

7. The current financial position of the Shire.
8. New Capital Works program priorities and funding requirements.
9. Demands for use of borrowings for Shire requirements.

10. Compliance with legislative requirements associated with borrowing of monies under Section 6.20 of the Local Government Act 1995.

1.2 Guidelines

The Shire is not a lender-of-last-resort for community or sporting groups and will only provide access to self-supporting loans when financial circumstances permit, and when there is compelling evidence of positive benefits to the community.

Council will only ever consider providing self-supporting loans to community/sporting groups:

- (a) In exceptional circumstances to mitigate serious risks and/or to bridge an urgent capital shortfall that will deliver substantial benefits to the community consistent with the Shire's Strategic Community Plan and priorities identified in the Corporate Business Plan.
- (b) Where the self-supporting loan forms part of a matching community grant component (eg; CSRFF).
- (c) Where in the view of Council, the use of Shire borrowings for the intended purpose will deliver benefits to the community materially outweighing likely benefits from the alternative purposes from which the said borrowings would have to be diverted.
- (d) Where in the view of Council there is compelling justification for the Shire to act as lender rather than a bank or other financial institution.

1.3 Limits

1. Funding to any one (1) application shall be in the range \$25,000 to \$100,000.
2. The term of borrowing will be limited to a ten (10) year period or such lesser period as may be determined by the prevailing terms of the Shire's debit financier.

1.4 Assessment

Based on an application having no significant or adverse impact in relation to the abovementioned general principles and it also meets criteria and guidelines principles, the application will be assessed based on the following:

- (a) Provision of a fully completed application form.
- (b) Provision of proof of incorporation.
- (c) Provision of latest audited financial statements (Operating, cash Flow & Financial Position Statements).

- (d) Provision of a forward financial plan in relation to the required term of borrowing.
- (e) Provision of compelling evidence of ongoing capacity to service and repay the loan from its operations.
- (f) Provision of a Business case in support of the asset acquisition or development proposal to be financed by the requested self-supporting loan.
- (g) If the property (land and/or building) to be self-supporting loan funded is not Shire property, then the group shall provide proof of ownership.

1.5 Deed of Loan

- (a) Where a self-supporting loan for a particular group is raised, a separate 'Deed of Loan' for the period of loan repayments is to be prepared and executed as contractual evidence for payment of the loan.
- (b) The costs associated with the preparation and stamping of the 'deed of Loan' shall be the responsibility of the Club or organisation.

1.6 Reallocation of Surplus Loan Funds

Should any funds remain unspent at the completion of the project, officers responsible for the carrying out of the works shall, upon completion and in accordance with the schedule of works, issue a certificate of completion for the funded work. The responsibility for recommending to the Audit Committee the re-allocation of surplus funds shall lie with the Chief Executive Officer.

1.7 Administration Costs and Loan Guarantee Fees

The following costs incurred by the Shire shall be recouped from groups applying for self-supporting loans:

- (a) Actual advertising costs (incl. GST).
- (b) Where non-standard Deeds of Loan, Mortgage or other legal documents are required, the actual preparation costs of such documents will be on-charged to the applicant.
- (c) Stamp duties, or other duties or taxes applicable to the self-supporting loan application or documentation, will be on-charged to the applicant at actual cost.

Roles and Responsibilities

Executive Manager Community Services:

It is the responsibility of the Executive Manager Community Services to establish a point of contact, and as required support, for community/sporting groups wishing to complete and submit self-supporting loans for Council consideration.

Executive Manager Corporate Services:

Review and appraise each application, and make a recommendation (approve/not approve) for presentation to the Audit Advisory Committee.

Audit Committee:

Appraise the Executive Manager Corporate Services' recommendation (approve/not approve) for presentation to Council.

Council:

Review recommendation and make final determination by Absolute Majority to approve or not approve self-supporting loan application.

References:

Strategic Community Plan 2017

Section 6.20 and 6.21 of the *Local Government Act 1995*

SELF SUPPORTING LOAN APPLICATION

Organisation: _____

Address: _____

ABN: _____

Contact Person: _____ Contact Phone Number: _____

Eligibility Check list

- Are you an incorporated body*
- Do you have an ABN*
- Has your organisation been operational for 3 or more years*
- Can your organisation demonstrate an established relationship with Council*
- Will the “end product” for the use of loan funds be an asset.*

Loan funds required: \$ _____

Term of loan: _____

Purpose of the Loan: _____

Brief description of the project: _____

The following components **MUST** be included with your application –

1. Certificate of incorporation
2. ABN certificate
3. Plans and specifications associated with the project
4. Audited financial statements (Operating, Cash Flow & Financial Position) for the current year
5. Current business plan demonstrating forward financial plan for the term of the borrowing
6. Evidence of ongoing capacity to service the loan from operations
7. Detailed business case in support of the acquisition showing costing's and project budget
8. Whole of life costing analysis for the asset
9. Other funding body confirmation of commitment
10. Statements demonstrating the need for the loan, together with reasons for not seeking to obtain alternative funding (if no other funding has been sought)

POLICY NO.	F.19
POLICY SUBJECT	Assets Financing and Borrowings
ADOPTION DATE	26 September 2013 (C.26/0913)
LAST VARIATION DATE	29 November 2018 (C.04/1118)

Policy Objectives

The purpose of this policy is to affirm that the preferred position of Council is to remain debt free (except for self supporting loans). However, should this not be practicable, then to:

- establish the framework within which Council may consider Borrowings or Other Financial Accommodation(s) to fund the acquisition, renewal or construction of specified assets;
- provide guidance as to the appropriate terms of any borrowings funded assets thus identified; and
- ensure that an organisation wide and inclusive approach is taken to the capitalisation of physical assets (e.g. facilities) in the district that are to be borrowings funded.

Policy Scope

This Policy relates to forms of financing which create a liability for future repayment and not for recurrent capital works i.e. road resurfacing. It does not include those financing methods shown in Excluded Borrowings below, or the funding of asset purchases via ongoing operational funding mechanisms such as rates, fees and charges and grants.

Definitions

The following definitions are relevant to this Policy:

Act means *the Local Government Act 1995*.

Asset means a (physical) facility or component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months.

Council means the Council of the Shire of Bridgetown-Greenbushes.

Economic Life - The estimated period during which an asset is expected to be economically usable by the Shire, with normal repairs and maintenance. It is worth noting that the economic life of an asset may be considerably less than the physical life of that asset, as the 'fit for use life' of an asset may be less than the physical life of that asset e.g. a building may suit a particular use but when that use is no longer required it may not be suitable for another use by the local government. Stock yards are an example of a specific use asset.

External Borrowings includes raising and obtaining, in any way money, credit and other financial accommodations from sources external to the Shire.

Excluded Borrowings includes money, credit or other financial accommodations obtained in the ordinary course of the Shire performing its function such as -

- (a) An operating lease for fleet vehicles, office furniture/equipment or information technology assets;
- (b) A credit or purchase card facility;
- (c) An overdraft required to balance daily cash flow requirements;
- (d) A hire-purchase agreement.

Gross Debt means all debts owing by the Shire including self supporting loans.

Internal Borrowings means the use of internal Municipal funds set aside for projects or future liabilities that are not expected to be expended or crystallised in the current financial year, to temporarily fund projects not previously budgeted, as an alternative to external borrowing.

Liability means a debt or financial obligation for which the Shire is responsible.

Long Term financial Plan means a ten year rolling financial plan incorporated into the Shire's Corporate Business Plan that activates Strategic Community Plan priorities.

Net Debt - gross debt less cash assets.

Self Supporting Loans are Shire loans taken out, the repayments of which are made by a third party i.e. Shire Community/Sporting Groups.

Shire means Shire of Bridgetown-Greenbushes.

Strategic Community Plan means the Strategic Community Plan adopted by the Council.

Policy Statement

Whilst the preferred policy position of the Shire of Bridgetown-Greenbushes (Shire) is to remain debt free (except for Self Supporting loans), the Shire recognises that in order to ensure intergenerational equity in funding the acquisition, renewal or construction of some assets, it may need to resort to the prudent use of loan borrowings, debt instruments or other finance or capital raising methodologies from time to time. The following principles are to be applied when considering undertaking borrowings or other asset financing.

1.1 Matters to be considered by Council

The following matters need to be considered by Council when assessing borrowing of funds:

- 1.1.1 The Shire's Long Term Financial Plan and forecast debt financing capacity – across the proposed life of any loan or portfolio of loans.
- 1.1.2 Regulated borrowing limits as determined by WA Treasury Corporation.
- 1.1.3 Debt Service Coverage Ratio (calculated as per Local Government Operational Guidelines – Number 18 *Financial Ratios*) meets that required by both the Department of Local Government, Sport and Cultural Industries Standard and WA Treasury Corporation.
- 1.1.4 Standard is NOT met if ratio is less than 2X (two times).
- 1.1.5 Basic Standard if ratio is between two (2X) and five times (5X).

- 1.1.6 Advanced Standard if greater than five (5).
Note: Currently this indicator is used by WA Treasury Corporation when considering loan applications from the Shire.
- 1.1.7 The current financial position of the Shire.
- 1.1.8 New Capital Works program priorities and funding requirements.
- 1.1.9 Compliance with legislative requirements associated with borrowing of monies under Sections 6.11, 6.20 and 6.21 of the Local Government Act 1995.

1.2 Guidelines

Operating Expenditure - The Shire will **not** borrow money (other than by way of Excluded Borrowings) to fund operating expenditure. This type of expenditure shall be funded through operating revenue streams such as rates, fees and charges or operating grants.

Recurrent Capital Expenditure - The Shire will **not** borrow money or obtain debt finance (other than by way of Excluded Borrowings) to fund the acquisition, replacement or renewal of assets that is expected to occur on an annual or similar basis at approximately the same level each year e.g. recurrent capital works. Examples of this type of expenditure are road resurfacing, plant replacement, information technology and office equipment acquisitions and replacement. This type of expenditure shall be funded through operating revenue streams such as rates and fees and charges. The Shire's Landfill business unit is an exception to this, as it has the capacity to finance borrowings for plant replacement (for example) out of its rates and fees and charges.

1.3 Limitations

- 1.3.1 **Borrowing Term** - The term of the Borrowing or Other Financial Accommodation shall be set having due regard to the Economic Life of the asset being acquired or constructed.

Should the Shire decide to borrow funds, the term of the borrowing shall generally not be greater than half of the Economic Life of the asset being acquired or constructed. This is to enable the Shire to use the remaining economic half life to set sufficient funds aside in a reserve (sinking) fund in order to renew or replace that asset, should that be required, at the end of its Economic Life.

- 1.3.2 **Borrowing Ratios** - Prior to undertaking any borrowing the Shire shall assess its capacity to pay, to ensure that the community is not burdened with unnecessary risk.

When assessing the borrowing ratios, consideration will be given to the economic earnings potential of the asset being acquired or constructed.

The Shire will **not** borrow funds when such borrowing would result in the following financial ratios being exceeded:

- Debt Service Cover Ratio being greater than 3X (three times, WA Treasury Corp Guideline is 3X); and
- Net Debt (Gross Debt less cash assets) to Operating Revenue Ratio 45% (WA Treasury Corp Guideline is 50%).

Note:- As at 30 June 2018 (using 2017/2018 actual figures adjusted to include Federal Assistance Grants prepayments) this would equate to a borrowing limit for the Shire approaching some \$6,037m.

In order to reflect the Shire's contingent liability risk as guarantor for Self Supporting Loans the permissible borrowing limit of the Shire will be reduced by the amount of 50% of the outstanding value of self supporting loans (\$25,964) resulting in a net borrowing capacity remaining at some of \$6,024m for the Shire.

The Shire will **not** generally borrow funds (other than by way of Excluded Borrowings) to acquire an asset that has an economic life of less than five (5) years.

1.3.3 Statutory Limitations - Any borrowings will be conducted in accordance with relevant statutory requirements as contained in the Act and the *Local Government (Financial Management) Regulations 1996*.

Other Limitations - Borrowings shall be undertaken in Australia and be in Australian dollars.

Local government loan application guidelines published by the WA Treasury Corporation from time to time will also limit the amount of borrowings that can be undertaken.

Determining the Appropriate Lending Institution -Where practicable three written quotations shall be obtained or a loan tender called in order to determine the appropriate lending institution for any loan borrowings. Determination of the appropriate institution will be based on the interest rate and loan costs offered, the terms and conditions of the loan and the financial stability of the lender.

1.3.4 Interest Rate Parameters - Should any borrowings be undertaken, the Shire will consider the following factors when deciding an appropriate period for which interest rates will be fixed:-

- the level of the interest rate when compared to the long term average official interest rate;
- recent movements in the official interest rate; and
- the term of the loan.

1.3.5 Structure of Borrowings - The Shire will obtain advice to determine the most appropriate structure of any borrowings with regard to:

- Fixed or Floating rate
- CPI – Linked rate

- Interest Capitalised, Interest Only or Principal and Interest.

Where possible, the nature of cash flows related to the funded asset will be used as a guide to the most appropriate borrowings structure. For example, interest capitalised may be appropriate for capital expenditure related to a land release, with full principal repayment from land sales.

1.4 Assessment

The Shire will give favourable consideration to borrowing money for the acquisition or construction of an asset where:-

- the asset to be acquired is a new addition to the Shire's asset base or replaces an existing asset with one which affords the Shire substantially better service and has an economic life of greater than 10 years; or
- all alternative options for undertaking the project without borrowing have been investigated and proven less advantageous to the Shire; or
- the income stream from the asset to be acquired or constructed exceeds the cost of borrowing over the life of that asset ; or
- repayments will be met by a third party e.g. self supporting loans and the financial stability of that party meets the criteria as set out in the Self Supporting Loans Policy F.18; or
- the index of the cost of acquisition or construction is increasing at a rate that exceeds the cost of borrowing i.e. to "save" for the acquisition or construction will result in the actual cost being greater than the cost of borrowing the money and acquiring or constructing the asset today.

As a general rule the benefits received (cost savings or income earned) from undertaking the borrowing should be greater, over the life of the borrowing, than the costs of borrowing.

1.5 Internal Borrowings

Where the cost of using external funds acquired through borrowing is greater than the forgone investment earnings on Municipal funds (held in Reserve accounts) that are surplus to **current** requirements, such funds should be used prior to seeking external funds. It should be noted that the Act places restrictions on the use of funds held in Reserve accounts i.e. Municipal Fund equity, as follows:-

6.11. Reserve accounts

- (1) *Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.*
- (2) *Subject to subsection (3), before a local government –*
 - (a) changes* the purpose of a reserve account; or*
 - (b) uses* the money in a reserve account for another purpose,*
it must give one month's local public notice of the proposed change of purpose or proposed use.

** Absolute Majority Decision Required.*
- (3) *A local government is not required to give local public notice under subsection (2) –*

(a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year.

Where the use of such Reserve account funds is made 'notionally available' as internal borrowings, journal entries shall be made reflecting the value of forgone investment earnings as a cost to the programme for which the funds were borrowed and crediting the relevant investment earnings budget account for the fund/reserve account from which the funds were "borrowed".

Under no circumstances shall funds be "borrowed" from the Employee Leave or Bus Reserve accounts, Trust Fund or Trust accounts.

1.6 Roles and Responsibilities

Executive Manager Corporate Services:

Review and appraise each (external/internal) loan proposal, and make a recommendation (approve/not approve) for presentation to the Audit Advisory Committee.

Audit Committee:

Appraise the Executive Manager Corporate Services' recommendation (approve/not approve) for presentation to Council.

Council:

Review recommendation and make final determination by absolute majority to approve or not approve the (external/internal) loan proposal.

1.7 REFERENCES

Strategic Community Plan 2017

Sections 6.11, 6.20 and 6.21 of the *Local Government Act 1995*

POLICY NO.	F.20
POLICY SUBJECT	Library Exhibition Policy
ADOPTION DATE	27 November 2014 (C.15/1114)
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Policy Intent

This Policy sets out Council's position regarding art exhibitions in Council owned and operated public galleries.

Exhibiting Guidelines

Council manages the public exhibition space known as the Gordon Holdsworth Exhibition Space in the Bridgetown Library. This space was developed to showcase local and regional artists, touring exhibitions, local collections, artist in residence and to profile local art.

Exhibition Proposals

Council developed an exhibition space specifically for the purpose of providing professional opportunities for local and regional artists, and to showcase community art-making of the region. Exhibitions presented in Council's Gordon Holdsworth Exhibition Space will include a mix of touring exhibitions, locally-developed curated exhibitions and community-initiated exhibitions.

All proposals will be submitted through the library and considered for approval by the Chief Executive Officer.

Exhibition Promotion and Public Relations

All exhibitions held in the Gordon Holdsworth Exhibition Space will be promoted through Council's web site, Council's facebook page, email information group (Shire Bytes) and Councils by-monthly information magazine, the Insight. On occasion the exhibiting Gallery will receive editorial coverage in local press or promote exhibitions in industry publications. Invitations are developed and distributed by Council and/or by the exhibitor.

Exhibitors wishing to promote their exhibitions in addition to Council's usual mechanisms are welcome to do so but are required to acknowledge Council's support of the exhibition. Promotional material therefore must be checked by the Chief Executive Officer (or his delegate) and approval for the use of the Shire of Bridgetown-Greenbushes Council logo is required.

The Library Manager can provide a mailing list of VIPs (including the Council President and Councilors) for the Exhibitor's use.

Sale of Artworks

Council's exhibition space is a public gallery, therefore selling artwork is not Council's primary role. However, the sale of artworks can be negotiated with the facility manager. The following conditions apply:

- If the exhibitor elects to offer the artwork for sale, the exhibiting gallery will receive a commission of 10%. If the exhibitor does not elect to offer artwork

for sale, or does not sell any works after electing to offer artwork for sale, no fees will be paid.

- All sales of artworks will be undertaken in accordance with the sale of art commission's administrative procedure.
- While all reasonable care is taken for the safety of artwork or other items for sale, Council cannot be held responsible for damage or loss due to theft.

Book Launches and Similar Events

The Gordon Holdsworth Exhibition Space and other areas of the Library are suitable spaces for events such as a book launch. Such events are encouraged at the Library subject to them not detracting from the predominate functions of the Library. These events will operate under the same conditions and commissions as listed above for "exhibitions".

Policy Review

The Art Exhibition Policy will be reviewed annually to ensure its currency and relevance and to assess the cost coverage of the art sales commission percentage.

POLICY NO.	F.21
POLICY SUBJECT	Risk Management
ADOPTION DATE	17 December 2015 (C.04/1215)
LAST REVIEW DATE	29 November 2018 (C.04/1118)

Purpose

The Shire of Bridgetown-Greenbushes Risk Management Policy documents the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives.

Policy

It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk management), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management will form part of the Strategic, Operational, Project and Line Management responsibilities and where possible, be incorporated within the Shire's Integrated Planning Framework.

The Shire's Senior Management Group will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as, direct and monitor implementation, practice and performance.

Every employee within the Shire is recognised as having a role in risk management from the identification of risks to implementing risk treatments and shall be invited and encouraged to participate in the process.

Consultants may be retained at times to advise and assist in the risk management process, or management of specific risks or categories of risk.

Definitions (from AS/NZS ISO 31000:2009)

Risk: Effect of uncertainty on objectives.

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

Risk Management: Coordinated activities to direct and control an organisation with regard to risk.

Risk Management Process: Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk Management Objectives:

- Optimise the achievement of our vision, mission, strategies, goals and objectives.
- Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
- Enhance risk versus return within our risk appetite.
- Embed appropriate and effective controls to mitigate risk.
- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
- Enhance organisational resilience.
- Identify and provide for the continuity of critical operations

Risk Appetite

The Shire quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are a component of, and are subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

Roles, Responsibilities & Accountabilities

The CEO is responsible for the allocation of roles, responsibilities and accountabilities. These are documented in the Risk Management Procedures Manual (Operational Document).

Monitor & Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Senior Management Group and its employees. It will be formally reviewed every two years.

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence								
Rating	Health	Financial Impact	Service Interruption	Compliance	Reputational		Property	Environment
					External	Internal		
Insignificant	Negligible injuries	Less than \$500	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item, no social media attention	Isolated incidents of short term decline in individual staff morale/confidence	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor	First aid injuries	\$501 – \$5000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item, limited social media attention (e.g Limited to local news / limited social media impact)	Short term decline in staff confidence/morale	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate	Loss time injuries < 5 days	\$5001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile, requires social media response and monitoring (e.g State News story)	Decline in staff confidence/morale, or unauthorised absences	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major	Loss time injuries >= 5 days	\$50,001 - \$500,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions, requires immediate and ongoing social media response and monitoring (e.g National News – lead story single occurrence)	Long term decline in staff confidence or morale, occasional unauthorised staff absences or threat of strike	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic	Fatality, permanent disability	More than \$500,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions, requires substantial social media resourcing for long term response and monitoring. (e.g International / National News – lead story, multiple days)	Sudden or unexpected loss of personnel due to strikes, excessive unauthorised staff absences	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Rating	Description	Frequency	Probability
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High

Risk Matrix					
Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Rare	Low	Low	Low	Low	Moderate

Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Shire Mgt Team / CEO
EXTREME	Unacceptable	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	<ol style="list-style-type: none"> 1. Processes (Controls) operating as intended and aligned to Policies / Procedures. 2. Subject to ongoing monitoring. 3. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	<ol style="list-style-type: none"> 1. Processes (Controls) generally operating as intended, however inadequacies exist. 2. Nil or limited monitoring. 3. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	<ol style="list-style-type: none"> 1. Processes (Controls) not operating as intended. 2. Processes (Controls) do not exist, or are not being complied with. 3. Have not been reviewed or tested for some time.

POLICY NO.	F.22
POLICY SUBJECT	Related Party Disclosures
ADOPTION DATE	28 September 2017 (C.13/0917)
LAST VARIATION DATE	29 November 2018 (C.04/1118)

Policy Intention

To ensure compliance with the *Australian Accounting Standard AASB 124 – Related Party Disclosures* and the *Local Government Act 1995* to prepare financial accountability documents, including general purpose financial statements.

Policy Overview

Under the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, all local governments in Western Australia must 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. The Shire is now required to disclose Related Party Relationships and Key Management Personnel compensation in its Annual Financial Statements.

This Policy provides guidance on:

- the identification of the Shire's related parties;
- management of related party transactions;
- recording such transactions; and
- disclosure of the transactions in the Shire of Bridgetown-Greenbushes Annual Financial Statements in accordance with AASB 124.

The Policy addresses the four (4) different types of related party that must be considered by the Shire:

1. Entities related to the Shire;
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

Australian Accounting Standards Board, Related Party Disclosures Standard 124:

Close family members of Key Management Personnel (KMP)

Those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the Shire of Bridgetown-Greenbushes and include:

- the KMP's children, and spouse or domestic partner;
- children of that KMP's spouse or domestic partner; and
- dependants of the KMP or the KMP's spouse or domestic partner.

Entity

Can include a body corporate, a partnership or a trust, incorporated, or unincorporated group or body.

Entity Related to a KMP

Related Entities to Key Management Personnel are entities that are:

- *controlled or jointly controlled by a KMP;
- 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
- controlled or jointly controlled by a close family member of a KMP of the Shire.

*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 must 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 the Shire

This includes any entity that is either controlled, jointly controlled or over which the Shire has a significant influence. A person or entity is a Related Party of the Shire 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 the Shire is part of;
- they and the Shire are joint ventures of the same third party;
- they are part of a joint venture of a third party and the Shire is an associate of the third party;
- they are a post-employment benefit plan for the benefit of employees of either the Shire or an entity related to the Shire;
- 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 the Shire; or
- they, or any member of a group of which they are a part, provide KMP services to the Shire.

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 Bridgetown-Greenbushes are:

- Elected Members; and

- persons employed under s5.36 of the *Local Government Act 1995* in the capacity of Chief Executive Officer or Senior Executive officer.

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.

Ordinary Citizen Transaction (OCT)

A transaction that an ordinary member of the community would undertake in the ordinary course of business with the Shire of Bridgetown-Greenbushes.

Related Party

A person or entity that is related to the entity preparing its financial statements.

Related Party Transaction

A transfer of resources, services or obligations between the Shire of Bridgetown-Greenbushes and a related party, regardless of whether a price is charged.

Significant (significance)

Likely to influence the decisions that users of the Shire's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the Shire and related party outside a public service provider/ taxpayer relationship.

POLICY DETAILS

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 the Shire of Bridgetown-Greenbushes. All related parties must 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 (OCT)

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

- occur during the normal course of the Shire 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 the Shire.

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

There is no obligation to disclose OCTs.

Transactions between the Shire and Related Parties that would normally be considered OCTs but where the terms and conditions differ from normal practice however, must 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) must be disclosed in accordance with AASB 124.

The following are examples of transactions that must be disclosed if they are with a related party and are not an OCT:

- 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 the Shire or by the Shire on behalf of the related party.

3. Disclosure of Information

3.1 Shire disclosure

AASB 124 provides that the Shire must 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 must 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 must 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 must provide a Related Party Disclosure in the form set out in the Attachment annually to coincide with the end of the financial year.

4. Review of Related Parties

A review of KMP's and their related parties will be completed annually. Particular events, such as a change of Elected Members, Chief Executive Officer or Senior Executive Officers or a corporate restructure will also trigger a review of the Shire'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 the Shire's accounting and electronic records management systems
- other transactions not passing through the Shire'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 must notify the Chief Executive Officer who will, in consultation with the Executive Manager 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 Manager Corporate Services;
- an Auditor of the Shire (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.

Attachment 1

PARTY DISCLOSURES - DECLARATION

This form is to be completed by Key Management Personnel pursuant to Shire of Bridgetown-Greenbushes Policy “*Related Party Disclosures*”. The information collected in this declaration will be used to identify related party transactions for the purpose of disclosure in the annual financial statement of the Shire of Bridgetown-Greenbushes in accordance with AASB 124. The information disclosed in this document is considered confidential, however is subject to audit.

An Information Sheet is included to assist KMPs when completing this Declaration

Disclosure Period (Year Ended):	30 June 2017
Person making disclosure:	
Position held by person: e.g. Councillor, Executive Officer	

1. CLOSE MEMBERS OF THE FAMILY	
Name of Family Member	Relationship to You
<i>If there has been no change since your last declaration, please complete with “No Change”</i>	
2. ENTITIES THAT I, OR A CLOSE FAMILY MEMBER CONTROLS OR JOINTLY CONTROLS	

the Shire of Bridgetown-Greenbushes (either as lessee or lessor) for the provision of a domestic rental property (includes properties owned by the Shire and privately owned properties sub-leased through the Shire from a Real Estate agent)? Did you receive or provide a discount or special terms that would not otherwise be offered to any other member of the public?

Name of Person party to the Lease	Property Address	Term of Lease & Weekly Rental	Detail of any Non-Arms Length Conditions

5. LEASING AGREEMENTS - COMMERCIAL

Did you, a close family member or related entity, enter into a commercial leasing agreement with the Shire of Bridgetown-Greenbushes for the provision of a commercial property? Did you receive a discount or special terms that would not otherwise be offered to any other member of the public?

Name of Person party to the Lease	Property Address	Term of Lease & Weekly Rental	Detail of any Non-Arms Length Conditions

6. TRADING ARRANGEMENTS

Were you or a close family member (as defined above) the owner of any business (or in a position to

substantially control the business) that provided goods or services to the Shire of Bridgetown-Greenbushes? Were those goods or services provided on the same terms and conditions as those available to any other customer? If not, please provide details of the specific terms provided to the Shire.

Business Name	Goods or Services Provided	Approximate Value for the Reporting Period	Terms & Conditions

7. OTHER AGREEMENTS (Construction, Consultancy, Service Contracts)

Did you, a close family member or related entity, enter into any other agreements/arrangements with the Shire of Bridgetown-Greenbushes (whether or not a price was charged)? This may include (but is not limited to): construction contracts, consultancy services, service contracts (such as cleaning, maintenance, security). [For e.g. a company that a close family member controls, was awarded a contract with the Shire for building a new office facility]

Name of Person or Business/Company	Nature of Agreement	Value of Agreement	Terms & Conditions

8. PURCHASE OF PROPERTY

Did you, a close family member or related entity, purchase any property or other assets from the Shire of Bridgetown-Greenbushes? (This may include vehicles or other plant items, land or buildings). Was

the purchase made at arms length (for e.g. at public auction), and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided to you.

Name of Person or Entity Name	Property Purchased	Value of Purchase	Terms & Conditions

9. SALE OF PROPERTY

Did you, a close family member or related entity, sell any property or other assets to the Shire of Bridgetown-Greenbushes? (This may include vehicles or other plant items, land or buildings). Was the sale made at arms length, and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided.

Name of Person or Entity Name	Property Sold	Value of Purchase	Terms & Conditions

10. FEES & CHARGES FOR APPLICATIONS

Did you, a close family member or related entity, make an application to Council for a trading, building,

planning or development application, licence or approval, or any other type of permit or licence?

Name of Person or Entity Name	Application Type	Application and/or Receipt No.

11. SELF SUPPORTING LOANS

Did you, a close family member or related entity, enter into a loan agreement with the Shire of Bridgetown-Greenbushes? [For e.g. a club for which you have control]

Name of Person or Entity Name	Loan Details	Value of Loan	Terms & Conditions

12. OTHER AGREEMENTS

Please list any other Agreement or Arrangement you believe is a related party transaction and should

be declared			
Name of Person or Business/Company	Nature of Agreement	Value of Agreement	Terms & Conditions

I declare that to the best of my knowledge, the information above is a complete and accurate record of my close family members and the entities controlled, or jointly controlled by myself or my close family members. I make this declaration after reading Council Policy “Related Party Disclosures” which details the purpose for which this information will be used.

<p>SELECT OPTION 1: <input type="checkbox"/> Handwritten Signature</p> <p>Signed: _____ Date: ____/____/____</p> <p>Once signed please provide to the Chief Executive Officer</p>

OR

<p>SELECT OPTION 2: <input type="checkbox"/> Electronic Signature</p> <p>This form can be sent by email to the Chief Executive Officer provided the email is sent by the person making the disclosure from their work or personal email account</p>

RELATED PARTY DISCLOSURES INFORMATION SHEET

From 1 July 2016 local governments must disclose related party relationships, transactions and outstanding balances, including commitments, in the annual financial statements.

Related parties include Key Management Personnel (KMP), their close family members and any entities that they control or jointly control. Any transactions with these parties, whether monetary or not, will need to be identified and may need to be disclosed. Disclosure will only be made if a transaction has occurred and the disclosure may be in aggregate.

In order to meet this requirement Council has adopted a Policy that requires all KMP to provide an annual declaration identifying:

- Their close family members;
- Entities that they control or are associated with; and
- Entities that their close family members control or jointly control.

This information will be audited as part of the annual external audit.

Who are KMP?

KMP are persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly. This includes Councillors, Chief Executive Officer, Executive Managers and any other members of staff identified by the CEO.

Who are Close Family Members of KMP?

These are family members who may be expected to influence, or be influenced by, that person in their dealings with the Shire. The following table may assist in identifying your close family member:

Definitely a close family member	May be a close family member (if they could be expected to influence or be influenced by you in their dealings with the Shire)
Your spouse/domestic partner	Your brothers and sisters
Your children	Your aunts, uncles, cousins
Your dependents	Your parents and grandparents
Children of your spouse/domestic partner	Your nieces and nephews
Dependents of your spouse/domestic partner	Any other member of your family

Example 1 of Close Family Member

Sunny Shire Council has recently employed Paul's son (George) in the Council's Parks & Gardens area. Paul is Council's Chief Financial Officer but was not involved in hiring George. This process was managed by the Human Resources Officer and included an independent assessment process. Paul did not have any influence in

George securing the job.

Paul has been identified as a KMP of Council which makes him a related party. George will also be a related party of Council because he is a close family member of Paul. The recruitment process that was undertaken for George's position is irrelevant when assessing whether George is a related party.

Example 2 of Close Family Member

The President of Happy Shire (Shelley) has lived in the Shire her whole life. In fact her family has been in the area for over five generations.

Shelley's cousin Mavis, owns and operates the local newsagency through a company Happy News Pty Ltd, in which she owns 100% of the shares. Shelley and Mavis have always been close and regularly socialise together.

Shelley has been identified as KMP of Council. From these facts it would appear that Mavis is a close family member of Shelley because she would be expected to influence, or be influenced by, that person in her dealings with Council.

Both Mavis and the company she controls, Happy News Pty Ltd would therefore be related parties of Council. Any transactions that the Council makes with the newsagency would need to be separately identified and may need to be disclosed.

What is an Entity that I, or my Close Family Member, Control or Jointly Control?

Entities include companies, trusts, incorporated or unincorporated associations such as clubs or charities, joint ventures and partnerships.

You control an entity if you have:

- a) Power over the entity;
- b) Exposure, or rights, to variable returns from involvement in the entity; and
- c) The ability to use your power over the entity to affect the amount of your returns.

Example 1 of Control

Fred is the Shire President of Sunny Shire and owns 100% of the ordinary share in Sunny Development Company Pty Ltd (the company). The ordinary shares are the only shares in the company that have voting rights.

Fred controls the company because he has the power to affect the company's decisions and the return that he will get from the company. Fred will need to include the company on his related party declaration.

To jointly control an entity there must be contractually 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.

Example 2 of Control

Fred is the President of Sunny Shire Council and owns 50% of the ordinary shares in Sunny Development Company Pty Ltd (the company). Fred's brother Stan owns the other 50% of ordinary shares. Fred and Stan are the only Directors of the company and have equal voting rights on the board.

Fred and Stan have joint control of the company because any decisions require the unanimous consent of them both. Fred will need to include the company on his related party declaration.

Example 3 of Control

The President of Sunny Shire Council is the President of the League Heroes Inc, the local football club. This club is overseen by a committee which comprises the President and 4 other committee members. Each member has a single vote when making decisions at meetings. The committee members are not related and do not have agreements to vote with one another. The club has over 100 members that each have a vote in electing the committee members at the club's annual general meeting.

From these facts it would appear that the President does not control or jointly control the football club so it will not be a related party of Council just because the Shire President is the President of the football club.

Disclosure

Transactions between Council and related parties, whether monetary or not, are required to be identified. The transactions may be disclosed in the financial statements if they are individually significant either because of their amount or nature.

Further information or clarification on Related Parties Disclosures should be directed to the Department of Local Government, Sport and Cultural Industries.

POLICY NO.	F.23
POLICY SUBJECT	Asset Management – Project Management Framework
ADOPTION DATE	20 December 2018 (C.09/1218)
REVIEW DATE	

Purpose:

To outline the processes for major infrastructure renewal, new or upgrade works within the Shire of Bridgetown-Greenbushes where identified within Council's Strategic Plans.

Policy Objectives

The implementation of a Project Management Framework that guides each stage of a proposed capital works project to achieve the following objectives:

- To provide a consistent framework for managing projects;
- To align projects with Council's strategic plans;
- To support economic development within the local government area;
- To increase project transparency and visibility to enable effective decision making regarding the optimal use of resources;
- To deliver services through improved project management capability;
- To improve the efficiency and consistency in project delivery;
- To reduce and manage project risks; and
- Support the capability development of staff managing projects.

This will ensure only those projects assessed against other projects as detailed in Council's Strategic Plans having the highest priority are progressed.

Definitions

The following definitions are relevant to this Policy and are in accordance with the "Asset Management Framework and Guidelines" document published by the Western Australian Department of Local Government and Communities.

Asset	A physical component of a facility that has value, enables a service to be provided, and has an economic life of greater than 12 months.
Asset Management	The combination of management, financial, economic, engineering and other practices, applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Lifecycle Cost	The total cost of an asset throughout its life including costs for planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

Policy Statement

Council is committed to implementing a systematic asset management process in order to apply appropriate asset management best practices across all areas of the organisation. In order to facilitate best practice asset management, the adoption of a Project Management Framework will provide the implementation process for the effective allocation of limited financial resources to projects identified within Council's Strategic Plans as having the highest priority.

Principles:

- Council has a responsibility to ensure that their existing assets are maintained, renewed and/or upgraded to maximise the functionality and therefore capacity and usage during the asset's useful life. If identified through the Community Strategic Planning process that the provision of a new asset is desirable, Council must evaluate each project proposal to ensure, that if approved, it will not adversely affect Council's overall financial sustainability.

- No new capital works projects are commenced until such time as Council has undertaken appropriate due diligence assessments of each new capital works proposal to ensure that:
 - the proposed project is included in the Strategic Community, Corporate and Long Term Financial plans;
 - An independent Whole-of-Life Cost Benefit Analysis has been prepared that determines the affordability of the project and the extent of any ongoing operational cost/subsidy;
 - The extent of any ongoing subsidy is accepted by Council;
 - Each proposal has been evaluated against other competing projects to determine the priority of each proposed project;
 - Any costs have been scrutinised by a quantity surveyor's assessment.

- Any proposed new asset not currently contained within Council's Strategic Community Plan, Long Term Financial Plan and Corporate Business Plan be deferred until a review of the Corporate Business Plan is undertaken to ensure the proposal has been prioritised against other infrastructure works previously contained within these strategic plans.

Legislation:

- Local Government Act 1995 (as amended).
- Regulations under the Act.

Responsibility:

- **Council** is responsible for adopting policy and ensuring that sufficient resources are applied to manage assets.
- The **Chief Executive Officer** has overall responsibility for developing strategies, plans and procedures and reporting on the status and effectiveness of asset management within Council.
- The **Executive Managers** are responsible for assessing each capital works program against the adopted criteria to ensure that only those projects that are identified as being the highest priority are listed for each annual budget and included in the Long Term Financial Plan.

Policy Review:

This policy will be reviewed annually to ensure its currency and relevance.

Attachments:

- Project Management Framework Process Chart
- Project Management Framework Process

References:

- WA Department of Local Government: *Integrated Planning Framework and Guidelines, October 2010.*
- WA Department of Local Government: *Asset Management Framework and Guidelines, May 2011.*
- Institute of Public Works engineering Australia, IPWES, *International Infrastructure Management Manual, 2011.*

