

TREASURER'S INSTRUCTION 4

ESTABLISHMENT OF MERCHANT FACILITIES FOR ACCEPTANCE OF PAYMENTS

Reissued: 21 January 2015

Effective: 21 January 2015

Scope

4.1 This instruction applies to all public authorities unless otherwise stated.

Objective

4.2 To prescribe a policy for the establishment of a Merchant Facility by public authorities to facilitate the acceptance of payments, including via credit and debit cards.

4.3 To require an analysis of the costs and benefits from establishing a Merchant Facility to be undertaken by a public authority before any decision to establish those facilities.

Interpretation and Definition

4.4 This instruction should be interpreted and applied in accordance with Treasurer's Instruction 1 *Interpretation and Application*.

4.5 For the purposes of this instruction:

4.5.1 "Merchant Facility" means a facility by which payments, including by credit or debit cards, can be accepted by a public authority by electronic payment system or other similar funds transfer system. This service may be provided through a financial institution and may involve the acceptance of payments via an EFTPOS terminal, telephone or Internet payment service.

4.5.2 "Merchant Fee" means the charge made by a financial institution for the use of a Merchant Facility. It is usually based on a percentage of the value of amounts received through the facility.

Instruction

4.6 An analysis of the costs and benefits of establishing a Merchant Facility, including the payment of any Merchant Fees, terminal rental costs and associated establishment costs, must be undertaken by a public authority to determine the appropriateness of establishing a Merchant Facility.

4.7 The Chief Executive of a public authority may establish a Merchant Facility for the acceptance of payments, including via credit and debit cards, if the Chief Executive is

of the opinion that it is to the economic or other advantage of the Government to do so. The acceptance of payments by means of credit or debit card may be restricted, where it is practical to do so, to specific transaction types or in any other manner that the Chief Executive considers to be appropriate.

- 4.8 The Chief Executive of a public authority that is to establish a Merchant Facility is responsible for ensuring that appropriate systems, controls, processes and procedures are established and maintained for the operation and security of the Merchant Facility.
- 4.9 The instruction relating to financial authorisations required for public authorities to incur expenditure, as set out in Treasurer's Instruction 8 *Financial Authorisations* applies to the establishment of a Merchant Facility.
- 4.10 A public authority must obtain the approval of the Treasurer prior to establishing a Merchant Facility for the acceptance of payments relating to taxation, fines, licences or other payments that are required to be credited to the Consolidated Account.
- 4.11 Cash withdrawal facilities (such as those often available through EFTPOS transactions) are not to be offered under a Merchant Facility established by administrative units.
- 4.12 Cash withdrawal facilities (such as those often available through EFTPOS transactions) are not to be offered under a Merchant Facility established by public authorities that are not administrative units.
- 4.13 Where a whole of government agreement requires an administrative unit or Minister to comply with the terms of any agreement entered into by the Government for the provision of whole of government Merchant Facilities, that administrative unit or Minister will establish appropriate policies and procedures to ensure that its operations are conducted in compliance with the terms of that agreement for the provision of whole of government Merchant Facilities.
- 4.14 Where a whole of government agreement requires a public authority that is not an administrative unit to comply with the terms of any agreement entered into by the Government for the provision of whole of government Merchant Facilities, that public authority will establish appropriate policies and procedures to ensure that its operations are conducted in compliance with the terms of that agreement for the provision of whole of government Merchant Facilities.

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