Farcical claims risk causing hike in Council rates

COUNCILLOR
LYNNE CRAIGIE
PRESIDENT
WALGA

Critics and detractors of Councils will be costing ratepayers more if their erroneous beliefs are upheld and continue to mislead the community.

False claims questioning the lawfulness of legislation allowing Local Governments to use an effective and cost-saving method of seeking suppliers are mischievous at best, and malicious at worst.

According to the WA State Law Publisher, Acts set out broad legal and policy principles. Regulations detail how Acts are implemented.

Similarly, the Local Government Act 1995 when addressing Councils’ procurement of goods and services, states that a competitive bid process, or tender is required but points to Regulations to explain more.

The Regulation then defines the purchase amount (over $150,000) that requires the tender process, and lists a number of exemptions.

However, there are farcical claims that exemptions listed in the Regulation are not valid as the Act states that tenders are required.

Applying this argument would mean that a Local Government would have to go through a tender process before it enters into any sales contract, even those worth much less than $150,000.

The level of bureaucratic waste would be astronomical if this scenario were true - Local Governments would be required to request tenders for every low-cost purchase such as office stationery or cleaning supplies.

Similarly, one of the tender exemptions in the Regulation is the purchase of vehicle petrol or oil due to the highly-fluctuating nature of commodity pricing.

It would be a lengthy and ridiculous process if Local Governments have to go through a tendering process each time a rubbish truck or a skid steer is out of fuel.

Another tender exemption stated in the Regulations is the use of WALGA Preferred Supplier Arrangements.

Preferred Supplier Arrangements are specified groupings of suppliers that have been pre-qualified to provide a category of goods or services. Each Preferred Supplier contract has been through a tender process, no different to that which is prescribed by Local Government regulation.

The program combines the buying power of the sector and collectively goes to the market for goods or services to achieve better pricing – which results in savings, both monetary and time. Indeed, State Government employs a similar process through their Common Use Arrangements for their purchases.

WALGA’s Preferred Supplier contracts are not compulsory. Local Governments will use the program only when it represents the best value-for-money. As a conservative estimate, Member Councils save more than $40 million per year as a result of the program.

On top of this, the Office of the Auditor General completed a performance audit on Local Government procurement in October last year and did not raise an issue regarding tender exemptions.

It is strange for these detractors to claim they want the sector to be more efficient while refusing to acknowledge the savings to ratepayers brought about by the Preferred Supplier Program.

The sector is open to addressing the concerns of the community, but vexatious questioning of the validity of Local Government operations is without merit.