KING ISLAND COUNCIL

Policy

PRIVATE WORKS POLICY

Responsible Officer: FINANCE MANAGER

Date: 20 August 2024

Review Date: 31 July 2027

1. Purpose

To provide a framework for performing private works that is applicable to everyone, transparent, objective and consistent.

To undertake private works at market prices ensuring an acceptable profit margin to King Island Council (Council) that is consistent with anti-competitive requirements of the *Trade Practices Act 1974* and the no advantage requirements of the *Local Government Act 1993.*

2. Background

King Island Council receives significant revenue from private works , due to the fact that we are an isolated community and the engagement of our workforce is currently the most cost effective and efficient way for the Department of State Growth and other government entities to deliver road works and other projects. This Policy guides Council operations when undertaking works for State Government entities and private citizens or businesses.

3. Scope

This policy covers all private works undertaken by Council on behalf of any applicant including State Government entities or private citizens or businesses. Works may include the supply of labour, materials, plant and services.

4. Policy

4.1 RELATED DOCUMENTS

This policy is to be read in conjunction with the following documents:

Trade Practices Act 1974
Local government Act 1993
Debt Recovery Policy

4.2 POLICY STATEMENT

Priority for use of Council's plant, equipment, labour and other resources will be given to Council's own work program, before entering into a private works arrangement.

The Department of State Growth is the principal organization to contract Council to undertake private works, namely on their own State Growth owned road arteries. Council will continue to support this cooperative approach when undertaking infrastructure projects for the King Island community.

Council reserves the right to refuse a request for private works if it is deemed to be outside of Council's capabilities, resource availability or for any other reason deeming the works unachievable by Council.

4.2.1 Major Private Works

- Major Private Works will only be considered in the following circumstances
    - There is no private contractor available or accessible to undertake the work; or
    - The project would be of strategic economic, social or environmental benefit to the community; or
    - The Council staff have the capacity to engage in the project; or
    - It may provide a valuable training opportunity for the Staff.

4.2.2 Minor Private Works

- Minor Private Works valued at or below $10,000 (excl GST) will require the consent of the Deputy General Manager.

4.2.3 Plant Hire

- Council will not hire plant without an approved Council operator and in accordance with this Policy.

- Council is responsible for the payment of Council operators engaged on private works. No other payment arrangements are permissible.

- Where Council agrees to undertake Private Works and the works are not on private property engaged directly by the land owner, the hirer shall have adequate public liability insurance to cover the activities of the hired plant. Evidence of that insurance and permission of the land owner must be provided to Council prior to commencement of the works.

4.2.4 Scope of Works

- A scope of works is to be included with estimates and quotes for all private works.

- The scope of works for Minor Private Works must be clearly outlined, including the works to be undertaken, permits required, estimated quantities of materials to be used and a timeframe in which the work is to be carried out.

- All scopes of works for Major Private Works must include design drawings, specifications where appropriate and all permits required to be provided to Council prior to commencement of works.

4.2.5 Costings

- Council will not carry out private works for entities or individuals indebted to Council for any reason.

- Where a Major Private Works project has been approved, a firm quotation must be provided.

- All quotations must be in writing and must be accepted by the applicant in writing prior to commencement of the works. Quotation shall be valid for 30 days only, after which an updated quotation will be provided on request.

- Where a Minor Private Works project has been approved, a firm quote of costs will be provided.

- All estimates and quotes provided are GST-inclusive.

- A minimum charge rate of two (2) hour plant hire for each machine engaged will apply to private works.

- Hourly Rates for staff must include on-costs for wages.

- Where plant/equipment is hired outside of normal working hours, the applicant will be charged the operator overtime or penalty rates as prescribed in the relevant award and Council's Enterprise Agreement.

- Quotes may include a contingency.

- Variations to scope may incur additional charges to the original quote and must be agreed to in writing by both parties before commencing additional works.

4.2.6 Council Employees, Consultants and Contractors

- Council Employees, Consultants and Contractors must pay the same rates and charges for private works that would apply to anyone else.

- All other rules contained within this policy also apply to any Council Employees, Volunteers, Consultants and Contactors requesting private works.

- Council Employees, Elected Members, Volunteers, Consultants and Contractors must not gain an advantage over the general public; for example, they cannot get an advantage in relation to GST, or purchase items on Council's accounts to gain a corporate discount.

- Council Employees, Elected Members, Volunteers, Consultants and Contractors will not receive favourable payment terms.

- Applications for private works for Council Employees, Elected Members, Volunteers, Consultants and Contractors must be approved by the General Manager.

- Applications for private works for the General Manager require the approval of Council.

4.2.7 Payment

- Upon completion the relevant Department Manager will arrange for the private works to be invoiced.

- Payment terms are 30 days unless otherwise stated on invoice.

- The applicant is responsible for paying the invoiced amount in full by the due date.

- With exception for private works under taken by Council for State Government entities a cash deposit, bond or guarantee or similar appropriate assurance is required before undertaking private works estimated at the following levels:
    - Less than $10,000 excluding GST – 25%
    - Between $10,000 and $49,999 excluding GST – 50%
    - $50,000 or more (excluding GST) – 50% deposit plus milestone payments included in the project plan

5. Legislation, Terminology and References

Applicable legislation:

All laws in connection with private works including but not limited to:

- *Local Government Act 1993* (TAS)
- *Trade Practices Act 1974 (Cwth)*

Definitions	
Term	**Meaning**
Council	King Island Council
Councillor	An elected member of Council known as a Councillor or Alderman or otherwise meeting the definition of a 'councillor' as defined under section 3 of the *Local Government Act 1993* (TAS)
Employee	A person who carries out work for Council as an employee of Council.
General Manager	The general manager of Council as appointed under section 61 of the *Local Government Act 1993* (TAS).
Manager/Supervisor	A person at the Workplace who is appointed to a position that has management/supervisory responsibilities for others or their appropriately nominated or authorised delegate.
Other Persons at the Workplace	A person, other than a Councillor, who carries out work in any capacity for Council, including work as: (a) a contractor or subcontractor. (b) an employee of a contractor or subcontractor. (c) an employee of a labour hire company who has been assigned to work at Council. (d) an apprentice or trainee. (e) a student gaining work experience; or (f) a volunteer.
Policy	Private Works Policy
Workplace	A place where work is carried out for Council.

References:

Nil

POLICY VERSION AND REVISION INFORMATION

Title: Private Works Policy

Policy Maintained by: Finance Manager

Policy Commencement: 20 August 2024

Policy Review: 31 July 2027

Version No	Date	Resolution No	Responsible Officer
1.0	20.8.2024	216/24	Finance Manager