



APPENDICES

26 APRIL 2023

ORDINARY COUNCIL MEETING

INDEX

Item	Appendix Title	Page
10.1	AWSF Minutes - 30 March 2023	3
11.1.1 A	Asset Management Strategy 2022 - 2032	10
11.1.1 B	Asset-Management-Plan-2022-2032	60
11.1.1 C	Asset Management Framework Guidelines	109
11.1.1 D	Asset Management Framework	161
11.2.1	Monthly Creditor Reports - March 2023	162
11.2.2	Monthly Agenda Report 22-23 March 2023	171
11.2.3	Fireworks Event Notice 2023	196
11.2.4	Proposed Lease Agreement for Waroona Football Club	199
11.2.5	Proposed Shed User Agreement	234



ALCOA WAROONA SUSTAINABILITY FUND ADVISORY COMMITTEE

MINUTES

MEETING HELD TUESDAY 30 MARCH 2023 AT 1PM AT THE
SHIRE OF WAROONA

1. MEETING OPEN

The meeting opened at 1.06 pm.

2. RECORD OF ATTENDANCE

Mr Mark Goodlet	Chief Executive Officer, Shire of Waroona - non-voting Chairperson
Mrs Jade Salpietro	Manager Community and Communications

Committee:

Cr Mike Walmsley	Shire President
Mr Tom Busher	Manager, Community Relations Alcoa of Australia
Mr Scott Hansen	Community Relations & Communications, Willowdale Bauxite Mine, Alcoa of Australia
Ms Kylie Wrigley	Community Representative
Mr Brad Vitale	Community Representative (via Microsoft Teams)

3. APOLOGIES FOR NON-ATTENDANCE

Cr Naomi Purcell	Councillor
Mr Charlie Clarke	Community Representative

4. DECLARATIONS OF INTEREST

Cr Mike Walmsley declared an interest affecting impartiality for Item 6.1 as Shire President.

5. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the previous committee meeting will be considered at the next meeting.

6. REPORTS

6.1 Waroona Community Precinct Funding Increase Request	
File Ref:	CP.4 Council Properties
Applicant:	Shire of Waroona
Author and Title:	Mark Goodlet, Chief Executive Officer



Declaration of Interest:	Nil
Voting Requirements:	Simple Majority
Appendix Number	6.1 – Advisory Group Terms of Reference

RESOLUTION

6.1 That the Alcoa Waroona Sustainability Fund Advisory Committee agrees to further funding for the Waroona Community Precinct to the amount of \$550,000, to be made available at the commencement of the 2023/24 financial year.

Moved: Tom Busher

Seconded: Mike Walmsley

CARRIED 4/0

IN BRIEF

The Waroona Community Precinct (WCP) is a major initiative of the Shire of Waroona and part of the Waroona Revitalisation Strategy.

Concept, detailed design, approvals, fauna relocation, environmental assessment geotechnical assessment and demolition activities have been undertaken and the main construction tender for the landscape and civil works has now been awarded to Phase3 Landscape Construction. Presently the contractor is instructed to deliver the first separable portion of the project comprising of the playgrounds, the skate park and the pump track.

With the total tender prices exceeding the available budget, further funding is requested so that further portions of the precinct can also be built. All avenues for further funding are being explored.

BACKGROUND

The main construction tender was awarded to Phase 3 Construction in March 2023. Site possession is imminent.

REPORT DETAIL

When Council agreed to award the main construction tender for the Waroona Community Precinct it requested the CEO to seek further funding, given the significant cost escalation of the project.

The initial project costing and grant applications were undertaken prior to the recent heavy price escalation in the construction industry, meaning that tendered prices exceeded estimates and available funding by a significant margin.

STRATEGIC LINKS

The Waroona Community Precinct is a key outcome for the Waroona Townsite Revitalisation Strategy.

Alcoa Waroona Sustainability Fund

The Terms of Reference provide the following statement on the Fund Intent and Objectives:



- **Fund Intent**
*The overall focus of the Fund is to fund initiatives, facilities and projects with enduring value that result in meaningful, sustainable, positive change for the communities surrounding the Wagerup refinery.
 It is likely that project supported will be both large-scale and long-term projects. Projects seeking once-off funding may be directed to Alcoa's Wagerup refinery community sponsorship program.
 The funding framework will focus on delivering a more strategic approach to ensure that the benefits from Alcoa's investment in the Wagerup region are realized by all.*
- **Fund Objectives**
The Fund can be used to support a broad range of community development projects both large and small that make a net positive contribution to the economic, social, recreational or environment sustainability of the communities surrounding the Wagerup refinery.

Further detail can be found in the Attached Terms of Reference.

FINANCIAL IMPLICATIONS

Financial

Available budget

Total available budget is \$4,232,438. Within this amount, the Shire committed \$450k to the project. In response to the tender price increase Council has funded a further \$91k, bringing the Shire's contract funding commitment to \$631k.

In addition to this commitment, the Shire of Waroona separately purchased freehold lots that form part of the community precinct and has previously funded the early concept planning work. This additional \$660,000 project contribution is noted in the supporting Business Case, but not captured in grant applications. It results in an overall Shire contribution of \$1.201 million.

The Alcoa Waroona Sustainability Fund has contributed \$450k to the project, and a further \$550k is now sought.

As discussed, all funding avenues are being explored. State Government is still to respond, with the Federal Government indicating that it will not provide further funding. Given the project cost all extra funding will be needed.



Separable Portion 1 shown below includes the playgrounds, skate park and pump track, which has been awarded. The next separable portions haven't yet been awarded.



Figure 1 Waroona Community Precinct Separable Portions

To complete all of the project as designed, Table 1 is pertinent.

WAROONA COMMUNITY PRECINCT – PROJECT FUNDING STATUS	
Major Works - Construction Tender Cost	Cost
All SP's	\$4,651,309
Shire Managed Services, Minor Works & Contingencies	
Development Costs	\$621,094
Minor Works Costs	\$398,527
Contingencies	\$567,093
Total Project Costs - All SP's	\$6,238,023
Budget - Funding Available	\$4,324,163
Construction Funds Balance for all SPs	-\$1,913,860

Table 1 Project Funding for Total Project

The Contactor will provide a significant project cost saving (\$35.5k) in the event that Separable Portion 1 and 2 are built concurrently, hence the urgency of this report. This allows the Contractor to avoid remobilization to site and provides the ability to utilize plant and equipment efficiently.

Fund Modelling

A fund modelling is provided on the following page, showing the effect of the \$550k donation on the Alcoa Waroona Sustainability fund over the next five years.

Wagerup Sustainability Fund Contributions

Year	Production tonnes	Rate per ton	Total Per Shire (GST exclusive)
2024	2,700,000	\$0.0825	\$222,750
2025	2,750,000	\$0.0825	\$226,875
2026	2,750,000	\$0.0825	\$226,875
2027	2,800,000	\$0.0825	\$231,000
2028	2,800,000	\$0.0825	\$231,000

Fund Balance

Year	Start of Year Opening Balances	Wagerup SF Contribution	Minus: Waroona Precinct Project	Minus: Annual AWSF Allocations	Minus: Micro Grants	Balance before interest earnings	Annual Interest on Balance @ 3.5%	"End of Year Balance"
2023	\$2,101,072		0	\$100,000	\$25,000	\$1,976,072	\$69,163	\$2,045,235
2024	\$2,045,235	\$222,750	\$550,000	\$100,000	\$25,000	\$1,592,985	\$55,754	\$1,648,739
2025	\$1,648,739	\$226,875	0	\$100,000	\$25,000	\$1,750,614	\$61,271	\$1,811,885
2026	\$1,811,885	\$226,875	0	\$100,000	\$25,000	\$1,913,760	\$66,982	\$1,980,742
2027	\$1,980,742	\$231,000	0	\$110,000	\$30,000	\$2,071,742	\$72,511	\$2,144,253
2028	\$2,144,253	\$231,000	0	\$120,000	\$30,000	\$2,225,253	\$77,884	\$2,303,137
			\$550,000	\$630,000	\$160,000			



CONCLUSION

The Waroona Community Precinct is a landmark project for the Shire of Waroona and it represents a major partnership between the Shire and Alcoa. The project aligns well with the aims of the Sustainability Fund and its use to fund part of the price rise is recommended.

7. OTHER BUSINESS

There was no other business discussed.

8. NEXT MEETING

The next meeting is scheduled for 3pm on Monday 8 May 2023 at the Council offices.

10. CLOSURE

The meeting closed at 1.30 pm.

Confirmed: Date:.....

Chairperson



BUILDING WAROONA 2030

Asset Management Strategy 2022 – 2032

About this document

The Asset Management Strategy incorporates all asset classes of infrastructure and is part of an overall framework that provides for the sustainable management of current and future assets.

The objective of the Strategy is to present information about assets, provide evidence of responsible asset management and compliance, and summarise required funding to meet levels of service.

This document is available in alternative formats such as large print, electronic, audio or Braille, on request.

“The Shire of Waroona stretches from sea to scarp between the Indian Ocean and the Darling Scarp, featuring pristine beaches, coastal lakes, fertile farmlands and peaceful jarrah forests. Covering a total area of 835km², the Shire includes the localities of Waroona, Hamel, Lake Clifton and Preston Beach”.

Document Control		
Date	Details	Author
	Adopted by Council	Brad Vitale
12/04/2023	Revision	Karen Oborn

Contents

Waroona – Past, Present & Into the Future	6
Chief Executive Officer’s Message	7
About the Asset Management Strategy	9
Our Shire	10
Our Council	11
Our Staff	12
Service Areas	13
Vision, Mission & Values	15
Vision	15
Mission	15
Values	15
Focus Areas & Aspirations to 2030	16
Asset Management Overview	17
Asset Valuation Summary	18
Leased Assets	18
Vested Land	18
Introduction	19
Purpose & Scope	19
Strategy Format	19
Asset Management Plans Format	20
Key Stakeholders	22
Links to Corporate Strategies	22
Core Approach to Asset Management	22
Advanced Approach to Asset Management	23
Levels of Service	24
Community Levels of Service	24
Technical Levels of Service	24

Function & Hierarchy	24
Customer Research.....	24
Strategic & Corporate Goals	25
Future Demand	26
Political Factors	26
Economic Factors.....	26
Social Factors.....	26
Demographic Change.....	27
Changes in Technology.....	28
New Assets from Growth	28
Legislation	28
Tourism Growth.....	28
Climate Change.....	28
Demand Planning	28
Demand Management Strategies	29
Risk Management	30
Risk Management Guide	30
Life Cycle Management	33
Asset Condition	33
Asset Valuations.....	34
Useful Life	35
Intervention Levels	35
Operations & Maintenance	35
Operations & Maintenance Programs	36
Inspections.....	36
Renewals & Replacements.....	36
Renewal Strategy & Plan	37
New Assets	37
Asset Renewal	38
Asset Upgrade.....	38
Asset Disposal.....	38
Asset Disposal Policy.....	38
Asset Disposal Process	38
Asset Evaluation	39
Implementation of Disposal.....	39
Review of Disposal Process.....	39
Roads & Bridges	39
Buildings & Facilities	39
Footpaths & Drainage	40

Parks & Other Infrastructure.....	40
Furniture, Plant & Equipment	40
Land.....	40
Financial Projections	41
10 Year Financial Forecast.....	41
Key Assumptions	41
Funding Capacity	41
Funding Options & Strategy.....	41
Confidence Level.....	42
Financial Projections	43
Asset Decision Cycle	44
Asset Management Practices, Improvement & Performance Monitoring	45
Asset Management Practices	45
Data Systems	45
Asset Management Improvements	46
Monitoring Procedures	46
Review Procedures	46
Resourcing the Asset Management Strategy	47
Long Term Financial Plan.....	47
Asset Management Strategy	47
Workforce Plan.....	47
Asset Management Plans.....	48
Reviewing & Reporting.....	49



Waroona – Past, Present & Into the Future

Waroona has provided a home for generations, from the days when Indigenous Australians roamed the coastal areas in spring and summer, and the hills in autumn and winter.

Settlers began to arrive in the area in the late 1830's, although Drakesbrook (later to be known as Waroona) did not come into its own until the Pinjarra to Picton railway line was opened in 1893. The town catered to the needs of the mill workers with a post office, general store, blacksmith, a number of hotels come boarding houses, churches, doctor and dentist.

The farms supplied butter, fruit and vegetables for the men of the mills, and chaff for the horse teams that hauled the logs. As is many of the small towns of the time, dances, picnics and football formed the core of social life within the community and to this day Waroona still proves to be a successful sporting and extremely social community.

Today, agriculture, mining, manufacturing and tourism are important contributors to the local economy.

Waroona is an evolving district that services the diverse, social and economic needs of a growing community. The strong agricultural heritage will continue to guide any future district developments, particularly in Waroona and Hamel, and its enviable location on the Indian Ocean and along with the Yalgorup National Park will, influence future considerations for Preston Beach and Lake Clifton.

The population is expected to grow over the next thirty years. With this growth comes challenges, but smart planning and a focus on broadening the economic base will open up significant opportunities for tourism, commercial investment, employment and education.

The long-term vision for Waroona is to create a district distinctive by its creativity, liveliness, activity and vibrancy, attracting new investment, seizing opportunities to develop and expand its business sector, and encourage innovation and collaboration, while providing an enticing array of lifestyle attractions.

The Shire of Waroona is excited about its future.

Chief Executive Officer's Message

The Shire of Waroona provides assets for the community including roads, bridges, buildings, drainage, footpaths and public open space. Careful planning and coordination of local government infrastructure is fundamental to the economic and social wellbeing of our communities. Assets, public utilities and services make possible our wide range of lifestyle choices and standards of living. The Asset Management Strategy is a summary of the framework and programs that are linked to effective and well-structured asset management practices in the endeavour to achieve a safe and functional infrastructure portfolio that meets community expectations and delivers financial sustainability.



This Strategy covers all assets controlled by the Shire of Waroona with the purpose to assist the Council and Staff to make informed decisions on the allocation of resources to manage these assets and communicate this information to the public. The key objective is to address four key issues for local government:

1. What assets do we currently have?
2. What is the current asset management position, including current and forecast future needs and adequacy of funding?
3. Where do we want to be?
4. How will we get there?

In developing this Strategy, consideration was given to the following key elements to ensure it achieves the desired policy outcomes and effective corporate governance:

- Asset management plans for each asset group
- Defining levels of service
- Linking to the Long-Term Financial Plan
- Governance and management arrangements
- Data and system requirements
- Improvement of skills and processes

The Asset Management Strategy is reviewed annually, at which time it is amended and extended as new plans are identified and priorities change. Once again, I would like to acknowledge the input received from individuals within our organisation who have assisted greatly in the preparation of this document. The Council and Staff remain committed to creating an environment that supports moderate, high quality, sustainable growth.

Mark Goodlet
Chief Executive Officer



About the Asset Management Strategy

The Asset Management Strategy incorporates all asset classes of infrastructure and is part of an overall framework that provides for the sustainable management of current and future assets.

The objective of the Strategy is to present information about assets, provide evidence of responsible asset management and compliance, and summarise required funding to meet levels of service.

Integrated Planning & Reporting Framework	
Strategic Community Plan	Community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10 years.
Corporate Business Plan	Four year delivery program, aligned to the Strategic Community Plan and accompanied by four year financial projections.
Annual Budget	Financial plan for the current year.

Informing Strategies	
Long Term Financial Plan	10 year financial plan.
Asset Management Plans	Approach to managing assets to deliver chosen service levels.
Workforce Plan	Shaping the workforce to deliver organisational objectives now and in the future.
Place & Area Specific Plans	Any other informing strategies.

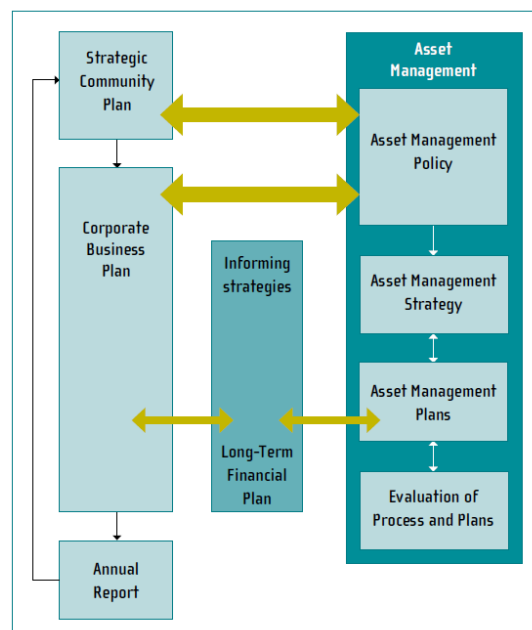


Figure 1: Elements of the Integrated Planning & Reporting Framework. Source: Department of Local Government, Sport & Cultural Industries.

Our Shire

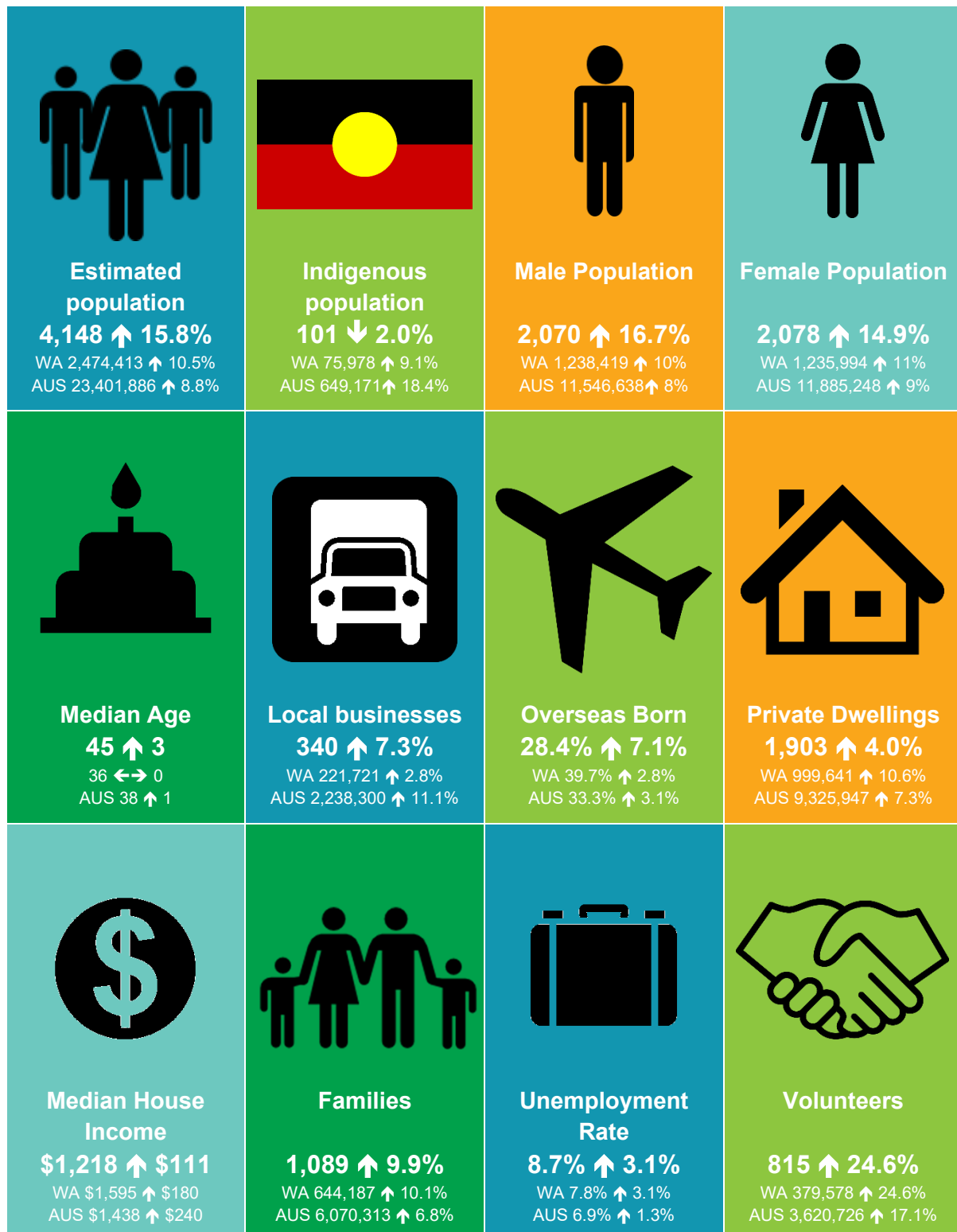


Figure 2: Shire of Waroona Statistics. Source: Australian Bureau of Statistics 2016 Census.

Our Council



Cr Mike Walmsley
Shire President



Cr Naomi Purcell
Deputy Shire President



Cr John Mason



Cr Karen Odorisio



Cr Dion Pisconeri



Cr Laurie Snell



Cr Vince Vitale

Our Staff



Mark Goodlet
Chief Executive Officer

- Strategy
- Elections
- Major Projects
- Council Services
- Business Improvement



Ashleigh Nuttall
Director Corporate & Community Services

- Finance
- Human Resources
- Governance
- Risk Management
- Information Technology
- Customer Service
- Library Services
- Community Development
- Recreation Services
- Tourism



Karen Oborn
Director Infrastructure & Development Services

- Technical Services
- Works & Services
- Waste Management
- Community Safety
- Planning Services
- Regulatory & Building Services
- Environmental Services
- Asset Management

Service Areas

The Shire of Waroona is responsible for a range of functions, facilities and services including:

- Services to properties and the community;
- Regulatory services;
- General administration; and
- Process of government

Office of the Chief Executive Officer		
Department	Services	
Strategy	<ul style="list-style-type: none"> • Integrated planning and reporting 	<ul style="list-style-type: none"> • Master planning
Elections	<ul style="list-style-type: none"> • Elections 	
Major Projects	<ul style="list-style-type: none"> • Major projects 	
Council Services	<ul style="list-style-type: none"> • Council services 	
Business Improvement	<ul style="list-style-type: none"> • Continuous improvement 	<ul style="list-style-type: none"> • Business management
Corporate & Community Services		
Department	Services	
Finance	<ul style="list-style-type: none"> • Budgeting • Finance / Accounting • Loans / Investments • Grants management 	<ul style="list-style-type: none"> • Rates • Payroll • Asset accounting / management
Human Resources	<ul style="list-style-type: none"> • Human resources management • Recruitment 	<ul style="list-style-type: none"> • Workforce planning • Workplace health and safety
Governance	<ul style="list-style-type: none"> • Policies and procedures • Delegations • Registers 	<ul style="list-style-type: none"> • Audit • Local laws
Risk	<ul style="list-style-type: none"> • Insurance • Risk management 	<ul style="list-style-type: none"> • Business continuity
Information Technology	<ul style="list-style-type: none"> • Information technology • Records • Freedom of information 	<ul style="list-style-type: none"> • Public information disclosure
Customer Service	<ul style="list-style-type: none"> • Customer service • Licensing • Facility bookings 	<ul style="list-style-type: none"> • Marketing / Engagement and media
Library Services	<ul style="list-style-type: none"> • Library services 	
Community Development	<ul style="list-style-type: none"> • Place attraction • Community development 	<ul style="list-style-type: none"> • Events
Recreation Services	<ul style="list-style-type: none"> • Recreation services 	<ul style="list-style-type: none"> • Club development
Tourism	<ul style="list-style-type: none"> • Visitor Centre 	<ul style="list-style-type: none"> • Tourism

Infrastructure & Development Services		
Department	Services	
Technical Services	<ul style="list-style-type: none"> • Design and investigation • Asset management • Subdivision and development application referrals 	<ul style="list-style-type: none"> • Project management • Extractive industry • Grants management (assets)
Works & Operations	<ul style="list-style-type: none"> • Buildings • Parks and gardens • Maintenance, capital and operations 	<ul style="list-style-type: none"> • Infrastructure • Plant and fleet
Waste Management	<ul style="list-style-type: none"> • Collection services 	<ul style="list-style-type: none"> • Disposal services
Community Safety	<ul style="list-style-type: none"> • Emergency services • Bushfire Mitigation • Bush Fire Brigades 	<ul style="list-style-type: none"> • Closed circuit television • Community Safety Services
Planning Services	<ul style="list-style-type: none"> • Strategic planning • Statutory planning 	<ul style="list-style-type: none"> • Environmental planning • Heritage services
Regulatory Services	<ul style="list-style-type: none"> • Building approvals • Environmental health services 	<ul style="list-style-type: none"> • Ranger services • Preston Beach volunteer rangers
Environmental Services	<ul style="list-style-type: none"> • Reserves, Native Vegetation and Foreshore Management 	<ul style="list-style-type: none"> • Biosecurity and pest control • Biodiversity and Conservation
Asset Management	<ul style="list-style-type: none"> • Asset Management Planning & Programming 	<ul style="list-style-type: none"> • Asset Management Program Delivery

Vision, Mission & Values

Vision

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

Mission

We will be an organisation, with a can-do attitude that strives for service excellence, continued improvement and a commitment to outcomes.

Values

Our values are A REALITY:

- A** – Accountable
- R** – Respect
- E** – Excellence
- A** – Accessible
- L** – Leadership
- I** – Innovative
- T** – Transparent
- Y** – Yours

Focus Areas & Aspirations to 2030



Asset Management Overview

The Shire of Waroona is responsible for providing a number of community focused services. In doing so, the Shire must ensure that its infrastructure assets and community facilities are maintained in accordance with well-developed asset management programs and strategic forward plans to enable these services to meet community needs. Asset management is recognised as a practicable and financially responsible means of managing Council's assets by ensuring that the assets continue to provide a specified level of service delivery to defined standards over their entire life.

The Shire of Waroona Asset Management Strategy provides the framework to deliver optimum operational performance of Council's infrastructure assets in the most cost-effective manner. The Strategy aims to provide a more formalised and transparent approach to asset management. It provides mechanisms to clearly define its asset renewal and asset maintenance practices and to mitigate risk.

The Asset Management Strategy informs the Asset Management Plans, developed for each major Asset class. It has been prepared in accordance with the Shire of Waroona's Strategic Community Plan. It has also been compiled to comply with Local Government Regulatory requirements including the Integrated Planning and Reporting Framework.

This Strategy informs several Asset Management Plans, which in essence form the Strategies appendixes. Each Asset Management Plan informs the works [program for that Asset class. The works programs are reviewed as a part of the budget planning process;

- (Appendix A) **Buildings & Facilities Asset Management Plan**
 - Shire offices and facilities, community buildings, sporting clubs, halls, structure, roof, fit out and mechanical services, land
- (Appendix B) **Roads & Bridges Asset Management Plan**
 - Roads, subgrade, sealed pavement, gravel sheet, surface kerbing, table drain, traffic bridges, pedestrian bridges
- (Appendix C) **Footpaths, Cycleways & Trails Asset Management Plan**
 - Concrete, bitumen, gravel, paving, boardwalks
- (Appendix D) **Drainage Asset Management Plan**
 - Pipes, pits, culverts
- (Appendix E) **Parks, Streetscape & Other Infrastructure Asset Management Plan**
 - Parks, Street trees, playgrounds, outdoor furniture, ovals, sports fixtures, lighting, infrastructure, pontoons, shelters, hardware
- (Appendix F) **Plant, Furniture & Equipment Asset Management Plan**
 - Internal and external furniture, vehicles, machinery, software, electronics equipment
- (Appendix G) **Land, Reserves, Native Vegetation & Foreshore Asset Management Plan**
 - Weir, Waterways, Camping Grounds, Reserves, Native Vegetation, Woodlands, Coastal dunes and foreshore

Asset Valuation Summary

Asset Group	Replacement Cost	Fair Value (Depreciated Value)	Annual Depreciation Expense 21/22
Plant & Equipment	\$3,860,779	\$2,851,672	\$216,785
Land	\$20,051,000	\$20,051,000	0
Buildings (revalued)	\$24,345,505	\$24,345,505	\$369,774
Roads Infrastructure	\$82,279,385	\$75,801,295	\$1,684,241
Furniture & Equipment	\$352,498	\$170,203	\$44,508
Other Infrastructure	\$18,282,348	\$15,551,142	\$699,414
TOTAL	\$149,171,515	\$138,770,817	\$3,014,772

Table 1: Summary of asset costs, values and expenses 21/22 Asset register. Source: Shire of Waroona.

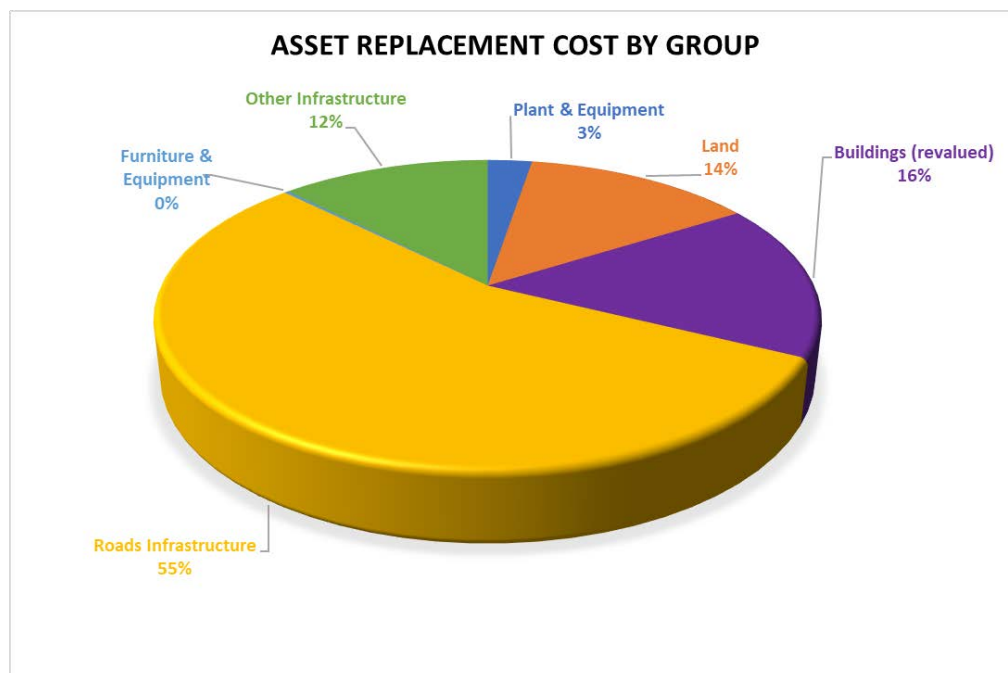


Figure 3: Graph of asset replacement costs by asset type in Asset Register. Source: Shire of Waroona.

Leased Assets

The Shire leases a number of land and building assets to third parties, predominantly community groups and sporting clubs.

Vested Land

The Shire has a number of Crown reserves for which it holds management orders. All improvements on vested land are accounted for in the appropriate asset register.

Introduction

The Shire of Waroona owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services to the community, with a replacement value of \$150 million. The Asset Management Strategy has been developed to ensure that Council continues to provide effective, comprehensive and sustainable management of its infrastructure and asset portfolios.

Council plans to operate and maintain its asset portfolio to achieve the following objectives:

- Communicate the current condition of all Shire infrastructure and review the budgets/practices used to operate and maintain them;
- Undertake financial planning by adopting a life cycle approach to asset budgeting;
- Develop cost effective management strategies for the long term;
- Define a level of service for infrastructure assets to meet community needs;
- Understand and meet the demands of growth through demand management and infrastructure investment; and
- Avoid disruptions to services by managing risk associated with asset failures.

The Asset Management Strategy is the means for outlining the key elements involved in managing the Shire of Waroona's assets. It combines management, financial, engineering and technical practices to ensure that the level of service required by the community is provided at the lowest term cost within the limits of any fiscal constraints that may be imposed by Council.

Purpose & Scope

The purpose of the Strategy is to:

- Demonstrate responsible stewardship by Council;
- Provide a basis for customer consultation to determine appropriate levels of services;
- Define and articulate how the asset is and will be managed to achieve the organisation's objectives;
- Achieve savings by optimising whole of life assets;
- Manage risk and asset failure; and
- Support long term financial planning.

Strategy Format

The Asset Management Strategy follows the framework set out in Asset Management Framework and Guidelines for Western Australian Local Governments, from the **Department of Local Government, Sport and Cultural Industries**. An Asset Management Strategy outlines how the local government's asset portfolio will:

- Meet the service delivery needs of its communities into the future.
- Enable the local government's Asset Management Policy to be achieved.
- Ensure that asset management is established as part of the local government's plan for the future.

It prioritises and articulates the delivery of community service needs through the development of Asset Management Plans for each major asset class.

The Asset Management Strategy responds to four questions put to the local government:

1. What assets do we currently have?
2. What is the current asset management position, including current and forecast future needs and adequacy of funding?
3. Where do we want to be (in relation to the plan for the future)?
4. How will we get there?

It is recommended that the Asset Management Strategy be developed considering the following key elements to ensure it achieves the desired policy outcomes and effective corporate governance:

1. Asset Management Plans.
2. Defining Levels of Service.
3. Linking to the Long-Term Financial Plan.
4. Governance and management arrangements.
5. Data and system requirements.
6. Improvement of skills and processes.

(REF: Part 1 - Asset Management Framework for Western Australian Local Governments p13.)

Asset Management Plans Format

Asset Management Plans define current levels of service and the processes local governments use to manage each of their asset classes. They should be developed for all major asset classes, including, but not limited to: roads, buildings, drainage, paths and parks and infrastructure.

Asset Management Plans should include:

- Reference to an asset register (which records all assets and their location, acquisition, disposal, transfer and other relevant transactions based on best current information and random condition/performance sampling).
- Defined levels of service for each asset category or particular actions required to provide a defined level of service in the most cost-effective manner.
- Demand forecasting.
- Risk management strategies.
- Financial information such as asset values, depreciation rates, depreciated values, capital expenditure projections for new assets as a result of growth, or to renew, upgrade and extend assets.
- Strategies to manage any funding gaps.
- Consideration of alternative service delivery solutions (leasing, private/public partnerships, shared services arrangements).
- Information on 'whole of life' costing including changes in service potential for assets.
- A schedule for asset performance review and plan evaluation.
- An asset management improvement program.
- Clear linkages to other strategic documents such as the Corporate Business Plan, Long Term Financial Plan and Annual Budget.

The key steps in preparing an asset management plan are illustrated below.

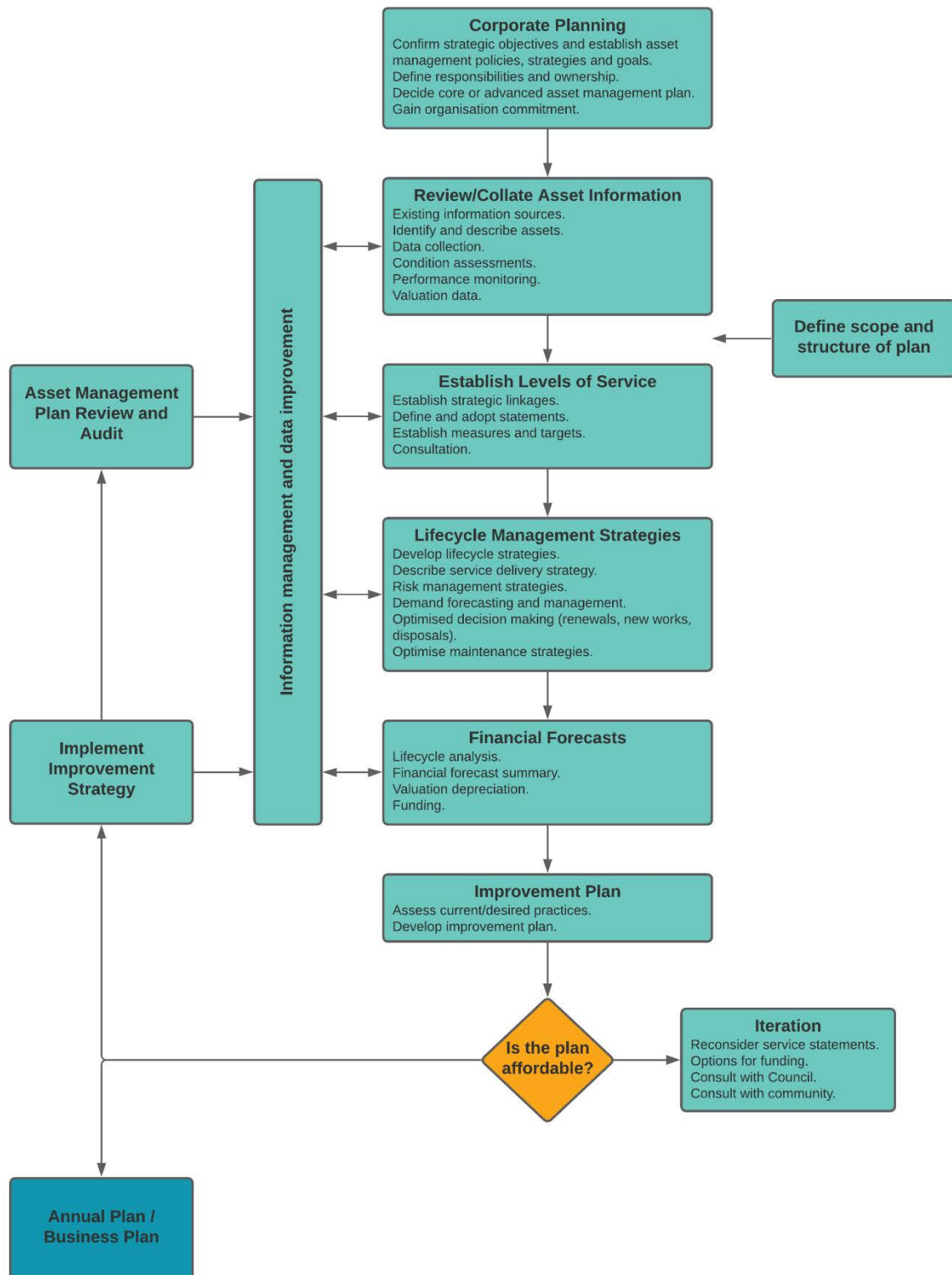


Figure 4: Steps to Prepare an Asset Management Plan. Source: Public Works Engineering Australia International Infrastructure Management Manual.

Key Stakeholders

Stakeholders include any person, agency, organisation or group that have any interest in or that are affected by the assets owned and managed by Council.

Stakeholder	Expectation
Councillors	Meeting community needs, sound management and allocation of resources, good governance
Employees / Contractors	Safe working environment
Community residents and businesses	Value for money, equitable and responsible service, well maintained assets
Road users	Well maintained assets specific to user needs
Insurers	Appropriate risk management policies and practices, safe working environments, well maintained assets
Emergency services and utilities	Accessible road network and readily available data
Public transport	Well maintained assets specific to user needs
Tourists	Well maintained assets, accessible services, safe facilities
Cyclists	Well maintained assets, accessible services, safe facilities
Government	Systems in place to sustain infrastructure, accountability and transparency

Links to Corporate Strategies

The Asset Management Strategy is prepared under the direction of the vision, goals and objectives in the Strategic Community Plan. This Strategy is a crucial component of the Shire planning process, linking with the following documents:

- Strategic Community Plan 2020 – 2030;
- Corporate Business Plan 2022 – 2026;
- Long Term Financial Plan 2022 – 2032;
- Workforce Plan 2020 – 2024;
- Policies; and
- Asset Management Plans and Delivery Programs

Core Approach to Asset Management

The Asset Management Strategy has been developed in accordance with the Department of Local Government, Sport and Cultural Industries' Integrated Planning and Reporting Framework to assist the Shire in driving future budgeting requirements whilst providing sustainable service delivery and long-term financial planning and reporting.

At the core level it is important to begin with an understanding of what level of service is currently provided. It is typically a case of selecting assets that are deemed to be most critical to the safety and wellbeing of the community and focussing on these to carry out the initial condition assessment inspection. Hence these might be located in older business precincts or under major transport corridors where the consequence or impact of failure couple with a potentially higher probability of failure, make these a priority of investigation.

This will typically identify any hazards (and associated risks) requiring immediate mitigation. It will also provide some basis data on the condition that will enable analysis of renewal or replacement works required now and in the longer term. This then provides the necessary financial data to inform the Long Term Financial Plan. Works identified, immediate and future, can then be allocated to projects, both maintenance and capital in nature, to be carried out and the timeframe for such. Regularly repeating these basic steps with appropriate refinement of the process as resources permit is part of the continuous improvement journey, leading more to a more asset management advanced program.

Advanced Approach to Asset Management

The Asset Management Strategy contains elements of advanced asset management practices to establish a 'bottom up' approach for gathering asset information for individual assets. With future revisions of the Strategy, the Shire will continue to move forward towards 'Advanced' asset management to support the optimisation of activities and programs to meet agreed service levels.

Advanced asset management will show features such as:

- Long term optimised lifecycle;
- Corporate objectives and asset performance are aligned and complimentary;
- Information systems integrated and used effectively;
- Competencies are aligned to roles and responsibilities; and
- Strategies are risk based, with appropriate use of predictive models, problem solving and iterative continuous improvements.

Ideally these will begin to involve community consultation for input and testing of community willingness to pay for any increases in the level of service to be provided, recognising that different intervention options will have different costs.

As the Shire moves into a more advanced phase, it will address the whole portfolio of assets and more formally apply critically, risk management principles to better determine the frequency and scope of condition assessment inspections.

The Shire will collect more detailed data with greater breakdown into various components and will apply quality standards to test the level of service being provided and use this to assist the condition assessment process in deciding on future needs.

The resultant data will be more rigorously analysed and optimised decision making typically employed to determine priorities for works. The analysis will give a more accurate picture on the remaining life of the assets down to their various components, their current replacement cost and their depreciated replacement cost.

Levels of Service

Levels of service are key business drivers and influence all asset management decisions. Levels of service typically relate to service attributes such as quality, availability, safety, accessibility, function, responsiveness, condition, environment and affordability. Understanding the level of service required of an asset is essential for its lifecycle management, as this largely determines an asset's development, operation, maintenance, replacement and disposal. Levels of service are pivotal in asset management as they have a direct financial impact due to their importance in both operational and risk-based prioritisation. Service levels are defined in two categories - community levels of service and technical levels of service.

Community Levels of Service

Community levels of service relate to the function of the service provided and how the customer receives the service in terms of quality, availability, safety, accessibility, function and responsiveness.

Quality	How good is the service?
Function	Does it meet users' needs?
Capacity / Utilisation	Is the service over or under used?

The level of service, performance measurement process, target performance and current performance for each asset class is included in the relevant Asset Management Strategy.

Technical Levels of Service

Technical levels of service relates to the technical measures and the outputs the customer receives in terms of quality, condition, safety, environment and affordability. Technical service measures are linked to annual budgets covering operations, maintenance, renewal and upgrade. The level of service, performance measurement process, target performance and current performance for each asset class is included in the relevant Asset Management Strategy.

Function & Hierarchy

Function decides strategic importance and considers the key principles which impact in determining the functional level of service as part of providing a sustainable range of facilities to the community. Hierarchies are used to assign priorities for action and response times to assets of different importance. Those that are ranked higher are considered to be of higher importance as they deliver more critical core services and / or may have a higher impact rate in terms of risk. They therefore, attract a higher level of service to keep them in the appropriate condition than assets of lesser significance.

Customer Research

The Shire is committed to updating the levels of service according to the results of community feedback. As targets for levels of service provide the basis for lifecycle management strategies and capital programs, the current levels of service will be reviewed to incorporate the requirements of the community in subsequent versions of this strategy. The Shire's customer research into asset needs and satisfaction includes:

- Analysis of the customer service requests; and
- Customer survey.

Strategic & Corporate Goals

The Shire acknowledges the need to take an organisational wide approach to asset management and one which involves the community on a wider basis. The corporate goal is to have a whole of life cost approach to the provision and maintenance of assets, and to consider the ongoing costs of existing assets when making decisions on their renewal/replacement and the acquisition of new assets.

The Shire's Asset Management Policy outlines the key principles that will be considered when making decisions in relation to infrastructure assets:

- Philosophy of renewing assets before acquiring new assets and, where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the service for which the asset was acquired;
- Prior to consideration of any major refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation process:
 - Need for facility (short and long term)
 - Legislative requirements
 - Opportunities for rationalisation
 - Future liability including ultimate retention/disposal
 - Opportunities for multiple use
- All capital projects will be evaluated and take into account capital cost, ongoing cost of maintenance, refurbishment, replacement and operating cost ("whole of life" cost assessment);
- Management of assets utilising a team approach supported by the multi discipline cross functional asset management working group;
- Development and implementing a 10 year rolling financial plan that incorporates infrastructure renewal requirements as identified within the various Asset Management Plans; and
- The commitment to involve and consult with the community and key stakeholders when determining service levels.

The Shire will utilise clear prioritisation methods for capital works expenditure. This will include the requirement to report expenditure in the following classifications to ensure that discretionary and non-discretionary expenditure is identified:

- Renewal (non-discretionary);
- Upgrade (discretionary);
- New (discretionary);
- Operational (discretionary); and
- Maintenance (non-discretionary).

Future Demand

The Asset Management Strategy considers a 10 year planning horizon and therefore the factors that may influence the potential demand of assets must be recognised over this time. The ability to predict future demand for services enables the Shire to plan ahead and identify the best way of meeting that demand. This section identifies the effect of expected growth and consequent demand on the Shire's assets, and provides commentary on the varying factors that may be subject to change and affect the demand for services that rely on this network.

Drivers affecting demand include political factors, economic factors, social factors, changes in demographics, changes in technology, new assets from growth, legislation changes, tourism growth and climate change.

Political Factors

Local government policy changes, as well as State government service reallocation, can often affect the demand for community services. These services then often require infrastructure to support them. Whilst a number of policies could potentially affect demand, it is thought that those concerning infrastructure funding would potentially have the greatest impact on the Shire.

For example, a cut in funding would place more pressure on municipal revenue to fund infrastructure projects. This could result in lower levels of service being delivered to the community. Conversely, increases in funding could also have a distinct effect, as they often require construction of new assets.

Economic Factors

The Shire currently features a relatively small residential population, with the majority of residents located in Waroona. The economic base of the Shire is strongly influenced by alumina refining at Wagerup, with other important industries including agriculture, mining, manufacturing and aged care service.

Predicted growth in the Peel region will see increased demand for new infrastructure, and greater wear on existing infrastructure as the population expands. This will likely result in higher costs to the Shire as asset lives will be reduced.

Social Factors

The last national census revealed that the population of the Shire is 4,148. It is expected to increase to 4,340 by 2021, 4,485 by 2026, and 4,700 by 2031, at an annual growth rate of approximately 0.85%. The WA Planning Commission predicts that the population will increase to 18,230 by 2050.

The statistical data suggests that an 8% population growth will occur in the Shire of Waroona over the life of this asset management plan. Therefore, it is expected that due to an increase in population, there will be an effect on existing infrastructure demand. This may result in assets not providing an appropriate level of service to the community if it is not managed correctly.

Demographic Change

Factors affecting demand for infrastructure include population growth, changes in demographics, seasonal factors, vehicle ownership, customer preferences and expectations. If the Shire does not plan for population growth and manage the future urban form of the Shire, growth pressures and unfavourable patterns of development can have serious impacts on the community. These include a lack of access to essential infrastructure and services and increased response times for emergency services.

Age Group	2016		2031		Difference between 2016 and 2031
	#	%	#	%	#
0 – 4	223	5.4	320	6.8	+97
5 – 9	254	6.1	290	6.2	+36
10 – 14	296	7.2	260	5.5	-36
15 – 19	245	5.9	240	5.1	-5
20 – 24	178	4.3	230	4.9	+52
25 – 29	177	4.3	260	5.5	+83
30 – 34	220	5.3	270	5.7	+50
35 – 39	217	5.3	270	5.7	+53
40 – 44	227	5.5	270	5.7	+43
45 – 49	296	7.2	270	5.7	-26
50 – 54	326	7.9	230	4.9	-96
55 – 59	311	7.5	250	5.3	-61
60 – 64	304	7.4	300	6.4	-4
65 – 69	295	7.1	310	6.6	+15
70 – 74	179	4.3	300	6.4	+121
75 – 79	186	4.5	240	5.1	+54
80 – 84	102	2.5	205	4.4	+103
85+	96	2.3	185	3.9	+89
TOTAL	4,148	100.0	4,700	100.0	+552

Table 2: Comparison of ages between 2016 and 2031. Source: WA Planning Commission.

With an increase in the number of retirees moving to the area and the increase in life expectancy, the ageing population is expected to increase the Shire's need for appropriate facilities and infrastructure to cater for this age demographic. This may necessitate significant upgrade or development of infrastructure, as well as possible greater maintenance requirements. An ageing population will mean a greater need for aged care facilities and disability access. Increase in age of population will also require improvements to public transport infrastructure and services.

Changes in Technology

Changes in material and construction techniques could lead to improved service levels and asset standards, and ultimately reduced maintenance requirements. However, it is difficult to predict whether newer materials, construction and maintenance techniques will affect demand.

New Assets from Growth

The new assets required to meet growth will be acquired from land developments and constructed by the Shire. Acquiring these new assets will commit the Shire to fund ongoing operations and maintenance costs for the period that the service provided from the asset is required.

Legislation

The Shire is bound to meet a range of legislative requirements which if altered, could affect the Shire's management obligations. A current legislative driver of change is the amendment of the *Local Government Act 1995*. The Act promotes integrated planning and ensures that long term financial planning, asset management planning and workforce planning become standard business practices for all local governments. This means that a majority of WA local governments will have to notably improve their current practices and processes, which the Shire is currently working towards.

Tourism Growth

Tourism can have a significant effect on assets. An increase in tourism will result in higher utilisation of assets, and this in turn would mean the Shire will incur higher costs for asset maintenance, upgrade and replacement.

Climate Change

There is increasing evidence that the Earth's climate is changing, which will have direct and indirect impacts on assets. This could be from a range of factors including changing climatic conditions, increasing rainfall, rising sea levels, and fluctuations in seasons.

Demand Planning

Demand management actively seeks to modify customer demands for services in order to:

- Optimise the utilisation / performance of existing assets;
- Reduce or defer the need for new assets;
- Meet the organisation's strategic objectives;
- Deliver a more sustainable service; and
- Respond to stakeholder needs

It is vital to the success of this strategy that demand factors be analysed comprehensively, and their impact quantified in terms of the following:

- The effect of the growth of the asset network;
- Any possible future need to increase or decrease infrastructure; and
- The implementation of non-asset solutions, such as managing demand.

In addition to the factors mentioned above, risk affects demand for services and consequently the following must be taken into account:

- The methodology and accuracy of forecasts;
- The currency of forecasts;
- The uncertainty of forecasts; and
- Any unforeseen natural factors.

The forecasts for the Shire of Waroona indicate steady population growth in the area. This growth trend is expected to cause an increase in the asset base due to the creation of new assets, as a result of increased demand.

Demand Management Strategies

Demand management strategies provide alternatives to the creation of new assets through modifying customer demands. A key long-term strategy is to manage demand so that there are funds in place for the renewal, operation and maintenance of future services. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Effective strategies maximise the utilisation of existing assets through consolidating services or disposing of assets that are surplus to requirements, and are discussed in later in this strategy.

The Shire of Waroona may need to carefully analyse and establish alternatives to the use of traditional assets in some circumstances where the relative demand cannot justify the replacement of some assets.

Risk Management

The Shire of Waroona is committed to identifying, measuring and managing risks in order to capitalise on opportunities and achieve the objectives of the Council's strategic plans.

To achieve this, the Shire has adopted a risk management framework aligned to AS/NZS ISO 31000.2018 Risk Management – Principles and Guidelines. The framework, which is comprised of a Risk Management Policy and Strategy, provides a coordinated and systematic process for managing risks, integrating risk management into everyday decision making and business planning.

A Business Continuity Plan also compliments this framework, ensuring that the Shire can continue to provide essential services to stakeholders in the event of a crisis or major incident.

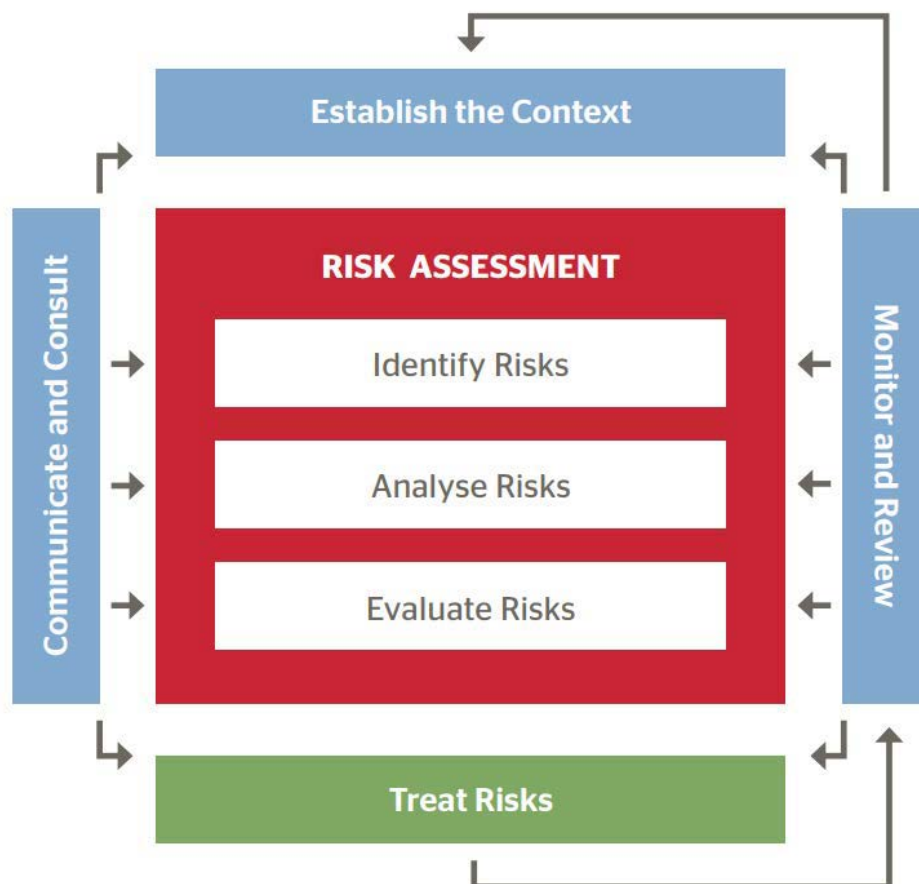


Figure 5: Risk Management Framework. Source: AS/NZS ISO 31000.2018 Risk Management - Principles and Guidelines.

Risk Management Guide

The following guide summarises the Shire's risk management framework

Risk Management Guide



Introduction to Risk Management

The Shire of Waroona has adopted an organisational enterprise risk management approach. Risks must be managed during day to day operations to ensure objectives are achieved and exposure to liability is minimised. Effective management of risk provides assurance to stakeholders that there is:

- A reduced likelihood of litigation
- Adequate controls to regulate the Shire's risk exposure
- Protection of the community's health and safety
- Strategies in place to minimise disruption to core services

Responsibilities

The adopted Risk Management Policy ensures an organisational approach through the delegation of responsibility to all levels.

Council: Provision of adequate resources to implement risk process and strategies.

CEO and Executive: Recommending the risk tolerance level of the Shire to Council. Establishment of a Risk Management Committee. Ensuring the development and management of the Shire's risk.

Managers: Identifying and assessing all potential risks within their area.

All Staff: Active participation in the risk management program. Conducting risk assessments during the performance of their daily duties.

Risk Framework

The Shire of Waroona has embraced risk management through a Risk Management Policy, procedures and reporting mechanisms. Risk management processes are guided by ISO 31000:2018. The following diagram illustrates the full risk management cycle according to this standard:



Risk Control Rating

Excellent: Doing more than would reasonably be expected under the circumstances.

Adequate: Doing what would be reasonably be expected under the circumstances.

Inadequate: Doing less than would reasonably be expected under the circumstances.

Risk Management Process

1 | Establish the Context

Define the subject of the risk assessment, i.e. the activity, strategy, service, function etc. and determine the level of context, i.e. Strategic, operational or project. Identify the stakeholders who should be included and/or consulted during the risk assessment.

2 | Identify Risks

What can happen that could:

- Impede the achievement of the organisation's objectives
- Cause a stakeholder to lodge a complaint or initiate legal action
- Result in a financial loss
- Comprise the safety or health of the community
- Damage the environment now or in the future

Where and when could these events occur?

Why and how could they happen?

3 | Analyse Risks

Evaluate existing controls:

- Are there any current practices that might prevent the risk from occurring or lower the consequence of that risk?

Determine the consequence and likelihood of the risk occurring after any current controls.

Assess the overall risk level using the risk matrix.

4 | Evaluate Risks

With regard to the organisational risk tolerance level, decide if further treatments are necessary to reduce the risk to an acceptable level.

5 | Treat Risks

- Identify options for treating risks with negative outcomes
- Assess risk treatment options
- Prepare and implement treatment plans

6 | Monitor and Review

Record the risk management process, monitor and review regularly to ensure that the treatments are still effective and are still within the risk tolerance level.

Shire of Waroona's General Categories of Risk

Category	Possible Risk Area
Financial	Projects going over budget, legal costs, insurance claims, overpayments, inappropriate use of resources
Environmental	Regulatory compliance, contamination, inadequate environmental practices in processes and procedures
Operational	Adverse effects on core business, business continuity, human resource risks, loss of knowledge
Reputational	Public perception, poor customer service, sub standard works, corruption, misuse of confidential information
Health	Exposure to health risks, injuries to the public within Council buildings or on Council property
Project	Delays start or completion, variations to scope or budget, insufficient funds

Reviewed December 2020

Consequence Rating

Level	Description	Financial Impact	Health	Reputation	Operation	Environment	Project
1	Insignificant	Less than \$10 000	Near miss/negligible injuries or health effect	Low impact, low profile, minor complaint	Little impact - objectives still achieved with minimum extra cost or inconvenience	Contained, little and reversible impact managed by on site personnel	Insignificant impact on the project. It is not possible to measure the impact on the project as it is minimal
2	Minor	\$10 000 to \$50 000	Minor injury or health effect/First aid treatment	Heightened concern by community, several complaints	Inconvenient delays - partial achievement of objectives with some compensating action taken	Contained, minor damage or contamination that is reversible and managed by on site personnel	<5% deviation in scope, scheduled end-date or project budget requiring manager approval
3	Moderate	\$50 000 to \$250 000	Moderate injury or health effect/Medical treatment	Low level local news profile	Significant delays to major deliverables - additional costs required and/or time delays to achieve objectives. Adverse impacts on KPIs and targets	Contained, significant contamination and damage that is reversible, managed by on site personnel	5-10% deviation in scope, scheduled end-date or project budget requiring senior management approval
4	Major	\$250 000 to \$1 million	Serious health effect, death or extensive injuries	Major coverage in local media, low profile in state media	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities	Uncontained, significant contamination and damage that is reversible but requires third party assistance, minor breach of legislation	10-25% deviation in scope, scheduled end-date or project budget requiring restructuring of project and senior management or Council approval
5	Catastrophic	More than \$1 million	Multiple deaths or severe permanent disabilities	High state or national news profile	Organisation unable to function	Extensive contamination and damage that is irreversible, major breach of legislation	>25% deviation in scope, scheduled end-date or project budget requiring the project to be deferred or redeveloped

Level of Risk (Risk Matrix)

Level	Description	Probability
5	Almost Certain	Expected to occur in most circumstances > More than once per year or greater than 90% chance
4	Likely	Will probably occur in most circumstances > At least once per year or between 60% and 90%
3	Possible	Should occur at some time > At least once in three years or between 30% and 60%
2	Unlikely	Could occur at some time > At least once in ten years or between 5% and 30%
1	Rare	May occur, only in exceptional circumstances > Less than once in fifteen years or less and 5%

Level of Risk (Risk Matrix)

		Consequence				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Likelihood	Almost Certain 5	M (5)	H (10)	H (15)	E (20)	E (25)
	Likely 4	M (4)	M (8)	H (12)	H (16)	E (20)
	Possible 3	L (3)	M (6)	M (9)	H (12)	H (15)
	Unlikely 2	L (2)	M (4)	M (6)	M (8)	H (10)
	Rare 1	L (1)	L (2)	L (3)	M (4)	M (5)

L Low M Moderate H High E Extreme

Risk Acceptance Criteria

Risk Level	Descriptor	Action Required	Criteria for Risk Acceptance	Review Frequency		Risk Owner	
				Strategic/Operational	Project Risks	Strategic/Operational	Project Risks
Low	Acceptable	Accept the risk	Risk acceptable	Annual	If the scope/context changes	Operational Manager	Project Manager
Moderate	Monitor	Monitor the risk but consider risk treatments	Risk acceptable with adequate controls	Semi-Annual	If the scope/context changes	Operational Manager	Project Manager
High	Treat	Treat the risk. Reduce either the likelihood, consequence or both by improving existing controls or adding new controls	Risk acceptable with excellent controls	Quarterly	Monthly	Executive Management	Steering Committee where relevant or Project Director
Extreme	Treat	Treat the risk. Reduce either the likelihood, consequence or both by improving existing controls or adding new controls	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible	Monthly	Monthly	CEO	Steering Committee where relevant or Project Director

Life Cycle Management

Life cycle analysis ensures the sustainability of assets. Sustainability can be achieved by ensuring adequate investment in both short term maintenance needs and long-term replacements, renewals, upgrades and new works to continuously meet the needs of users in terms of the level of service they expect from these assets.

The life cycle management plan outlines what options and strategies are planned in order to manage the assets at an agreed level of service whilst optimising overall life cycle costs. These assets are operated and maintained throughout their useful life, and their performance and condition are monitored to ensure they deliver the necessary service. There will come a point where the asset is no longer performing at a satisfactory level and may be rehabilitated or improved. This process can be repeated several times throughout the life of the asset, however, eventually the asset will be disposed of and potentially replaced if there is a need for the asset to remain in service.

The recurrent costs of operations and maintenance, the capital expenditure for rehabilitation, and the one-off cost of replacement all form part of the asset's lifecycle costs. This section identifies and describes the four key phrases of the asset management life cycle of local government assets, namely acquisition, operation and maintenance, renewal and disposal.

Physical parameters are summarised in the strategies for each class.

Operations:	Operational activities keep the asset utilised but have no effect on condition.
Maintenance:	Proactive and reactive routine works which keeps assets operating to the required service levels.
Renewals:	Replacement of the asset or major restoration.
New Works:	New, extension or upgrade of assets.

Asset Condition

Assets have a vast range of factors that influence their usability. From an asset management perspective, the various factors fall into one of the following groups:

- Fitness for Use; and
- Fitness for Purpose.

Fitness for Use is a measure of physical condition relative to its condition when first constructed. Fitness for Use has been the basis of the condition audits undertaken. When rating fitness for use a standard scale of 1 to 10, where 0 = new and 10 = total deterioration has been used.

Condition Rating	Definition
0	A new asset or recently rehabilitated back to new condition.
1	A near new asset with no visible signs of deterioration often moved to condition 1 based upon the time since construction rather than observed condition decline.
2	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
3	An asset in very good overall condition but with some early stages of deterioration evident, but the deterioration still minor in nature and causing no serviceability problems.
4	An asset in good overall condition but with some obvious deterioration evident, serviceability would be impaired very slightly.
5	An asset in fair overall condition, deterioration in condition would be obvious and there would be some serviceability loss.
6	An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance costs would be rising.
7	An asset in poor overall condition, deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance costs would be high.
8	An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance costs would be very high and the asset would be at a point where it needed renewal.
9	An asset in extremely poor condition with severe serviceability problems and needing renewal immediately. Could also be a risk to remain in service.
10	An asset that has failed, is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service.

Asset Valuations

Australian Accounting Standards (AASB13) require assets to be valued at 'Fair Value' as at 30 June 2013. Valuations have been derived using industry standard costs. Unit replacement rates include material, labour, plant, transporting and dumping costs infrastructure. The value of assets as at 30 June 2022 covered by this asset management strategy is over \$160 million. The Shire is committed to monitoring progress towards achievement of the Strategic Community Plan. Ratios of asset consumption, renewal and sustainability have been prepared to help guide and gauge asset management performance and trends over time and are based on Drainage, Footpaths, Parks and Other Infrastructure, Buildings and Land, Plant, Furniture and Equipment, and Roads and Bridges.

Ratios	2021	2020	2019	2018	2017
Asset Consumption Ratio Achieving Standard: >90%	92%	69%	69%	81%	70%
Asset Renewal Funding Ratio Achieving Standard: >50%	99%	102%	128%	90%	97%
Asset Sustainability Ratio Achieving Standard: 75-90%	85%	72%	76%	53%	50%

Useful Life

Useful life is used to determine the current value of the asset. Lifecycles have been derived from officer knowledge and experience of actual asset life. Useful lives are reviewed annually to validate the estimated useful life of assets, with a sample of asset components selected to represent the asset portfolio. The age of each component is used to determine what length of time the component takes to move from condition 0 to condition 10. This assessment is based on the assumption that deterioration rates remain approximately equal throughout the life of the asset.

Intervention Levels

Intervention levels support the service levels provided to the community as they define the condition that triggers certain work to be completed. They are also very useful in the development of ongoing maintenance programs. Having defined intervention levels allows local governments to organise maintenance works on a risk priority basis, rather than being susceptible to completing works on a chronological basis, or as a result of pressure from individuals within the community. Intervention levels assist in providing a sound legal argument as to why certain works were, or were not, completed. Intervention levels are provided in the strategies for each asset class.

Operations & Maintenance

Operations activities affect service levels including quality and function through street sweeping and grass mowing frequency, intensity and spacing of streetlights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal. Maintenance may be classified into reactive, proactive and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. Proactive maintenance is planned repair work that is identified and managed through a maintenance management system. This system's activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing air conditioning units, etc.

This work falls below the capital/maintenance threshold but may require a specific budget allocation. Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels.

Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in this Asset Management Strategy and service risks considered in the Risk Management Plan.

Actual past maintenance expenditure is summarised in the asset management plans of each asset class.

Operations & Maintenance Programs

The Shire has developed formal maintenance plans and programs for its infrastructure. Proactive maintenance reduces the level of reactive maintenance works, which eventually lead to asset deterioration, conserving assets and reducing costs to the organisation in the long term. Maintenance programs have been developed to reduce risk and reactive maintenance levels. A maintenance program will:

- Describe the systems and procedures to be used to plan and manage maintenance work;
- Specify the types of maintenance to be carried out;
- Establish the order of priority for maintenance activities; and
- Nominate the means of resourcing and implementing maintenance.

Inspections

The purpose of inspection is to identify, record and report defects that are causing, or have the potential to cause:

- Disruption to service provision;
- Degradation of asset performance and / or condition including cleanliness;
- A public health or safety, security, or financial risk;
- Inconvenience to staff and / or the public;
- Breach of regulations or legislation; and
- Infrastructure damage.

Inspections of the majority assets are carried out on a regular basis as revaluations are completed. The current formal inspection frequency to ascertain the condition of assets is at least every 5 years.

Renewals & Replacements

The Shire has developed a 10 year renewal program, which will drive the budget planning process and form the basis to the Long Term Financial Plan. Renewal and replacement expenditure is major work which does not increase the assets design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential.

Renewal Strategy & Plan

Renewal is generally required when the structure has reached its end of life. Assets requiring renewal are identified from customer requests, analysis of condition and estimates of remaining life. Renewal will be undertaken using low cost renewal methods where practical. The aim of low cost renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Assets proposed to be renewed are inspected to verify the accuracy of the remaining life and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and availability of funds and scheduled in future works programs. Actual past renewal expenditure is summarised in the strategies of each asset class.

The organisation will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner;
- Undertaking project scoping for all capital renewal and replacement projects to identify:
 - the service delivery deficiency, present risk and optimum time for renewal/replacement
 - the project objectives to rectify the deficiency
 - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
 - evaluate the options against evaluation criteria adopted by the organisation
 - select the best option to be included in capital renewal programs
- Using low cost renewal methods (cost of renewal is less than replacement) wherever possible;
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council;
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs;
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required; and
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

New Assets

Best practice asset management involves a comprehensive analysis prior to acquisition of new assets. This involves completing a project proposal and business case which addresses considerations such as:

- Relevance to corporate goals;
- Alignment to core business;
- Community need;
- Anticipated benefits;
- Environmental impacts;
- Risk identification and treatment;
- Total life cycle costs;

- Impact on existing services / infrastructure;
- Analysis as to whether service can be delivered without asset acquisition;
- Forecasted usage rates; and
- Value for money.

Asset Renewal

Renewal refers to works which restore an existing asset back to its original capacity. They may result from the asset deteriorating over its life, but still being in demand. Renewal of infrastructure conserves the infrastructure inventory, however will require ongoing maintenance and renewal. Recognition of the impact that this activity has on the future sustainability of infrastructure should be considered for all projects. As such, any potential renewals should undergo a 'whole of life' and service level demand analysis to ensure the need to renew the asset.

Asset Upgrade

Upgrade refers to works which improve an existing asset beyond its current capacity. They may result from growth, social or environmental needs. Upgrade/expansion of infrastructure will contribute to the overall infrastructure inventory and will require ongoing maintenance and renewal. Recognition of the impact that this activity has on the future sustainability of infrastructure should be considered for all projects. As such, any potential upgrades should undergo a 'whole of life' analysis to ensure the overall viability of the project.

Asset Disposal

Disposal of an asset refers to its decommissioning, whether by sale, demolition or relocation. A key component of an asset management strategy is the identification and disposal of surplus assets. This involves assessment of strategic goals and the recognition that some assets may be under-performing or surplus to operating requirements. Some disposals will not attract costs as they will either be transferred to a user group or the costs of demolition will be covered by the value of the materials.

Asset Disposal Policy

An asset management disposal policy for the Shire's assets has been developed and endorsed. Refer to Policy CORP018 - Asset Management Disposal Policy.

Asset Disposal Process

Surplus asset disposal is a three-step process whereby the asset is evaluated from a strategic perspective, the disposal process is implemented where required, and the disposal process is reviewed. The emphasis is on ensuring that under-performing and non-essential assets are identified and disposed. This disposal process applies to all of the Shire's assets, which will be used to assess the requirement for existing assets.

1. If Council has a particular asset that is not aligned to its core services then that asset should be considered for disposal or opportunities to transfer the responsibility to a relevant entity should be investigated
2. Council will look for opportunities to appropriately dispose of assets that are surplus to current and anticipated future requirements. The use of facilities in each township should be optimised to provide ratepayers with a value for money service. Any underutilised asset identified as being surplus may be disposed of by consulting the relevant parties and investigating options to consolidate and co-locate services.
3. Assets that are underperforming or are unsafe will be demolished and not replaced if there is no demonstrated ongoing need.

Asset Evaluation

The disposal process begins with identifying surplus assets. Council should conduct regular strategic evaluations of its asset needs.

During this process, assets are evaluated against the asset disposal principles outlined above. Where it is identified that an asset does not meet these criteria, it is to be identified as surplus and disposed. The evaluation process will also take into account public interest considerations.

Examples of public interest considerations would be:

- Where an asset has some form of significance to the community and there could be expected to be significant public resistance to disposal or transfer of ownership of the asset;
- Where an asset has strategic significance for future infrastructure development. In such instances, a clear and demonstrated future planning requirement is needed to support continued ownership;
- Where there are significant heritage, environmental or public usage requirements that require ongoing local government ownership and management.

Implementation of Disposal

The method of disposal will be assessed against the principle of achieving the maximum benefit to the community through the disposal, including social, financial, economic and strategic factors.

Review of Disposal Process

Following the disposal process, the Shire should review outcomes and identify ways to improve performance for future processes. This would include, at appropriate times, a review of internal processes and structures that deal with asset disposal. Asset disposal performance can be monitored through the development of appropriate measures, such as:

- Average time for disposal process;
- Impact of disposal on Shire finances; and
- Community feedback.

Any disposal proposals should consider the Shire's policies and procedures, particularly Policy CORP018 – Asset Management Disposal Policy.

Roads & Bridges

Disposal is not a suitable option for this asset class, however transfer of ownership and/or control to other government bodies is highly recommended wherever possible.

Buildings & Facilities

The Shire will need to carefully analyse and establish alternatives to the use of buildings assets in circumstances where the relative demand cannot justify the replacement of buildings for what they were originally intended. Removal of some buildings from Council assets may need to be undertaken where it can be demonstrated that the buildings would be better managed and controlled by others, or the demand level is low relative to other demands that allocation of funds towards the building cannot be justified.

Footpaths & Drainage

Disposal is not a suitable option for these asset classes.

Parks & Other Infrastructure

The Shire will need to carefully analyse and establish alternatives to the use of parks and other infrastructure assets in circumstances where the relative demand cannot justify the replacement of assets for what they were originally intended. Removal of some infrastructure from Council assets may need to be undertaken where it can be demonstrated that the infrastructure would be better managed and controlled by others, or the demand level is low relative to other demands that allocation of funds towards the asset cannot be justified.

Furniture, Plant & Equipment

Any disposal proposals should consider policies and procedures, particularly Policy CORP018 – Asset Management Disposal Policy.

Land

The Shire will need to carefully analyse and establish alternatives to the use of buildings assets in circumstances where the relative demand cannot justify the replacement of buildings for what they were originally intended. Removal of some buildings from Council assets may need to be undertaken where it can be demonstrated that the buildings would be better managed and controlled by others, or the demand level is low relative to other demands that allocation of funds towards the building cannot be justified.

Financial Projections

Financial forecast models assist in predicting the future financial requirements based upon the presumption that the assets will be replaced when the condition ratings reach a predetermined intervention level. This section presents a forecast financial summary for the next 10 years based on identified assumptions and trends. It is anticipated that the financial summary will be reviewed annually and continue to be refined as planning studies, strategies and increased financial analysis and data collection are completed. The financial modelling carried out is based on the life of the asset and the current annual expenditure for asset renewal. The forecast makes no allowance for renewal expenditure required in the future on any new assets that are added to the network. Forecasts are based on current construction cost and will be influenced by cost increases in materials and labour.

10 Year Financial Forecast

A 10 year financial forecast has been developed for all asset classes to predict performance of the Shire's infrastructure. The model is based on the asset condition data and shows the funding required to achieve the desired level of service. Renewal projections are based on the default assumptions that all existing infrastructure is to be renewed when a particular condition intervention is reached, and that they will be renewed using components that are substantially the same as those existing.

Key Assumptions

Key assumptions are made in presenting the information contained in this asset management strategy and is preparing forecasts of projected operating and capital expenditure and asset values and depreciation expense estimates. It is presented to gain an understanding of the levels of confidence in the data behind the financial forecasts. The most significant potential changes to the financial projections shown will result from the factors below:

- Assumptions have been made as to the average useful lives of assets based on current local knowledge, evidence based useful life analysis, experience and historical trends. These will be continuously reviewed and the accuracy improved based on real time assessments of asset deterioration;
- Changes in levels of service from those identified in this asset management strategy;
- Significant fluctuation in cost of asset construction / maintenance
- Changes in level of asset deterioration due to natural factors such as storms, as well as increases in use.

Funding Capacity

Current funding sources available for assets include rates, Federal / State Government grants, and private developer contribution funds.

Funding Options & Strategy

The Long Term Financial Plan is the 10 year financial planning document of the Shire that is governed by a series of financial strategies and accompanying performance indicators that the Shire considers and adopts. The plan establishes the strategic financial direction for the Shire to meet the funding and investment challenges that are forecast for the next 10 years. Each year the Shire will develop a Capital Works Budget for asset renewals, upgrades and new works and a recurrent budget allocation for maintenance & operations expenditure for its infrastructure.

It is intended that the expenditure will be in accordance with this Plan, policies named within in, corporate goals, Shire Asset Management System, government legislation and regulations and the needs of the community within financial constraints. Two modelling scenarios are run in relation to the relevant asset class based on an unlimited budget (like for like) and also using a proposed budget allocation within the Long Term Financial Plan over a 10 year planning period. Modelling scenario results are summarised in the strategies of each asset class.

Confidence Level

The confidence in the data used as a basis for the financial forecasts has been assessed using the grading system below. The confidence level for this report is “B” overall.

Confidence Grade	Ratios
A	Highly reliable: Data based on sound records, procedures, investigations and analysis that is properly documented and recognised as the best method of assessment.
B	Reliable: Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings, for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.
C	Uncertain: Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available.
D	Very uncertain: Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Financial Projections

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Roads & Bridges	\$3,013,083	\$3,163,737	\$3,321,924	\$3,488,020	\$3,662,421	\$3,845,542	\$4,037,820	\$4,239,711	\$4,451,696	\$4,674,281
Buildings	\$515,280	\$541,044	\$568,096	\$596,501	\$626,326	\$657,643	\$690,525	\$725,051	\$761,303	\$799,369
Other Infrastructure	\$5,430,033	\$5,701,535	\$5,986,611	\$6,285,942	\$6,600,239	\$6,930,251	\$7,276,764	\$7,640,602	\$8,022,632	\$8,423,763
Furniture, Plant & Equipment	\$1,013,880	\$1,064,574	\$1,117,803	\$1,173,693	\$1,232,377	\$1,293,996	\$1,358,696	\$1,426,631	\$1,497,963	\$1,572,861
TOTAL	\$9,972,276	\$10,470,890	\$10,994,435	\$11,544,156	\$12,121,364	\$12,727,432	\$13,363,804	\$14,031,994	\$14,733,594	\$15,470,274

Please Note: these figures have been based on 2022/2023 budget figures and an estimated annual CPI of 5% compounding – this may vary significant in the future.

Asset Decision Cycle

The decision not to fund an asset or to defer operating costs, or to defer funding for maintaining or renewing an asset can lead to down-stream financial consequences that may include committing the Shire to greater future costs to upgrade or replace the asset.

To support better decision making, the Shire has established an evidence-based decision framework for asset management that considers the following:

- Strategic service reviews and opportunity assessments;
- Shire research;
- Asset performance data or analysis; and
- Customer and community feedback.

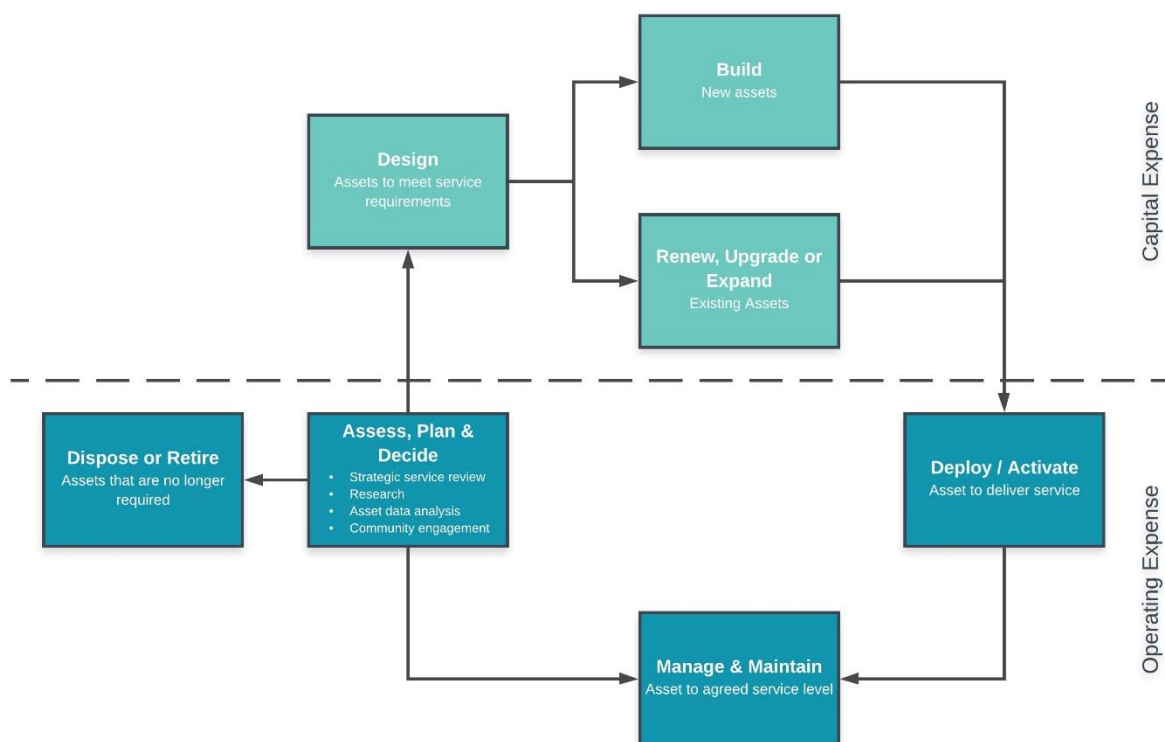


Figure 6: Asset Decision Cycle. Source: Public Works Engineering Australia International Infrastructure Management Manual.

Asset Management Practices, Improvement & Performance Monitoring

Asset Management Practices

Asset management practices are the processes, analysis and evaluation techniques needed to support lifecycle asset management. This includes the following asset management functions:

- Knowledge of assets;
- Levels of service;
- Condition assessments;
- Asset accounting - valuation, revaluation, depreciation;
- Lifecycle planning;
- Asset operations and maintenance;
- Asset creation and disposal;
- Performance monitoring;
- Quality assurance and continuous improvement;
- Risk management;
- Design and project management; and
- Reviews and audit processes.

Weaknesses in the current asset management processes have been identified throughout this document.

Data Systems

Asset management data and knowledge is appropriate, accessible and reliable data that can be used with information systems to enable enhanced asset management. This includes the following data on the following asset characteristics and topics:

- Classification and identification;
- Physical attributes;
- Condition;
- Cost and maintenance histories;
- Valuation;
- Lifecycle costings;
- Data quality; and
- Risk information.

The following software is currently used in relation to asset management:

- RAMM;
- Various segregated asset registers (Microsoft Office software);
- Financial system (Synergysoft); and
- Geographical Information System.

The Shire does not have an asset management program that ensures a central collection point for all infrastructure data. While a substantial amount of work has been undertaken to improve the Council's records, it is recognised that continuous improvement and review will assist in providing an accurate assessment of the portfolio and performance indicators in the future.

Asset Management Improvements

This document has been based on the International Infrastructure Model with the objective of identifying and documenting the Shire's existing asset management processes, information systems, data and knowledge, and then determining any weaknesses in these. To improve Shire asset management practices, solutions to reduce the impact of these weaknesses have been developed. The improvement projects have been prioritised according to their urgency and importance, and their implementation will depend on resources allocated. Projects that have been identified as the most urgent and important for improving the management of Shire assets are summarised in the strategies of each asset class.

Monitoring Procedures

The effectiveness of this asset management strategy can be measured in the following ways:

- The degree to which the required cash flows identified in this Plan are incorporated into Council's Long Term Financial Plan;
- The degree to which 1-5 year detailed maintenance and capital programs, budgets, business plans and organisational structures take into account processes and principles outlined in this Plan;
- Quantity of assets classified as being below acceptable service level;
- The level of user satisfaction based on comparative surveys from year to year; and
- Ratio of planned maintenance to reactive maintenance.

Review Procedures

This Plan has a life of 10 years but will be reviewed and updated annually. This review process will recognise any changes in service levels and / or resources available to provide those services as a result of funding allocations, as well as analysing financial implications of new projects.

To facilitate the achievement of the community's long term goals and aspirations as expressed in Waroona 2030 and the Corporate Business Plan, informing strategies have been developed to ensure the required financial strategies, infrastructure and workforce are in place.

Resourcing the Asset Management Strategy

To facilitate the achievement of the community's long term goals and aspirations as expressed in Waroona 2030 and the Corporate Business Plan, informing strategies have been developed to ensure the required financial strategies, infrastructure and workforce are in place.

Long Term Financial Plan

The Long Term Financial Plan is Council's ten year financial planning document with an emphasis on long term financial sustainability.

Financial sustainability is one of the key issues facing local government due to several contributing factors including ageing infrastructure and constraints on revenue growth. This document tests the community aspirations and goals against financial realities. Included within the Long Term Financial Plan are:

- Assumptions used to develop the Plan;
- Projected income and expenditure, balance sheet and cash flow statements; and
- Methods of monitoring financial performance

Balancing expectations, uncertainty of future revenue and expenditure forecasts are some of the most challenging aspects of the financial planning process.

As such, the longer the planning horizon, the more general the plan will be in the later years. Every effort has been taken to present the most current estimates and project scopes to be included in the Plan.

Asset Management Strategy

The Asset Management Strategy assists Council to provide the required level of service in the most cost effective manner through the creation, acquisition, maintenance, operations, rehabilitation and disposal of assets to provide for present and future generations.

The Strategy is part of an overall framework that aims to present information about assets, provide evidence of responsible asset management and compliance with regulatory requirements, and summarise information with regard to funding aimed at maintaining assets at the required levels of service.

Council utilises integrated decision making to ensure that built, social, economic and natural impacts of asset provision and maintenance are properly considered throughout the asset management lifecycle. Council's strategic financial planning will ensure that:

- Funding requirements are assessed; and
- Additional funds are identified where appropriate for the investment in new and upgraded assets.

Workforce Plan

The Workforce Plan provides a framework and strategy to address the human resourcing requirements for Council's Corporate Business Plan, and as such, has a four year horizon. The Plan recognises that Shire employees need to bring commitment, energy and flexibility to the workplace. In return, staff need clarity regarding how their personal goals align with organisational goals and priorities.

This requires an investment in developing leaders, managers and employees with the right skills for our diverse businesses. It also requires clear learning pathways linked to performance development and an ongoing investment in attracting and retaining talented people, while maintaining a focus on workplace health and wellbeing.

The Shire is committed to the ongoing identification of efficient operating methods and is increasingly using technology to automate processes. The need to minimise financial impact to ratepayers is priority, and therefore, no additions to the workforce are planned over the next four years.

Asset Management Plans

Asset Management Plans define current levels of service and the processes local governments use to manage each of their asset classes. They should be developed for all major asset classes, including, but not limited to: roads, buildings, drainage, paths and parks and infrastructure.

Asset Management Plans should include:

- Reference to an asset register (which records all assets and their location, acquisition, disposal, transfer and other relevant transactions based on best current information and random condition/performance sampling).
- Defined levels of service for each asset category or particular actions required to provide a defined level of service in the most cost-effective manner.
- Demand forecasting.
- Risk management strategies.
- Financial information such as asset values, depreciation rates, depreciated values, capital expenditure projections for new assets as a result of growth, or to renew, upgrade and extend assets.
- Strategies to manage any funding gaps.
- Consideration of alternative service delivery solutions (leasing, private/public partnerships, shared services arrangements).
- Information on 'whole of life' costing including changes in service potential for assets.
- A schedule for asset performance review and plan evaluation.
- An asset management improvement program.
- Clear linkages to other strategic documents such as the Corporate Business Plan, Long Term Financial Plan and Annual Budget.

REF: Department of Local Government, Sport & Cultural Industries – Asset Management Guidelines p.14.

Reviewing & Reporting

The Shire of Waroona has a robust reporting framework in place that tracks key performance indicators at the individual, service area and organisational level. The Chief Executive Officer has targets and objectives that are set and revised by Council to deliver on key Council priorities.

The Shire's performance data is captured in our corporate database, ensuring that appropriate responsibilities, timeframes, measures and progress are accounted for. The Shire is also required to report on statutory key performance indicators listed in the table below:

Ratio	What It Measures	Achieving Standard
Asset Sustainability	An indicator of the extent to which assets managed by a local government are being renewed or replaced as they reach the end of their useful lives.	Ratio > 90%
Asset Consumption	An indicator of the aged condition of a local government's physical assets.	Ratio > 50%
Asset Renewal Funding	An indicator of whether a local government has the financial capacity to fund asset renewal at existing revenue and service levels.	75% > Ratio > 90%

The anticipated review cycle for the Asset Management Strategy and appendices for the next 10 years is as follows:

Year	Task
2022/23	Buildings and Land assets revaluation and condition rating
	Asset Management Strategy review
	Buildings and Land Plan review
2023/24	Infrastructure assets revaluation and condition rating
	Roads and Bridges Plan review
2024/25	Footpaths Strategy and Parks and Other Infrastructure Plan review
2025/26	Drainage Strategy and Plants, Furniture and Equipment Plan review
2026/27	Community consultation
	Asset Management Strategy review
2027/28	Buildings and Land assets revaluation and condition rating
	Buildings and Land Plan review
2028/29	Infrastructure assets revaluation and condition rating
	Roads and Bridges Plan review
2029/30	Footpaths Strategy and Parks and Other Infrastructure Plan review
2030/31	Drainage Strategy and Plants, Furniture and Equipment Plan review
2031/32	Community consultation
	Asset Management Strategy review
2032/33	Buildings and Land assets revaluation and condition rating
	Buildings and Land Plan review

Photo Credits

Cover, 6, 8, Back
Page 7, 11, 12
Page 14

Shire of Waroona
Merrin McWilliams
Visit Peel and Russell Ord Photography





BUILDING WAROONA 2030

Asset Management Plan 2022 – 2032

About this document

The Asset Management Plan incorporates all asset classes of infrastructure and is part of an overall framework that provides for the sustainable management of current and future assets.

The objective of the Plan is to present information about assets, provide evidence of responsible asset management and compliance, and summarise required funding to meet levels of service.

This plan is available in alternative formats such as large print, electronic, audio or Braille, on request.

“The Shire of Waroona stretches from sea to scarp between the Indian Ocean and the Darling Scarp, featuring pristine beaches, coastal lakes, fertile farmlands and peaceful jarrah forests. Covering a total area of 835km², the Shire includes the localities of Waroona, Hamel, Lake Clifton and Preston Beach”.

Document Control		
Date	Details	Author
	Adopted by Council	Brad Vitale

Contents

Waroona – Past, Present & Into The Future.....	6
Chief Executive Officer’s Message.....	7
About the Asset Management Plan.....	9
Our Shire	10
Our Council.....	11
Our Staff	12
Service Areas	13
Vision, Mission & Values.....	15
Vision	15
Mission.....	15
Values	15
Focus Areas & Aspirations to 2030	16
Asset Management Overview	17
Asset Valuation Summary.....	18
Leased Assets.....	18
Vested Land	18
Introduction.....	19
Purpose & Scope	19
Plan Format.....	19
Key Stakeholders	22
Links to Corporate Strategies	22
Core Approach to Asset Management.....	22
Advanced Approach to Asset Management.....	23
Levels of Service.....	24
Community Levels of Service	24
Technical Levels of Service	24
Function & Hierarchy	24
Customer Research.....	24

Strategic & Corporate Goals	25
Future Demand	26
Political Factors	26
Economic Factors	26
Social Factors.....	26
Demographic Change.....	27
Changes in Technology.....	28
New Assets from Growth.....	28
Legislation	28
Tourism Growth.....	28
Climate Change.....	28
Demand Planning	28
Demand Management Strategies	29
Risk Management.....	30
Risk Management Guide	30
Life Cycle Management Plan	33
Asset Condition	33
Asset Valuations.....	34
Useful Life	34
Intervention Levels	34
Operations & Maintenance	35
Operations & Maintenance Strategy.....	35
Inspections.....	35
Renewals & Replacements.....	36
Renewal Strategy & Plan	36
New.....	37
Upgrade	37
Disposal	37
Asset Disposal Policy.....	37
Asset Disposal Process	37
Asset Evaluation	38
Implementation of Disposal.....	38
Review of Disposal Process.....	38
Roads & Bridges	38
Buildings	39
Footpaths & Drainage	39
Parks & Other Infrastructure.....	39
Furniture, Plant & Equipment	39
Financial Projections.....	40

10 Year Financial Forecast.....	40
Key Assumptions	40
Funding Capacity	40
Funding Options & Strategy.....	40
Confidence Level.....	41
Financial Projections	42
Asset Decision Cycle	43
Asset Management Practices, Improvement & Performance Monitoring	44
Asset Management Practices	44
Data Systems	44
Asset Management Improvements	45
Monitoring Procedures	45
Review Procedures	45
Resourcing the Asset Management Plan	46
Long Term Financial Plan.....	46
Asset Management Plan	46
Workforce Plan.....	46
Reviewing & Reporting.....	48



Waroona – Past, Present & Into The Future

Waroona has provided a home for generations, from the days when Indigenous Australians roamed the coastal areas in spring and summer, and the hills in autumn and winter.

Settlers began to arrive in the area in the late 1830's, although Drakesbrook (later to be known as Waroona) did not come into its own until the Pinjarra to Picton railway line was opened in 1893. The town catered to the needs of the mill workers with a post office, general store, blacksmith, a number of hotels come boarding houses, churches, doctor and dentist.

The farms supplied butter, fruit and vegetables for the men of the mills, and chaff for the horse teams that hauled the logs. As is many of the small towns of the time, dances, picnics and football formed the core of social life within the community and to this day Waroona still proves to be a successful sporting and extremely social community.

Today, agriculture, mining, manufacturing and tourism are important contributors to the local economy.

Waroona is an evolving district that services the diverse, social and economic needs of a growing community. The strong agricultural heritage will continue to guide any future district developments, particularly in Waroona and Hamel, and its enviable location on the Indian Ocean and along with the Yalgorup National Park will, influence future considerations for Preston Beach and Lake Clifton.

The population is expected to grow over the next thirty years. With this growth comes challenges, but smart planning and a focus on broadening the economic base will open up significant opportunities for tourism, commercial investment, employment and education.

The long term vision for Waroona is to create a district distinctive by its creativity, liveliness, activity and vibrancy, attracting new investment, seizing opportunities to develop and expand its business sector, and encourage innovation and collaboration, while providing an enticing array of lifestyle attractions.

The Shire of Waroona is excited about its future.

Chief Executive Officer's Message

< insert content >

Mark Goodlet
Chief Executive Officer





About the Asset Management Plan

The Asset Management Plan incorporates all asset classes of infrastructure and is part of an overall framework that provides for the sustainable management of current and future assets.

The objective of the Plan is to present information about assets, provide evidence of responsible asset management and compliance, and summarise required funding to meet levels of service.

Integrated Planning & Reporting Framework	
Strategic Community Plan	Community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10 years.
Corporate Business Plan	Four year delivery program, aligned to the Strategic Community Plan and accompanied by four year financial projections.
Annual Budget	Financial plan for the current year.

Informing Strategies	
Long Term Financial Plan	10 year financial plan.
Asset Management Plan	Approach to managing assets to deliver chosen service levels.
Workforce Plan	Shaping the workforce to deliver organisational objectives now and in the future.
Place & Area Specific Plans	Any other informing strategies.

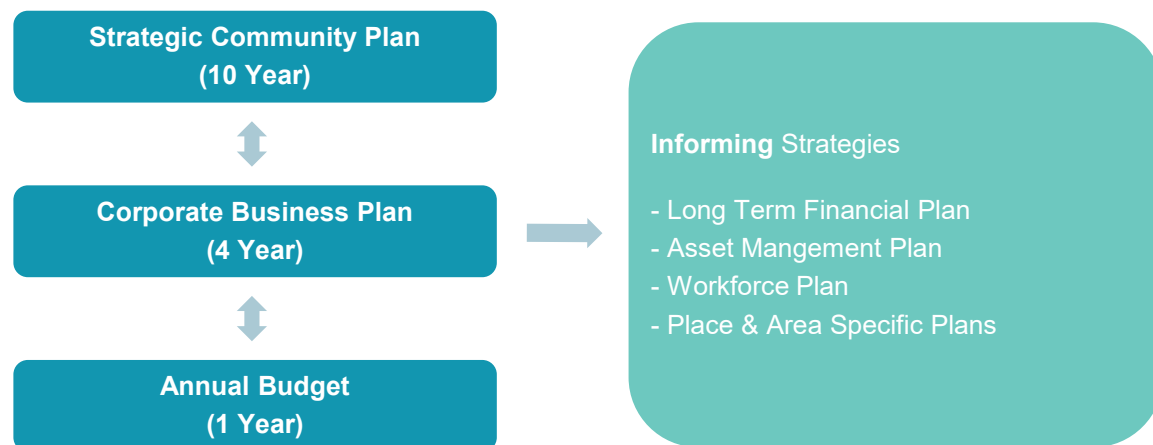


Figure 1: Elements of the Integrated Planning & Reporting Framework. Source: Department of Local Government, Sport & Cultural Industries.

Our Shire

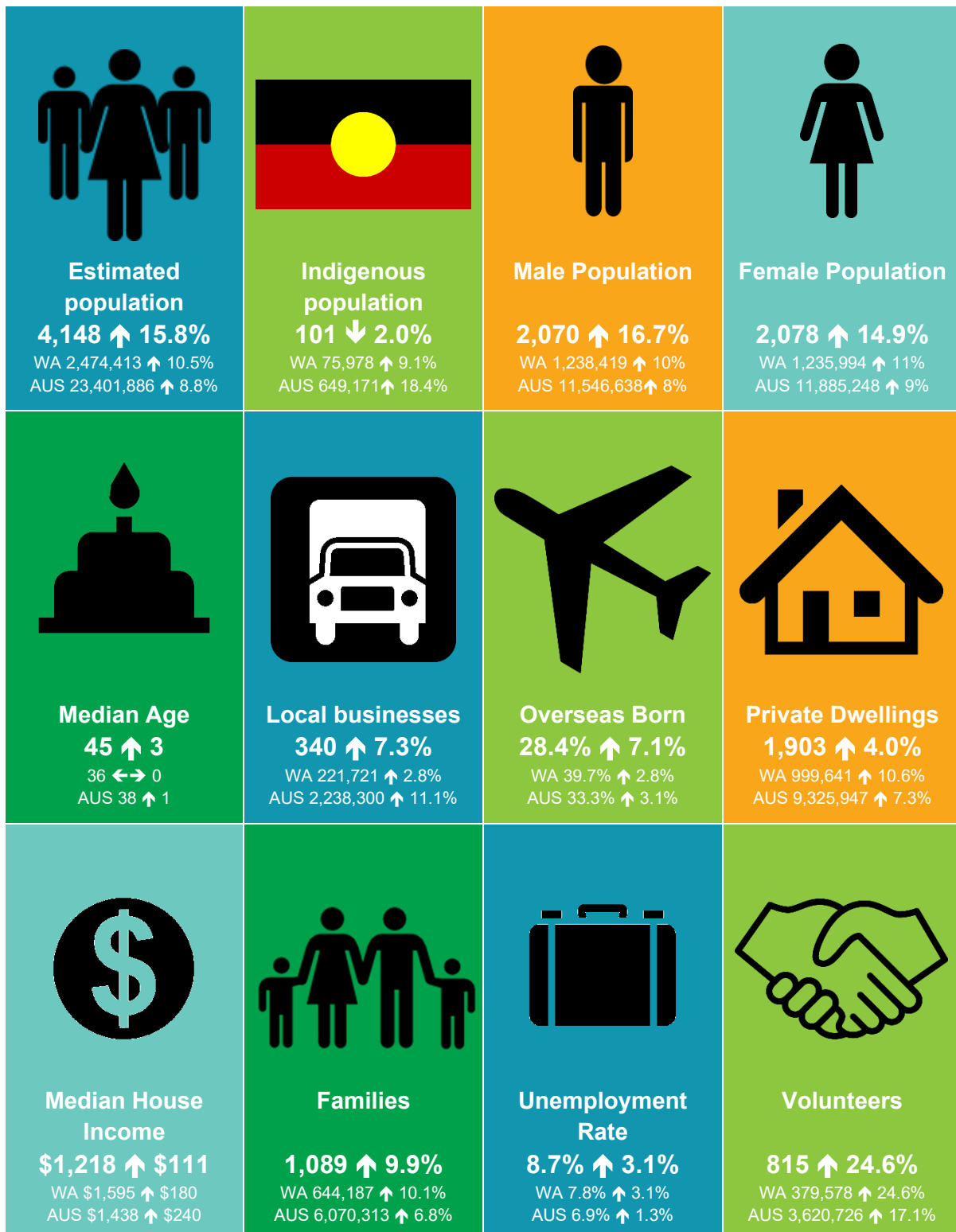


Figure 2: Shire of Waroona Statistics. Source: Australian Bureau of Statistics 2016 Census.

Our Council



Cr Mike Walmsley
Shire President



Cr Naomi Purcell
Deputy Shire President



Cr John Mason



Cr Karen Odorisio



Cr Dion Pisconeri



Cr Laurie Snell



Cr Vince Vitale

Our Staff



Mark Goodlet

Chief Executive Officer

- Strategy
- Elections
- Major Projects
- Council Services
- Business Improvement



Ashleigh Nuttall

Director Corporate & Community Services

- Finance
- Human Resources
- Governance
- Risk Management
- Information Technology
- Customer Service
- Library Services
- Community Development
- Recreation Services
- Tourism



Karen Oborn

Director Infrastructure & Development Services

- Technical Services
- Works & Operations
- Waste Management
- Safety Services
- Planning Services
- Regulatory Services

Service Areas

The Shire of Waroona is responsible for a range of functions, facilities and services including:

- Services to properties and the community;
- Regulatory services;
- General administration; and
- Process of government

Office of the Chief Executive Officer		
Department	Services	
Strategy	<ul style="list-style-type: none"> • Integrated planning and reporting 	<ul style="list-style-type: none"> • Master planning
Elections	<ul style="list-style-type: none"> • Elections 	
Major Projects	<ul style="list-style-type: none"> • Major projects 	
Council Services	<ul style="list-style-type: none"> • Council services 	
Business Improvement	<ul style="list-style-type: none"> • Continuous improvement 	<ul style="list-style-type: none"> • Business management
Corporate & Community Services		
Department	Services	
Finance	<ul style="list-style-type: none"> • Budgeting • Finance / Accounting • Loans / Investments • Grants management 	<ul style="list-style-type: none"> • Rates • Payroll • Asset accounting / management
Human Resources	<ul style="list-style-type: none"> • Human resources management • Recruitment 	<ul style="list-style-type: none"> • Workforce planning • Workplace health and safety
Governance	<ul style="list-style-type: none"> • Policies and procedures • Delegations • Registers 	<ul style="list-style-type: none"> • Audit • Local laws
Risk	<ul style="list-style-type: none"> • Insurance • Risk management 	<ul style="list-style-type: none"> • Business continuity
Information Technology	<ul style="list-style-type: none"> • Information technology • Records • Freedom of information 	<ul style="list-style-type: none"> • Public information disclosure
Customer Service	<ul style="list-style-type: none"> • Customer service • Licensing • Facility bookings 	<ul style="list-style-type: none"> • Marketing / Engagement and media
Library Services	<ul style="list-style-type: none"> • Library services 	
Community Development	<ul style="list-style-type: none"> • Place attraction • Community development 	<ul style="list-style-type: none"> • Events
Recreation Services	<ul style="list-style-type: none"> • Recreation services 	<ul style="list-style-type: none"> • Club development
Tourism	<ul style="list-style-type: none"> • Visitor Centre 	<ul style="list-style-type: none"> • Tourism

Infrastructure & Development Services		
Department	Services	
Technical Services	<ul style="list-style-type: none"> • Design and investigation • Asset management • Subdivision and development application referrals 	<ul style="list-style-type: none"> • Project management • Extractive industry • Grants management (assets)
Works & Operations (maintenance, capital and operations)	<ul style="list-style-type: none"> • Buildings • Parks and gardens 	<ul style="list-style-type: none"> • Infrastructure • Plant and fleet
Waste Management	<ul style="list-style-type: none"> • Collection services 	<ul style="list-style-type: none"> • Disposal services
Safety Services	<ul style="list-style-type: none"> • Emergency services • Bushfire services 	<ul style="list-style-type: none"> • Closed circuit television
Planning Services	<ul style="list-style-type: none"> • Strategic planning • Statutory planning 	<ul style="list-style-type: none"> • Environmental planning • Heritage services
Regulatory Services	<ul style="list-style-type: none"> • Building approvals • Environmental health services 	<ul style="list-style-type: none"> • Ranger services • Preston Beach volunteer rangers

Vision, Mission & Values

Vision

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

Mission

We will be an organisation, with a can-do attitude that strives for service excellence, continued improvement and a commitment to outcomes.

Values

Our values are A REALITY:

- A** – Accountable
- R** – Respect
- E** – Excellence
- A** – Accessible
- L** – Leadership
- I** – Innovative
- T** – Transparent
- Y** – Yours

Focus Areas & Aspirations to 2030



Asset Management Overview

The Shire of Waroona is responsible for providing a number of community focused services. In doing so, the Shire must ensure that its infrastructure assets and community facilities are maintained in accordance with well-developed asset management programs and strategic forward plans to enable these services to meet community needs. Asset management is recognised as a practicable and financially responsible means of managing Council's assets by ensuring that the assets continue to provide a specified level of service delivery to defined standards over their entire life.

The Shire of Waroona Asset Management Plan provides the framework to deliver optimum operational performance of Council's infrastructure assets in the most cost effective manner. The Plan aims to provide a more formalised and transparent approach to asset management. It provides mechanisms to clearly define its asset renewal and asset maintenance practices and to mitigate risk.

The Asset Management Plan has been prepared in accordance with the Shire of Waroona's Strategic Community Plan. It has also been compiled to comply with Local Government Regulatory requirements including the Integrated Planning and Reporting Framework.

The Plan has been broken into several parts including:

- **Appendix A** Buildings & Land
 - Shire offices and facilities, community buildings, sporting clubs, halls, structure, roof, fitout and mechanical services, land
- **Appendix B** Roads & Bridges
 - Roads, subgrade, sealed pavement, gravel sheet, surface kerbing, table drain, traffic bridges, pedestrian bridges
- **Appendix C** Footpaths
 - Concrete, bitumen, gravel, paving, boardwalks
- **Appendix D** Drainage
 - Pipes, pits, culverts
- **Appendix E** Parks & Other Infrastructure
 - Land, parks, playgrounds, outdoor furniture, ovals, sports fixtures, lighting, infrastructure, pontoons, shelters, hardware
- **Appendix F** Plant, Furniture & Equipment
 - Internal and external furniture, vehicles, machinery, software, electronics equipment

Asset Valuation Summary

Asset Class	Replacement Cost	Fair Value (Depreciated Value)	Annual Depreciation Expense
Buildings & Land	\$40,706,700	\$44,524,300	\$873,657
Roads & Bridges	\$95,553,381	\$76,602,789	\$1,641,037
Footpaths	\$1,288,780	\$1,151,759	\$35,003
Drainage	\$12,568,107	\$7,839,430	\$178,330
Parks & Other Infrastructure	\$10,194,145	\$4,707,835	\$28,238
Furniture, Plant & Equipment	\$3,048,064	\$2,516,343	\$344,044
TOTAL	\$163,359,177	\$137,342,456	\$3,100,309

Table 1: Summary of asset costs, values and expenses. Source: Shire of Waroona.

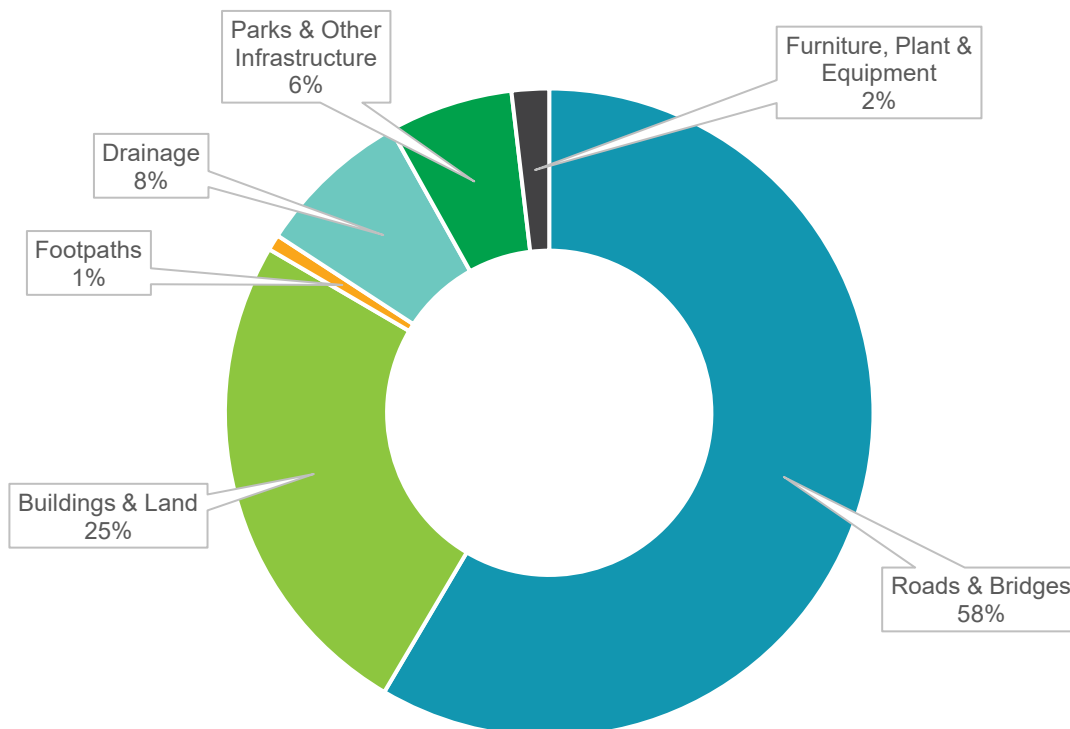


Figure 3: Graph of asset replacement costs by asset type. Source: Shire of Waroona.

Leased Assets

The Shire leases a number of land and building assets to third parties, predominantly community groups and sporting clubs.

Vested Land

The Shire has a number of Crown reserves for which it holds management orders. All improvements on vested land are accounted for in the appropriate asset register.

Introduction

The Shire of Waroona owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services to the community, with a replacement value in excess of \$160 million. The Asset Management Plan has been developed to ensure that Council continues to provide effective, comprehensive and sustainable management of its infrastructure and asset portfolios.

Council plans to operate and maintain its asset portfolio to achieve the following objectives:

- Communicate the current condition of all Shire infrastructure and review the budgets/practices used to operate and maintain them;
- Undertake financial planning by adopting a life cycle approach to asset budgeting;
- Develop cost effective management strategies for the long term;
- Define a level of service for infrastructure assets to meet community needs;
- Understand and meet the demands of growth through demand management and infrastructure investment; and
- Avoid disruptions to services by managing risk associated with asset failures.

The Asset Management Plan is the means for outlining the key elements involved in managing the Shire of Waroona's assets. It combines management, financial, engineering and technical practices to ensure that the level of service required by the community is provided at the lowest term cost within the limits of any fiscal constraints that may be imposed by Council.

Purpose & Scope

The purpose of the Plan is to:

- Demonstrate responsible stewardship by Council;
- Provide a basis for customer consultation to determine appropriate levels of services;
- Define and articulate how the asset is and will be managed to achieve the organisation's objectives;
- Achieve savings by optimising whole of life assets;
- Manage risk and asset failure; and
- Support long term financial planning.

Plan Format

The Asset Management Plan follows the framework set out in the Institute of Public Works Engineering Australia's (IPWEA) International Infrastructure Management Manual.

Key elements of the plan are:

- Levels of service – the services and levels of service to be provided by the Shire;
- Future demand – how this will impact on future service delivery and how this is to be met;
- Lifecycle management – how the Shire will manage its existing and future assets to provide the required services;
- Financial summary – what funds are required to provide the required services;
- Asset management practices;
- Monitoring – how the plan is monitored to ensure it is meeting Shire objectives; and
- Asset management improvement strategy.

The IPWEA framework is outlined from the Institute of Public Works Engineering Australia International Infrastructure Management Manual.

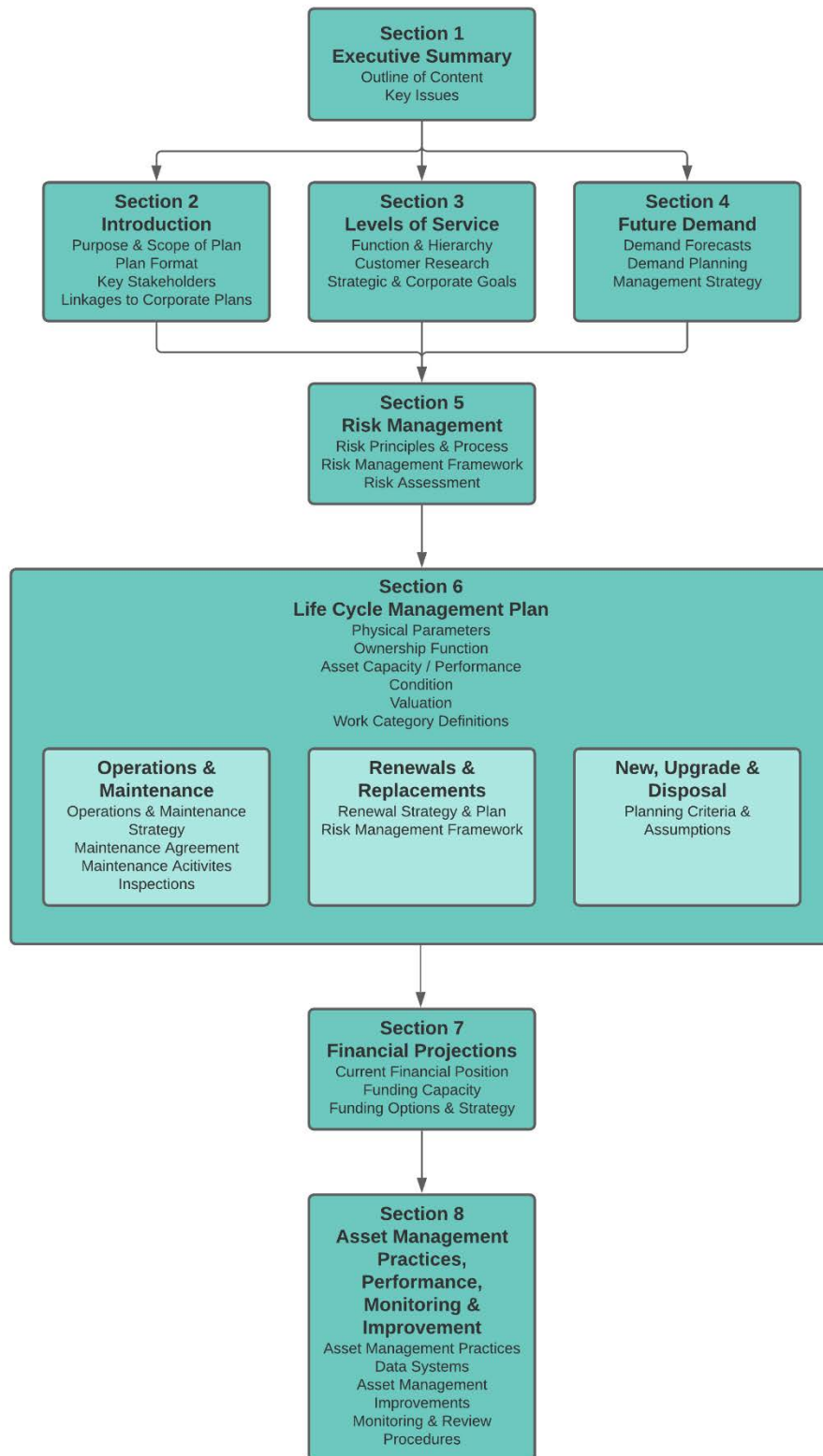


Figure 4: IPWEA Asset Management Plan Framework. Source: Public Works Engineering Australia International Infrastructure Management Manual.

The key steps in preparing an asset management plan are illustrated below.

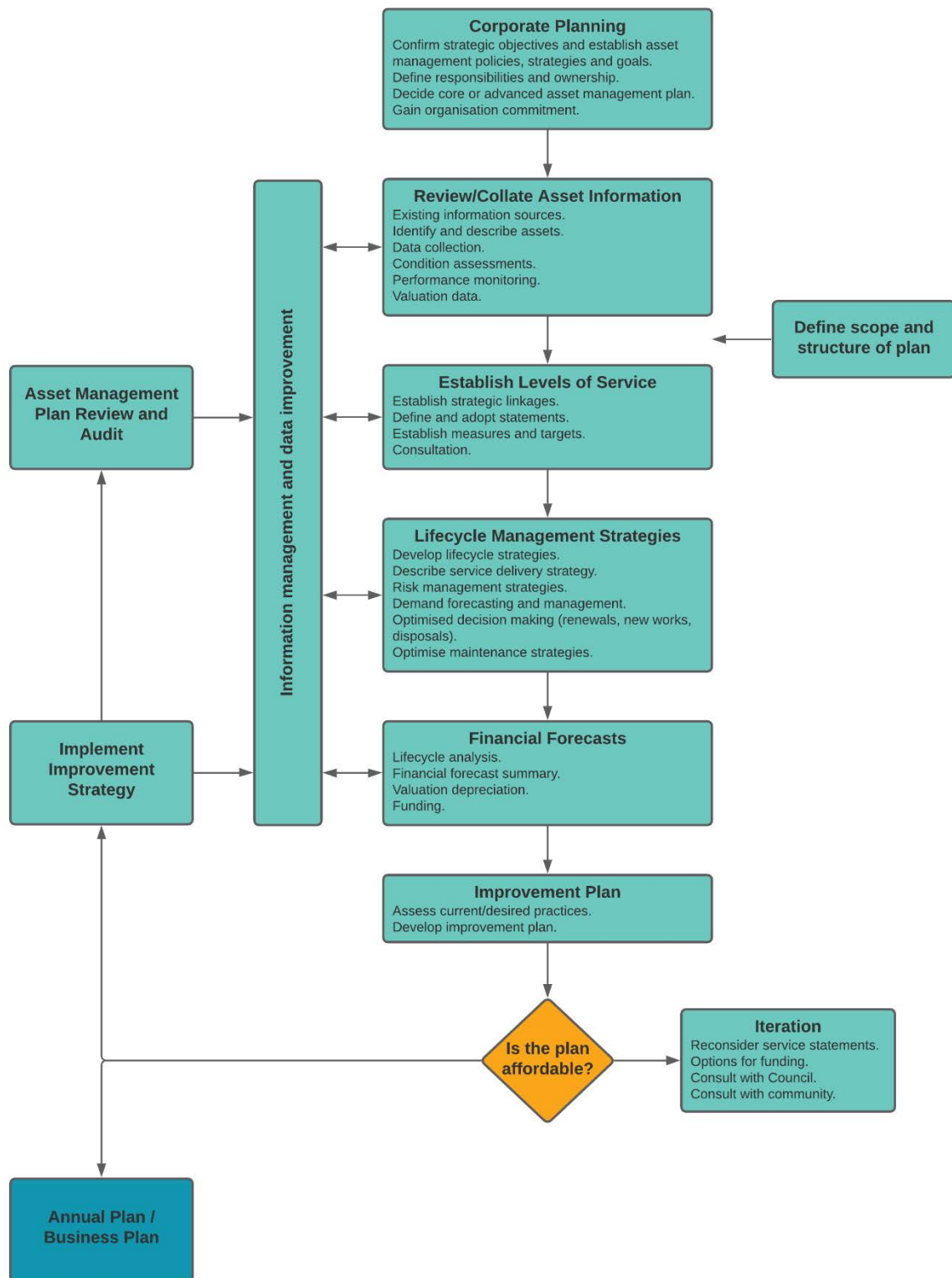


Figure 5: Steps to Prepare an Asset Management Plan. Source: Public Works Engineering Australia International Infrastructure Management Manual.

Key Stakeholders

Stakeholders include any person, agency, organisation or group that have any interest in or that are affected by the assets owned and managed by Council.

Stakeholder	Expectation
Councillors	Meeting community needs, sound management and allocation of resources, good governance
Employees / Contractors	Safe working environment
Community residents and businesses	Value for money, equitable and responsible service, well maintained assets
Road users	Well maintained assets specific to user needs
Insurers	Appropriate risk management policies and practices, safe working environments, well maintained assets
Emergency services and utilities	Accessible road network and readily available data
Public transport	Well maintained assets specific to user needs
Tourists	Well maintained assets, accessible services, safe facilities
Cyclists	Well maintained assets, accessible services, safe facilities
Government	Systems in place to sustain infrastructure, accountability and transparency

Links to Corporate Strategies

The Asset Management Plan is prepared under the direction of the vision, goals and objectives in the Strategic Community Plan. This Plan is a crucial component of the Shire planning process, linking with the following documents:

- Strategic Community Plan 2020 – 2030;
- Corporate Business Plan 2022 – 2026;
- Long Term Financial Plan 2022 – 2032;
- Workforce Plan 2020 – 2024; and
- Policies

Core Approach to Asset Management

The Asset Management Plan has been prepared as a core asset management plan in accordance with the International Infrastructure Management Manual. The plan has also been developed in accordance with the Department of Local Government, Sport and Cultural Industries' Integrated Planning and Reporting Framework to assist the Shire in driving future budgeting requirements whilst providing sustainable service delivery and long term financial planning and reporting.

At the core level it is important to begin with an understanding of what level of service is currently provided. It is typically a case of selecting assets that are deemed to be most critical

to the safety and wellbeing of the community and focussing on these to carry out the initial condition assessment inspection. Hence these might be located in older business precincts or under major transport corridors where the consequence or impact of failure couple with a potentially higher probability of failure, make these a priority of investigation.

This will typically identify any hazards (and associated risks) requiring immediate mitigation. It will also provide some basis data on the condition that will enable analysis of renewal or replacement works required now and in the longer term. This then provides the necessary financial data to inform the Long Term Financial Plan. Works identified, immediate and future, can then be allocated to projects, both maintenance and capital in nature, to be carried out and the timeframe for such. Regularly repeating these basic steps with appropriate refinement of the process as resources permit is part of the continuous improvement journey, leading more to a more asset management advanced program.

Advanced Approach to Asset Management

The Asset Management Plan contains elements of advanced asset management practices to establish a 'bottom up' approach for gathering asset information for individual assets. With future revisions of the Plan, the Shire will continue to move forward towards 'Advanced' asset management to support the optimisation of activities and programs to meet agreed service levels.

Advanced asset management will show features such as:

- Long term optimised lifecycle;
- Corporate objectives and asset performance are aligned and complimentary;
- Information systems integrated and used effectively;
- Competencies are aligned to roles and responsibilities; and
- Strategies are risk based, with appropriate use of predictive models, problem solving and iterative continuous improvements.

Ideally these will begin to involve community consultation for input and testing of community willingness to pay for any increases in the level of service to be provided, recognising that different intervention options will have different costs.

As the Shire moves into a more advanced phase, it will address the whole portfolio of assets and more formally apply critically, risk management principles to better determine the frequency and scope of condition assessment inspections. The Shire will collect more detailed data with greater breakdown into various components and will apply quality standards to test the level of service being provided and use this to assist the condition assessment process in deciding on future needs.

The resultant data will be more rigorously analysed and optimised decision making typically employed to determine priorities for works. The analysis will give a more accurate picture on the remaining life of the assets down to their various components, their current replacement cost and their depreciated replacement cost.

Levels of Service

Levels of service are key business drivers and influence all asset management decisions. Levels of service typically relate to service attributes such as quality, availability, safety, accessibility, function, responsiveness, condition, environment and affordability. Understanding the level of service required of an asset is essential for its lifecycle management, as this largely determines an asset's development, operation, maintenance, replacement and disposal. Levels of service are pivotal in asset management as they have a direct financial impact due to their importance in both operational and risk-based prioritisation.

Service levels are defined in two categories - community levels of service and technical levels of service.

Community Levels of Service

Community levels of service relate to the function of the service provided and how the customer receives the service in terms of quality, availability, safety, accessibility, function and responsiveness.

Quality	How good is the service?
Function	Does it meet users' needs?
Capacity / Utilisation	Is the service over or under used?

The level of service, performance measurement process, target performance and current performance for each asset class is included in the relevant Asset Management Strategy.

Technical Levels of Service

Technical levels of service relates to the technical measures and the outputs the customer receives in terms of quality, condition, safety, environment and affordability.

Technical service measures are linked to annual budgets covering operations, maintenance, renewal and upgrade.

The level of service, performance measurement process, target performance and current performance for each asset class is included in the relevant Asset Management Strategy.

Function & Hierarchy

Function decides strategic importance and considers the key principles which impact in determining the functional level of service as part of providing a sustainable range of facilities to the community.

Hierarchies are used to assign priorities for action and response times to assets of different importance. Those that are ranked higher are considered to be of higher importance as they deliver more critical core services and / or may have a higher impact rate in terms of risk. They therefore, attract a higher level of service to keep them in the appropriate condition than assets of lesser significance.

Customer Research

The Shire is committed to updating the levels of service according to the results of community feedback. As targets for levels of service provide the basis for lifecycle management strategies

and capital programs, the current levels of service will be reviewed to incorporate the requirements of the community in subsequent versions of this strategy. The Shire's customer research into asset needs and satisfaction includes:

- Analysis of the customer service requests; and
- Customer survey.

Strategic & Corporate Goals

The Shire acknowledges the need to take an organisational wide approach to asset management and one which involves the community on a wider basis. The corporate goal is to have a whole of life cost approach to the provision and maintenance of assets, and to consider the ongoing costs of existing assets when making decisions on their renewal/replacement and the acquisition of new assets.

The Shire's Asset Management Policy outlines the key principles that will be considered when making decisions in relation to infrastructure assets:

- Philosophy of renewing assets before acquiring new assets and, where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the service for which the asset was acquired;
- Prior to consideration of any major refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation process:
 - Need for facility (short and long term)
 - Legislative requirements
 - Opportunities for rationalisation
 - Future liability including ultimate retention/disposal
 - Opportunities for multiple use
- All capital projects will be evaluated and take into account capital cost, ongoing cost of maintenance, refurbishment, replacement and operating cost ("whole of life" cost assessment);
- Management of assets utilising a team approach supported by the multi discipline cross functional asset management working group;
- Development and implementing a 10 year rolling financial plan that incorporates infrastructure renewal requirements as identified within the various Asset Management Plans; and
- The commitment to involve and consult with the community and key stakeholders when determining service levels.

The Shire will utilise clear prioritisation methods for capital works expenditure. This will include the requirement to report expenditure in the following classifications to ensure that discretionary and non-discretionary expenditure is identified:

- Renewal (non-discretionary);
- Upgrade (discretionary);
- New (discretionary);
- Operational (discretionary); and
- Maintenance (non-discretionary).

Future Demand

The Asset Management Plan considers a 10 year planning horizon and therefore the factors that may influence the potential demand of assets must be recognised over this time. The ability to predict future demand for services enables the Shire to plan ahead and identify the best way of meeting that demand. This section identifies the effect of expected growth and consequent demand on the Shire's assets, and provides commentary on the varying factors that may be subject to change and affect the demand for services that rely on this network.

Drivers affecting demand include political factors, economic factors, social factors, changes in demographics, changes in technology, new assets from growth, legislation changes, tourism growth and climate change.

Political Factors

Local government policy changes, as well as State government service reallocation, can often affect the demand for community services. These services then often require infrastructure to support them. Whilst a number of policies could potentially affect demand, it is thought that those concerning infrastructure funding would potentially have the greatest impact on the Shire.

For example, a cut in funding would place more pressure on municipal revenue to fund infrastructure projects. This could result in lower levels of service being delivered to the community. Conversely, increases in funding could also have a distinct effect, as they often require construction of new assets.

Economic Factors

The Shire currently features a relatively small residential population, with the majority of residents located in Waroona. The economic base of the Shire is strongly influenced by alumina refining at Wagerup, with other important industries including agriculture, mining, manufacturing and aged care service.

Predicted growth in the Peel region will see increased demand for new infrastructure, and greater wear on existing infrastructure as the population expands. This will likely result in higher costs to the Shire as asset lives will be reduced.

Social Factors

The last national census revealed that the population of the Shire is 4,148. It is expected to increase to 4,340 by 2021, 4,485 by 2026, and 4,700 by 2031, at an annual growth rate of approximately 0.85%. The WA Planning Commission predicts that the population will increase to 18,230 by 2050.

The statistical data suggests that an 8% population growth will occur in the Shire of Waroona over the life of this asset management plan. Therefore, it is expected that due to an increase in population, there will be an effect on existing infrastructure demand. This may result in assets not providing an appropriate level of service to the community if it is not managed correctly.

Demographic Change

Factors affecting demand for infrastructure include population growth, changes in demographics, seasonal factors, vehicle ownership, customer preferences and expectations. If the Shire does not plan for population growth and manage the future urban form of the Shire, growth pressures and unfavourable patterns of development can have serious impacts on the community. These include a lack of access to essential infrastructure and services and increased response times for emergency services.

Age Group	2016		2031		Difference between 2016 and 2031
	#	%	#	%	#
0 – 4	223	5.4	320	6.8	+97
5 – 9	254	6.1	290	6.2	+36
10 – 14	296	7.2	260	5.5	-36
15 – 19	245	5.9	240	5.1	-5
20 – 24	178	4.3	230	4.9	+52
25 – 29	177	4.3	260	5.5	+83
30 – 34	220	5.3	270	5.7	+50
35 – 39	217	5.3	270	5.7	+53
40 – 44	227	5.5	270	5.7	+43
45 – 49	296	7.2	270	5.7	-26
50 – 54	326	7.9	230	4.9	-96
55 – 59	311	7.5	250	5.3	-61
60 – 64	304	7.4	300	6.4	-4
65 – 69	295	7.1	310	6.6	+15
70 – 74	179	4.3	300	6.4	+121
75 – 79	186	4.5	240	5.1	+54
80 – 84	102	2.5	205	4.4	+103
85+	96	2.3	185	3.9	+89
TOTAL	4,148	100.0	4,700	100.0	+552

Table 2: Comparison of ages between 2016 and 2031. Source: WA Planning Commission.

With an increase in the number of retirees moving to the area and the increase in life expectancy, the ageing population is expected to increase the Shire's need for appropriate facilities and infrastructure to cater for this age demographic. This may necessitate significant upgrade or development of infrastructure, as well as possible greater maintenance requirements. An ageing population will mean a greater need for aged care facilities and disability access. Increase in age of population will also require improvements to public transport infrastructure and services.

Changes in Technology

Changes in material and construction techniques could lead to improved service levels and asset standards, and ultimately reduced maintenance requirements. However, it is difficult to predict whether newer materials, construction and maintenance techniques will affect demand.

New Assets from Growth

The new assets required to meet growth will be acquired from land developments and constructed by the Shire. Acquiring these new assets will commit the Shire to fund ongoing operations and maintenance costs for the period that the service provided from the asset is required.

Legislation

The Shire is bound to meet a range of legislative requirements which if altered, could affect the Shire's management obligations. A current legislative driver of change is the amendment of the *Local Government Act 1995*. The Act promotes integrated planning and ensures that long term financial planning, asset management planning and workforce planning become standard business practices for all local governments. This means that a majority of WA local governments will have to notably improve their current practices and processes, which the Shire is currently working towards.

Tourism Growth

Tourism can have a significant effect on assets. An increase in tourism will result in higher utilisation of assets, and this in turn would mean the Shire will incur higher costs for asset maintenance, upgrade and replacement.

Climate Change

There is increasing evidence that the Earth's climate is changing, which will have direct and indirect impacts on assets. This could be from a range of factors including changing climatic conditions, increasing rainfall, rising sea levels, and fluctuations in seasons.

Demand Planning

Demand management actively seeks to modify customer demands for services in order to:

- Optimise the utilisation / performance of existing assets;
- Reduce or defer the need for new assets;
- Meet the organisation's strategic objectives;
- Deliver a more sustainable service; and
- Respond to stakeholder needs

It is vital to the success of this strategy that demand factors be analysed comprehensively, and their impact quantified in terms of the following:

- The effect of the growth of the asset network;
- Any possible future need to increase or decrease infrastructure; and
- The implementation of non-asset solutions, such as managing demand.

In addition to the factors mentioned above, risk affects demand for services and consequently the following must be taken into account:

- The methodology and accuracy of forecasts;
- The currency of forecasts;
- The uncertainty of forecasts; and
- Any unforeseen natural factors.

The forecasts for the Shire of Waroona indicate steady population growth in the area. This growth trend is expected to cause an increase in the asset base due to the creation of new assets, as a result of increased demand.

Demand Management Strategies

Demand management strategies provide alternatives to the creation of new assets through modifying customer demands. A key long term strategy is to manage demand so that there are funds in place for the renewal, operation and maintenance of future services. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Effective strategies maximise the utilisation of existing assets through consolidating services or disposing of assets that are surplus to requirements, and are discussed in later in this strategy.

The Shire of Waroona may need to carefully analyse and establish alternatives to the use of traditional assets in some circumstances where the relative demand cannot justify the replacement of some assets.

Risk Management

The Shire of Waroona is committed to identifying, measuring and managing risks in order to capitalise on opportunities and achieve the objectives of the Council's strategic plans.

To achieve this, the Shire has adopted a risk management framework aligned to AS/NZS ISO 31000.2018 Risk Management – Principles and Guidelines. The framework, which is comprised of a Risk Management Policy and Strategy, provides a coordinated and systematic process for managing risks, integrating risk management into everyday decision making and business planning.

A Business Continuity Plan also compliments this framework, ensuring that the Shire can continue to provide essential services to stakeholders in the event of a crisis or major incident.

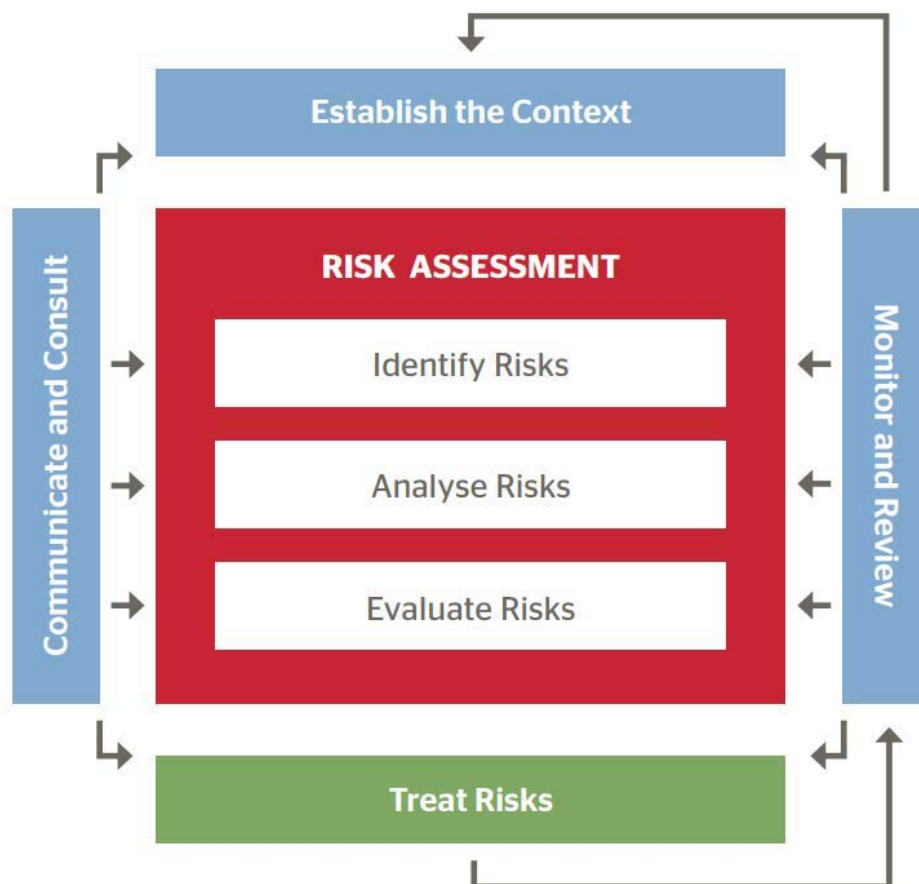


Figure 6: Risk Management Framework. Source: AS/NZS ISO 31000.2018 Risk Management - Principles and Guidelines.

Risk Management Guide

The following guide summarises the Shire's risk management framework

Risk Management Guide



Introduction to Risk Management

The Shire of Waroona has adopted an organisational enterprise risk management approach. Risks must be managed during day to day operations to ensure objectives are achieved and exposure to liability is minimised. Effective management of risk provides assurance to stakeholders that there is:

- A reduced likelihood of litigation
- Adequate controls to regulate the Shire's risk exposure
- Protection of the community's health and safety
- Strategies in place to minimise disruption to core services

Responsibilities

The adopted Risk Management Policy ensures an organisational approach through the delegation of responsibility to all levels.

Council: Provision of adequate resources to implement risk process and strategies.

CEO and Executive: Recommending the risk tolerance level of the Shire to Council. Establishment of a Risk Management Committee. Ensuring the development and management of the Shire's risk.

Managers: Identifying and assessing all potential risks within their area.

All Staff: Active participation in the risk management program. Conducting risk assessments during the performance of their daily duties.

Risk Framework

The Shire of Waroona has embraced risk management through a Risk Management Policy, procedures and reporting mechanisms. Risk management processes are guided by ISO 31000:2018. The following diagram illustrates the full risk management cycle according to this standard:



Risk Control Rating

Excellent: Doing more than would reasonably be expected under the circumstances.

Adequate: Doing what would be reasonably be expected under the circumstances.

Inadequate: Doing less than would reasonably be expected under the circumstances.

Risk Management Process

1 | Establish the Context

Define the subject of the risk assessment, i.e. the activity, strategy, service, function etc. and determine the level of context, i.e. Strategic, operational or project. Identify the stakeholders who should be included and/or consulted during the risk assessment.

2 | Identify Risks

What can happen that could:

- Impede the achievement of the organisation's objectives
- Cause a stakeholder to lodge a complaint or initiate legal action
- Result in a financial loss
- Comprise the safety or health of the community
- Damage the environment now or in the future

Where and when could these events occur?

Why and how could they happen?

3 | Analyse Risks

Evaluate existing controls:

- Are there any current practices that might prevent the risk from occurring or lower the consequence of that risk?

Determine the consequence and likelihood of the risk occurring after any current controls.

Assess the overall risk level using the risk matrix.

4 | Evaluate Risks

With regard to the organisational risk tolerance level, decide if further treatments are necessary to reduce the risk to an acceptable level.

5 | Treat Risks

- Identify options for treating risks with negative outcomes
- Assess risk treatment options
- Prepare and implement treatment plans

6 | Monitor and Review

Record the risk management process, monitor and review regularly to ensure that the treatments are still effective and are still within the risk tolerance level.

Shire of Waroona's General Categories of Risk

Category	Possible Risk Area
Financial	Projects going over budget, legal costs, insurance claims, overpayments, inappropriate use of resources
Environmental	Regulatory compliance, contamination, inadequate environmental practices in processes and procedures
Operational	Adverse effects on core business, business continuity, human resource risks, loss of knowledge
Reputational	Public perception, poor customer service, sub standard works, corruption, misuse of confidential information
Health	Exposure to health risks, injuries to the public within Council buildings or on Council property
Project	Delays start or completion, variations to scope or budget, insufficient funds

Reviewed December 2020

Consequence Rating

Level	Description	Financial Impact	Health	Reputation	Operation	Environment	Project
1	Insignificant	Less than \$10 000	Near miss/negligible injuries or health effect	Low impact, low profile, minor complaint	Little impact - objectives still achieved with minimum extra cost or inconvenience	Contained, little and reversible impact managed by on site personnel	Insignificant impact on the project. It is not possible to measure the impact on the project as it is minimal
2	Minor	\$10 000 to \$50 000	Minor injury or health effect/First aid treatment	Heightened concern by community, several complaints	Inconvenient delays - partial achievement of objectives with some compensating action taken	Contained, minor damage or contamination that is reversible and managed by on site personnel	<5% deviation in scope, scheduled end-date or project budget requiring manager approval
3	Moderate	\$50 000 to \$250 000	Moderate injury or health effect/Medical treatment	Low level local news profile	Significant delays to major deliverables - additional costs required and/or time delays to achieve objectives. Adverse impacts on KPIs and targets	Contained, significant contamination and damage that is reversible, managed by on site personnel	5-10% deviation in scope, scheduled end-date or project budget requiring senior management approval
4	Major	\$250 000 to \$1 million	Serious health effect, death or extensive injuries	Major coverage in local media, low profile in state media	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities	Uncontained, significant contamination and damage that is reversible but requires third party assistance, minor breach of legislation	10-25% deviation in scope, scheduled end-date or project budget requiring restructuring of project and senior management or Council approval
5	Catastrophic	More than \$1 million	Multiple deaths or severe permanent disabilities	High state or national news profile	Organisation unable to function	Extensive contamination and damage that is irreversible, major breach of legislation	>25% deviation in scope, scheduled end-date or project budget requiring the project to be deferred or redeveloped

Level of Risk (Risk Matrix)

Level	Description	Probability
5	Almost Certain	Expected to occur in most circumstances > More than once per year or greater than 90% chance
4	Likely	Will probably occur in most circumstances > At least once per year or between 60% and 90%
3	Possible	Should occur at some time > At least once in three years or between 30% and 60%
2	Unlikely	Could occur at some time > At least once in ten years or between 5% and 30%
1	Rare	May occur, only in exceptional circumstances > Less than once in fifteen years or less and 5%

Level of Risk (Risk Matrix)

		Consequence				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Likelihood	Almost Certain 5	M (5)	H (10)	H (15)	E (20)	E (25)
	Likely 4	M (4)	M (8)	H (12)	H (16)	E (20)
	Possible 3	L (3)	M (6)	M (9)	H (12)	H (15)
	Unlikely 2	L (2)	M (4)	M (6)	M (8)	H (10)
	Rare 1	L (1)	L (2)	L (3)	M (4)	M (5)

L Low M Moderate H High E Extreme

Risk Acceptance Criteria

Risk Level	Descriptor	Action Required	Criteria for Risk Acceptance	Review Frequency		Risk Owner	
				Strategic/Operational	Project Risks	Strategic/Operational	Project Risks
Low	Acceptable	Accept the risk	Risk acceptable	Annual	If the scope/context changes	Operational Manager	Project Manager
Moderate	Monitor	Monitor the risk but consider risk treatments	Risk acceptable with adequate controls	Semi-Annual	If the scope/context changes	Operational Manager	Project Manager
High	Treat	Treat the risk. Reduce either the likelihood, consequence or both by improving existing controls or adding new controls	Risk acceptable with excellent controls	Quarterly	Monthly	Executive Management	Steering Committee where relevant or Project Director
Extreme	Treat	Treat the risk. Reduce either the likelihood, consequence or both by improving existing controls or adding new controls	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible	Monthly	Monthly	CEO	Steering Committee where relevant or Project Director

Life Cycle Management Plan

Life cycle analysis ensures the sustainability of assets. Sustainability can be achieved by ensuring adequate investment in both short term maintenance needs and long term replacements, renewals, upgrades and new works to continuously meet the needs of users in terms of the level of service they expect from these assets.

The life cycle management plan outlines what options and strategies are planned in order to manage the assets at an agreed level of service whilst optimising overall life cycle costs. These assets are operated and maintained throughout their useful life, and their performance and condition are monitored to ensure they deliver the necessary service. There will come a point where the asset is no longer performing at a satisfactory level and may be rehabilitated or improved. This process can be repeated several times throughout the life of the asset, however, eventually the asset will be disposed of and potentially replaced if there is a need for the asset to remain in service.

The recurrent costs of operations and maintenance, the capital expenditure for rehabilitation, and the one-off cost of replacement all form part of the asset's lifecycle costs. This section identifies and describes the four key phrases of the asset management life cycle of local government assets, namely acquisition, operation and maintenance, renewal and disposal.

Physical parameters are summarised in the strategies for each class.

Operations:	Operational activities keep the asset utilised but have no effect on condition.
Maintenance:	Proactive and reactive routine works which keeps assets operating to the required service levels.
Renewals:	Replacement of the asset or major restoration.
New Works:	New, extension or upgrade of assets.

Asset Condition

Assets have a vast range of factors that influence their usability. From an asset management perspective, the various factors fall into one of the following groups:

- Fitness for Use; and
- Fitness for Purpose.

Fitness for Use is a measure of physical condition relative to its condition when first constructed. Fitness for Use has been the basis of the condition audits undertaken. When rating fitness for use a standard scale of 1-5, where 1 = new and 5 = total deterioration has been used.

Condition Rating	Definition
1 Excellent	A new or near new asset or recently rehabilitated back to new condition asset with no visible signs of deterioration. An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
2 Good	An asset in good overall condition but with some early stages of deterioration evident, but the deterioration still minor in nature and causing minor serviceability problems.

Condition Rating	Definition
3 Average	An asset in fair overall condition, deterioration in condition would be obvious. Asset serviceability would now be affected and maintenance costs would be rising.
4 Poor	An asset in poor overall condition, deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance costs would be very high and the asset would be at a point where it needed renewal.
5 Very Poor	An asset that has failed, is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service.

Asset Valuations

Australian Accounting Standards (AASB13) require assets to be valued at 'Fair Value' as at 30 June 2013. Valuations have been derived using industry standard costs. Unit replacement rates include material, labour, plant, transporting and dumping costs infrastructure. The value of assets as at 30 June 2022 covered by this asset management strategy is over \$160 million. The Shire is committed to monitoring progress towards achievement of the Strategic Community Plan. Ratios of asset consumption, renewal and sustainability have been prepared to help guide and gauge asset management performance and trends over time and are based on Drainage, Footpaths, Parks and Other Infrastructure, Buildings and Land, Plant, Furniture and Equipment, and Roads and Bridges.

Ratios	2021	2020	2019	2018	2017
Asset Consumption Ratio Achieving Standard: >90%	92%	69%	69%	81%	70%
Asset Renewal Funding Ratio Achieving Standard: >50%	99%	102%	128%	90%	97%
Asset Sustainability Ratio Achieving Standard: 75-90%	85%	72%	76%	53%	50%

Useful Life

Useful life is used to determine the current value of the asset. Lifecycles have been derived from officer knowledge and experience of actual asset life. Useful lives are reviewed annually to validate the estimated useful life of assets, with a sample of asset components selected to represent the asset portfolio. The age of each component is used to determine what length of time the component takes to move from condition 1 to condition 5. This assessment is based on the assumption that deterioration rates remain approximately equal throughout the life of the asset.

Intervention Levels

Intervention levels support the service levels provided to the community as they define the condition that triggers certain work to be completed. They are also very useful in the development of ongoing maintenance programs. Having defined intervention levels allows local governments to organise maintenance works on a risk priority basis, rather than being susceptible to completing works on a chronological basis, or as a result of pressure from

individuals within the community. Intervention levels assist in providing a sound legal argument as to why certain works were, or were not, completed. Intervention levels are provided in the strategies for each asset class.

Operations & Maintenance

Operations activities affect service levels including quality and function through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities. Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal. Maintenance may be classified into reactive, proactive and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. Proactive maintenance is planned repair work that is identified and managed through a maintenance management system. This system's activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing air conditioning units, etc.

This work falls below the capital/maintenance threshold but may require a specific budget allocation. Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in this asset management strategy and service risks considered in the Risk Management Plan. Actual past maintenance expenditure is summarised in the strategies of each asset class.

Operations & Maintenance Strategy

Currently the Shire has no formal maintenance strategy in place for its infrastructure. In the absence of a formal strategy, the percentage of reactive maintenance as opposed to proactive maintenance tends to be high. Ultimately, the high percentage of reactive maintenance works will lead to asset deterioration that will cost the organisation more to rectify in the long term. Maintenance strategies will be developed to reduce risk and reactive maintenance. A maintenance strategy will:

- Describe the systems and procedures to be used to plan and manage maintenance work;
- Specify the types of maintenance to be carried out;
- Establish the order of priority for maintenance activities; and
- Nominate the means of resourcing and implementing maintenance.

Inspections

The purpose of inspection is to identify, record and report defects that are causing, or have the potential to cause:

- Disruption to service provision;

- Degradation of asset performance and / or condition including cleanliness;
- A public health or safety, security, or financial risk;
- Inconvenience to staff and / or the public;
- Breach of regulations or legislation; and
- Infrastructure damage.

Inspections of the majority assets are carried out on a regular basis as revaluations are completed. The current formal inspection frequency to ascertain the condition of assets is at least every 5 years.

Renewals & Replacements

The Shire has developed a 10 year renewal program, which will drive the budget planning process and form the basis to the Long Term Financial Plan. Renewal and replacement expenditure is major work which does not increase the assets design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential.

Renewal Strategy & Plan

Renewal is generally required when the structure has reached its end of life. Assets requiring renewal are identified from customer requests, analysis of condition and estimates of remaining life. Renewal will be undertaken using low cost renewal methods where practical. The aim of low cost renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Assets proposed to be renewed are inspected to verify the accuracy of the remaining life and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and availability of funds and scheduled in future works programs. Actual past renewal expenditure is summarised in the strategies of each asset class.

The organisation will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner;
- Undertaking project scoping for all capital renewal and replacement projects to identify:
 - the service delivery deficiency, present risk and optimum time for renewal/replacement
 - the project objectives to rectify the deficiency
 - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
 - evaluate the options against evaluation criteria adopted by the organisation
 - select the best option to be included in capital renewal programs
- Using low cost renewal methods (cost of renewal is less than replacement) wherever possible;
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council;
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs;
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required; and

- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

New

Best practice asset management involves a comprehensive analysis prior to acquisition of new assets. This involves completing a project proposal and business case which addresses considerations such as:

- Relevance to corporate goals;
- Alignment to core business;
- Community need;
- Anticipated benefits;
- Environmental impacts;
- Risk identification and treatment;
- Total life cycle costs;
- Impact on existing services / infrastructure;
- Analysis as to whether service can be delivered without asset acquisition;
- Forecasted usage rates; and
- Value for money.

Upgrade

Upgrade refers to works which improve an existing asset beyond its current capacity. They may result from growth, social or environmental needs. Upgrade/expansion of infrastructure will contribute to the overall infrastructure inventory and will require ongoing maintenance and renewal. Recognition of the impact that this activity has on the future sustainability of infrastructure should be considered for all projects. As such, any potential upgrades should undergo a 'whole of life' analysis to ensure the overall viability of the project.

Disposal

Disposal of an asset refers to its decommissioning, whether by sale, demolition or relocation. A key component of an asset management strategy is the identification and disposal of surplus assets. This involves assessment of strategic goals and the recognition that some assets may be under-performing or surplus to operating requirements. Some disposals will not attract costs as they will either be transferred to a user group or the costs of demolition will be covered by the value of the materials.

Asset Disposal Policy

An asset management disposal policy for the Shire's assets has been developed and endorsed. Refer to Policy CORP018 - Asset Management Disposal Policy.

Asset Disposal Process

Surplus asset disposal is a three step process whereby the asset is evaluated from a strategic perspective, the disposal process is implemented where required, and the disposal process is reviewed. The emphasis is on ensuring that under-performing and non-essential assets are identified and disposed. This disposal process applies to all of the Shire's assets, which will be used to assess the requirement for existing assets.

1. If Council has a particular asset that is not aligned to its core services then that asset should be considered for disposal or opportunities to transfer the responsibility to a relevant entity should be investigated
2. Council will look for opportunities to appropriately dispose of assets that are surplus to current and anticipated future requirements. The use of facilities in each township should be optimised to provide ratepayers with a value for money service. Any underutilised asset identified as being surplus may be disposed of by consulting the relevant parties and investigating options to consolidate and co-locate services.
3. Assets that are underperforming or are unsafe will be demolished and not replaced if there is no demonstrated ongoing need.

Asset Evaluation

The disposal process begins with identifying surplus assets. Council should conduct regular strategic evaluations of its asset needs.

During this process, assets are evaluated against the asset disposal principles outlined above. Where it is identified that an asset does not meet these criteria, it is to be identified as surplus and disposed. The evaluation process will also take into account public interest considerations. Examples of public interest considerations would be:

- Where an asset has some form of significance to the community and there could be expected to be significant public resistance to disposal or transfer of ownership of the asset;
- Where an asset has strategic significance for future infrastructure development. In such instances, a clear and demonstrated future planning requirement is needed to support continued ownership;
- Where there are significant heritage, environmental or public usage requirements that require ongoing local government ownership and management.

Implementation of Disposal

The method of disposal will be assessed against the principle of achieving the maximum benefit to the community through the disposal, including social, financial, economic and strategic factors.

Review of Disposal Process

Following the disposal process, the Shire should review outcomes and identify ways to improve performance for future processes. This would include, at appropriate times, a review of internal processes and structures that deal with asset disposal. Asset disposal performance can be monitored through the development of appropriate measures, such as:

- Average time for disposal process;
- Impact of disposal on Shire finances; and
- Community feedback.

Any disposal proposals should consider the Shire's policies and procedures, particularly Policy CORP018 – Asset Management Disposal Policy.

Roads & Bridges

Disposal is not a suitable option for this asset class, however transfer of ownership and/or control to other government bodies is highly recommended wherever possible.

Buildings & Land

The Shire will need to carefully analyse and establish alternatives to the use of buildings assets in circumstances where the relative demand cannot justify the replacement of buildings for what they were originally intended. Removal of some buildings from Council assets may need to be undertaken where it can be demonstrated that the buildings would be better managed and controlled by others, or the demand level is low relative to other demands that allocation of funds towards the building cannot be justified.

Footpaths & Drainage

Disposal is not a suitable option for these asset classes.

Parks & Other Infrastructure

The Shire will need to carefully analyse and establish alternatives to the use of parks and other infrastructure assets in circumstances where the relative demand cannot justify the replacement of assets for what they were originally intended. Removal of some infrastructure from Council assets may need to be undertaken where it can be demonstrated that the infrastructure would be better managed and controlled by others, or the demand level is low relative to other demands that allocation of funds towards the asset cannot be justified.

Furniture, Plant & Equipment

Any disposal proposals should consider policies and procedures, particularly Policy CORP018 – Asset Management Disposal Policy.

Financial Projections

Financial forecast models assist in predicting the future financial requirements based upon the presumption that the assets will be replaced when the condition ratings reach a predetermined intervention level. This section presents a forecast financial summary for the next 10 years based on identified assumptions and trends. It is anticipated that the financial summary will be reviewed annually and continue to be refined as planning studies, strategies and increased financial analysis and data collection are completed. The financial modelling carried out is based on the life of the asset and the current annual expenditure for asset renewal. The forecast makes no allowance for renewal expenditure required in the future on any new assets that are added to the network. Forecasts are based on current construction cost and will be influenced by cost increases in materials and labour.

10 Year Financial Forecast

A 10 year financial forecast has been developed for all asset classes to predict performance of the Shire's infrastructure. The model is based on the asset condition data and shows the funding required to achieve the desired level of service. Renewal projections are based on the default assumptions that all existing infrastructure is to be renewed when a particular condition intervention is reached, and that they will be renewed using components that are substantially the same as those existing.

Key Assumptions

Key assumptions are made in presenting the information contained in this asset management strategy and is preparing forecasts of projected operating and capital expenditure and asset values and depreciation expense estimates. It is presented to gain an understanding of the levels of confidence in the data behind the financial forecasts. The most significant potential changes to the financial projections shown will result from the factors below:

- Assumptions have been made as to the average useful lives of assets based on current local knowledge, evidence based useful life analysis, experience and historical trends. These will be continuously reviewed and the accuracy improved based on real time assessments of asset deterioration;
- Changes in levels of service from those identified in this asset management strategy;
- Significant fluctuation in cost of asset construction / maintenance
- Changes in level of asset deterioration due to natural factors such as storms, as well as increases in use.

Funding Capacity

Current funding sources available for assets include rates, Federal / State Government grants, and private developer contribution funds.

Funding Options & Strategy

The Long Term Financial Plan is the 10 year financial planning document of the Shire that is governed by a series of financial strategies and accompanying performance indicators that the Shire considers and adopts. The plan establishes the strategic financial direction for the Shire to meet the funding and investment challenges that are forecast for the next 10 years. Each year the Shire will develop a Capital Works Budget for asset renewals, upgrades and new works and a recurrent budget allocation for maintenance & operations expenditure for its infrastructure.

It is intended that the expenditure will be in accordance with this Plan, policies named within in, corporate goals, Shire Asset Management System, government legislation and regulations and the needs of the community within financial constraints. Two modelling scenarios are run in relation to the relevant asset class based on an unlimited budget (like for like) and also using a proposed budget allocation within the Long Term Financial Plan over a 10 year planning period. Modelling scenario results are summarised in the strategies of each asset class.

Confidence Level

The confidence in the data used as a basis for the financial forecasts has been assessed using the grading system below. The confidence level for this report is “B” overall.

Confidence Grade	Ratios
A	Highly reliable: Data based on sound records, procedures, investigations and analysis that is properly documented and recognised as the best method of assessment.
B	Reliable: Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings, for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.
C	Uncertain: Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available.
D	Very uncertain: Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Financial Projections

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Roads & Bridges										
Buildings										
Footpaths										
Drainage										
Parks & Other Infrastructure										
Furniture, Plant & Equipment										
TOTAL										

Asset Decision Cycle

The decision not to fund an asset or to defer operating costs, or to defer funding for maintaining or renewing an asset can lead to down-stream financial consequences that may include committing the Shire to greater future costs to upgrade or replace the asset.

To support better decision making, the Shire has established an evidence-based decision framework for asset management that considers the following:

- Strategic service reviews and opportunity assessments;
- Shire research;
- Asset performance data or analysis; and
- Customer and community feedback.

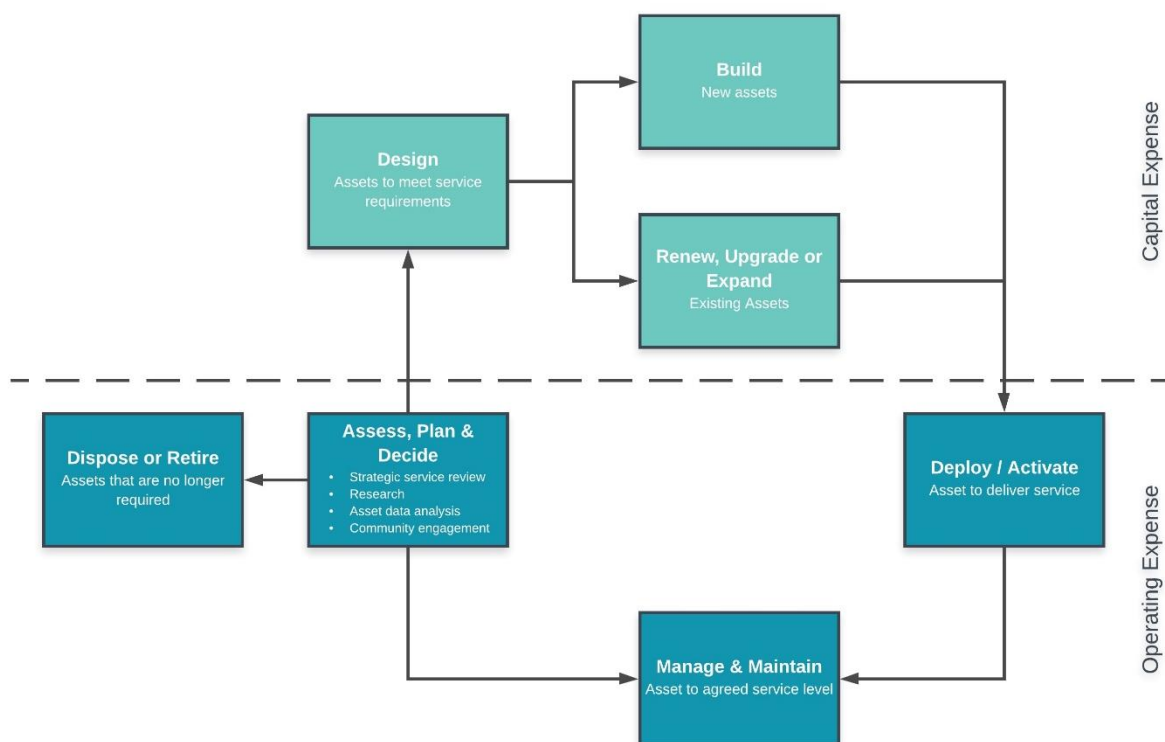


Figure 7: Asset Decision Cycle. Source: Public Works Engineering Australia International Infrastructure Management Manual.

Asset Management Practices, Improvement & Performance Monitoring

Asset Management Practices

Asset management practices are the processes, analysis and evaluation techniques needed to support lifecycle asset management. This includes the following asset management functions:

- Knowledge of assets;
- Levels of service;
- Condition assessments;
- Asset accounting - valuation, revaluation, depreciation;
- Lifecycle planning;
- Asset operations and maintenance;
- Asset creation and disposal;
- Performance monitoring;
- Quality assurance and continuous improvement;
- Risk management;
- Design and project management; and
- Reviews and audit processes.

Weaknesses in the current asset management processes have been identified throughout this document.

Data Systems

Asset management data and knowledge is appropriate, accessible and reliable data that can be used with information systems to enable enhanced asset management. This includes the following data on the following asset characteristics and topics:

- Classification and identification;
- Physical attributes;
- Condition;
- Cost and maintenance histories;
- Valuation;
- Lifecycle costings;
- Data quality; and
- Risk information.

The following software is currently used in relation to asset management:

- RAMM;
- Various segregated asset registers (Microsoft Office software);
- Financial system (Synergysoft); and
- Geographical Information System.

The Shire does not have an asset management program that ensures a central collection point for all infrastructure data. While a substantial amount of work has been undertaken to improve the Council's records, it is recognised that continuous improvement and review will assist in providing an accurate assessment of the portfolio and performance indicators in the future.

Asset Management Improvements

This document has been based on the International Infrastructure Model with the objective of identifying and documenting the Shire's existing asset management processes, information systems, data and knowledge, and then determining any weaknesses in these. To improve Shire asset management practices, solutions to reduce the impact of these weaknesses have been developed. The improvement projects have been prioritised according to their urgency and importance, and their implementation will depend on resources allocated. Projects that have been identified as the most urgent and important for improving the management of Shire assets are summarised in the strategies of each asset class.

Monitoring Procedures

The effectiveness of this asset management strategy can be measured in the following ways:

- The degree to which the required cash flows identified in this Plan are incorporated into Council's Long Term Financial Plan;
- The degree to which 1-5 year detailed maintenance and capital programs, budgets, business plans and organisational structures take into account processes and principles outlined in this Plan;
- Quantity of assets classified as being below acceptable service level;
- The level of user satisfaction based on comparative surveys from year to year; and
- Ratio of planned maintenance to reactive maintenance.

Review Procedures

This Plan has a life of 10 years but will be reviewed and updated annually. This review process will recognise any changes in service levels and / or resources available to provide those services as a result of funding allocations, as well as analysing financial implications of new projects.

To facilitate the achievement of the community's long term goals and aspirations as expressed in Waroona 2030 and the Corporate Business Plan, informing strategies have been developed to ensure the required financial strategies, infrastructure and workforce are in place.

Resourcing the Asset Management Plan

To facilitate the achievement of the community's long term goals and aspirations as expressed in Waroona 2030 and the Corporate Business Plan, informing strategies have been developed to ensure the required financial strategies, infrastructure and workforce are in place.

Long Term Financial Plan

The Long Term Financial Plan is Council's ten year financial planning document with an emphasis on long term financial sustainability.

Financial sustainability is one of the key issues facing local government due to several contributing factors including ageing infrastructure and constraints on revenue growth. This document tests the community aspirations and goals against financial realities. Included within the Long Term Financial Plan are:

- Assumptions used to develop the Plan;
- Projected income and expenditure, balance sheet and cash flow statements; and
- Methods of monitoring financial performance

Balancing expectations, uncertainty of future revenue and expenditure forecasts are some of the most challenging aspects of the financial planning process.

As such, the longer the planning horizon, the more general the plan will be in the later years. Every effort has been taken to present the most current estimates and project scopes to be included in the Plan.

Asset Management Plan

The Asset Management Plan assists Council to provide the required level of service in the most cost effective manner through the creation, acquisition, maintenance, operations, rehabilitation and disposal of assets to provide for present and future generations.

The Plan is part of an overall framework that aims to present information about assets, provide evidence of responsible asset management and compliance with regulatory requirements, and summarise information with regard to funding aimed at maintaining assets at the required levels of service

Council utilises integrated decision making to ensure that built, social, economic and natural impacts of asset provision and maintenance are properly considered throughout the asset management lifecycle.

Council's strategic financial planning will ensure that:

- Funding requirements are assessed; and
- Additional funds are identified where appropriate for the investment in new and upgraded assets.

Workforce Plan

The Workforce Plan provides a framework and strategy to address the human resourcing requirements for Council's Corporate Business Plan, and as such, has a four year horizon. The Plan recognises that Shire employees need to bring commitment, energy and flexibility to

the workplace. In return, staff need clarity regarding how their personal goals align with organisational goals and priorities. This requires an investment in developing leaders, managers and employees with the right skills for our diverse businesses. It also requires clear learning pathways linked to performance development and an ongoing investment in attracting and retaining talented people, while maintaining a focus on workplace health and wellbeing.

The Shire is committed to the ongoing identification of efficient operating methods and is increasingly using technology to automate processes. The need to minimise financial impact to ratepayers is priority, and therefore, no additions to the workforce are planned over the next four years.

Reviewing & Reporting

The Shire of Waroona has a robust reporting framework in place that tracks key performance indicators at the individual, service area and organisational level. The Chief Executive Officer has targets and objectives that are set and revised by Council to deliver on key Council priorities.

The Shire's performance data is captured in our corporate database, ensuring that appropriate responsibilities, timeframes, measures and progress are accounted for. The Shire is also required to report on statutory key performance indicators listed in the table below:

Ratio	What It Measures	Achieving Standard
Asset Sustainability	An indicator of the extent to which assets managed by a local government are being renewed or replaced as they reach the end of their useful lives.	Ratio > 90%
Asset Consumption	An indicator of the aged condition of a local government's physical assets.	Ratio > 50%
Asset Renewal Funding	An indicator of whether a local government has the financial capacity to fund asset renewal at existing revenue and service levels.	75% > Ratio > 90%

The anticipated review cycle for the Asset Management Plan and appendices for the next 10 years is as follows:

Year	Task
2021/22	Buildings and Land assets revaluation and condition rating
	Asset Management Plan review
	Buildings and Land Strategy review
2022/23	Infrastructure assets revaluation and condition rating
	Roads and Bridges Strategy review
2023/24	Footpaths Strategy and Parks and Other Infrastructure Strategy review
2024/25	Drainage Strategy and Plants, Furniture and Equipment Strategy review
2025/26	Community consultation
	Asset Management Plan review
2026/27	Buildings and Land assets revaluation and condition rating
	Buildings and Land Strategy review
2027/28	Infrastructure assets revaluation and condition rating
	Roads and Bridges Strategy review
2028/29	Footpaths Strategy and Parks and Other Infrastructure Strategy review
2029/30	Drainage Strategy and Plants, Furniture and Equipment Strategy review
2030/31	Community consultation
	Asset Management Plan review
2031/32	Buildings and Land assets revaluation and condition rating
	Buildings and Land Strategy review

Photo Credits

Cover, 6, 8, Back
Page 7, 11, 12
Page 14

Shire of Waroona
Merrin McWilliams
Visit Peel and Russell Ord Photography





ASSET MANAGEMENT

FRAMEWORK AND GUIDELINES

CONTENTS

Foreword	4
Part 1 Asset Management Framework	5
1. Introduction	7
2. The Framework	9
3. Relationship to Integrated Planning	10
4. Relationship to Other Frameworks	10
5. Asset Classes and Sub-Classes	11
6. Roles and Responsibilities	12
7. Elements of the Western Australia Asset Management Framework	13
7.1 Asset Management Policy	13
7.2 Asset Management Strategy	13
7.2.1 Asset Management Plans	14
7.2.2 Defining Levels of Service	14
7.2.3 Linking to the Long Term Financial Plan	15
7.2.4 Governance and Management Arrangements	15
7.2.5 Data and Systems	15
7.2.6 Skills and Processes	15
7.3 Evaluation	16
7.4 Linking to the Annual Report	16

Part 2	Asset Management Guidelines	17
1.	Introduction	19
2.	Glossary	20
3.	Developing the Asset Management Policy	24
	3.1 Getting Started	24
4.	Developing the Asset Management Strategy	25
5.	Developing Asset Management Plans	26
	5.1 Getting Started	26
6.	Defining Levels of Service	29
	6.1 Getting Started	30
7.	Linking to the Long Term Financial Plan	31
	7.1 Getting Started	31
8.	Developing Governance and Management Arrangements	32
	8.1 Getting Started	33
9.	Establishing Data and Information Systems	34
	9.1 Getting Started	34
10.	Developing Skills and Processes	35
	10.1 Getting Started	35
11.	Evaluating Progress	36
12.	Linking to the Annual Report	40
13.	Other Information	41
	Contacts	48

May 2011

Department of Local Government

GPO Box R1250, Perth, WA 6844

Telephone: (08) 9217 1500 ((08) 6552 1500 from 27 June 2011)

Fax: (08) 9217 1555 ((08) 6552 1555 from 27 June 2011)

Free call: 1800 620 511 (Country Only)

Email: info@dlg.wa.gov.au

Website: www.dlg.wa.gov.au



Australian Government

This publication was produced with assistance from the Australian Government Department of Regional Australia, Local Government, Arts and Sport's Local Government Reform Fund.

FOREWORD

It is my pleasure to introduce the *Asset Management Framework and Guidelines* for Western Australian Local Governments.

Careful planning and coordination of local government infrastructure is fundamental to the economic and social well-being of our communities. Assets, public utilities and services make possible our wide range of lifestyle choices and high standards of living.

Much of the sector has critical 'information gaps' in its overall planning process, including its asset management systems. Many current asset management processes do not provide for the true asset management costs to be accurately captured and evaluated on a uniform reporting basis.

The development of this Framework and supporting Guidelines reflects a national move towards improving asset management capability within the local government sector. The Framework has been developed to assist local governments plan and manage their assets so that the long term aspirations of their communities can be reached. It highlights the fundamental link between asset management, long term financial planning and strategic planning and will provide local governments with direction on ensuring adequate integration.

It is my intention to amend the *Local Government Act 1995* and regulations to ensure that asset management planning and long term financial planning, within the context of integrated planning, become standard business practices for all local governments.

Ultimately, I would like to see the local government sector defined by its ability not only to adapt to change, but more importantly, to anticipate and proactively plan for change. It is with this thought that I commend the *Asset Management Framework and Guidelines* to assist your local government transition to sound asset management practices, if not already in place.



Hon G M (John) Castrilli MLA

**MINISTER FOR LOCAL GOVERNMENT; HERITAGE;
CITIZENSHIP AND MULTICULTURAL INTERESTS**

PART 1 ASSET MANAGEMENT FRAMEWORK

1. INTRODUCTION

Local government assets deliver important community services. Their effective management is crucial to the sustainable delivery of those services to meet community needs and aspirations now and in the future.

This *Asset Management Framework* (the Framework) is part of the Western Australian Government's Local Government Reform Program initiated by the Hon John Castrilli MLA Minister for Local Government.

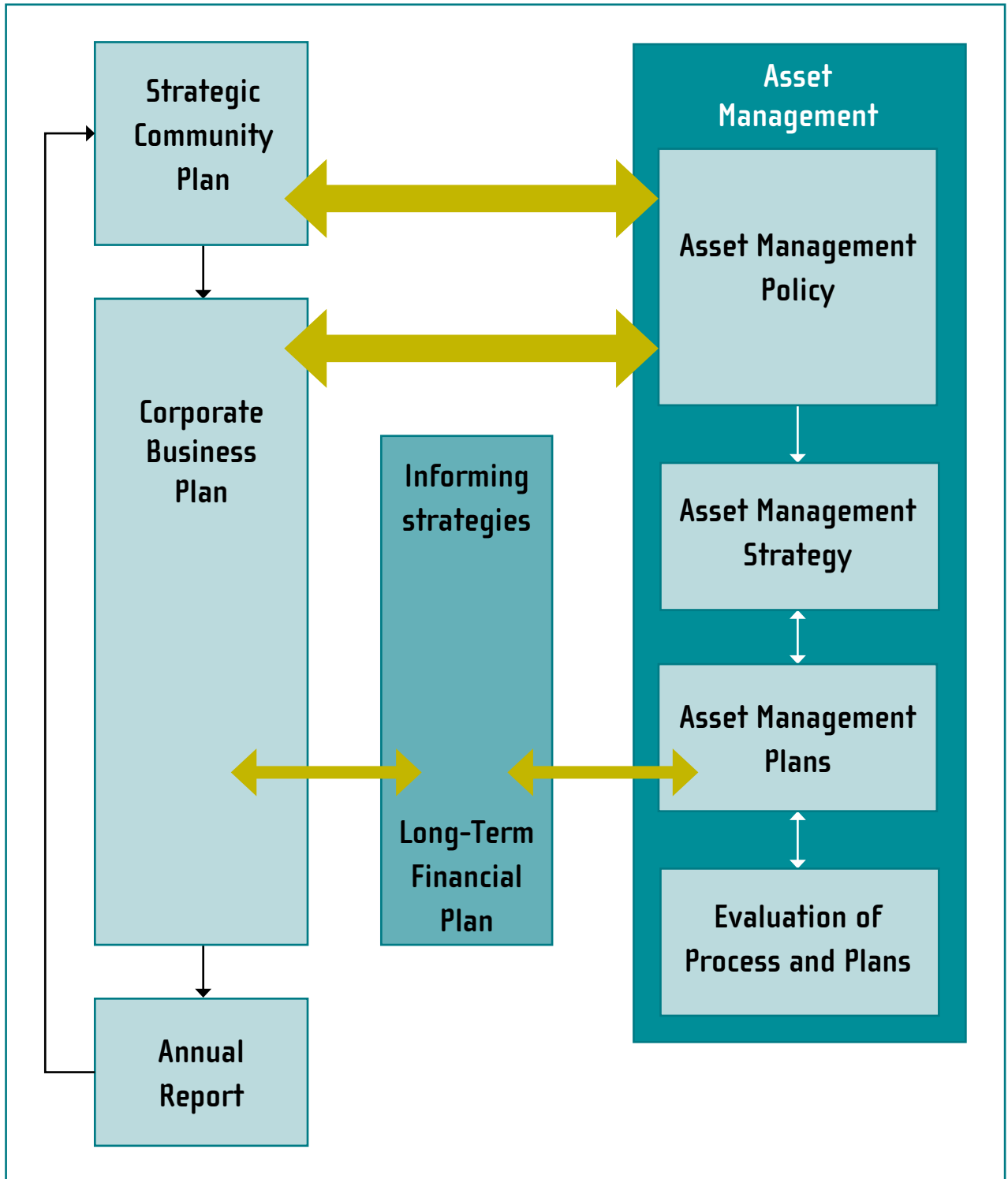
It has been developed for use by local governments with input from the Institute of Public Works Engineering Australia, the WA Local Government Association and the Local Government Managers Association (WA Division). It reflects a nationally consistent approach to asset management as established by the Council of Australian Governments' Local Government Planning Ministers' Council.

The aim of the Framework is to enhance the sustainable management of local government assets by encouraging 'whole of life' and 'whole of organisation' approaches and the effective identification and management of risks associated with the use of assets. It encourages a long-term view of asset management and requires local governments to understand and then meet the impacts of social, economic and environmental change in ways that ensure sustainable use of physical and financial resources. The Framework emphasises the importance of local governments developing robust asset management plans linked to rigorous long term financial and strategic planning as part of an integrated planning approach as set out within the *Integrated Planning and Reporting Framework and Guidelines*. Without this, any attempt to effectively and sustainably deliver the strategic direction of the organisation will be unsuccessful.

The complexity of the asset management approach taken by each local government will be determined by the range of services it offers and the size of its asset portfolio. However, the Framework will enable local governments to develop a process of continuous improvement in their asset management practice to match both the changing service delivery needs of their communities and the increasing integration of asset management with their strategic directions.

Further information on the development of Asset Management Policies, Strategies and Plans is provided in the Department of Local Government's *Asset Management Guidelines*.

FIG 1 ELEMENTS OF WA ASSET MANAGEMENT FRAMEWORK



2. THE FRAMEWORK

To effectively and sustainably manage assets, all local governments are required to:

- **Develop an Asset Management Policy.**
- **Develop an Asset Management Strategy including:**
 - Asset Management Plans for major asset classes.
 - Processes that link Asset Management Plans to Long Term Financial Plans.
 - Defined levels of service and affordability.
 - Governance and management arrangements.
 - Data and systems to support asset management.
 - Improvement of skills and processes.
- **Develop a process for evaluating Asset Management Plans, processes and asset sustainability.**
- **Link Asset Management to the Annual Report.**

The Framework does not prescribe a single methodology, or restrict the processes that a local government may use to achieve these asset management outcomes. Asset management practices, processes and outcomes can be enhanced through a range of asset management improvement products available to local governments.

The Asset Management Framework will be used to inform proposals for future legislative requirements and should be referred to when addressing the legislative requirements regarding integrated planning (plan for the future) and reporting, and financial management.

3. RELATIONSHIP TO INTEGRATED PLANNING

Asset management is critical to meeting local government strategic goals within an Integrated Planning approach. Asset Management Policies, Asset Management Strategies and Asset Management Plans are informed by, and in turn inform, the community aspirations and service requirements in the Strategic Community Plan. They are also integral to developing and delivering the local government's strategic direction, service plans, projects and operational plans in the Corporate Business Plan. Asset management ensures that robust Long Term Financial Plans and Annual Budgets are developed and that local governments have the financial capacity to deliver their strategic priorities into the future.

Further information on Integrated Planning can be found in the Department of Local Government's *Integrated Planning and Reporting Framework and Guidelines*.

4. RELATIONSHIP TO OTHER FRAMEWORKS

This Framework is informed by the Local Government Financial Sustainability Nationally Consistent Frameworks 2 & 3 published by the Local Government and Planning Ministers' Council; Institute of Public Works Engineering Australia (IPWEA) – National Asset Management Strategy (NAMS.AU) Policy documents; IPWEA International Infrastructure Management Manual; IPWEA Australian Infrastructure Financial Management Guidelines; Tasmanian State Government Framework for Long-Term Financial and Asset Management Planning for all Tasmanian Councils; the Queensland Asset Management Planning Program 2009 and 2010; the WA Department of Treasury and Finance Strategic Asset Management Framework; and the *Western Australian Local Government Accounting Manual* (Edition 2), February 2011.

5. ASSET CLASSES AND SUB-CLASSES

The Framework relates to assets of significant value which a local government controls and uses to deliver various services and activities. These assets may have varying useful lives. Asset Management Plans should be developed for all major asset classes. The Framework acknowledges that local governments finance such assets in various ways, but focuses only on the assets a local government manages, not how they are financed.

Local governments should identify the classes and sub-classes of assets that they manage. Although the number and size of assets will vary, the following list of 'typical' examples can assist. Local governments should also refer to 59.2 of the *Western Australian Local Government Accounting Manual (Edition 2)*, February 2011.

Local Government Asset Classes	Sub-Class Examples
Land	Reserves, Botanical Garden, Parks, Sportsground and Playing Fields, Landfill Sites, Cemeteries and other land assets requiring management.
Buildings	Administration buildings, animal shelters, libraries, public toilets, halls, heritage listed sites and other building assets requiring management.
Infrastructure	Road networks (sealed, gravel, reseals, formed) including car parks, pavement, seal, kerb and channel, drainage, traffic management, furniture and signs, lighting and paths, drainage networks (including open channel storm water drains), flood mitigation networks, water supply network, sewerage networks (including waste treatment facilities), bridges airports, wharves, piers, jetties and pontoons, infrastructure on parks, gardens and reserves, tunnels, retaining walls, sea and river walls, canals as well as other infrastructure assets requiring management.
Information Technology	Hardware (including computers, monitors, servers, network hubs), software (including all operating software – excluding internally developed software, specialist software e.g. finance/GIS, customer service systems), communications (telephone systems, radio systems, fibre optics conduits/pipe), application specific technology (CCTV cameras/systems, CCTV monitoring room equipment, GIS recording units) as well as other information technology requiring management.
Plant and Equipment	Vehicles (including corporate fleet, service vehicles e.g. rubbish collection vehicles/ranger vehicles, works vehicles; heritage plant), equipment (including: fixtures and fittings, furniture, street cleaning equipment, roads/paving equipment, parks equipment, heritage equipment, library books) as well as other plant and equipment assets requiring management.
Other Assets	Off road paths, beaches, urban open space, street scapes and any other assets requiring management.

6. ROLES AND RESPONSIBILITIES

The community, Council and local government administration, through the Chief Executive Officer (CEO), have unique roles and responsibilities in effective asset management.

The community helps to set service needs and asset requirements.

The service needs and expectations of the community are the primary drivers for good asset management, which seeks to achieve the best possible value for the local government's ratepayers and communities.

Council acts as a steward for the asset management process.

Council determines affordable, realistic and achievable priorities and is responsible for ensuring that the local government's Asset Management Policy is developed and implemented and that appropriate resources are made available for asset management.

By making certain that Asset Management Plans are monitored and outcomes reported to the community, Council ensures that it is making progress towards meeting long-term community needs.

The local government administration, through the CEO, facilitates the asset management process.

The CEO leads the implementation and delivery of asset management and facilitates Council decision making by providing accurate and reliable information. The local government administration, through the CEO, also has responsibility for the development and implementation of Asset Management and Improvement Plans for individual asset classes.

7. ELEMENTS OF THE WESTERN AUSTRALIA ASSET MANAGEMENT FRAMEWORK

The size and complexity of each local government's asset portfolio will determine the most appropriate format in which to present its asset management approach.

7.1 ASSET MANAGEMENT POLICY

An Asset Management Policy outlines a local government's asset management objectives, targets and plans. It establishes a platform for service delivery and provides the framework that enables the Asset Management Strategy and Plans to be produced. The Asset Management Policy must support a 'whole of life' and 'whole of organisation' approach to asset management.

The local government administration develops the Asset Management Policy with the Council based on Council priorities and community needs.

7.2 ASSET MANAGEMENT STRATEGY

An Asset Management Strategy outlines how the local government's asset portfolio will:

- Meet the service delivery needs of its communities into the future.
- Enable the local government's Asset Management Policy to be achieved.
- Ensure that asset management is established as part of the local government's plan for the future.

It prioritises and articulates the delivery of community service needs through the development of Asset Management Plans for each major asset class.

The Asset Management Strategy responds to four questions put to the local government:

- What assets do we currently have?
- What is the current asset management position, including current and forecast future needs and adequacy of funding?
- Where do we want to be (in relation to the plan for the future)?
- How will we get there?

It is recommended that the Asset Management Strategy be developed considering the following key elements to ensure it achieves the desired policy outcomes and effective corporate governance:

1. Asset Management Plans.
2. Defining Levels of Service.
3. Linking to the Long Term Financial Plan.
4. Governance and management arrangements.
5. Data and system requirements.
6. Improvement of skills and processes.

7.2.1 Asset Management Plans

Asset Management Plans define current levels of service and the processes local governments use to manage each of their asset classes. They should be developed for all major asset classes, including, but not limited to: roads, buildings, drainage, paths and parks and infrastructure.

Asset Management Plans should include:

- Reference to an asset register (which records all assets and their location, acquisition, disposal, transfer and other relevant transactions based on best current information and random condition/performance sampling).
- Defined levels of service for each asset category or particular actions required to provide a defined level of service in the most cost-effective manner.
- Demand forecasting.
- Risk management strategies.
- Financial information such as asset values, depreciation rates, depreciated values, capital expenditure projections for new assets as a result of growth, or to renew, upgrade and extend assets.
- Strategies to manage any funding gaps.
- Consideration of alternative service delivery solutions (leasing, private/public partnerships, shared services arrangements).
- Information on ‘whole of life’ costing including changes in service potential for assets.
- A schedule for asset performance review and plan evaluation.
- An asset management improvement program.
- Clear linkages to other strategic documents such as the Corporate Business Plan, Long Term Financial Plan and Annual Budget.

7.2.2 Defining Levels of Service

Level of service is the defined service quality for a particular activity (i.e. roading) or service area (i.e. street lighting) against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost) (IPWEA, 2006).

Local governments must determine the level of service and the quality and cost standards for each asset class and the entire asset portfolio. This is a key process in the development of Asset Management Plans and is shaped by both community need (as identified through the Strategic Community Plan and ongoing community engagement activities) and Council priorities.

7.2.3 Linking to the Long Term Financial Plan

The Asset Management Strategy must link the 'whole of life' costing for each asset class with the local government's annual budget and long term and operational financial planning.

Under the Department of Local Government's *Integrated Planning and Reporting Framework and Guidelines* and *Western Australian Local Government Accounting Manual (Edition 2)*, February 2011, there is a clear expectation that local governments will develop 10 year financial plans underpinned by robust estimates, cash flow predictions and expenditure projections based on asset maintenance, replacement or upgrade, renewal and disposal obtained from Asset Management Strategies and Asset Management Plans.

7.2.4 Governance and Management Arrangements

Good governance and management arrangements ensure that asset management is adequately linked to service delivery. Governance and management arrangements within the Asset Management Strategy should:

- Identify key roles and positions to undertake asset management.
- Identify the asset management roles and responsibilities of: the CEO, Senior Managers and Asset Managers, Mayor/President and Elected Members.
- Identify and address staff resourcing, funding and training needs.
- Identify and implement high level audit or oversight mechanisms for Asset Management Plan development and service delivery.
- Identify and implement mechanisms for reporting Asset Management Plan progress against elements of the plan for the future.

These arrangements should be reviewed annually to determine ongoing and future governance and management requirements and their financial impacts.

7.2.5 Data and Systems

Systems should be put in place for the collection and analysis of asset management data to ensure the development of efficient maintenance and capital works programs, asset management performance is adequately measured over time, infrastructure gaps are identified, and minimum reporting requirements prescribed under the legislation are achieved.

When data systems are used, adequate links must be made between asset management and financial systems, particularly in the recording and management of capital expenditure and allocations for depreciation, maintenance, renewal and upgrade.

7.2.6 Skills and Processes

Programs of continuous improvement that instil a 'whole of organisation', best practice approach to asset management should be implemented.

In partnership with appropriate peak bodies and agencies, ongoing training in key asset management topics such as improving condition assessments, valuation of assets and accounting treatment should be provided to administration staff. Elected members should be provided with training to help them understanding the importance of asset management.

7.3 EVALUATION

Asset management programs must include evaluation mechanisms to measure their effectiveness against the targets and outcomes of the Asset Management Strategy and Plans. The mechanisms chosen should meet accounting standards and be independently audited.

Evaluations should be conducted annually to highlight any organisational issues, including policy inputs required from Council that affect the asset portfolio's delivery of sustainable services. This will assist local governments to maintain and enhance a 'whole of organisation' approach to asset management.

The Asset Management Capacity Building Working Group of the Local Government Reform Implementation Committee has endorsed a set of key performance indicators (KPIs) that enable local governments to more readily measure and report their overall asset management sustainability. The agreed KPIs are based on those developed by the Local Government Association of South Australia (LGA) and the Institute of Public Works Engineering Australia (IPWEA) as outlined in the Australian Infrastructure Financial Management Guidelines (IPWEA, 2009). They require local governments to identify their asset consumption ratio, asset renewal funding ratio and asset sustainability ratio.

Consistent and appropriate use of these KPIs will help local governments to understand their resource capacity and provide a valuable input to Council's strategic decision making.

7.4 LINKING TO THE ANNUAL REPORT

Local governments should report the short and long-term service delivery levels provided by their asset portfolios in the Annual Report, and seek community feedback on the performance of their asset portfolios.

Further information on the development of Annual Reports can be found in the Department of Local Government's *Integrated Planning and Reporting Guidelines*.

PART 2 ASSET MANAGEMENT GUIDELINES

1. INTRODUCTION

The effective management of local government assets is crucial to the sustainable delivery of services to meet community needs and aspirations now and in the future.

The Asset Management Framework for Western Australian local governments addresses the minimum processes and activities required to improve local government asset management.

To effectively and sustainably manage their assets, all local governments are required to:

- **Develop an Asset Management Policy.**
- **Develop an Asset Management Strategy including:**
 - Asset Management Plans for major asset classes.
 - Processes that link Asset Management Plans to Long Term Financial Plans.
 - Defined levels of service and affordability.
 - Governance and management arrangements.
 - Data and systems to support asset management.
 - Improvement of skills and processes.
- **Develop a process for evaluating Asset Management Plans, processes and asset sustainability.**
- **Link Asset Management to the Annual Report.**

The Asset Management Guidelines (the Guidelines) support the implementation of the Asset Management Framework (the Framework) to assist local government officers to more sustainably manage assets. The Guidelines outline a minimum planning and reporting methodology to achieve the outcomes of the Framework.

The Guidelines have been developed with input from the Institute of Public Works Engineering Australia (IPWEA), the WA Local Government Association and the Local Government Managers Association (WA Division), and reflect a nationally consistent approach to asset management as established by the Council of Australian Governments' Local Government Planning Ministers' Council.

The Framework emphasises the importance of local governments developing robust asset management plans linked to rigorous long term financial and strategic planning as part of an integrated planning approach as set out in the *Integrated Planning and Reporting Framework and Guidelines*. This is essential to the effective and sustainable delivery of the local government's strategic direction.

The Guidelines provide suggestions to assist local governments start and continue the asset management process. It is acknowledged that local governments will have varying starting points for asset management and many will have existing processes that specify how Asset Management Policies, Strategies and Plans are to be developed and managed.

The Guidelines do not intend to require a single methodology to be applied. They are designed to enable local governments to develop a process of continuous improvement in their asset management practice to match both the changing service delivery needs of their communities and the increasing integration of asset management with their strategic directions.

Sources for further information on asset management improvement can be found at the end of the Guidelines.

Term	Definition
Annual Budget	A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.
Asset	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.
Asset Class	Groupings of assets of similar nature and use in a local government's operations (AASB 166.37).
Asset Consumption	The average proportion of "as new condition" left in an asset.
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 Information Systems	A combination of process, data and software applied to provide essential outputs for effective asset management.
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 Policy	One or more documents outlining a local government's asset management objectives, levels of service and integration with Council corporate business and governance arrangements, data systems and long-term financial plans.
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.
Asset Register	A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction, technical and financial information about each.
Asset Renewal Costs (Capital Renewal Expenditure)	Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally.
Capital Expenditure	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential.
Capital Upgrade Cost	Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally.

Term	Definition
Community	A group of people living in the same locality under the same government. Can be extended to include those who visit, work or recreate within the locality.
Corporate Business Plan	A local government's internal business planning tool that translates Council priorities into operations within the resources available. In its entirety, it details the services, operations and projects that a local government will deliver over a defined period, the processes for delivering them and the associated costs.
Council	The group of individuals elected to the office of Councillor for the local government by members of the community from within defined local government area districts or wards.
Councillor	An elected member of a local government council, who is an eligible person elected to: <ul style="list-style-type: none"> (a) represent the interests of electors, ratepayers and residents of the district; (b) provide leadership and guidance to the community in the district; (c) facilitate communication between the community and the council; (d) participate in the local government's decision-making processes at council and committee meetings; and (e) perform such other functions as are given to a councillor by this Act or any other written law.
Current Replacement Cost	The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate equivalent asset.
Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes.
Depreciated Replacement Cost	The replacement cost of an existing asset less an allowance for wear and consumption, having regard for the remaining economic life of the existing asset.
Disposal	Activities necessary to dispose of decommissioned assets and the costs of these.
Expenditure	The spending of money on goods and services.
Fair Value	The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arms length transaction.

Term	Definition
Gap Analysis	A method of assessing the gap between a business's current asset management practices and the future desirable asset management practices.
Integrated Planning and Reporting	A framework for establishing community priorities and linking this information into different parts of a local government's function.
Level Of Service	The defined service quality for a particular activity (i.e. roading) or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.
Lifecycle	The cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset.
Lifecycle Cost	The total cost of an asset throughout its life including costs for planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.
Local Government	A general term for a body corporate constituted under the <i>Local Government Act 1995</i> (encompassing cities, towns and shires) which is governed by a Council, administered by employed staff, and which has responsibility for certain governing functions within territorial areas smaller than the State.
Local Government Administration	The group of individuals employed by a local government, headed by a Chief Executive Officer (CEO), and responsible for to enable the functions of the local government and the functions of the council to be performed.
Long Term Financial Plan	A ten year rolling financial plan incorporated into the local government's Corporate Business Plan that activates Strategic Community Plan priorities. Annual Budgets aligned with strategic objectives result from these planning processes.
Maintenance And Renewal Gap	Difference between estimated budgets and projected expenditures for maintenance and renewal of assets totalled over a defined time.
Maintenanc And Renewal Sustainability Index	Ratio of estimated budget to projected expenditure for maintenance and renewal.
Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.

Term	Definition
Objective	Statements that describe what a local government wants to achieve.
Outcome	What will be achieved as a result of doing something.
Performance Monitoring	Continuous or periodic quantitative assessments of the actual performance compared with specific objectives, targets and standards.
Renewal	Works to upgrade, refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.
Repair	Action to restore an item to its previous condition after failure or damage.
Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar or agreed alternative level of service.
Replacement Cost	The cost of replacing an existing asset with a substantially identical new asset.
Reporting	Relaying information about how a local government has performed against what it said it would deliver.
Resourcing	The level of resources that a local government can afford in order to meet objectives – including assets, time, cost and people.
Risk Management	The application of a formal process to determine the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probable occurrence.
Strategic Community Plan	The strategy and planning document that reflects the longer term (10+ year) community and local government aspirations and priorities.
Strategy	Describes how a local government will achieve its objectives.
Useful Life	May be expressed as either: <ul style="list-style-type: none"> (a) The period over which a depreciable asset is expected to be used; or (b) The number of production or similar units (i.e. intervals, cycles) that is expected to be obtained from the asset.

Sources:

Local Government Act (1995)

International Infrastructure Management Manual (IPWEA, 2006).

Department of Local Government *Integrated Planning and Reporting Framework and Guidelines* (WA Government, 2010).

Department of Local Government *Asset Management Framework* (WA Government, 2011).

3. DEVELOPING THE ASSET MANAGEMENT POLICY

What is it?

- An Asset Management Policy is one or more documents outlining a local government's asset management objectives, targets and plans. It establishes a platform for service delivery and provides the framework that enables the Asset Management Strategy and Plans to be produced. It assigns specific service delivery responsibilities and supports 'whole-of-life' and 'whole-of-organisation' approaches to asset management.

Who is involved?

- Community:
 - Provides input into service requirements and expectations through the Strategic Community Plan and the local government's ongoing community engagement.
- Council:
 - Understands and approves the Asset Management Policy.
- Local Government Administration:
 - Develops and implements the Asset Management Policy for the Council.

3.1 GETTING STARTED

The inputs and outputs of an Asset Management Policy are detailed below:

What do I have to gather?

INPUTS

- Strategic Community Plan issues and aspirations.



What do I end up with?

OUTPUTS

- Asset Management Policy.
- Key objectives.
- Commitment to continuous improvement.

ACTIVITIES

Establish Asset Management Policy

- Workshop Asset Management Policy with Council to establish key objectives.
- Establish plans for monitoring and improvement of asset management outcomes.
- Council adopts Asset Management Policy.

4. DEVELOPING THE ASSET MANAGEMENT STRATEGY

What is it?

- One or more documents that outline how the local government's asset portfolio will meet the service delivery needs of their communities into the future, enable the local government's Asset Management Policy to be achieved, and ensure that asset management is established as part of the local government's Integrated Plan.

Who is involved?

- Local Government Administration:
 - Develops the Asset Management Strategy.
 - Implements the Asset Management Strategy with agreed resources.
 - Develops Asset Management Plans for individual asset classes.
 - Undertakes appropriate risk management.
 - Monitors and reviews performance in achieving the Asset Management Strategy outcomes.

The Asset Management Strategy responds to four questions put to the local government:

- What assets do we currently have?
- What is the current asset management position, including current and forecast future needs and adequacy of funding?
- Where do we want to be (in relation to the plan for the future)?
- How will we get there?

It is recommended that the Asset Management Strategy be developed considering the following key elements to ensure it achieves the desired policy outcomes and effective corporate governance:

1. Asset Management Plans.
2. Defining levels of service.
3. Linking to the Long Term Financial Plan.
4. Governance and management arrangements.
5. Data and system requirements.
6. Improvement of skills and processes.

5. DEVELOPING ASSET MANAGEMENT PLANS

What are they?

- Documents developed for each major asset class which define current levels of service and the processes used to manage that asset class.

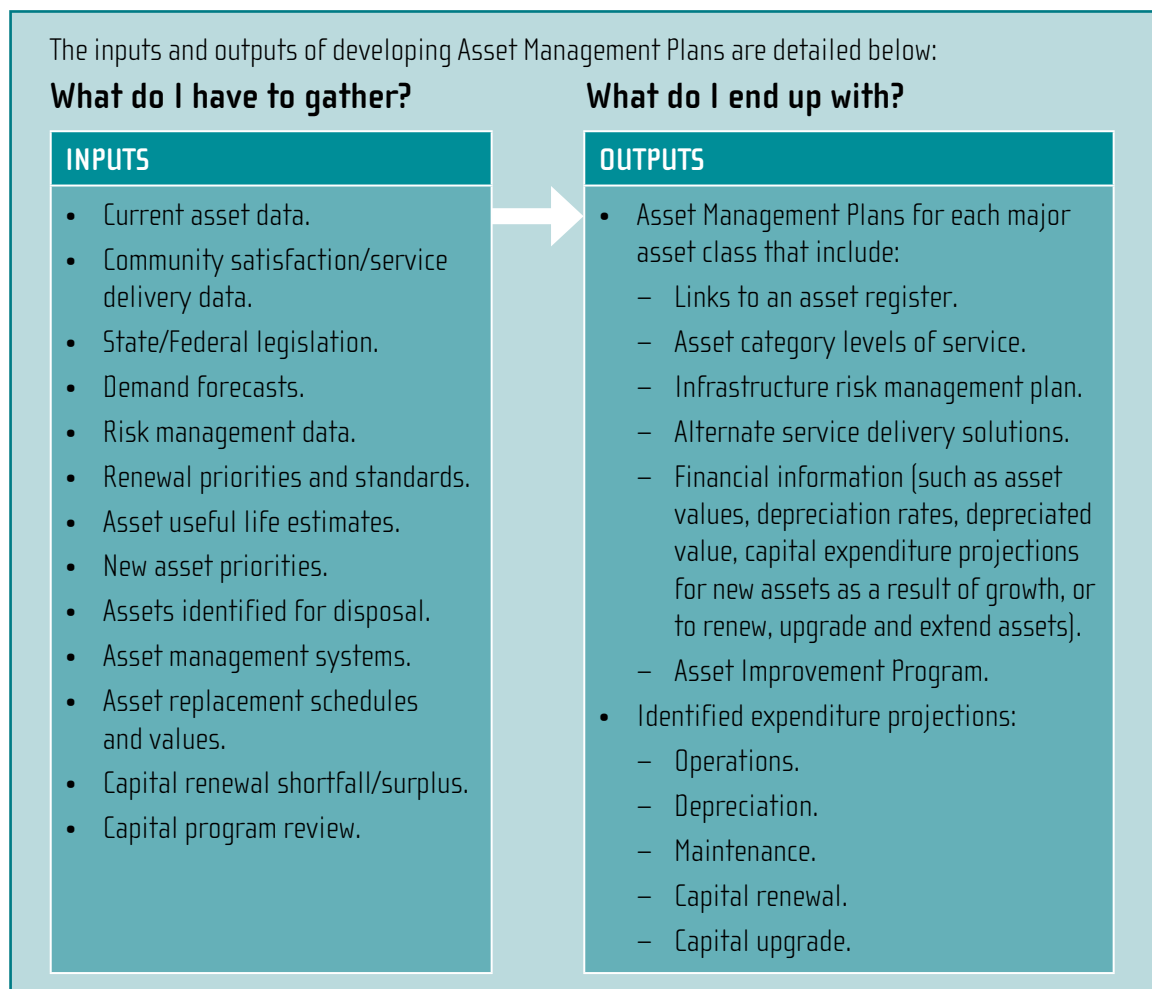
Who is involved?

- Council:
 - Ensures appropriate resources for asset management activities are made available.
- Local Government Administration:
 - Develops an Asset Management Plan for each asset class.
 - Implements the Asset Management Plans with agreed resources.
 - Delivers services to the agreed levels of standard and cost.
 - Undertakes appropriate risk management.
 - Monitors and reviews performance in delivery of Asset Management Plan outcomes.

Review

- Asset Management Plans must be regularly reviewed to determine ongoing and future service expectations and their financial impacts.

5.1 GETTING STARTED



ACTIVITIES

Set the Context

- Confirm the strategic objectives established in the Asset Management Policy and Strategy.
- Define responsibilities and ownership (see 8 Developing Governance and Management Arrangements).
- Establish organisational commitment.

Review Asset Register Data

- Review asset register for accuracy and establish asset hierarchies where appropriate.
- Establish dates of acquisition and condition where possible.
- Review the remaining useful life of assets.
- Update asset register.

Develop Asset Management Plans

- Source information for plans (asset summary data).
- State service delivery levels (see 6 Defining Levels of Service for further information).
- Inform Plans with relevant information from: community engagement activities; State/Federal legislation; changes in technology; known service deficiencies; other Council policies or strategies.
- Establish renewal standards and priorities.
- Establish communications processes.
- Develop an asset risk management plan, by:
 - Identifying and documenting local government risk context.
 - Establishing risk evaluation criteria.
 - Identifying and analysing risks.
 - Evaluating risks.
- Developing and documenting risk treatment plans where necessary.

Predict Demand

- Identify long term (20+ years) population growth, distribution, density and demographic projections.
- Assess the impact of projected demand on strategic and operational plans.
- Collate new strategic and operational needs.

Plan for Renewal

- Review and update asset life estimates.
- Update Corporate Business Plan (and Annual Budget) with asset replacement values.
- Calculate and document asset renewal costs.
- Review and update projected renewal year.

ACTIVITIES (continued)

Financial Forecast

- Calculate (using Fair Value criteria) and document estimated expenditure for operation, maintenance, renewal, capital works, upgrade or expansion, and planned disposals for 20 years.
- Review capital renewal program and expenditure projections.

Manage the Funding Gap

- Use asset management ratios to identify asset sustainability levels. (see 11 Evaluating Progress for further information).
- Identify shortfall in asset (renewal) funding.
- Identify surplus or low-use assets for disposal where appropriate.
- Consider alternative service delivery solutions (leasing, private/public partnerships, shared services arrangements).

Plan for Improvement

- Undertake an asset management gap analysis.
- Develop a schedule for asset performance review and Asset Management Plan evaluation.
- Identify and prioritise areas for improvement.
- Develop and document an improvement plan, including: tasks, resources, responsibilities and timeframes.

Complete the Asset Management Plans

- Incorporate relevant information from all steps into as Asset Management Plan for the asset class.
- Establish clear links to other strategic documents including the Corporate Business Plan, Annual Budget and Long Term Financial Plan.

6. DEFINING LEVELS OF SERVICE

What is it?

- The defined service quality for a particular activity (e.g. roading) or service area (e.g. street lighting) against which service performance can be measured. Defining the levels of service that will be provided by the asset portfolio is a key process in the development of Asset Management Plans.

Who is involved?

- Community:
 - Provides service requirements, expectations and satisfaction input as part of the local government's ongoing community engagement activities.
- Council:
 - Approves the determined levels of service.
- Local Government Administration:
 - Provides all relevant information to assist Council.
 - Revisits and renews defined service levels to align with reviews of the Strategic Community Plan and Asset Management Plans.

6.1 GETTING STARTED

The inputs and outputs of defining Levels of Service are detailed below:

What do I have to gather?

INPUTS

- Community needs and aspirations.
- Council long term visioning.
- Community service level expectations.
- Council service level expectations.
- Local area/place planning information.
- Current service levels.
- Asset capacity for service level delivery.



What do I end up with?

OUTPUTS

- Service delivery needs.
- Defined service levels.
- Quality and cost standards for service delivery.
- Service delivery review process.

ACTIVITIES

Establish Existing Levels of Service

- Establish and document existing levels of service for each asset class.

Define Levels of Service

- Identify community asset-related needs from the Strategic Community Plan.
- Communicate with Council on: Council strategic vision; organisational issues impacting on service delivery; Council service delivery requirements.
- Incorporate relevant information from relevant State/Federal legislation; local area/place plans, planning schemes/strategies, changes in technology; known service deficiencies; other Council policies or strategies.
- Ensure service delivery levels are within asset capacity.
- Establish and document levels of service to be provided by each asset class.

7. LINKING TO THE LONG TERM FINANCIAL PLAN

What is it?

- The Asset Management Strategy should link the 'whole-of-life' costing for each asset class with the local government's Corporate Business Plan, Annual Budget and long term and operational financial planning.

Who is involved?

- Council:
 - Approves the Long Term Financial Plan.
- Local Government Administration:
 - Collects the necessary data and completes the Long Term Financial Plan.
 - Monitors and reviews the Long Term Financial Plan and reports to Council.

7.1 GETTING STARTED

ACTIVITIES

Incorporate Information into Financial Plans

- Incorporate financial information such as depreciation, expenditure projections, operation, maintenance, renewal, capital works, upgrade or expansion, and planned disposals into the Corporate Business Plan, Annual Budget and Long Term Financial Plan.

Explore Revenue

- Explore options and opportunities for increasing revenue.

Develop a Funding Plan

- Develop a funding plan for the Long Term Financial Plan.

8. DEVELOPING GOVERNANCE AND MANAGEMENT ARRANGEMENTS

What is it?

Good governance and management arrangements ensure that asset management is adequately linked to service delivery. Governance and management arrangements within the Asset Management Strategy should:

- Identify key roles and positions to undertake asset management.
- Identify the asset management roles and responsibilities of: the CEO, Senior Managers and Asset Managers, Mayor/President and Elected Members.
- Identify and address staff resourcing, funding and training needs.
- Identify and implement high level audit or oversight mechanisms for Asset Management Plan development and service delivery.
- Identify and implement mechanisms for reporting Asset Management Plan progress against elements of the plan for the future.

Who is involved?

- Local Government Administration:
 - Provides all relevant information to assist Council.
 - Develops and implements the governance and management arrangements.
 - Revisits and renews governance and management arrangements annually.

Review

- Conducted annually in consultation with Council to determine ongoing and future governance and management requirements and the financial impacts of these.

8.1 GETTING STARTED

The inputs and outputs of Asset Management Governance Arrangements are detailed below:

What do I have to gather?

INPUTS

- Key officers/individuals.
- Key officer asset management knowledge.
- Current governance/audit processes.
- Currently available staffing/resourcing.



What do I end up with?

OUTPUTS

- Asset management roles and responsibilities.
- Asset management resourcing plan.
- Audit plan.
- Report to the community.
- Annual Report sections.
- Ongoing community engagement.

ACTIVITIES

Introduce Asset Management Planning

- Identify key positions to participate in sustainable asset management. These may include: Chief Executive Officer; Mayor/President; Engineers; Chief Financial Officer.

Establish a Cross Functional Team

- Where possible, establish a team including executive management, service managers, information technology/finance/risk/audit managers.
- Identify resources and responsibilities for the development and delivery of the asset management program.
- Identify staff resources, funding and training needs for the implementation of the asset management program.

Maintain the Corporate Approach

- Consult with Council on: the local government's asset management program and plans, Council responsibilities and required inputs; relevant resource implications.
- Establish a plan for ongoing asset management improvement.

9. ESTABLISHING DATA AND INFORMATION SYSTEMS

What is it?

- The process of putting data and information systems in place to collect and analyse asset management data to determine maintenance and renewal requirements, measure asset management performance over time, identify infrastructure gaps, and ensure minimum reporting requirements prescribed under legislation are achieved.
- It is a process of ensuring adequate links are made between asset management and financial data systems, particularly in the recording and management of capital expenditure and allocations for depreciation, maintenance, renewal and upgrade.

Who is involved?

- Local Government Administration:
 - Identifies data management systems appropriate to local government needs.
 - Implements data management systems and associated processes to link asset management systems and financial data systems.

9.1 GETTING STARTED

ACTIVITIES

Identify the Data Required to Implement and Improve Asset Management Processes for Each Asset Class

- Consider the cost of collecting and maintaining such data against the benefits it will provide.

Identify an Asset Management Information System

- Identify a data management system which is appropriate for the local government, its size and asset portfolio.

Collect or Collate the Necessary Data

- Establish an implementation plan for data collection and collation.

Utilise the System

- Ensure appropriate links are made between the asset management data system and that used for long term financial planning.

10. DEVELOPING SKILLS AND PROCESSES

What is it?

- A program that develops a 'whole-of-organisation' culture focused on continuous improvement in asset management.

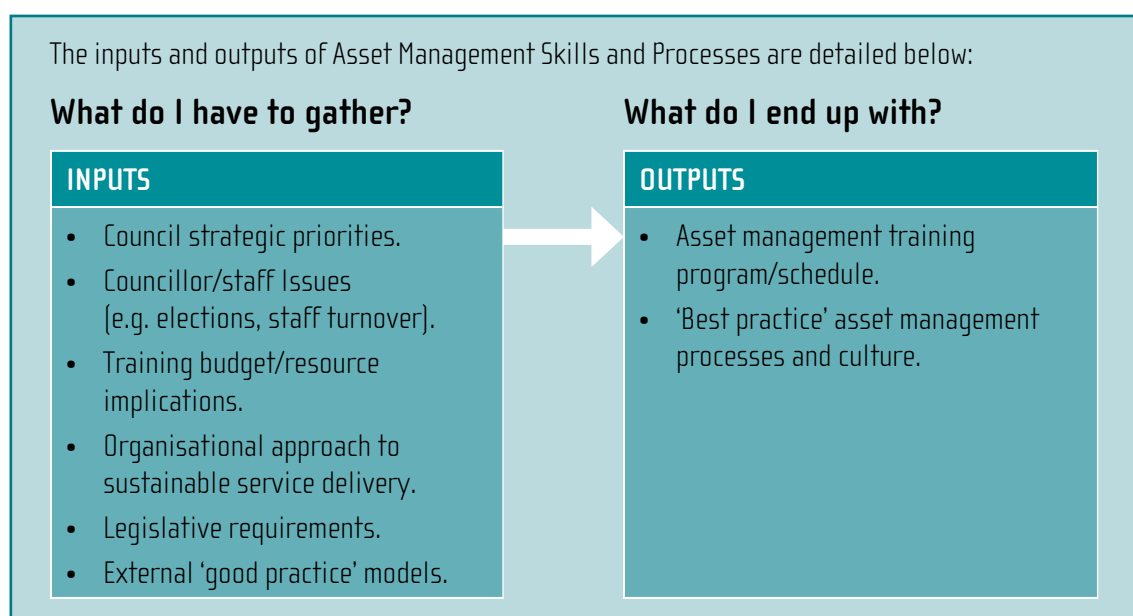
Who is involved?

- Council:
 - Endorses the 'whole-of-organisation' asset management approach as part of the Asset Management Policy.
 - Engages with training programs as required.
- Local Government Administration:
 - Identifies a continuous improvement program and training appropriate to the local government's needs.
 - Implements the continuous improvement program and associated processes.
 - Provides all relevant information to assist Council.
 - Regularly evaluates improvement in asset management performance.

Review

- Asset management practices should be evaluated annually and progress reported to Council and the community.
- The continuous improvement program should be regularly revisited and renewed as required (with Council input where necessary) to determine ongoing and future requirements and the financial impacts of these.

10.1 GETTING STARTED



11. EVALUATING PROGRESS

Asset management programs should include evaluation mechanisms to measure their effectiveness against the targets and outcomes in the Asset Management Strategy and Plans. The mechanisms chosen should meet accounting standards and be independently audited.

Evaluations should be conducted annually to highlight any organisational issues, including inputs required from Council, that affect the asset portfolio's delivery of sustainable services. This will assist local governments to maintain and enhance a 'whole-of-organisation' approach to asset management.

The Asset Management Capacity Building Working Group of the Local Government Reform Implementation Committee has endorsed a set of key performance indicators (KPIs) that enable local governments to more readily measure and report their overall asset management sustainability. The agreed ratios are based on those developed by the Local Government Association of South Australia (LGA) and the Institute of Public Works Engineering Australia (IPWEA) as outlined in the Australian Infrastructure Financial Management Guidelines (IPWEA, 2009). They encourage local governments to measure their asset management efforts through an asset consumption ratio, asset renewal funding ratio and asset sustainability ratio.

Consistent and appropriate use of these KPIs will help local governments to understand their resource capacity and provide a valuable input to Council's strategic decision making.

Asset Sustainability Ratios

ASSET CONSUMPTION RATIO

(The average proportion of "as new" condition remaining for assets.)

This ratio shows the written down current value of the local government's depreciable assets relative to their "as new" value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in future to preserve their service potential.

All local governments will be required to report this ratio utilising current financial records.

What does it mean?

This ratio highlights the aged condition of a local government's physical assets. If the local government is responsibly maintaining and renewing or replacing its assets in accordance with a well-prepared Asset Management Plan, then its Asset Consumption Ratio may be relatively low and/or declining. This should not be cause for concern – providing it is operating sustainably.

If a local government has been operating sustainably over the longer term and has not invested excessively in addition (enhancements to its existing depreciable assets) then it is likely that its financial assets will have grown in value to offset the decline in value of its physical assets. In such circumstances, the decline in the value of a local government's physical assets will be offset by a reduction in its net financial liabilities (by either an increase in its financial assets or preferably, wherever possible, a reduction in its debt) as a result of operating income generated being sufficient to cover its depreciation expense.

The Statement of Financial Position overall will be unaffected and the local government will be in a strong financial position and able to fund the future renewal or replacement of its physical assets when it is most favourable to do so.

Data and Calculation	Information	Measurement/Target
<p>Depreciated replacement cost (DRC) of assets (Written down value) divided by current replacements costs (CRC) of depreciable assets. Expressed as a percentage.</p> <p>Eg</p> <p>Asset Class CRC DRC</p> <p><i>Buildings \$50.1M \$34.2M</i></p> <p><i>Infrastructure \$361.0M \$254.4M</i></p> <p><i>P&EE F&E \$10.2M \$7.3M</i></p> <p><i>Total \$421.3M \$295.9M</i></p> <p><i>Asset Consumption Ratio = 70%</i></p> <p><i>[295.9 / 421.3 = 70%]</i></p>	<p>The average proportion of “as new” value remaining in the assets. This ratio shows the written down current value of a local government’s depreciable assets relative to their “as new” value in up to date prices. The ratio highlights the aged condition of the local government’s stock of physical assets.</p>	<p>Between 50% and 75%</p> <p><i>Note</i></p> <p><i>A ratio less than 50% indicates a rapid deterioration of the local government’s asset base. Urgent investment may be required to ensure service levels are maintained.</i></p> <p><i>A ratio of 60% indicates an adequate usable level of service across individual asset categories.</i></p> <p><i>A ratio greater than 75% indicates that the local government may be over investing in its asset base.</i></p>

Asset Sustainability Ratio

(Are assets being replaced at the rate they are wearing out?)

This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.

What does it mean?

If capital expenditure on renewing or replacing assets is at least equal to depreciation on average over time, then the local government is ensuring the value of its existing stock of physical assets is maintained. If capital expenditure on existing assets is less than depreciation then, unless a local government's overall asset stock is relatively new, it is likely that it is underspending on renewal or replacement. This is likely to result in additional maintenance costs for assets that have exceeded their useful life that exceed the costs of renewal and replacement. This situation could progressively undermine a local government's financial sustainability as it is confronted with failed assets and significant renewal and replacement costs that cannot be accommodated without sudden large rate increases.

Local governments should be replacing or renewing assets at the appropriate times. Achievement of the asset sustainability ratio target means that a local government is reasonably preserving the stock of existing assets because renewal or replacement activity approximately matches the consumption of its asset stock for the period.

Data and Calculation	Information	Measurement/Target
Capital expenditure on replacement or renewal of assets divided by the depreciation expense. Expressed as a percentage. Eg Capital renewal expenditure = \$7.9m Depreciation expense = \$8.8m Asset Sustainability Ratio = 90%	This is the measure of the extent to which assets managed by the local government are being replaced as they reach the end of their useful lives. Depreciation expense measures the extent to which the assets have been consumed during that period. Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the assets are being replaced.	Between 90-110% Note <i>A ratio greater than 110% indicates that the local government may be over investing in renewal and replacement of its asset base.</i> <i>A ratio of less than 90% indicates that the local government may be under investing in renewal and replacement of its asset base.</i>

Asset Renewal Funding Ratio

(Is there sufficient future funding for renewal and replacement of assets?)

What does it mean?

This indicator is a measure of the ability of the local government to fund its projected asset renewals and replacements in the future. The local government's Long Term Financial Plan makes annual provisions to renew assets where their condition has degraded beyond an objective threshold. This requirement will vary from year by year, potentially creating different short term and long term renewal funding needs. **A local government must have developed a Long Term Financial Plan supported by Asset Management Plans to determine this ratio.**

Data and Calculation	Information	Measurement/Target
<p>The net present value of planned capital expenditure on renewals over ten years divided by the net present value of the required capital expenditures on renewals over the same period.</p> <p>Expressed as a percentage.</p> <p>Eg</p> <p>NPV of LTFP projected outlays = \$59.6M</p> <p>NPV of AMP projected expenditures = \$86.9M</p> <p>Future Renewal Funding Ratio = 69%</p> <p>[59.6 / 86.9]</p>	<p>Indicates whether the local government has the financial capacity to fund asset renewal as required and therefore continue to provide existing levels of services in future without additional operating income or reductions in operating expenses or an increase in net financial liabilities above that currently projected.</p>	<p>Between 95 and 105%</p> <p>Note</p> <p><i>A ratio of between 95 and 105% indicates that the local government's Long Term Financial Plan makes adequate provision to maintain existing levels of service and renew or replace assets.</i></p> <p><i>The 95 – 105% measurement is a suitable target if the Asset Sustainability Ratio falls within the 90 to 100% target and the Asset Consumption Ratio falls within the target range of 50 to 75%.</i></p> <p><i>A ratio between 50 and 75% indicates that the local government may not be making adequate provision for the future renewal or replacement of its asset base.</i></p>

12. LINKING TO THE ANNUAL REPORT

What is it?

- The prescribed reporting requirement that ensures that the short and long term service delivery levels being provided by a local government's asset base are adequately reported back to the community.

Who is involved?

- Council:
 - Approves the Annual Report.
- Local Government Administration:
 - Undertakes performance monitoring and compiles reports.
 - Publishes and distributes reports and performance information.
 - Engages with the community to obtain feedback on performance.
- Community:
 - Provides feedback on local government performance as part of the community engagement process.

Further information on the development of Annual Reports can be found in the Department of Local Government's *Integrated Planning and Reporting Guidelines*.

13. OTHER INFORMATION

Local governments wishing to further develop their asset management processes and practices can refer to a number of asset management improvement programs and information sources, including:

- *Western Australian Local Government Accounting Manual (Edition 2)*, February 2011.
- The IPWEA International Infrastructure Management Manual (IIMM)
- The IPWEA National Asset Management Committee (NAMS.AU)
- The Western Australian Asset Management Improvement Program (WAAMI)
- The IPWEA NAMS.PLUS asset management program
- The IPWEA NAMS for Small Rural or Remote Communities asset management program (AM4SRRC)
- The *ROMAN II* project (for road assets)
- The Australian Centre for Excellence in Local Government (ACELG)
- The Australian Local Governments' Association (ALGA)

APPENDIX A - ASSET MANAGEMENT FRAMEWORK SUMMARY

Element	Description	Intent	
Asset Management Plans	Plans that define current levels of service and the processes used to manage each of the local government's asset classes.	To identify the assets that a local government currently has and to manage the use of these with reference to the level of service that assets will provide to the community, agreed risk and cost standards.	

Roles and Responsibilities	Timeframes and Review	Outputs and Interdependencies
<p>Council: Ensures appropriate resources for asset management activities are made available.</p> <p>Local Government Administration Guides and develops Asset Management Plans for each individual asset class.</p> <p>Implements the Asset Management Plans with agreed resources. Delivers services to the agreed level and cost standards.</p> <p>Undertakes appropriate risk management.</p> <p>Monitors and reviews performance in delivery of the Asset Management Plans and reports information to Council where appropriate.</p>	<p>Reviewed regularly (every 2-3 years).</p>	<p>Outputs</p> <p>Asset Management Plans that contain: Asset Management Plans for each major asset class that include:</p> <ul style="list-style-type: none"> • Links to an asset register. • Asset category levels of service. • Infrastructure risk management plan. • Alternate service delivery solutions. • Financial information (such as asset values, depreciation rates, depreciated value, capital expenditure projections for new assets as a result of growth, or to renew, upgrade and extend assets). <p>Identified expenditure projections:</p> <ul style="list-style-type: none"> • Operations. • Depreciation. • Maintenance. • Capital renewal. • Capital upgrade. An asset improvement program. • Clear linkages to other strategic documents such as the Corporate Business Plan, Annual Budget and Long Term Financial Plan. <p>Interdependencies</p> <ul style="list-style-type: none"> • Other informing strategies, projects etc. • Strategic Community Plan. • Corporate Business Plan. • Long Term Financial Plan.

APPENDIX A - ASSET MANAGEMENT FRAMEWORK SUMMARY (con't)

Element	Description	Intent
Defining Levels of Service	Council's principal statement that sets the level of service to be provided by the asset base informed by the Strategic Community Plan, external factors and internal capability analysis.	<p>To identify the level of service that assets will provide to the community to drive asset use and management within the local government.</p> <p>To establish quality and cost standards to be delivered by assets.</p>
Linking to the Long Term Financial Plan	The principal (10 year) financial expression of the activities that the local government plans to undertake over the medium to long term informed by the detail of the Asset Management Plans.	To inform long term cash flow predictions for the local government using asset maintenance, replacement and disposal costs based on local knowledge of assets and current levels of service.
Governance and Management Arrangements	The principal statement of roles, responsibilities and governance processes that links asset management with service delivery.	<p>To identify key roles and responsibilities associated with the local government's asset management approach and to assign these to individuals/officers to undertake or manage.</p> <p>To implements high level audit/ oversight and reporting mechanisms for Asset Management Plan development and service delivery.</p>

Roles and Responsibilities	Timeframes and Review	Outputs and Interdependencies
<p><u>Council</u></p> <ul style="list-style-type: none"> Approves levels of service. <p><u>Local Government Administration</u></p> <ul style="list-style-type: none"> Provides all relevant information to assist Council. Revisits and renews defined service levels to align with reviews of the Strategic Community Plan and Asset Management Plans. Submits reviews of defined service levels to the community aligning with reviews of the Strategic Community Plan. <p><u>Community</u></p> <ul style="list-style-type: none"> Provides service requirements, expectations, and satisfaction levels as part of the local government's ongoing community engagement. 		<p>Outputs</p> <ul style="list-style-type: none"> Service delivery needs. Defined service levels. Quality and cost standards for service delivery. Service delivery review process. <p>Interdependencies</p> <ul style="list-style-type: none"> Informing strategies (workforce, long term financial). Strategic Community Plan. Corporate Business Plan.
<p><u>Administration</u></p> <ul style="list-style-type: none"> Collects necessary data and completes Long Term Financial Plan. Monitors and reviews Long Term Financial Plan and reports information to Council. <p><u>Council</u></p> <ul style="list-style-type: none"> Approves the Long Term Financial Plan. 	Annually reviewed.	<p>Outputs</p> <p>Expenditure projections in both the relevant financial plans and Asset Management Strategy for:</p> <ul style="list-style-type: none"> Operations. Maintenance. Capital renewal. Capital upgrade/expansion. <p>Interdependencies</p> <ul style="list-style-type: none"> Asset Management Plans. Corporate Business Plan.
<p><u>Administration</u></p> <ul style="list-style-type: none"> Provides all relevant information to assist Council. Implements governance and management arrangements. Revisits and renews governance and management arrangements annually in consultation with Council . 	Annually reviewed with Council input where necessary.	<p>Outputs</p> <ul style="list-style-type: none"> Asset management roles and responsibilities. Asset management resourcing plan. Audit plan. Report to community. Community engagement.

APPENDIX A – ASSET MANAGEMENT FRAMEWORK SUMMARY (con't)

Element	Description	Intent
<p>Data and Information Systems</p>	<p>The collection and management of asset management data by the local government.</p>	<p>To ensure that asset management performance is adequately quantified and measured over time, infrastructure gaps are identified and that minimum reporting requirements prescribed under the legislation are achieved.</p> <p>To ensure that adequate links are made between asset management systems and financial data systems particularly in relation to the recording and management of capital expenditure and allocations between maintenance, renewal and upgrade.</p>
<p>Skills and Processes</p>	<p>The principal statement of the local government's commitment to a 'whole-of-organisation' culture, focused on continuous improvement in asset management.</p>	<p>To implement a 'whole-of-organisation' perspective and to enable continuous improvement of asset management practices.</p> <p>To ensure that elected members and administration staff are provided with ongoing training programs on key asset management topics in partnership with appropriate peak bodies and agencies.</p> <p>To implement good practice processes to address key asset management issues such as improving condition assessments, valuation of assets and accounting treatment.</p>

Roles and Responsibilities	Timeframes and Review	Outputs and Interdependencies
<p><u>Administration</u></p> <ul style="list-style-type: none"> Identifies data and information management systems appropriate to local government needs. Implements data and information management system and associated processes to link asset management systems and financial data systems. Provides all relevant information to assist Council. 	<p>As required.</p> <p>Data management arrangements are revisited and renewed as required in consultation with Council.</p>	<p><u>Interdependencies</u></p> <ul style="list-style-type: none"> Financial planning information systems.
<p><u>Council</u></p> <ul style="list-style-type: none"> Approves the 'whole-of-organisation' approach as part of the Asset Management Policy. Engages with training programs as required. <p><u>Administration</u></p> <ul style="list-style-type: none"> Identifies an improvement program and training appropriate to local government needs. Implements the continuous improvement program and associated processes. Provides all relevant information to assist Council. Regularly evaluates asset management improvement. Regularly revisits and renews continuous improvement program in consultation with Council. 	<p>Annually to determine progress and ongoing and future requirements with outcomes reported to Council and community.</p>	<p><u>Outputs</u></p> <ul style="list-style-type: none"> Asset management training program/schedule. 'Best practice' asset management processes and culture. <p><u>Interdependencies</u></p> <ul style="list-style-type: none"> Resource specific informing strategies (workforce, financial). Corporate Business Plan.

CONTACTS

For Further information on asset management contact:

Department of Local Government

GPO Box R1250, Perth, WA 6844

Telephone: (08) 9217 1500 ((08) 6552 1500 from 27 June 2011)

Fax: (08) 9217 1555 ((08) 6552 1555 from 27 June 2011)

Web: www.dlg.wa.gov.au

Institute of Public Works Engineering Australia (WA Branch)

PO Box 8463 Perth Business Centre WA 6849

Telephone: (08) 9427 0870

Fax: (08) 9427 0871

E-mail: wa@ipwea.org.au

Web: www.ipwea.org.au

Western Australian Local Government Association

Western Australian Local Government Association

15 Altona Street, West Perth WA 6005

PO Box 1544, West Perth WA 6872

Telephone: (08) 9321 5055

Fax: (08) 9322 2611

E-mail: info@walga.asn.au

Web: www.walga.asn.au

Local Government Managers Association (WA Division)

17 Wickham Street, East Perth, WA 6004

Telephone: (08) 9218 8141

Fax: (08) 9225 6927

E-mail: admin@lgmawa.org.au

Web: www.lgmawa.org.au



Government of **Western Australia**
Department of **Local Government**

Department of Local Government

GPO Box R1250
PERTH WA 6844

Telephone: (08) 9217 1500 *{{(08) 6552 1500 from 27 June 2011}}*

Fax: (08) 9217 1555 *{{(08) 6552 1555 from 27 June 2011}}*

Free call: 1800 620 511 *(Country Only)*

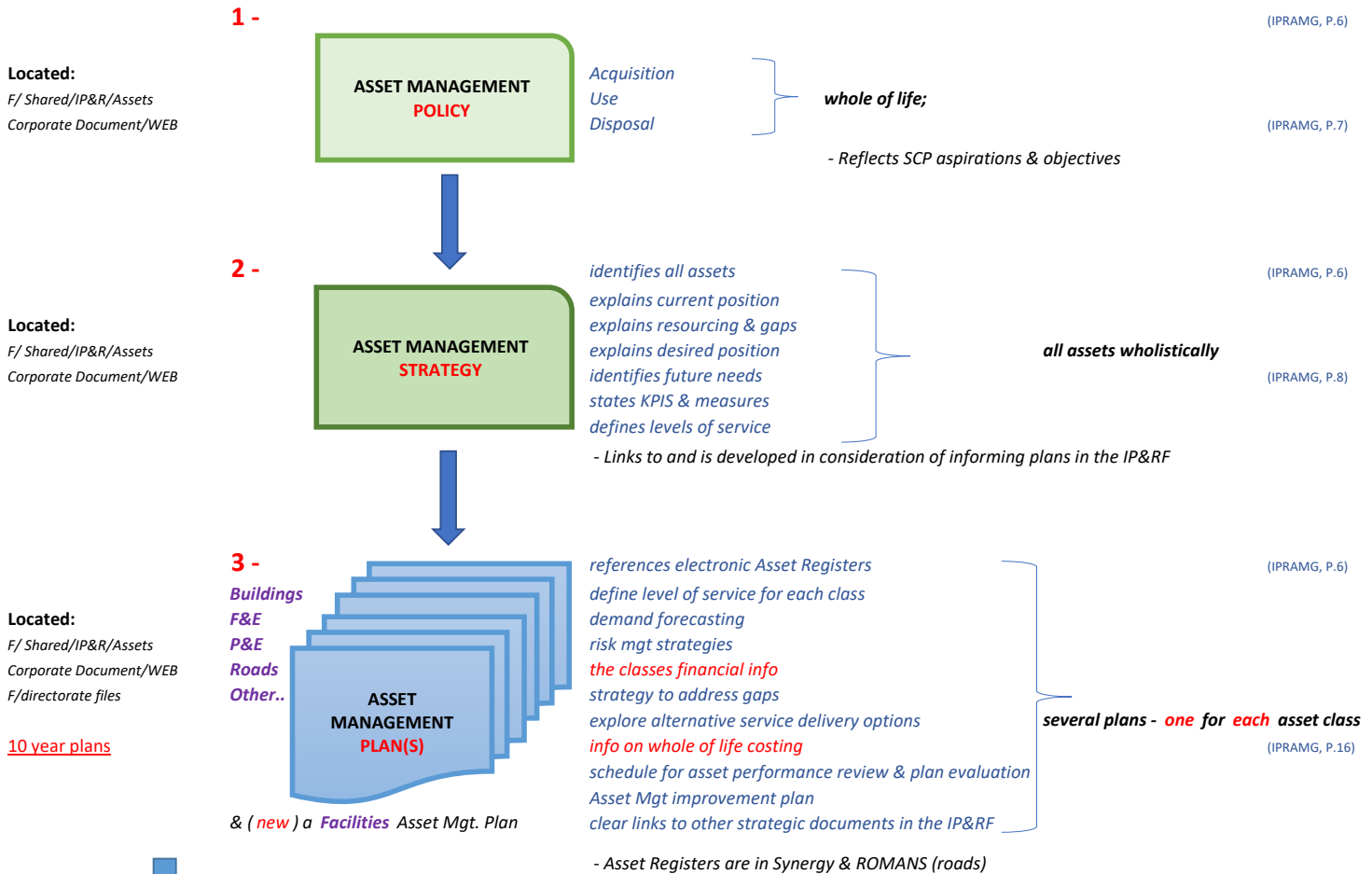
Email: info@dlg.wa.gov.au

Website: www.dlg.wa.gov.au



ASSET MANAGEMENT FRAMEWORK

"Council is the Steward for the Asset Management Process"



NEW

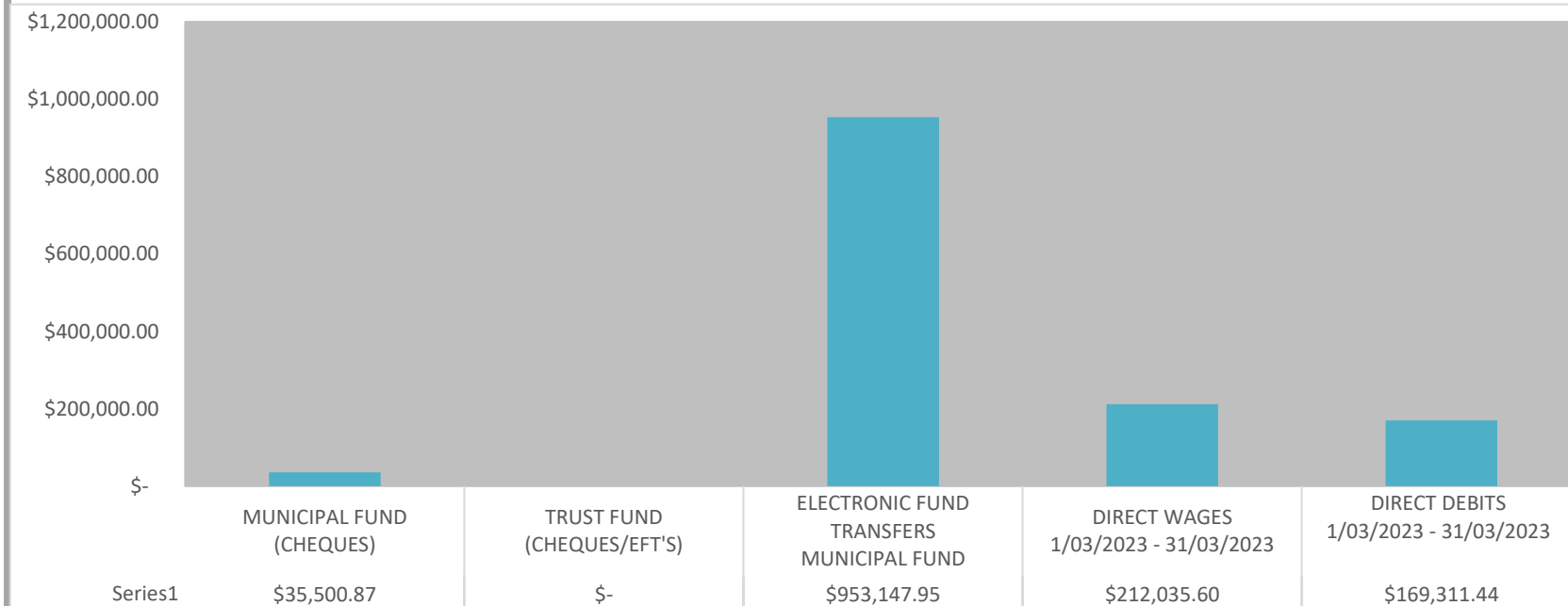
3 A - Appendices to the Asset Management Plans:

- 1 The classes current financial info - extract** - to be updated after end of year & following revaluations
 Asset Registers This information is in the asset registers
- 2 Current condition of the assets & condition guide** - to be updated after cyclic revaluation of asset class
 F/ Shared/IP&R/Assets This information is in F/ Shared/ Assets
- 3 The classes whole of life costing** - to be updated after end of year & following revaluations
 F/ Shared/IP&R/Assets This information is in F/ Shared/ Assets
- 4 A mandatory annual compliance work schedule** - to be updated at the end of each year
 Monday.com This information & works schedule is in Monday.com and assigned to RO's
- 5 An annual work program & Mtce schedule for each class** - created as part of the budget process
 F/directorate files This information & works schedule is in Monday.com and assigned to RO's
- 6 Long-term work program for each class (link with LTFP)** - created/updated as part of the budget process
 F/directorate files This information is also in F/ Shared/ Assets
- 7 Other items in F Drive**
 - a Data collection records
 - b Images
 - c Revaluations
 - d Archive
 - e Supporting Documents

SUMMARY OF PAYMENTS FOR THE PERIOD 1/03/2023 TO 31/03/2023

ACCOUNT	CHEQUE NO'S	TOTAL
MUNICIPAL FUND (CHEQUES)	10093 - 10107	\$ 35,500.87
TRUST FUND (CHEQUES/EFT'S)	Nil	\$ -
ELECTRONIC FUND TRANSFERS MUNICIPAL FUND	38150 - 38353	\$ 953,147.95
DIRECT WAGES 1/03/2023 - 31/03/2023	N/A	\$ 212,035.60
DIRECT DEBITS 1/03/2023 - 31/03/2023	N/A	\$ 169,311.44

GRAND TOTAL: \$ 1,369,995.86



Appendix 11.2.1

List of Accounts Due & Submitted to Committee April 2023				
Municipal Funds Cheques March 2023				
Chq/EFT	Date	Name	Description	Amount
10093	02/03/2023	SHIRE OF WAROONA	Purchase Shire Number Plates - 115 WR	-200.00
10094	03/03/2023	OPTUS BILLING SERVICES	Telephone Charges	-2240.69
10095	09/03/2023	PETTY CASH - please pay cash	Petty Cash Reimbursements	-352.75
10096	09/03/2023	SHIRE OF WAROONA - SUNDRY DEBTORS	Payroll Deductions	-1464.00
10097	09/03/2023	WATER CORPORATION	Water Charges	-12594.49
10098	17/03/2023	OPTUS BILLING SERVICES	Internet Charges	-205.06
10099	17/03/2023	HARVEY MEDICAL GROUP (HARVEY BRANCH)	Medical Report	-350.00
10100	17/03/2023	SYNERGY	Electricity Charges	-532.13
10101	17/03/2023	SHIRE OF WAROONA	BSL Commission Collected - February 2023	-15.00
10102	17/03/2023	WATER CORPORATION	Water Charges	-8760.09
10103	17/03/2023	JULIE NICHOLLS	Rates Refund - 34 Cullinga Street, Hamel	-661.50
10104	24/03/2023	SHIRE OF WAROONA - SUNDRY DEBTORS	Payroll Deductions	-714.00
10105	24/03/2023	WATER CORPORATION	Water Charges	-3523.38
10106	31/03/2023	OPTUS BILLING SERVICES	Internet Charges	-240.06
10107	31/03/2023	SYNERGY	Electricity Charges	-3647.72
TOTAL MUNICIPAL FUNDS CHEQUES				-\$ 35,500.87

Trust Fund Cheques/EFTs				
Chq/EFT	Date	Name	Description	Amount
NIL				
TOTAL TRUST CHEQUES				\$ -

Direct Debit Payments				
Direct Debit	Date	Name	Description	Amount
DD21262.1	01/03/2023	TELAIR PTY LTD	NBN Service & Monthly Fax - Volunteer Bush Fire Brigades	-266.00
DD21286.1	23/03/2023	PUMA ENERGY - WEX AUSTRALIA PTY LTD	Fuel	-127.34
DD21310.1	01/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-3188.85
DD21315.1	02/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-2049.35
DD21321.1	03/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-1823.70
DD21325.1	07/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-2887.05
DD21327.1	08/03/2023	GOGO MEDIA	On-Hold Messages Service	-75.90
DD21329.1	07/03/2023	HOST PLUS SUPERANNUATION FUND	Payroll Deductions	-2323.73
DD21329.2	07/03/2023	COMMONWEALTH ESSENTIAL SUPER	Superannuation Contributions	-82.74
DD21329.3	07/03/2023	WEALTH PERSONAL SUPERANNUATION AND PENSION FUND	Superannuation Contributions	-50.22
DD21329.4	07/03/2023	UNISUPER	Superannuation Contributions	-385.83
DD21329.5	07/03/2023	AWARE SUPER	Payroll Deductions	-14401.57
DD21329.6	07/03/2023	REST SUPER - RETAIL EMPLOYEES SUPERANNUATION FUND	Superannuation Contributions	-509.03
DD21329.7	07/03/2023	CBUS SUPERANNUATION	Superannuation Contributions	-364.05
DD21329.8	07/03/2023	AUSTRALIAN SUPER	Superannuation Contributions	-1567.42
DD21329.9	07/03/2023	COLONIAL FIRST STATE FIRSTCHOICE WHOLESALE PERSONAL SUPER	Superannuation Contributions	-144.89
DD21335.1	08/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-24634.40
DD21341.1	09/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-5085.20
DD21343.1	10/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-5890.80
DD21347.1	13/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-1710.85

Appendix 11.2.1

DD21352.1	14/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-5925.65
DD21354.1	29/03/2023	TELAIR PTY LTD	NBN Service & Monthly Fax - Volunteer Bush Fire Brigades	-266.00
DD21356.1	15/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-3330.65
DD21362.1	16/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-1364.40
DD21367.1	17/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-7835.55
DD21377.1	20/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-2375.70
DD21384.1	28/03/2023	AMPOL CARD	Fuel - Volunteer Bush Fire Brigades	-326.47
DD21386.1	21/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-29025.45
DD21389.1	21/03/2023	HOST PLUS SUPERANNUATION FUND	Payroll Deductions	-2323.72
DD21389.2	21/03/2023	COMMONWEALTH ESSENTIAL SUPER	Superannuation Contributions	-101.66
DD21389.3	21/03/2023	WEALTH PERSONAL SUPERANNUATION AND PENSION FUND	Superannuation Contributions	-43.82
DD21389.4	21/03/2023	UNISUPER	Superannuation Contributions	-385.83
DD21389.5	21/03/2023	AWARE SUPER	Payroll Deductions	-14829.38
DD21389.6	21/03/2023	REST SUPER - RETAIL EMPLOYEES SUPERANNUATION FUND	Superannuation Contributions	-529.33
DD21389.7	21/03/2023	CBUS SUPERANNUATION	Superannuation Contributions	-475.38
DD21389.8	21/03/2023	AUSTRALIAN SUPER	Superannuation Contributions	-1740.79
DD21389.9	21/03/2023	COLONIAL FIRST STATE FIRSTCHOICE WHOLESALE PERSONAL SUPER	Superannuation Contributions	-262.37
DD21392.1	23/03/2023	IINET TECHNOLOGIES	Internet Fees - Landcare	-109.95
DD21394.1	22/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-2721.35
DD21399.1	23/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-260.30
DD21401.1	24/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-2966.90
DD21403.1	27/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-1978.60
DD21407.1	28/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-5501.80
DD21412.1	29/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-3133.50
DD21417.1	30/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-7540.15
DD21421.1	31/03/2023	DEPARTMENT OF TRANSPORT	Reimbursement of Vehicle Licensing Proceeds	-4695.45
DD21329.10	07/03/2023	AUSTRALIAN RETIREMENT TRUST	Superannuation Contributions	-506.00
DD21329.11	07/03/2023	TIDDY SF PTY LTD ATF TIDDY SUPER FUND	Superannuation Contributions	-110.35
DD21329.12	07/03/2023	AUSTRALIAN ETHICAL RETAIL SUPERANNUATION FUND	Superannuation Contributions	-201.59
DD21389.10	21/03/2023	AUSTRALIAN RETIREMENT TRUST	Superannuation Contributions	-496.28
DD21389.11	21/03/2023	TIDDY SF PTY LTD ATF TIDDY SUPER FUND	Superannuation Contributions	-176.56
DD21389.12	21/03/2023	AUSTRALIAN ETHICAL RETAIL SUPERANNUATION FUND	Superannuation Contributions	-201.59
TOTAL DIRECT DEBIT PAYMENT				-\$ 169,311.44

Appendix 11.2.1

Municipal Electronic Funds Transfers				
Chq/EFT	Date	Name	Description	Amount
EFT38150	03/03/2023	BUNNINGS MANDURAH	Storage Containers, Shelving Units, Workbench, Pool Toys - Rec Centre	-820.41
EFT38151	03/03/2023	DRAKESBROOK DESPATCH	Advertising - Electors Meeting	-40.00
EFT38152	03/03/2023	RENIER & CHRISTINE THEELEN	Payment of Consignment Stock - Visitor Centre	-77.40
EFT38153	03/03/2023	PEEL & ROCKINGHAM VOLUNTEER RESOURCE CENTRE	Sponsorship - Peel Community Volunteer of the Year 2022	-550.00
EFT38154	03/03/2023	COATES CIVIL CONSULTING	Engineering Services - Coronation Road, Millar Street, Bancell Road	-5390.00
EFT38155	03/03/2023	MAIA FINANCIAL	CCTV Service and Photocopier Lease	-4427.56
EFT38156	03/03/2023	B&B STREET SWEEPING PTY LTD	Hire Jett Vac - Cleaning of Pits & Pipes - Nanga Brook Road	-4243.25
EFT38157	03/03/2023	WESTERN STABILISERS	Hire Positrack Mixer - Nanga Road	-12540.88
EFT38158	03/03/2023	CARMEN TYRER	Payment of Consignment Stock - Visitor Centre	-171.00
EFT38159	03/03/2023	HUCKLEBERRY'S TANK AND WATER SERVICE	Wet Hire Water Truck - Somers Road	-2090.00
EFT38160	03/03/2023	AUDREY ALISON CRABB (PAPILLON GLASS)	Payment of Consignment Stock - Visitor Centre	-45.00
EFT38161	03/03/2023	D & E DIESEL SERVICES	Grader Repairs	-2954.03
EFT38162	03/03/2023	KATHLEEN NORMA KRAUTH	Payment of Consignment Stock - Visitor Centre	-95.00
EFT38163	03/03/2023	CITY & REGIONAL FUELS	Fuel	-14174.44
EFT38164	03/03/2023	HARVEY MEDICAL GROUP (WAROONA BRANCH)	Pre Placement Medical - CSO	-525.00
EFT38165	03/03/2023	VIDA HILL	Payment of Consignment Stock - Visitor Centre	-144.00
EFT38166	03/03/2023	SAVAGE ST	Payment of Consignment Stock - Visitor Centre	-74.65
EFT38167	03/03/2023	TRICIA MICHELLE DALLING	Payment of Consignment Stock - Visitor Centre	-44.25
EFT38168	03/03/2023	PETER FOEKEN	Payment of Consignment Stock - Visitor Centre	-49.15
EFT38169	03/03/2023	WH LOCATION SERVICES T/A ABAXA PTY LTD	Potholing and Desktop Review of Services - Somers Road	-7238.75
EFT38170	03/03/2023	KATHLEEN ELIZABETH COLE	Payment of Consignment Stock - Visitor Centre	-76.46
EFT38171	03/03/2023	TOLL IPEC PTY LTD	Freight	-25.29
EFT38172	03/03/2023	ZINNIA FLORAL DESIGNS	Bereavement Bouquet - Bronwyn Tiddy	-80.00
EFT38173	03/03/2023	LITTLE FARM HONEY - MAREE ELLIS	Payment of Consignment Stock - Visitor Centre	-61.50
EFT38174	03/03/2023	ACUMENTIS MANDURAH	Land Valuation - Lot 1198 Coronation Road	-1100.00
EFT38175	03/03/2023	AMPAC DEBT RECOVERY	Debt Recovery Costs Rates	-5970.30
EFT38176	03/03/2023	AQUAMONIX	Retic Repairs	-82.50
EFT38177	03/03/2023	HELEN THERESE HENDERSON (art mirrors australia)	Payment of Consignment Stock - Visitor Centre	-133.50
EFT38178	03/03/2023	MARCIA EWING	Payment of Consignment Stock - Visitor Centre	-175.50
EFT38179	03/03/2023	PAMELA MARJETTA WATTS	Payment of Consignment Stock - Visitor Centre	-30.00
EFT38180	03/03/2023	VACPAC GUTTER CLEAN	Gutter Cleaning	-465.00
EFT38181	03/03/2023	CIVIL CONTRACTORS FEDERATION SOUTH AUSTRALIA LTD	Unit of Competency Enrolment - Harrison Roache	-38.88
EFT38182	03/03/2023	GREG LUCAS	Payment of Consignment Stock - Visitor Centre	-96.75
EFT38183	03/03/2023	VICTOR WEBB	Payment of Consignment Stock - Visitor Centre	-157.50
EFT38184	03/03/2023	LAND INSIGHTS	Local Planning Strategy and Scheme Review	-15090.16
EFT38185	03/03/2023	OSCAR GRAHAM	Payment of Consignment Stock - Visitor Centre	-36.75
EFT38186	03/03/2023	A & L PRINTERS PTY LTD	Sundry Debtor Requisition Books	-369.00
EFT38187	03/03/2023	BAGS O' RAGS	Bags of Rags	-59.40
EFT38188	03/03/2023	BULLIVANTS	Double J Ratchet	-101.75
EFT38189	03/03/2023	WINC AUSTRALIA PTY LIMITED	Stationery	-72.81
EFT38190	03/03/2023	CURTIS ELECTRICAL CONTRACTING PTY LTD	Electrical Repairs	-2015.15
EFT38191	03/03/2023	CHARLES HULL CONTRACTING	Gravel	-6333.36
EFT38192	03/03/2023	CARROLL AND RICHARDSON FLAGS	Street Banners	-1034.00
EFT38193	03/03/2023	JASON SIGMAKERS	Signs	-58.29

Appendix 11.2.1

EFT38194	03/03/2023	SOUTH WEST ISUZU	150,000Km Service - Isuzu Tip Truck	-1476.22
EFT38195	03/03/2023	LANDGATE	Valuation Fees	-133.05
EFT38196	03/03/2023	OFFICEWORKS	Stationery	-1353.95
EFT38197	03/03/2023	PRESTON BEACH GENERAL STORE	Fuel	-3320.34
EFT38198	03/03/2023	PFD FOOD SERVICES PTY LTD	Kiosk Items	-457.85
EFT38199	03/03/2023	PEEL H2O SOLUTIONS	Retic Parts	-842.60
EFT38200	03/03/2023	TELSTRA LIMITED	Telephone Charges	-995.93
EFT38201	03/03/2023	MOORE AUSTRALIA (WA) PTY LTD	FBT Workshop - SFO	-1430.00
EFT38202	03/03/2023	WAROONA DISTRICT HIGH SCHOOL	Cultural Intelligence Training - Community Development	-240.00
EFT38203	03/03/2023	WORK CLOBBER	Uniforms - Depot	-231.95
EFT38204	03/03/2023	WAROONA NEWS	Stationery	-470.45
EFT38205	03/03/2023	WESTRAC EQUIPMENT PTY LTD	Parts	-511.17
EFT38206	03/03/2023	WURTH AUSTRALIA PTY LTD	Nuts and Bolts	-82.76
EFT38207	03/03/2023	WAROONA MITRE 10	Hardware Supplies	-799.85
EFT38208	03/03/2023	WAROONA WOOD SUPPLIES	Install Bollards to Preston Beach & Remove any Tyres	-4141.50
EFT38209	03/03/2023	PAULINE BONNER	Payment of Consignment Stock - Visitor Centre	-53.10
EFT38210	03/03/2023	JEANETTE AUDINO (Beadsparklez)	Payment of Consignment Stock - Visitor Centre	-400.80
EFT38211	03/03/2023	CHRISTINE HYDE	Payment of Consignment Stock - Visitor Centre	-322.65
EFT38212	03/03/2023	SANDRA HEPTON	Payment of Consignment Stock - Visitor Centre	-46.35
EFT38213	09/03/2023	PRESTON BEACH GOLF CLUB INC	Alcoa Micro Grant - February 2023	-2200.00
EFT38214	09/03/2023	TINA ANN SMITH	Rates Refund - 31A Jackson Street	-75.00
EFT38215	09/03/2023	BUNNINGS MANDURAH	Tiling Tools for Repairs	-446.42
EFT38216	09/03/2023	PETES TREEWORX	Tree Removal - Waroona Community Precinct	-25508.20
EFT38217	09/03/2023	GUARDIAN FIRST AID AND FIRE (ACCIDENTAL HEALTH & SAFETY)	First Aid Kit Servicing	-373.78
EFT38218	09/03/2023	SURVEYING SOUTH	Surveying Works	-1683.00
EFT38219	09/03/2023	THE DISTRIBUTORS PERTH	Kiosk Items	-811.70
EFT38220	09/03/2023	TOLL IPEC PTY LTD	Freight	-51.61
EFT38221	09/03/2023	MOZZEE PTY LTD	Photography & Data Entry - Visit Waroona Website	-2200.00
EFT38222	09/03/2023	ERECTONS WA	Installation of Guard Railing - Nanga Road	-15620.00
EFT38223	09/03/2023	GREENWAY TURF SOLUTIONS PTY LTD	Simplot Forte	-275.00
EFT38224	09/03/2023	AMAZON WEB SERVICES AUSTRALIA PTY LTD	Amazon Web Service Charges	-205.80
EFT38225	09/03/2023	SCAVENGER FIRE & SAFETY	Drinking Water - Volunteer Bush Fire Brigades	-742.06
EFT38226	09/03/2023	AUSTRALIAN SERVICES UNION	Payroll Deductions	-127.50
EFT38227	09/03/2023	CLEANAWAY	Bin Collection	-30820.25
EFT38228	09/03/2023	WINC AUSTRALIA PTY LIMITED	Stationery	-286.89
EFT38229	09/03/2023	CARROLL AND RICHARDSON FLAGS	Aboriginal and Torres Strait Islander Desk Flags	-384.10
EFT38230	09/03/2023	COATES HIRE	Hire Portable Toilet - Somers Road -	-361.03
EFT38231	09/03/2023	DE ROSAS HIGHWAY MOTORS	Parts	-54.22
EFT38232	09/03/2023	DRAKESBROOK HOTEL MOTEL	Catering - Council Meeting	-160.00
EFT38233	09/03/2023	JETLINE CORPORATION PTY LTD	Install Semi Mountable Kerb - Nanga Road	-15582.60
EFT38234	09/03/2023	LANDGATE	Title Searches	-56.40
EFT38235	09/03/2023	LIONS CLUB OF WAROONA	Alcoa Micro Grant	-1224.00
EFT38236	09/03/2023	McLEODS	Legal Fees	-8863.93
EFT38237	09/03/2023	PFD FOOD SERVICES PTY LTD	Kiosk Items	-243.87
EFT38238	09/03/2023	PISCONERI FAMILY TRUST	Buller Road Refuse Site Contract	-12080.93
EFT38239	09/03/2023	THE WEST AUSTRALIAN (HARVEY REPORTER)	Advertising	-1731.11
EFT38240	09/03/2023	SHIRE OF WAROONA STAFF LOTTO SYNDICATE	Payroll Deductions	-120.00
EFT38241	09/03/2023	ST JOSEPH'S SCHOOL	Alcoa Micro Grant	-2200.00

Appendix 11.2.1

EFT38242	09/03/2023	WAROONA DEMONS FOOTBALL & NETBALL CLUB	Alcoa Micro Grant	-2200.00
EFT38243	09/03/2023	WAROONA RURAL SERVICES	Hardware Supplies	-3137.48
EFT38244	09/03/2023	WA LIBRARY SUPPLIES	Desk Chair and Drafting Chair	-449.00
EFT38245	09/03/2023	WAROONA AGRICULTURAL SOCIETY	Alcoa Micro Grant	-705.00
EFT38246	09/03/2023	WAROONA MITRE 10	Hardware Supplies	-66.45
EFT38247	17/03/2023	WAROONA JUNIOR FOOTBALL CLUB	Refund - Food Business Registration - Paid Twice	-300.00
EFT38248	17/03/2023	KLEEN WEST DISTRIBUTORS	Cleaning Products	-1395.46
EFT38249	17/03/2023	PETES TREEWORX	Tree Pruning	-1540.00
EFT38250	17/03/2023	ESTUARY BOBCATS	Reseal and Install Drainage - Hall Road	-50085.60
EFT38251	17/03/2023	HEATLEYS SAFETY & INDUSTRIAL	Purchase Personal Protective Equipment - Depot	-263.77
EFT38252	17/03/2023	BUILDING COMMISSION (BUILDING AND ENERGY)	BSL Collections - February 2023	-238.45
EFT38253	17/03/2023	DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION	Buller Road Refuse Disposal Site - Licence	-544.00
EFT38254	17/03/2023	CLUNE GROUP PTY LTD T/A PEAK TRAFFIC MANAGEMENT	Traffic Control	-36596.68
EFT38255	17/03/2023	NRM CONSULTANTS	Engineering & Drafting Services - Library	-7128.00
EFT38256	17/03/2023	SCOPE BUSINESS IMAGING	Photocopier Charges	-590.79
EFT38257	17/03/2023	NORTH COAST DESIGN PTY LTD	Architectural Services - Enviro Centre	-1746.09
EFT38258	17/03/2023	TOLL IPEC PTY LTD	Freight	-21.36
EFT38259	17/03/2023	ELEMENT ADVISORY PTD LTD	Local Heritage Survey Review	-6899.75
EFT38260	17/03/2023	HARVEY PLUMBING AND GAS	Plumbing Works	-1938.45
EFT38261	17/03/2023	ZACOR DESIGN PTY LTD	Project Management - Waroona Community Precint	-7078.50
EFT38262	17/03/2023	AUSTRALIA POST (NEW)	Postage Charges	-720.57
EFT38263	17/03/2023	WAROONA ROADHOUSE	Fuel	-2222.60
EFT38264	17/03/2023	NATASA TUIVAGA-WILSON	Refund Hall and Kitchen Bond	-280.00
EFT38265	17/03/2023	WEST AUSTRALIAN CROQUET ASSOCIATION	Alcoa Micro Grant	-2000.00
EFT38266	17/03/2023	WESTERN SOUNDS PTY LTD	Party DJ Package - Youth Week Disco	-550.00
EFT38267	17/03/2023	CEMETERIES & CREMATORIA ASSOCIATION	CCAWA Seminar - SRO	-155.00
EFT38268	17/03/2023	COCA - COLA AMATIL (AUST) PTY LTD	Kiosk Items	-532.58
EFT38269	17/03/2023	CURTIS ELECTRICAL CONTRACTING PTY LTD	Electrical Repairs	-3349.45
EFT38270	17/03/2023	DE ROSAS HIGHWAY MOTORS	Service Mitsubishi Fuso Tip Truck	-2112.06
EFT38271	17/03/2023	GOLDEN GLASS	Supply and Install Pivot Shower Screen Door - 26 Fouracre Street Waroona	-1100.00
EFT38272	17/03/2023	HARVEY COURIER	Freight	-53.75
EFT38273	17/03/2023	HARVEY WATER	Water Consumption	-3318.72
EFT38274	17/03/2023	IT VISION	Altus Payroll Implementation Services	-19910.00
EFT38275	17/03/2023	JASON SIGNMAKERS	Magnetic Vehicle Signs - Preston Beach Volunteer Rangers	-616.34
EFT38276	17/03/2023	LANE FORD (WA AUTOMOTIVE)	15,000km Service - 105WR	-450.00
EFT38277	17/03/2023	LANDGATE	Valuation Fees	-149.66
EFT38278	17/03/2023	LO-GO APPOINTMENTS	Executive Recruitment Services - Chief Executive Officer	-4183.48
EFT38279	17/03/2023	McLEODS	Legal Fees	-2108.60
EFT38280	17/03/2023	SYNERGY - STREETLIGHT ACCOUNT	Street Lighting	-8850.74
EFT38281	17/03/2023	SHIRE OF MURRAY	Environmental Health Services and IT Services	-11795.54
EFT38282	17/03/2023	WA LOCAL GOVERNMENT ASSOCIATION (WALGA)	Oversee Asset Management Strategy Course - Depot	-793.00
EFT38283	17/03/2023	WAROONA IGA	Groceries	-783.81
EFT38284	17/03/2023	WAROONA MITRE 10	Hardware Supplies	-850.21

Appendix 11.2.1

EFT38285	20/03/2023	NATIONAL AUSTRALIA BANK								-7362.19
		Manager Corporate Services	Google Suite Subscription - Waroona Councillor	\$	332.64					
			Survey Monkey Annual Subscription	\$	1,003.64					
			LG Finance Conference - MCS	\$	1,290.00					
			Mail Chimp Subscription	\$	18.99					
			Moore Stephens Tax Webinars	\$	1,155.00					
			Main Roads - Road Safety Engineering Training - STO	\$	198.00					
			Assorted Books - Library	\$	288.00					
			Card Fee	\$	9.00					
						TOTAL MCS	\$	4,295.27		
		Visitor Centre Manager	Card Fee	\$	9.00					
						TOTAL VCM	\$	9.00		
		Chief Executive Officer	Repair and Service Coffee Machine	\$	55.83					
			Repair and Service Coffee Machine	\$	147.18					
			Parking - Hydrogen Awareness Meeting CEO	\$	24.23					
			Parking - CEO Meeting	\$	31.39					
			Online News Subscription	\$	8.45					
			Card Fee	\$	9.00					
						TOTAL CEO	\$	276.08		
		Director Infrastructure and Development Services	Company & Director Report - Waroona Community Precinct	\$	54.95					
			Card Fee	\$	9.00					
						TOTAL DIDS	\$	63.95		
		Building Maintenance Coordinator	Card Fee	\$	9.00					
						TOTAL BMC	\$	9.00		
		Executive Assistant	Catering - SAT Meeting	\$	85.00					
			Catering - Council Meeting	\$	145.00					
			Card Fee	\$	9.00					
						TOTAL EA	\$	239.00		
		Manager Community and Communications	DVD - Clifford the Big Red Dog	\$	15.98					
			Accommodation - Community Development Training - CDO	\$	256.74					
			Card Fee	\$	9.00					
						TOTAL MCC	\$	281.72		
		Director Corporate and Community Services	Card Fee	\$	9.00					
						TOTAL DCCS	\$	9.00		
		Manager Works and Waste Services				Minor Tools	\$	291.49		
						Vehicle Rental - Coronation Road Works	\$	1,848.00		
						Card Fee	\$	9.00		
						TOTAL MWWS	\$	2,148.49		
		Interest and Other Charges					\$	30.68		
						TOTAL INTEREST AND OTHER CHARGES	\$	30.68		
EFT38286	20/03/2023	AUSTRALIAN TAXATION OFFICE	Payroll Deductions							-29025.00
EFT38287	24/03/2023	DEPARTMENT OF BIODIVERSITY, CONSERVATION AND ATTRACTIONS	Map & Book Stock - Visitor Centre							-75.21
EFT38288	24/03/2023	PETES TREEWORX	Tree Pruning							-7238.00
EFT38289	24/03/2023	SOUTH WEST WANDERERS	Refund Hall & Key Deposit							-130.00
EFT38290	24/03/2023	NOVUS AUTO GLASS	Replace Windscreen - 103 WR							-926.08
EFT38291	24/03/2023	T-QUIP	Purchase Toro Groundmaster 3310 4WD							-49544.00
EFT38292	24/03/2023	CLUNE GROUP PTY LTD T/A PEAK TRAFFIC MANAGEMENT	Traffic Control							-24524.46
EFT38293	24/03/2023	SURVEYING SOUTH	Surveying Works							-1782.00

Appendix 11.2.1

EFT38294	24/03/2023	ROBYN MAREE O'MEAGHER	Rates Refund - 121 South Western Highway	-841.60
EFT38295	24/03/2023	TOLL IPEC PTY LTD	Freight	-82.45
EFT38296	24/03/2023	ZINNIA FLORAL DESIGNS	Wreaths - Anzac Day 2023	-300.00
EFT38297	24/03/2023	AMPAC DEBT RECOVERY	Debt Recovery Costs	-159.50
EFT38298	24/03/2023	PEEL RESOURCE RECOVERY PTY LTD	Demolition Works - Waroona Community Precinct	-69663.00
EFT38299	24/03/2023	VESTONE CAPITAL	Equipment Leases	-24546.02
EFT38300	24/03/2023	WAROONA CARPET CARE	Carpet Clean - 26 Fouracre Street	-205.00
EFT38301	24/03/2023	PRINTING AND DESIGN ONLINE PTY LTD (TRADING AS MEDIA ENGINE)	Poster - Advertise Waroona Paddling Festival and Events	-330.00
EFT38302	24/03/2023	KWILLANA V/A OUTRIGGING CANOE	Hire Equipment and Event Co-ordination of Water Activities - Paddling Festival 2023	-3000.00
EFT38303	24/03/2023	ZACOR DESIGN PTY LTD	Project Management Services - Drakesbrook Weir	-3947.63
EFT38304	24/03/2023	CURTIN UNIVERSITY (ACT BELONG COMMIT)	Act Belong Commit Signage and Additional Accessories	-970.00
EFT38305	24/03/2023	SCAVENGER FIRE & SAFETY	Parts - Waroona West Fire Truck	-1128.98
EFT38306	24/03/2023	COOK ISLANDS COMMUNITY WA INC	Cultural Performance - Waroona Paddling Festival 2023	-1450.00
EFT38307	24/03/2023	HART SPORT	Sporting Equipment	-789.70
EFT38308	24/03/2023	DECLAN DEW	Reimbursement - Medical Assessment - Preston Beach Volunteer Ranger	-175.00
EFT38309	24/03/2023	PAUL CRONIN	Refund Hamel Hall Bond - Paul Cronin	-180.00
EFT38310	24/03/2023	AUSTRALIAN SERVICES UNION	Payroll Deductions	-127.50
EFT38311	24/03/2023	WINC AUSTRALIA PTY LIMITED	Stationery	-625.89
EFT38312	24/03/2023	CURTIS ELECTRICAL CONTRACTING PTY LTD	Electrical Works	-3455.05
EFT38313	24/03/2023	CANNON HYGIENE AUSTRALIA PTY LTD	Sanitiser Bin Services	-550.00
EFT38314	24/03/2023	PROFESSIONALS WAROONA	Outgoing Property Inspection - 1 Eastcott Street Waroona	-185.00
EFT38315	24/03/2023	FORREST MEDICAL CENTRE	Pre-Placement Medical - Depot	-233.75
EFT38316	24/03/2023	KLEENHEAT GAS P/L (BULK)	45Kg LPG Gas Cylinder Service Charge	-307.92
EFT38317	24/03/2023	A1 LOCKSMITHS (MANDURAH LOCK & KEY)	Padlocks and Keys Keyed Alike - Standpipe	-244.00
EFT38318	24/03/2023	THE WORKWEAR GROUP (PREVIOUSLY NEAT N' TRIM)	Staff Uniforms	-207.84
EFT38319	24/03/2023	ORBIT HEALTH & FITNESS SOLUTIONS	Various Fitness Equipment	-1090.00
EFT38320	24/03/2023	OFFICEWORKS	Stationery	-473.09
EFT38321	24/03/2023	PFD FOOD SERVICES PTY LTD	Kiosk Items	-649.65
EFT38322	24/03/2023	SHIRE OF WAROONA STAFF LOTTO SYNDICATE	Payroll Deductions	-124.00
EFT38323	24/03/2023	WAROONA SENIOR CITIZENS WELFARE COMMITTEE	Refund Water Usage - Senior Citizens Centre	-53.14
EFT38324	24/03/2023	STEWART & HEATON CLOTHING CO PTY LTD	Uniforms - Volunteer Bush Fire Brigades	-25.47
EFT38325	24/03/2023	SOU WESTOS CLEANING SERVICE	Landcare Centre Cleaning	-528.00
EFT38326	24/03/2023	STATE LIBRARY OF WA	Freight Recoup	-354.65
EFT38327	24/03/2023	TELSTRA LIMITED	Telephone Charges	-1006.57
EFT38328	24/03/2023	WESTRAC EQUIPMENT PTY LTD	Parts - Caterpillar Grader	-622.71
EFT38329	24/03/2023	WAROONA MITRE 10	Hardware Supplies	-35.71
EFT38330	24/03/2023	CAROL SUSAN RACCO	Refund Portion of Dog Registration - LT00869	-75.00
EFT38331	31/03/2023	IRENE OSBORNE	Deposit - Artist to Begin Repairs to Murals - John Tognella Rest Stop	-400.00
EFT38332	31/03/2023	BUNNINGS MANDURAH	Stackable Twin White Horizontal Drawers	-51.18
EFT38333	31/03/2023	HOOTS HONEY (STEPHEN HOOTON)	Remove Bees - Scout Hall	-150.00
EFT38334	31/03/2023	HEATLEYS SAFETY & INDUSTRIAL	Purchase Personal Protective Equipment - Depot	-86.77
EFT38335	31/03/2023	HARVEY MEDICAL GROUP (WAROONA BRANCH)	Pre Placement Medical - Rec Centre	-350.00
EFT38336	31/03/2023	SURVEYING SOUTH	Surveying Works	-6105.00
EFT38337	31/03/2023	CORRINE LINDA KIRBY	Rates Refund - 28 Thompson Crescent, Lake Clifton	-796.50
EFT38338	31/03/2023	LOCKDOWN SECURITY	Replace Broken RF Sensor - Security Monitoring Equipment - Rec Centre	-526.00
EFT38339	31/03/2023	MERRICK TYLER PTY LTD	Extractive Industry - Bond Refund	-500.00
EFT38340	31/03/2023	ARTISTRALIA	Copyright for Clifford the Big Red Dog Screening - Preston Beach Golf Club	-495.00

Appendix 11.2.1

EFT38341	31/03/2023	HARVEY PLUMBING AND GAS	Plumbing Works	-7629.65
EFT38342	31/03/2023	SHAUN JENKINS	Refund Hall Deposit	-180.00
EFT38343	31/03/2023	RALPH EVAN HOBBS	Refund - Building Services Levy - 2022038	-61.65
EFT38344	31/03/2023	VACPAC GUTTER CLEAN	Gutter Cleaning	-945.00
EFT38345	31/03/2023	SAPIO PTY LTD	Install CCTV - Buller Road Refuse Site	-6170.84
EFT38346	31/03/2023	GYMCARE	Service Spin Bikes	-350.04
EFT38347	31/03/2023	HARVEY COURIER	Freight	-17.49
EFT38348	31/03/2023	PRESTIGE PRODUCTS	Cleaning Products	-109.06
EFT38349	31/03/2023	ST JOHN AMBULANCE WAROONA	First Aid Training - CDO	-160.00
EFT38350	31/03/2023	SHIRE OF MURRAY	Contract Ranger Services	-80603.24
EFT38351	31/03/2023	TELSTRA LIMITED	Telephone Charges	-29.00
EFT38352	31/03/2023	WOODBURY PLUMBING	Remove Damaged Shower Post and Replace Dual Anti-Vandal Fixtures - Preston Beach Toilets	-9474.49
EFT38353	31/03/2023	WESTRAC EQUIPMENT PTY LTD	Purchase - Caterpillar 432 Backhoe	-177636.80
TOTAL MUNICIPAL ELECTRONIC FUNDS TRANSFER				-\$ 953,147.95

Electronic Fund Transfer - Direct Salaries & Wages			
Date	Name	Description	Amount
07/03/2023	National Australia Bank	Payroll	- 104,211.80
21/03/2023	National Australia Bank	Payroll	- 107,823.80
TOTAL DIRECT WAGES TRANSFER			-\$ 212,035.60

Total Municipal Fund Cheques	-	35,500.87
Total Trust Fund Cheques	-	-
Total Direct Debit	-	169,311.44
Total Electronic Funds	-	953,147.95
Total Direct Wages	-	212,035.60
GRAND TOTAL ALL ACCOUNTS PAYABLE		-\$ 1,369,995.86



MONTHLY FINANCIAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

SHIRE OF WAROONA

MONTHLY FINANCIAL REPORT



SHIRE OF WAROONA MONTHLY FINANCIAL REPORT TABLE OF CONTENTS

FOR THE PERIOD ENDED 31 MARCH 2023

Statement of Financial Activity by nature & type	2
Statement of Financial Activity by programme	3
Statement of Financial Position	4 - 5
Note 1 Significant Accounting Policies	6 - 10
Note 2 Graphical Representation	11
Note 3 Net Current Funding Position	12
Note 4 Cash and Investments	13
Note 5 Major Variances	14
Note 6 Budget Amendments	15
Note 7 Receivables	17
Note 8 Grants and Contributions	18
Note 9 Cash Backed Reserves	19
Note 10 Capital Disposals and Acquisitions	20 - 22
Note 11 Trust	23
Note 12 Borrowings	24

Please note that these financial statements are in draft form due to agenda cutoff times.

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

SHIRE OF WAROONA
STATEMENT OF FINANCIAL ACTIVITY BY NATURE OR TYPE



FOR THE PERIOD ENDED 31 MARCH 2023

Details	Note	Original Budget	YTD Budget	YTD Actual	Var. \$ (b)-(a)	Var. % (b)-(a)/(b)	Var.
Operating Revenues		\$	\$	\$			
Grants, Subsidies and Contributions	8	1,091,672	818,102	613,344	(204,758)	(33%)	▼
Profit on Asset Disposal	10	52,182	44,361	10,199	(34,162)	(335%)	▼
Fees and Charges		1,643,818	1,488,030	1,632,011	143,981	9%	
Service Charges		0	0	0	0		
Interest Earnings		113,750	72,789	21,542	(51,247)	(238%)	▼
Other Revenue		112,000	93,325	84,309	(9,016)	(11%)	
Total (Excluding Rates)		3,013,422	2,516,607	2,361,404			
Operating Expense							
Employee Costs		(4,246,475)	(3,155,812)	(2,887,625)	268,187	(9%)	
Materials and Contracts		(4,054,656)	(2,934,570)	(2,188,755)	745,815	(34%)	
Utilities Charges		(418,336)	(294,696)	(278,854)	15,842	(6%)	
Depreciation (Non-Current Assets)		(3,449,419)	(2,587,041)	(2,221,149)	365,892	(16%)	
Interest Expenses		(64,662)	(21,499)	(29,680)	(8,181)	28%	
Insurance Expenses		(261,307)	(256,257)	(233,174)	23,083	(10%)	
Loss on Asset Disposal	10	(26,040)	(25,309)	(8,238)	17,071	(207%)	
Other Expenditure		(217,237)	(154,956)	(132,913)	22,044	(17%)	
Reallocation Code		302,355	225,351	108,924	(116,427)		
Total		(12,435,777)	(9,204,789)	(7,871,463)			
Funding Balance Adjustment							
Add Back Depreciation		3,449,419	2,587,041	2,221,149	365,892		
Adjust (Profit)/Loss on Asset Disposal	10	(26,141)	0	(1,961)	0		
Unspent Grants July B/fwd		0	0	1,822,710	0		
Unspent Grants June C/fwd		0	0	0	0		
Adjust Provisions and Accruals		33,135	0	0	0		
Net Operating (Ex. Rates)		(5,965,942)	(4,101,141)	(1,468,160)	365,892		
Capital Revenues							
Grants, Subsidies and Contributions	8	7,060,905	2,829,454	1,105,510	(1,723,944)	(156%)	▼
Proceeds from Disposal of Assets	10	250,000	20,833	120,218	99,385	83%	▲
Proceeds from Advances		100,000	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Interfund Transfer Adj		0	0	970	970	100%	
Transfer from Reserves	9	626,863	0	0	0		
Total		8,037,768	2,850,287	1,226,698			
Capital Expenses							
Land and Buildings	10	(490,743)	(419,951)	(117,932)	302,019	(256%)	
Plant and Equipment	10	(917,000)	(472,226)	(354,153)	118,073	(33%)	
Furniture and Equipment	10	(48,600)	(52,281)	(36,311)	15,970	(44%)	
Infrastructure Assets - Roads	10	(2,869,603)	(2,774,482)	(1,426,731)	1,347,751	(94%)	
Infrastructure Assets - Other	10	(5,171,460)	(3,119,204)	(711,421)	2,407,783	(338%)	
Repayment of Debentures		(128,791)	(63,919)	(63,795)	124	(0%)	
Payment of Low Interest Loan		0	0	0	0		
Transfer to Reserves	9	(159,395)	0	0	0		
Total		(9,785,592)	(6,902,063)	(2,710,344)			
Net Capital		(1,747,824)	(4,051,776)	(1,483,646)			
Total Net Operating + Capital		(7,713,766)	(8,152,917)	(2,951,806)			
Rate Revenue		5,389,248	5,389,248	5,393,117	(204,758)		
Opening Funding Surplus(Deficit)		2,324,519	2,322,917	2,322,917	(34,162)		
Closing Funding Surplus(Deficit)	3	0	(440,752)	4,764,228			

SHIRE OF WAROONA
STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM



FOR THE PERIOD ENDED 31 MARCH 2023

Details	Note	Original Budget	YTD Budget	YTD Actual (b)
Operating Revenues		\$	\$	\$
Governance		51,574	45,615	46,230
General Purpose Funding		995,388	970,618	405,173
Law, Order and Public Safety		329,245	269,147	128,028
Health		41,450	47,208	37,246
Education and Welfare		49,665	49,665	1,682
Housing		32,680	24,516	10,922
Community Amenities		1,392,817	1,258,686	1,159,550
Recreation and Culture		1,326,951	1,154,065	425,235
Transport		2,432,137	1,438,633	836,193
Economic Services		3,398,820	70,205	362,135
Other Property and Services		23,600	17,703	54,521
Total (Excluding Rates)		10,074,327	5,346,061	3,466,914
Operating Expense				
Governance		(1,607,987)	(1,192,346)	(1,074,267)
General Purpose Funding		(132,615)	(108,057)	(84,474)
Law, Order and Public Safety		(698,517)	(555,378)	(504,896)
Health		(294,424)	(185,636)	(142,315)
Education and Welfare		(423,748)	(309,343)	(237,511)
Housing		(18,208)	(9,936)	(10,545)
Community Amenities		(2,069,825)	(1,390,682)	(1,130,397)
Recreation and Culture		(3,178,760)	(2,384,534)	(1,988,012)
Transport		(3,072,625)	(2,359,961)	(1,989,507)
Economic Services		(835,128)	(573,488)	(526,136)
Other Property and Services		(103,940)	(135,428)	(183,401)
Total		(12,435,777)	(9,204,789)	(7,871,463)
Funding Balance Adjustment				
Add back Depreciation		3,449,419	2,587,041	2,221,149
Adjust (Profit)/Loss on Asset Disposal	10	(26,141)	0	(1,961)
Unspent Grants July B/fwd		0	0	1,822,710
Unspent Grants June C/fwd		0	0	0
Adjust Provisions and Accruals		33,135	0	0
Net Operating (Ex. Rates)		1,094,963	(1,271,687)	(362,650)
Capital Revenues				
Proceeds from Disposal of Assets	10	250,000	20,833	120,218
Proceeds from New Debentures		100,000	0	0
Self-Supporting Loan Principal		0	0	0
Low Interest Loan Repayments		0	0	0
Interfund Transfer/Adj		0	0	970
Transfer from Reserves	9	626,863	0	0
Total		976,863	20,833	121,188
Capital Expenses				
Land and Buildings	10	(490,743)	(419,951)	(117,932)
Plant and Equipment	10	(917,000)	(472,226)	(354,153)
Furniture and Equipment	10	(48,600)	(52,281)	(36,311)
Infrastructure Assets - Roads	10	(2,869,603)	(2,774,482)	(1,426,731)
Infrastructure Assets - Other	10	(5,171,460)	(3,119,204)	(711,421)
Repayment of Debentures		(128,791)	(63,919)	(63,795)
Transfer to Reserves	9	(159,395)	0	0
Principal Payments of Lease Liability		0	0	0
Total		(9,785,592)	(6,902,063)	(2,710,344)
Net Capital		(8,808,729)	(6,881,230)	(2,589,156)
Total Net Operating + Capital		(7,713,766)	(8,152,917)	(2,951,806)
Rate Revenue		5,389,248	5,389,248	5,393,117
Opening Funding Surplus(Deficit)		2,324,519	2,322,917	2,322,917
Closing Funding Surplus(Deficit)	3	0	(440,752)	4,764,228

SHIRE OF WAROONA
STATEMENT OF FINANCIAL POSITION



FOR THE PERIOD ENDED 31 MARCH 2023

Details	Amount
Current Assets	
Cash At Bank	5,164,840
Reserves	2,404,494
Trust Fund Bank	2,867,798
Sundry Debts - Rates	410,967
Sundry Debts - Sanitation	33,865
Sundry Debts - Other	128,370
Stock On Hand	0
Prepayments	0
Gst Expenditure Control	96,650
Emergency Services Levy	(42,222)
Municipal Deposits (Muni Bonds/Trust)	(2,325,617)
Total Current Assets	8,739,144
Current Liabilities	
Creditors	426,923
Accrued Expense	0
Long Service Leave Accrual	457,465
Provision For Annual Leave	281,591
Trust Fund	2,868,767.88
Gst Income Control	43,683
Contract Liability	1,822,710
Lease Liability - Current	253,763
Municipal Withdraw (Muni Bonds/Trust)	(1,767,980)
Total Current Liabilities	4,386,922
NET CURRENT ASSETS	4,352,222
Non Current Assets	
Buildings	24,093,664
Land	20,051,000
Plant & Equipment	2,903,335
Furniture & Equipment	175,766
Sporting Club Loans	0
Self Supporting Loan	0
Tools	4,724
Infrastructure - Roads	76,071,629
Infrastructure - Other	15,777,841
Leased Assets	253,763
Non Current Financial Assets	58,353
Total Non Current Assets	139,390,075
Non Current Liabilities	
Borrowings	1,726,830
Provision Long Service Leave	22,573
Total Non Current Liabilities	1,749,403
NET ASSETS	141,992,894

SHIRE OF WAROONA
STATEMENT OF FINANCIAL POSITION



FOR THE PERIOD ENDED 31 MARCH 2023

Details	Amount
Equity	
Emergency Assistance Reserve	106,370
Sporting Organisations	78,257
Long Service Leave Reserve	91,934
Asset Revaluation	127,782,759
Waste Management Reserve	1,097,401
Recreation Centre Bdg Mtce Res	70,239
Plant Replacement Reserve	262,557
Depot Redevelopment Reserve	80,575
Building Asset Mtce Reserve	98,483
Strategic Planning Reserve	20,038
Council Building Construction Res	170,136
Preston Volunteer Rangers Res	60,335
Information Technology Reserve	144,046
Footpath Construction Reserve	31,982
History Book Reprint Reserve	10,077
Drakesbrook Cemetery Reserve	72,811
Risk & Insurance Reserve	9,251
Surplus/Defecit Ytd	988,569
Accummulated Surplus	10,817,073
Total Equity	141,992,894

FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 1 - Significant Accounting Policies**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(h) Inventories**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 1 - Significant Accounting Policies**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

(j) Depreciation of Non-Current 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 is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Buildings	40 to 60 years
Furniture and Equipment	3 to 20 years
Plant and Equipment	5 to 20 years
Seats and Benches	15 to 25 years
Water Supply Piping	20 to 40 years
Sealed roads and streets	
* Formation	not depreciated
* Construction	45 to 55 years
* Bituminous Seals	15 to 25 years
* Asphalt Seals	25 to 30 years
Unsealed Roads	
* Formed	10 to 15 years
* Gravel	12 to 15 years

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 1 - Significant Accounting Policies**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

(p) Nature or Type Classifications**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 1 - Significant Accounting Policies**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

(r) Program Classifications (Function/Activity)

Shire of Waroona operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE**Objective:**

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING**Objective:**

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY**Objective:**

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH**Objective:**

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 1 - Significant Accounting Policies**EDUCATION AND WELFARE****Objective:**

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Maintenance of playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING**Objective:**

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES**Objective:**

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE**Objective:**

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT**Objective:**

To provide safe, effective and efficient transport services to the community.

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES**Objective:**

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES**Objective:**

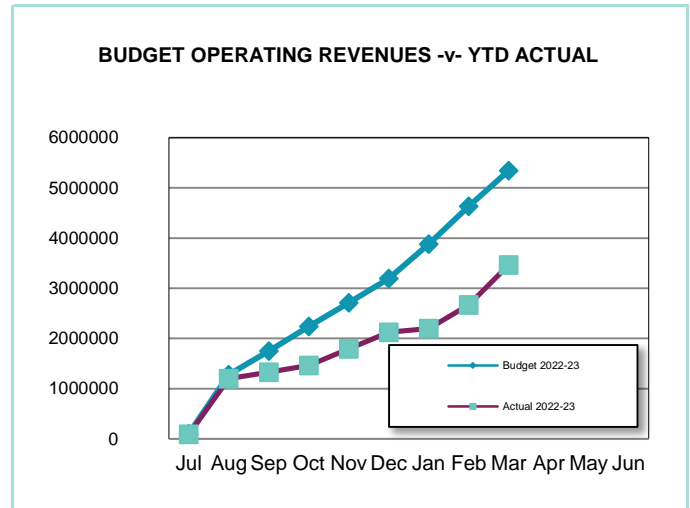
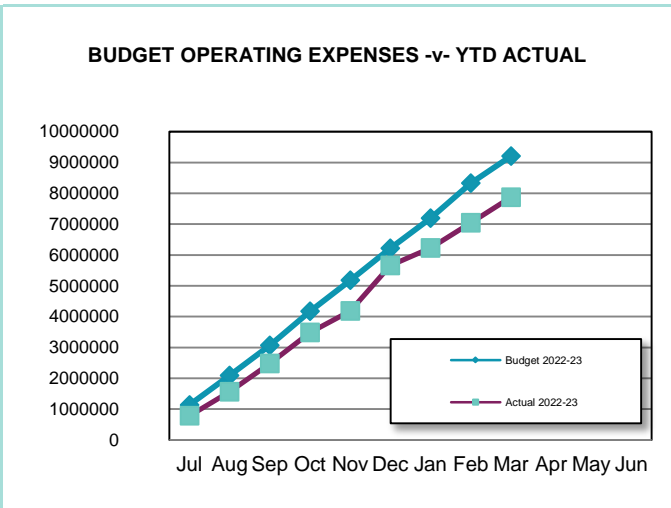
To monitor and control Shire overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

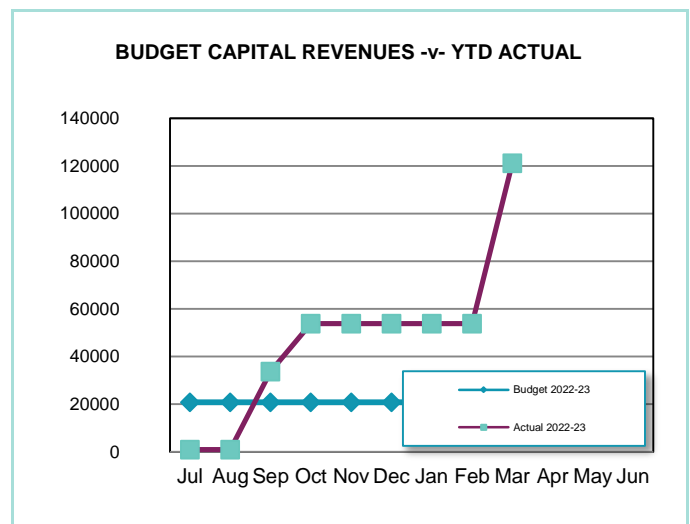
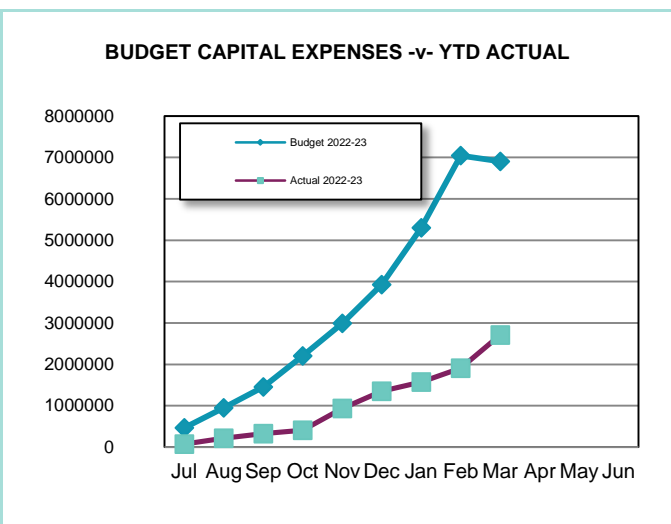
NOTE 2 - Graphical Representation - Source Statement of Financial Activity

OPERATING EXPENSES & REVENUE - GRAPHICAL REPRESENTATION



Comments/Notes - Operating Expenses & Revenues

CAPITAL EXPENSES & REVENUE - GRAPHICAL REPRESENTATION



Comments/Notes - Capital Expenses & Revenues

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

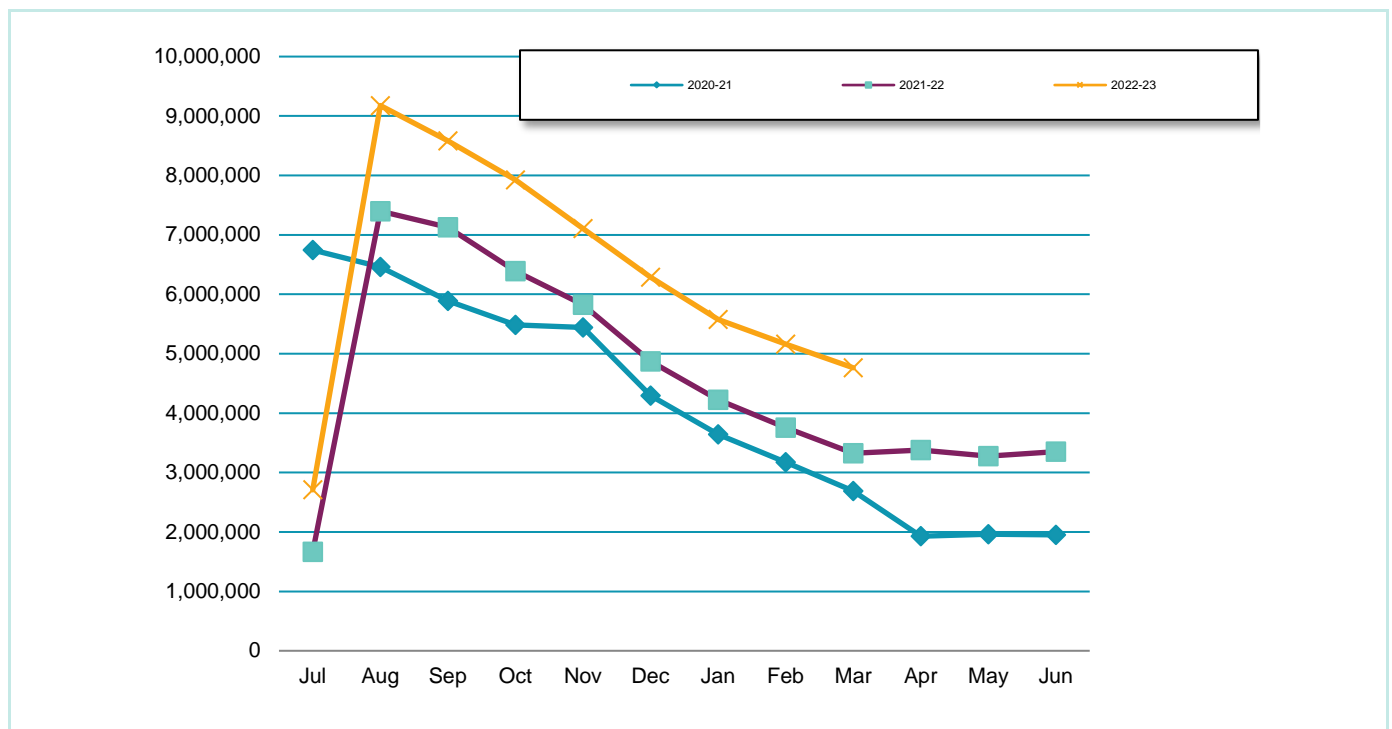


FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 3: Net Current Funding Position

Details	Note	Positive=Surplus (Negative=Deficit)		
		2022-23		
		This Period	Last Period	Same Period Last Year
		\$	\$	\$
Current Assets				
Cash Unrestricted		5,164,840	5,581,401	3,915,069
Cash Restricted		2,404,494	2,404,494	2,456,562
Cash Restricted - Muni Bonds (Trust)		(557,637)	(556,320)	(550,910)
Receivables		627,630	872,192	816,351
Inventories		0	0	1,600
Total Current Assets		7,639,327	8,301,767	6,638,672
Less: Current Liabilities		(470,606)	(322,690)	(428,967)
Payables		(470,606)	(322,690)	(428,967)
Less: Cash Restricted		(2,404,494)	(2,404,494)	(2,456,562)
Net Current Funding Position		4,764,228	5,574,583	3,753,143

NOTE 3: LIQUIDITY OVER THE YEAR - GRAPHICAL REPRESENTATION



Comments - Net Current Funding Position

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 4: Cash and Investments

Details	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Investments \$	Total Amount \$	Bank	Maturity Date
(a) Cash Deposits								
Municipal Account		1,643,847				1,643,847	NAB	
Trust Account				867,798		867,798	NAB	
(b) Term Deposits								
Sporting Reserve	2.30%		78,696			78,696	NAB	28/06/2023
Building Asset Maintenance Reserve	2.30%		99,035			99,035	NAB	28/06/2023
Recreation Centre Building Maintenance Reserve	2.30%		70,633			70,633	NAB	28/06/2023
Preston Beach Volunteer Rangers Reserve	2.30%		60,673			60,673	NAB	28/06/2023
Emergency Assistance Reserve	2.30%		106,967			106,967	NAB	28/06/2023
Works Depot Redevelopment	2.30%		81,027			81,027	NAB	28/06/2023
Council Building Construction Reserve	2.30%		171,090			171,090	NAB	28/06/2023
Information Technology Reserve	2.30%		144,854			144,854	NAB	28/06/2023
Footpath Construction Reserve	2.30%		32,161			32,161	NAB	28/06/2023
Plant Reserve	2.30%		264,029			264,029	NAB	28/06/2023
Staff Leave Reserve	2.30%		92,450			92,450	NAB	28/06/2023
Strategic Planning Reserve	2.30%		20,150			20,150	NAB	28/06/2023
Waste Management Reserve	2.30%		1,103,555			1,103,555	NAB	28/06/2023
History Book Reprint Reserve	2.30%		10,134			10,134	NAB	28/06/2023
Risk & Insurance Reserve	2.30%		9,303			9,303	NAB	28/06/2023
Drakesbrook Cemetery Reserve	2.30%		73,219			73,219	NAB	28/06/2023
(c) Investments								
Trust Term Deposit 1	3.10%			2,030,745		2,030,745	NAB	8/06/2023
Muni Term Deposit 1	3.80%				509,933	509,933	NAB	19/05/2023
Muni Term Deposit 2	4.35%				816,475	816,475	NAB	19/06/2023
Muni Term Deposit 3	3.95%				1,014,149	1,014,149	NAB	8/05/2023
Muni Term Deposit 5	3.95%				505,408	505,408	NAB	6/04/2023
Muni Term Deposit 6	3.75%				1,015,200	1,015,200	NAB	7/04/2023
TOTAL		1,643,847	2,417,977	2,898,543	3,861,165	10,821,532		

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 5a: Major Variances

Comments/Reason for Variance

Council policy in relation to materiality states that for highlighting variances (budget to actual) the factor shall be 10% with a minimum of \$25,000.

5.1 OPERATING REVENUE

The following programmes were identified as having a material variance in accordance with Council Policy:

Grants, Subsidies and Contributions

Income is lower than budgeted due to budget profile setting for receipt of capital funding.

Profit on Asset Disposal

Income is lower than budgeted due to budget profile settings for sale of assets.

Interest Earnings

Income is lower than budgeted due to budget profile settings for interest received. Interest expected prior to end of financial year.

5.2 OPERATING EXPENSES

The following programmes were identified as having a material variance in accordance with Council Policy:

Nil

5.3 CAPITAL REVENUE

Grants, Subsidies and Contributions

Income is lower than budgeted due to budget profile setting for receipt of LRCI funding.

Proceeds from disposal of assets

Income is higher than budgeted due to budget profile setting for sale of assets.

5.4 CAPITAL EXPENDITURE

Nil

5.4 SUMMARY

See Notes 10 and 11 for details of asset acquisition including progress expenditure.

NOTE 5b: Other Variances & Forecasts

Comments/Reason for Variance

FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 6: Budget Amendments

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$
	Difference between Budget Surplus and Actual Surplus			2,324,519	2,322,917	1,602
123020	Increase expenditure for the implementation of Chronicle Software	OCM 22/10/153	Operating Expenses	2,900		4,502
123020	Increase expenditure for annual subscription to Chronicle	OCM 22/10/153	Operating Expenses	531		5,033
101720	Reduce expenditure to allow for purchase of Chronicle Software	OCM 22/10/153	Operating Expenses		(3,431)	1,602
100910	Increase Federal Assistance Grants revenue	OCM 22/10/158	Operating Revenue	101,725		103,327
132650	Increase Federal Assistance Grants Roads revenue	OCM 22/10/158	Capital Revenue	27,827		131,154
177540	Increase capital expenditure account for capital improvements to 26 & 28 Fouracre St	OCM 22/10/158	Capital Expenses		(50,000)	81,154
132740	Increase capital expenditure account for capital improvements to infrastructure assets	OCM 22/10/158	Capital Expenses		(27,827)	53,327
177720	Increase operating expenditure for Business Case Initiatives	OCM 22/10/158	Operating Expenses		(51,725)	1,602
135540	Increase capital expenditure account for purchase of mower	OCM22/11/161	Capital Expenses		(13,800)	(12,198)
135850	Increase transfer of funds from Plant Reserve	OCM22/11/161	Reserve Transfer	13,800		1,602
107640	Increase capital expenditure for the purchase of a digital fire rating sign	OCM22/12/181	Capital Expenses		(30,000)	(28,398)
107650	Increase capital income to recognise contribution to digital fire rating sign	OCM22/12/181	Capital Revenue	15,000		(13,398)
177720	Increase operating expenditure for the purchase of digital fire rating sign	OCM22/12/181	Operating Expenses	15,000		1,602
135540	Increase capital expenditure account for purchase of Grader Engine	OCM22/12/186	Capital Expenses		(65,000)	(63,398)
135850	Increase transfer of funds from Plant Reserve	OCM22/12/186	Reserve Transfer	65,000		1,602
149030	Increase General Purpose Funding account to recognise increase in interest received from term deposits	OCM 23/02/022	Operating Revenue	40,000		41,602
177720	Decrease economic development operating expenditure Business Case initiatives to reallocate funds to the community precinct.	OCM 23/02/022	Operating Expenses	51,725		93,327
TC06	Increase capital expense account to allow for additional Council contribution to the Waroona Community Precinct.	OCM 23/02/022	Capital Expenses		(91,725)	1,602
106930	Recognise receipt of 2022 Bushfire Volunteer Grant Program Funding - Western Power	OCM23/03/033	Operating Revenue	1,180		2,782
107340	Expenditure of 2022 Bushfire Volunteer Grant Program Funding - Western Power	OCM23/03/033	Operating Expenses		(1,180)	1,602
112620	Amendment of salary expenses - Health Administration to Emergency Services	OCM23/03/033	Operating Expenses	35,372		36,974
106620	Amendment of salary expenses - Health Administration to Emergency Services	OCM23/03/033	Operating Expenses		(24,510)	12,464
108920	Amendment of salary expenses - Health Administration to OLOPS	OCM23/03/033	Operating Expenses		(5,432)	7,032
112620	Amendment of salary expenses - Health Administration to Health Services	OCM23/03/033	Operating Expenses		(1,629)	5,403
140620	Amendment of salary expenses - Health Administration to Building Services	OCM23/03/033	Operating Expenses		(1,629)	3,774
122120	Amendment of salary expenses - Health Administration to Town Planning Services	OCM23/03/033	Operating Expenses		(2,172)	1,602
118620	Landcare annual contribution to Irrigation House Building	OCM23/03/033	Operating Expenses		(3,000)	(1,398)
123820	Planning resource sharing to be reallocated to Planning consultancy for SAT proceedings	OCM23/03/033	Operating Expenses	17,000		15,602
123920	Planning resource sharing to be reallocated to Planning consultancy for SAT proceedings	OCM23/03/033	Operating Expenses		(17,000)	(1,398)
109340	Replacement of storm damaged CCTV camera at memorial hall	OCM23/03/033	Operating Expenses		(3,550)	(4,948)
109030	Insurance funding received to replace CCTV Camera	OCM23/03/033	Operating Revenue	2,550		(2,398)
174020	Late invoice from Lo-Go Appointments for CEO recruitment - received November 2022.	OCM23/03/033	Operating Expenses		(3,820)	(6,218)
139020	Increase funding allocate to Tourism Website to finalise project	OCM23/03/033	Operating Expenses		(3,300)	(9,518)
177720	Business Case Initiatives - Reallocate funding to Tourism Website project	OCM23/03/033	Operating Expenses	3,300		(6,218)

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 6: Budget Amendments - continued

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$
136120.711	Reallocation of expenditure from contracts to salaries and wages	OCM23/03/033	Operating Expenses	37,000		30,782
136120.701	Reallocation of expenditure from contracts to salaries and wages	OCM23/03/033	Operating Expenses		(37,000)	(6,218)
117020	Reduce expenditure building maintenance funding - Rental property	OCM23/03/033	Operating Expenses	5,500		(718)
123220	Increase in expenditure at public facilities	OCM23/03/033	Operating Expenses		(5,500)	(6,218)
131320	Reduce expenditure - Reconciliation Action Plan unlikely to progress this financial year	OCM23/03/033	Operating Expenses	2,000		(4,218)
136340	Increase expenditure for Pontoon refurbishment	OCM23/03/033	Capital Expenses		(7,550)	(11,768)
136430	Reduce income - Unsuccessful grant funding for Pontoon refurbishment	OCM23/03/033	Capital Revenue		(30,000)	(41,768)
121620	Local Planning Strategy - Reduction of expenditure that wont be spent this financial year	OCM23/03/033	Operating Expenses	62,000		20,232
115240	Reduction of capital expenditure due to parts delay for refurbishments - CAT compactor & loader	OCM23/03/033	Capital Expenses	51,000		71,232
115050	Reduction of transfer in from Reserve - equate to outgoing expenditure	OCM23/03/033	Reserve Transfer		(51,000)	20,232
115440	Increase expenditure for current phase of Transfer Station	OCM23/03/033	Capital Expenses		(40,000)	(19,768)
115050	Proposed transfer from Waste Reserve to cover additional expenditure of Transfer Station	OCM23/03/033	Reserve Transfer	40,000		20,232
117720.711	Reallocation of funds from Refuse Site Ops to acquire CCTV at the refuse site for monitoring and governance	OCM23/03/033	Operating Expenses	6,175		26,407
109340	Increase expenditure to acquire CCTV cameras at the refuse site	OCM23/03/033	Capital Expenses		(6,175)	20,232
152920	Increase expenditure for ANZAC Day functions	OCM23/03/033	Operating Expenses		(8,500)	11,732
152130	Recognise grant income for successful ANZAC Day grant received	OCM23/03/033	Operating Revenue	8,500		20,232
135540	Reduce expenditure for purchase of Single Cab Works vehicle (WR106)	OCM23/03/033	Capital Expenses	40,000		60,232
136020	Reduce Income from sale of works vehicle (WR106)	OCM23/03/033	Capital Revenue		(25,000)	35,232
109240	Increase expenditure for purchase of Ranger vehicle (WR107)	OCM23/03/033	Capital Expenses		(17,000)	18,232
107230	Decrease in grant income received for mitigation works	OCM23/03/033	Operating Revenue		(7,773)	10,459
154520	Decrease in expenditure for mitigation works	OCM23/03/033	Operating Expenses	7,773		18,232
121130	Reduction of income unsuccessful grant application - 4x4 Study	OCM23/03/033	Operating Revenue		(25,000)	(6,768)
120320	Reduction of expenditure due to unsuccessful grant - 4x4 Study	OCM23/03/033	Operating Expenses	25,000		18,232
152920	Reallocation of volunteer functions and community activities	OCM23/03/033	Operating Expenses	6,750		24,982
109340	Upgrade CCTV Camera at the Visitor Centre	OCM23/03/033	Capital Expenses		(5,000)	19,982
123840	Cemetery Ground upgrade	OCM23/03/033	Capital Expenses		(45,000)	(25,018)
123830	Funding transferred in from Reserve to be allocated to Cemetery grounds upgrade	OCM23/03/033	Capital Revenue	45,000		19,982
177620	Reduce expenditure of Tourism Strategy due to be being developed in house	OCM23/03/033	Operating Expenses	45,000		64,982
177330	Reduce contributions to be received to complete Tourism Strategy	OCM23/03/033	Operating Revenue		(45,000)	19,982
131130	Increase income for Australia Day Grant received	OCM23/03/033	Operating Revenue	10,000		29,982
131620	Increase in Australia day celebration expenditure	OCM23/03/033	Operating Expenses		(10,000)	19,982
136340	Increase expenditure for the weir wall mitigation works	OCM23/03/033	Capital Expenses		(45,000)	(25,018)
105020	Reallocate funding from Asset revaluations that came in under budget	OCM23/03/033	Operating Expenses	4,000		(21,018)
112330	Increase in lease and rental charges	OCM23/03/033	Operating Revenue	10,000		(11,018)
149030	Increase general purpose funding - interest account	OCM23/03/033	Operating Revenue	11,018		0

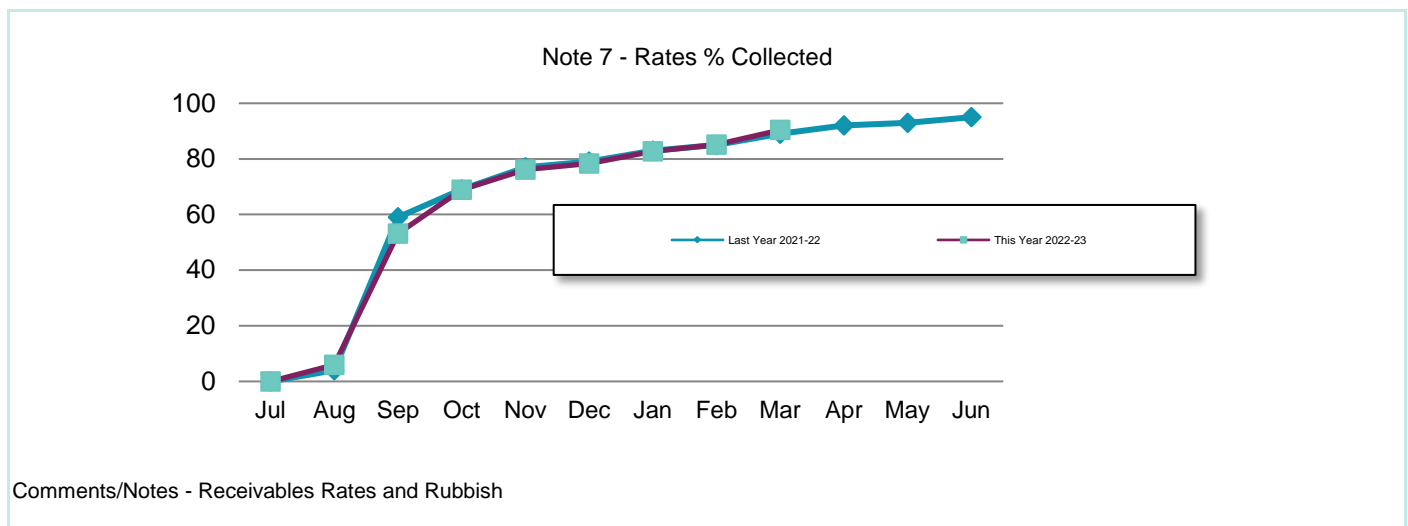
SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

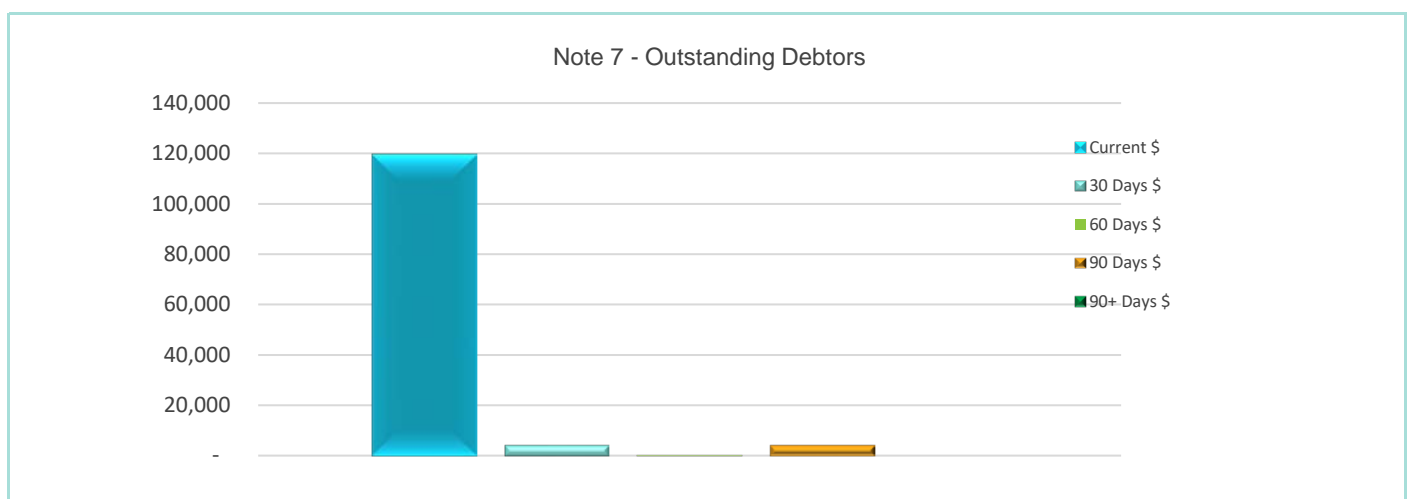
NOTE 7: Receivables

Receivables - Rates & Rubbish	Current 2022-23	Previous 2021-22
	\$	\$
Opening Arrears Previous Years	168,026	155,658
Rates & Rubbish Levied this year	6,250,611	5,891,433
Less Collections to date	(5,801,423)	(5,723,407)
Equals Current Outstanding	449,187	168,026
Net Rates Collectable	449,187	168,026
% Collected	90.38%	94.65%



Receivables - General	Current	30 Days	60 Days	90 Days	90+ Days
	\$	\$	\$	\$	\$
Aged Trial Balance	119,908	4,083	239	4,140	-
Total Outstanding					128,370

Amounts show above include GST (where applicable).



SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 8: Grants and Contributions

Program/Details		Provider	2022-23	Recoup Status	
			Budget	Received	Not Received
			\$	\$	\$
COMMUNITY AMENITIES					
2103	Contribution	Various Contributions	\$ 2,000	\$ -	\$ 2,000
2113	State Government Grant	Dune brushing	\$ 13,000	\$ 13,464	-\$ 464
2343	State Government Grant	Heritage Review	\$ 20,000	\$ 20,000	\$ -
7503	Contribution	Landcare	\$ 77,500	\$ 64,688	\$ 12,812
ECONOMIC SERVICES					
3933	Contribution	Contribution from Visitor Centre Trust	\$ 8,075	\$ 7,642	\$ 433
7705	Federal & State Government Grants	Town Precinct Government Grants	\$ 3,253,949	\$ 588,087	\$ 2,665,862
EDUCATION AND WELFARE					
5213	Grants & Contributions	LDAT/Alcoa Place Management & Waroona Connect	\$ 24,355	\$ 24,355	\$ -
5213	State Government Grant	WAPHA Funding	\$ 11,871	\$ 11,871	\$ -
GENERAL PURPOSE FUNDING					
3265	Federal Government Grant	Federal Assistance Grants	\$ 94,782	\$ 71,087	\$ 23,696
0091	Federal Government Grant	Federal Assistance Grants	\$ 321,572	\$ 241,179	\$ 80,393
3493	Federal Government Grant	Special LRCI Funding	\$ 523,286	\$ 378,613	\$ 144,673
LAW, ORDER, PUBLIC SAFETY					
0723	State Government Grant	Bushfire Risk Management Program - Round 1	\$ 17,325	\$ 17,325	\$ -
0765	State Government Grant	Preston Beach Bushfire Brigade Upgrades / Sign	\$ 198,173	\$ -	\$ 198,173
0933	Contribution	Preston Beach Volunteer Rangers	\$ 12,060	\$ 12,175	-\$ 115
0693	Contribution	Western Power - Preston Beach Volunteer Rangers	\$ 1,180	\$ 1,180	\$ -
3203	State Government Grant	ESL Total Allocation	\$ 65,293	\$ 62,573	\$ 2,720
RECREATION AND CULTURE					
2733	State Government Grant	Australian Sports Commission - Kambarang Outrigger Festival	\$ 7,300	\$ 7,300	\$ -
3113	Contribution	Alcoa Micro Grants / Australia Day Grant	\$ 36,500	\$ 10,000	\$ 26,500
3623	State Government Grant	Drakesbrook Weir / Preston Beach Boardwalk	\$ 848,394	\$ 473,394	\$ 375,000
3723	Contribution	CSRFF Grant / Bowling Club Contribution	\$ 14,000	\$ -	\$ 14,000
7083	Contribution	Alcoa Community Partnership Agreement	\$ 228,807	\$ 239,471	-\$ 10,664
7103	State Government Grant	DLGSCI Active Regional Communities	\$ 5,000	\$ 5,000	\$ -
TRANSPORT					
3215	State Government Grant/Contribution	Preston Beach North Road	\$ 660,000	\$ -	\$ 660,000
3225	Federal & State Government Grants	Black Spot - Contribution to Roads	\$ 42,800	\$ 43,762	-\$ 962
3255	Federal Government Grant	Roads to Recovery - Contribution to Roads	\$ 252,529	\$ 3,220	\$ 249,309
3275	Federal Government Grant	Regional Road Group/Commodity Route	\$ 1,175,000	\$ 880,000	\$ 295,000
3285	State Government Grant	Direct Grant - Contribution to Roads	\$ 110,374	\$ 110,374	\$ -
3295	Federal & State Government Grants	Johnston Road Freight Study	\$ 19,347	\$ 19,347	\$ -
TOTALS			\$ 8,044,472	\$ 3,306,106	\$ 4,738,366

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

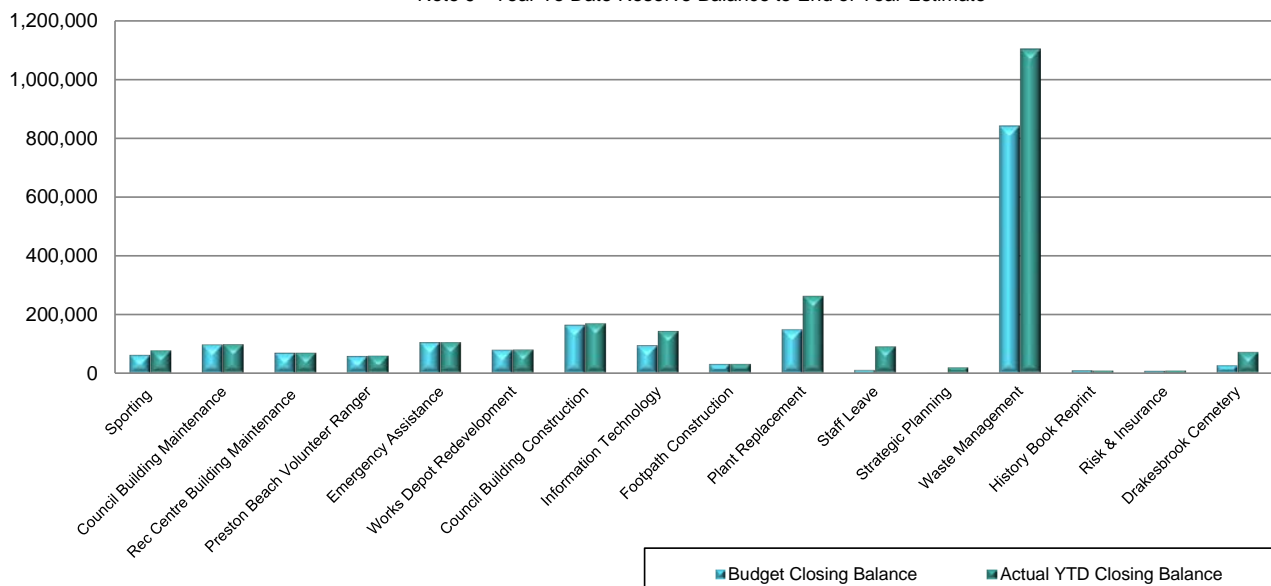


FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 9: Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Transfer to other Reserve	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sporting	78,257		439			(15,000)			63,257	78,696
Council Building Maintenance	98,483		552						98,483	99,035
Rec Centre Building Maintenance	70,239		394						70,239	70,633
Preston Beach Volunteer Ranger	60,335		338	24,060		(25,000)			59,395	60,673
Emergency Assistance	106,370		597						106,370	106,967
Works Depot Redevelopment	80,575		452						80,575	81,027
Council Building Construction	170,136		954			(4,425)			165,711	171,090
Information Technology	144,046		808			(48,600)			95,446	144,854
Footpath Construction	31,982		179						31,982	32,161
Plant Replacement	262,557		1472			(112,600)			149,957	264,029
Staff Leave	91,934		516			(80,000)			11,934	92,450
Strategic Planning	20,038		112			(20,000)			38	20,150
Waste Management	1,097,401		6154	134,635		(389,000)			843,036	1,103,555
History Book Reprint	10,077		57	700					10,777	10,134
Risk & Insurance	9,251		52						9,251	9,303
Drakesbrook Cemetery	72,811		408			(45,000)			27,811	73,219
Total	2,404,492	0	13,485	159,395	0	(739,625)	0		1,824,262	2,417,977

Note 9 - Year To Date Reserve Balance to End of Year Estimate



SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 10: Capital Disposals and Acquisitions

Profit(Loss) of Asset Disposal				Disposals	Current Budget Replacement		
Account	WDV	Proceeds	(Loss)		Budget	Actual	Variance
	\$	\$	\$		\$	\$	\$
0574	29,915	32,727	2,812	Subaru Outback - Officer Vehicle	39,000	39,138	138 ▲
0924	0	0	0	Holden Space Cab (Ranger)	87,000	0	(87,000) ▼
3534	0	0	0	Holden Colorado 4 x 4 - Officer Vehicle	44,000	0	(44,000) ▼
3554	58,238	50,000	(8,238)	JCB Backhoe 3CX	170,000	211,488	41,488 ▲
3554	0	0	0	12M Grader Engine	65,000	0	(65,000) ▼
3554	12,662	17,400	4,738	Groundmaster 360 Mower	63,800	62,372	(1,428) ▼
3554	17,442	20,091	2,649	Holden Colorado Tray Back 4 x 4	40,000	36,431	(3,569) ▼
3554	0	0	0	Holden Colorado 4 x 4	40,000	0	(40,000) ▼
	118,257	120,218	1,961	TOTALS	548,800	349,429	(199,371)

Comments - Capital Disposals

Contributions Information				Summary Acquisitions	Current Budget		
Grants	Reserves	Borrow	Total		Budget	Actual	Variance
\$	\$	\$	\$		\$	\$	\$
				Property, Plant & Equipment			
307,248	72,095	0	379,343	Land and Buildings	540,743	117,932	(422,811) ▼
0	512,600	0	512,600	Plant & Equipment	1,843,600	354,153	(1,489,447) ▼
0	0	0	0	Furniture & Equipment	63,325	36,311	(27,014) ▼
				Infrastructure			
1,580,703	0	0	1,580,703	Roadworks	2,869,603	1,426,731	(1,442,872) ▼
3,512,838	0	0	3,512,838	Other Infrastructure	5,571,112	748,968	(4,822,144) ▼
5,400,789	584,695	0	5,985,484	Totals	10,888,383	2,684,095	(8,204,288)

Comments - Capital Acquisitions

Contributions				Land & Buildings	Current Budget		
Grants/Cont	Reserves	Borrow	Total		This Year		
\$	\$	\$	\$	Budget	Actual	Variance	
				\$	\$	\$	
				GOVERNANCE			0
100,000	67,670	0	167,670	Admin Building Disability Access & Front Counter	167,670	2,250	(165,420) ▼
				LAW, ORDER & PUBLIC SAFETY			
183,173	0	0	183,173	Preston Beach Bush Fire Brigade Shed	183,173	5,000	(178,173)
				EDUCATION & WELFARE			0
16,000	0	0	16,000	Senior Citizens Centre Building Upgrades	16,000	0	(16,000) ▼
				COMMUNITY AMENITIES			0
0	0	0	0	DPIRD Building Renovations & Redesign	30,000	25,941	(4,059) ▼
0	0	0	0	Ablution Repairs - Preston Beach & Weir	23,700	9,928	(13,772) ▼
				RECREATION & CULTURE			
0	0	0	0	Roof Repairs at the Rec Centre	57,700	30,268	(27,432) ▼
				ECONOMIC SERVICES			
0	0	0	0	Commercial Property Upgrade - Fouracre Street	50,000	32,492	(17,508) ▼
8,075	4,425	0	12,500	Vis Centre - Replace ceiling/storage shed	12,500	12,053	(447) ▼
307,248	72,095	0	379,343	Totals	540,743	117,932	(422,811)

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 10: Capital Disposals and Acquisitions

Contributions				Plant & Equipment	Current Budget		
Grants	Reserves	Borrow	Total		This Year		
					Budget	Actual	Variance (Under)Over
\$	\$	\$	\$	\$	\$	\$	
				GOVERNANCE			
0	0	0	0	Changeover of Vehicle	39,000	39,138	138 ▲
				LAW ORDER PUBLIC SAFETY			
0	0	0	0	Changeover of Vehicles (Ranger)	87,000	0	(87,000) ▼
				COMMUNITY AMENITIES			
0	400,000	0	400,000	Capital Upgrade to Refuse Site CAT Loader & Compactor	349,000	0	(349,000) ▼
				TRANSPORT			
0	112,600	0	112,600	Replace Backhoe, Grader Engine & Change over of vehicles	378,800	310,291	(68,509) ▼
0	0	0	0	Changeover of Vehicle	44,000	0	(44,000) ▼
0	0	0	0	Minor tools & equipment	24,000	4,724	(19,276) ▼
0	512,600	0	512,600	Totals	1,843,600	354,153	(1,135,294)

Contributions				Furniture & Equipment	Current Budget		
Grants	Reserves	Borrow	Total		This Year		
					Budget	Actual	Variance (Under)Over
\$	\$	\$	\$	\$	\$	\$	
				GOVERNANCE			
				Purchase Altus Payroll Module	48,600	27,150	(21,450) ▼
				OTHER LAW ORDER & PUBLIC SAFETY			
0	0	0	0	CCTV Upgrade	14,725	9,161	(5,564)
0	0	0	0	Totals	63,325	36,311	(27,014)

Contributions				Infrastructure - Roads	Current Budget		
Grants	Reserves	Borrow	Total		This Year		
					Budget	Actual	Variance (Under)Over
\$	\$	\$	\$	\$	\$	\$	
				TRANSPORT			
252,529	0	0	252,529	Roads to Recovery	362,903	276,623	86,280 ▼
1,328,174	0	0	1,328,174	Roads Works Total Construction	2,506,700	1,150,107	1,356,593 ▼
1,580,703	0	0	1,580,703	Totals	2,869,603	1,426,731	1,442,872

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 10: Capital Disposals and Acquisitions

Contributions				Other Infrastructure	Current Budget		
Grants	Reserves	Borrow	Total		This Year		
					Budget	Actual	Variance (Under)Over
\$	\$	\$	\$	\$	\$	\$	
				COMMUNITY AMENITIES			
0	0	0	0	Transfer station construction	120,000	1,881	(118,119) ▼
0	0	0	0	Townsite Drainage Works	70,000	70,312	312 ▲
0	0	0	0	Drakesbrook Cemetery Upgrade	45,000	0	(45,000) ▼
0	0	0	0	Refuse Site Sewerage Pond Closure	25,000	17,540	(7,460) ▼
				EMERGENCY MANAGEMENT			
15,000	0	0	15,000	Digital Fire Rating Sign	30,000	0	(30,000) ▼
				RECREATION AND CULTURE			
475,000	0	0	475,000	Drakesbrook Weir & Preston Beach Boardwalk	963,944	244,875	(719,069) ▼
14,000	0	0	14,000	Bowling Club Remedial Works	28,000	0	(28,000) ▼
0	0	0	0	Drakesbrook Weir Pontoon Refurbishment	37,550	37,548	(2) ▼
0	0	0	0	Drakesbrook Weir Limestone Wall Upgrade	45,000	0	(45,000) ▼
				0 Upgrade Leach Drains / Install Flag Poles	14,500	3,655	(10,845)
				TRANSPORT			
0	0	0	0	Footpath upgrades	67,827	0	(67,827) ▼
0	0	0	0	Decommission and remove fuel tank	25,000	0	(25,000) ▼
				ECONOMIC SERVICES			
3,008,838	0	0	3,008,838	Waroona Community Precinct	4,099,291	373,158	(3,726,133) ▼
3,512,838	0	0	3,512,838	Totals	5,571,112	748,968	(4,822,144)

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

NOTE 11: Trust Fund

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance	Amount	Amount	Closing Balance
	1-Jul-22	Received	Paid	31-Mar-23
ALCOA WAROONA SUSTAINABILITY	2,434,722	270,981	-	2,705,703
PUBLIC OPEN SPACE	130,489	197	-	130,686
EXTRACTIVE INDUSTRIES	18,074	27	-	18,101
COMMERCIAL BOND	-	14,308	-	14,308
TOTAL	2,583,285	285,513	-	2,868,798

SHIRE OF WAROONA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY



FOR THE PERIOD ENDED 31 MARCH 2023

Note 12: Information on Borrowings

(a) Debenture Repayments

Loan Details		Principal 1-Jul-22	New Loans	Principal		Principal		Interest	
				Repayments		Outstanding		Repayments	
				Actual	Budget	Actual	Budget	Actual	Budget
				\$	\$	\$	\$	\$	\$
Recreation & Culture									
117	Basketball Stadium	35,964	0	8,559	17,400	27,405	18,564	1,165	2,053
120	Rec Centre Upgrade	46,422	0	11,271	22,762	35,151	23,660	908	1,595
121	Memorial Hall Upgrade	90,788	0	14,579	29,375	76,209	61,413	1,348	2,480
122	Town Centre Park Land Purchase	617,450	0	14,410	28,936	603,040	588,514	4,929	9,744
123	Waroona Community Precinct Development	450,000	0	6,739	13,643	443,261	436,357	11,061	21,955
124	Town Centre Land Purchase 26 & 28 Fouracre Street	550,000	0	8,236	1,675	541,764	548,325	13,518	26,834
125	Preston Beach Land Development	0	100,000	0	0	0	100,000	0	0
TOTAL		1,790,624	100,000	63,795	113,791	1,726,829	1,776,833	32,929	64,661

(SS) Self Supporting Loan

All debenture repayments are to be financed by General Purpose Revenue

(b) New Debentures

The Shire of Waroona plans to loan an additional \$100,000 in 2022/23 for the Preston Beach Land Development project.



Government of Western Australia
Department of Mines, Industry Regulation and Safety

Application no. (office use only)

EFD

Fireworks event notice

(only for outdoor public fireworks events)

Dangerous Goods Safety Act 2004

Dangerous Goods Safety (Explosives) Regulations 2007

ABN: 69 410 335 356

This notice is a pre-requisite for a Fireworks Event Permit. The fireworks contractor must complete Parts 1, 2, 4 and 5 and the original or a copy, is to be lodged with the following agencies:

- WA Police
- Fire and Emergency Services
- Local government authority

It is the responsibility of the abovementioned agencies to indicate at Part 3 their agreement or otherwise to this fireworks event, and representatives are to complete their relevant part and return the signed notices to the fireworks contractor.

1. Fireworks event details

Event start date (DD/MM/YYYY)	Start time (24 hours format HH:MM)	Finish date (DD/MM/YYYY)	Finish time (24 hours format HH:MM)
07/10/2023	20:00	07/10/2023	21:30

(attach a separate sheet if space above is insufficient)

Name of event

Event organiser (individual or organisation funding the event)

Name of land owner, legal occupier or person responsible for the property

Site name

Site address (mandatory)

Unit no. Street no. Lot no. Street Type

Town / suburb State Postcode

Closest town for events held outside a country town

Method of crowd control from firing point

What is the maximum height of aerial shells fired? How many aerial shells will be fired?

2. Licensed fireworks contractor details

Name (company name, or full name if an individual) **Cardile International Fireworks Pty Ltd**

Fireworks contractor licence no. **EFC 000028** Expiry date (DD/MM/YYYY) **17/12/2024**

Contact name **Robert Cardile**

Phone **0418 848 188** Email **rob@cardilefireworks.com.au**

Postal address

Unit no. Street no. **15** Lot no. Street **Bushey** Type **RD**

PO box no. Town / suburb **Wembley Downs** State **WA** Postcode **6019**

Event date(s)


Start date (DD/MM/YYYY) **07/10/2023** Finish date (DD/MM/YYYY) **07/10/2023**

(multiple event days repeated must not have intervals of more than 48 hours)

Name of event **Waroona Agricultural Show**

3. Approvals and acknowledgements

WA Police

Name **Tiarna EADES** Signature 

Position held **Acting Sergeant** Authority location **Waroona Police**

Phone **9733 7400** Date (DD/MM/YYYY) **13/03/23**

Fire services (DFES Fire Services Manager or local government Chief Bush Fire Control Officer)

Are there any objections to this event, or conditions to be place on it? Yes No

If 'Yes', briefly state objections of conditions

Name Signature

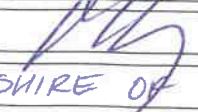
Position held Authority location

Phone Date (DD/MM/YYYY)

Local government authority (LGA)

Are there any objections to this event? Yes No

If 'Yes', briefly state objections of conditions

Name **MARK GOODLET** Signature 

Position held **CEO** Authority location **SHIRE OF WAROONA**

Phone **9733 7800** Date (DD/MM/YYYY) **21.03.23**

CEO – for out of preferred hours

Note: For events outside Sunday-Thursday 8.00 am - 9.00 pm or Friday-Saturday 8.00 am - 10.00 pm, the local government authority Chief Executive Officer or a representative with delegated authority to endorse fireworks events, must personally complete and sign the following part.

I MARK GOODLET as Chief Executive Officer or authorised delegate of the

(insert name of LGA) SHIRE OF WAROONA

acknowledge that this event is outside the preferred hours to conduct fireworks events.

Signature [Signature] Date (DD/MM/YYYY) 21-03-23

Event date(s)

Start date (DD/MM/YYYY) 07/10/2023 Finish date (DD/MM/YYYY) 07/10/2023

(multiple event days repeated must not have intervals of more than 48 hours)

Name of event Waroona Agricultural Show

4. Public liability insurance

Name of insurer Liberty Mutual Insurance Company Policy no. BN-CAS-17-410224A

Amount of cover (\$) 20,000,000.00 Expiry date (DD/MM/YYYY) 31/01/2024

5. Fireworks contractor declaration

I certify that the details contained in this application are true and correct to the best of my knowledge, the fireworks event will fully comply with all relevant requirements of the Dangerous Goods Safety (Explosives) Regulations 2007, Safe use of outdoor fireworks in Western Australia – code of practice, or an approved equivalent and the fireworks operator has the appropriate licence.

Name of applicant Robert Cardile

Signature of applicant [Signature] Date (DD/MM/YYYY) 24/02/2023

**** Please sign and date the printed form prior to submission ****



Coun

Lease of Portion of Reserve No. 8746 South Western Highway, Waroona

Shire of Waroona

Waroona Football Club Incorporated

Contents

1.	Definitions	4
2.	Interpretation	5
3.	Grant of Lease	6
4.	Quiet Enjoyment	7
5.	Rent and Other Payments	7
6.	Rent Review	8
7.	Insurance	9
8.	Indemnity	11
9.	Limit of Lessor's Liability	12
10.	Maintenance, Repair and Cleaning	12
11.	Use	15
12.	Casual Hire of Premises	16
13.	Alcohol	17
14.	Alterations	17
15.	Lessor's Right of Entry	18
16.	Exclusive Rights to Buildings	19
17.	Statutory Obligations and Notices	19
18.	Report to Lessor	20
19.	Default	20
20.	Damage or Destruction of Premises	21
21.	Option to Renew	22
22.	Holding Over	22
23.	Restore Premises	22
24.	Yield up the Premises	22
25.	Removal of Property from Premises	23
26.	Assignment, Subletting and Charging	23
27.	Disputes	24
28.	Prior Notice of Proposal to Change Rules	24
29.	Provision of Information	25
30.	Right to Terminate upon Notice	25
31.	Caveat	25
32.	Goods and Services Tax	25
33.	No Fetter	26
34.	Additional Terms Covenants and Conditions	27
35.	Commercial Tenancy Act	27
36.	Acts by Agents	27
37.	Governing Law	27
38.	Statutory Powers	27
39.	Notice	27
40.	Severance	28
41.	Variation	28
42.	Moratorium	28
43.	Further Assurance	28
44.	Payment of Money	28
45.	Waiver	28
Schedule 1		29
Schedule 2		311
Annexure 1 – Sketch of Land		334

A. Details

Parties

Shire of Waroona

of 52 Hesse Street, (PO Box 20), Waroona, Western Australia 6215

(Lessor)

Waroona Football Club Incorporated

of Reserve 8746 South Western Highway (PO Box 186), Waroona, Western Australia 6215

(Lessee)

B. Recitals

- (i) The Lessor has the care, control, and management of portion of 8746 South Western Highway (as outlined at Annexure 1), Waroona; and
- (ii) Subject to the prior written approval of the Minister for Lands, the Lessor has agreed to lease and the Lessee has agreed to take a lease of the Premises upon the terms and conditions contained in this Deed.

C. Background

2. The Lessee is an incorporated Association registered with the Department of Mines, Industry Regulation and Safety as of 3 June 1999 (Reference A1007741C);
3. In summary the Council of the Lessor approved by Absolute Majority on <date>[KP1]
<enter council resolution>

D. Agreed Terms

1. Definitions

In this Lease, unless otherwise required by the context or subject matter:

Administration Fee means the administration fee specified in **Item 5** of the Schedule 1;

Amounts Payable means the Rent, Administration Fee and any other money payable by the Lessee under this Lease;

Authorised Person means:

- (a) an agent, employee, licensee or invitee of the Lessor; and
- (b) any person visiting the Premises with the express or implied consent of any person mentioned in paragraph (a);

Building means the Waroona Football Clubrooms building situated at portion of Reserve 8746 South Western Highway, Waroona, Western Australia;

CEO means the Chief Executive Officer for the time being of the Lessor or any person appointed by the Chief Executive Officer to perform any of her or his functions under this Lease;

Commencement Date means the date of commencement of the Term specified in **Item 4** of the Schedule 1;

Contaminated Sites Act means the *Contaminated Sites Act 2003* (WA);

Contamination has the same meaning as the word “contaminated” in the Contaminated Sites Act;

Emergency Equipment means fire extinguishers, fire blankets, smoke or fire alarms, sprinkler systems, illuminated exit signs or any other equipment installed during the Term for emergency response purposes;

Encumbrance means a mortgage, charge, lien, pledge, easement, restrictive covenant, writ, warrant or caveat and the claim stated in the caveat;

Further Term means each further term specified in **Item 3** of the Schedule 1;

Good Repair means good and substantial tenantable repair and in clean, good working order and condition;

Interest Rate means the rate at the time the payment falls due being 2% greater than the Lessor’s general overdraft rate on borrowings from its bankers on amounts not exceeding \$100,000.00;

Land means the land described at **Item 1** of the Schedule 1;

Lease means this deed as supplemented, amended or varied from time to time;

Lessee’s Agents includes:

- (a) the sublessees, employees, agents, contractors, invitees and licensees of the Lessee; and
- (b) any person on the Premises by the authority of a person specified in paragraph (a);

Lessee’s Covenants means the covenants, agreements and obligations set out or implied in this Lease or imposed by law to be performed and observed by any person other than the Lessor;

Lessor’s Covenants means the covenants, agreements and obligations set out or implied in this Lease, or imposed by law to be observed and performed by the Lessor;

Notice means each notice, demand, consent or authority given or made to any person under this Lease;

Party means the Lessor or the Lessee according to the context;

Permitted Purpose is described in **Item 7** of Schedule 1;

Premises means that portion of the Reserve described as Premises at **Item 1** of the Schedule 1;

Rent means the rent specified in **Item 5** of Schedule 1;

Rent Review Date means a date identified in **Item 6** of the Schedule 1;

Residential Rubbish Collection Service means the supply and weekly servicing of one (1) 240 litre general waste bin and the supply and fortnightly servicing of one (1) 240 litre recycle bin.

Schedule 1 means Schedule 1 to this Lease;

Term means the term of years specified in **Item 2** of Schedule 1 and any Further Term;

Termination means expiry by effluxion of time or sooner determination of the Term or any period of holding over.

2. Interpretation

In this Lease, unless expressed to the contrary:

- (c) words importing:
 - (i) the singular include the plural and vice versa; and

- (ii) a gender or genders include each other gender;
- (d) if a word or phrase is assigned a particular meaning, other grammatical forms of that word or phrase have a corresponding meaning;
- (e) a reference to:
 - (i) a natural person includes a body corporate or local government;
 - (ii) a body corporate or local government includes a natural person;
 - (iii) a professional body includes a successor to or substitute for that body;
 - (iv) a Party includes its legal personal representatives, successors and assigns and if a Party comprises two or more persons, the legal personal representatives, successors and assigns of each of those persons;
 - (v) a statute, includes an ordinance, code, regulation, award, local or town planning scheme, regulation, local law, by-law, requisition, order or other statutory instruments made under any of them and a reference to any of them, whether or not by name, includes any amendments to, re-enactments of or replacements of any of them from time to time in force;
 - (vi) a right includes a benefit, remedy, discretion, authority or power;
 - (vii) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;
 - (viii) this Lease or provisions of this Lease or any other deed, agreement, instrument or contract includes a reference to:
 - (A) both express and implied provisions; and
 - (B) that other deed, agreement, instrument or contract as varied, supplemented, replaced or amended;
 - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form and includes facsimile transmissions and emails;
 - (x) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them; and
 - (xi) a subparagraph, paragraph, subclause, clause, Item, Schedule or Annexure is a reference to, respectively, a subparagraph, paragraph, subclause, clause, Item, Schedule or Annexure of this Lease;
- (f) the covenants and obligations on the part of the Lessee not to do or omit to do any act or thing include:
 - (i) covenants not to permit that act or thing to be done or omitted to be done by a Lessee's Agent; and
 - (ii) a covenant to take all reasonable steps to ensure that that act or thing is not done or omitted to be done;
- (g) the meaning of general words or phrases is not limited by specific examples introduced by 'including', 'for example' or similar expressions; and
- (h) if a Party comprises two or more persons, the covenants and agreements on their part bind them and must be observed and performed by them jointly and each of them severally, and may be enforced against any one or more of them.

3. Grant of Lease

The Lessor, leases to the Lessee the Premises for the Term, subject to:

- (a) all Encumbrances;

- (b) the payment of the Amounts Payable; and
- (c) the performance and observance of the Lessee's Covenants.

4. Quiet Enjoyment

Except as provided in the Lease, for so long as the Lessor is the owner of the Land and subject to the performance and observance of the Lessee's Covenants, the Lessee may quietly hold and enjoy the Premises during the Term without any interruption or disturbance from the Lessor or persons lawfully claiming through or under the Lessor.

5. Rent and Other Payments

The Lessee covenants with the Lessor:

5.1 Rent

To pay to the Lessor the Rent in the manner set out at **Item 5** of the Schedule 1 on and from the Commencement Date clear of any deductions.

5.2 Administration Fee

To pay to the Lessor the Administration Fee in the manner set out at **Item 5** of the Schedule 1 on and from the Commencement Date clear of any deductions.

5.3 Outgoings

- (1) To pay the utility provider direct punctually all the following outgoings or charges, assessed or incurred in respect of the Premises:
 - (a) telephone, internet, electricity, gas^[KP2] bottles, and other power and light charges including but not limited to meter rent and the cost of installation of any meter, wiring, internet connection or telephone connection. Charges associated with the installation of essential infrastructure for the establishment of an internet connection at the premises may be negotiated with the lessor, in writing;
- (2) To pay to the Shire or to such person as the Shire may from time to time direct punctually all the following outgoings or charges, assessed or incurred in respect of the Premises:
 - (a) water consumption and excess water charges; and
 - (b) any other consumption charge or cost, statutory impost or other obligation incurred or payable by reason of the Lessee's use and occupation of the Premises; and
 - (c) alarm response activations and callout fees, if applicable; and
 - (d) premiums, excess and other costs arising from the insurance obtained by the Lessor pursuant to **clause 7.2**. For the avoidance of doubt, the Parties agree:
 - (i) that if such premium or cost does not include a separate assessment or identification of the Premises or the Land, the Lessee must pay a proportionate part of such premium or cost determined by the Lessor acting reasonably; and
 - (ii) such insurance will include insurance for the full replacement value of buildings; and
 - (e) supply and servicing of additional 240 litre general waste and/or recycling bins, requested by the Lessee over and above the provided initial service. For the avoidance of doubt, refer to **subclause (3)**.
- (3) The Shire shall provide the following outgoings or charges:

- (a) local government services and other charges, including emergency services levy, water service charges and a single residential rubbish collection service (includes 1 weekly general waste and 1 fortnightly recycling collection);^[AN3]
- (b) land tax and metropolitan regional improvement tax on a single ownership basis, if applicable;
- (c) annual or periodic servicing of emergency equipment belonging to the Shire;
- (d) alarm monitoring, if applicable;
- (e) annual inspection and testing of Residual Current Devices (RCDs) in accordance with AS/NZS 3760; and

If the Premises are not separately charged or assessed the Lessee will pay to the Lessor a proportionate part of any charges or assessments referred to in **clause 5** being the proportion that the Premises bears to the total area of the land or premises included in the charge or assessment.

5.4 Interest

Without affecting the rights, power and remedies of the Lessor under this Lease, to pay to the Lessor interest on demand on any Amounts Payable which are unpaid for 7 days computed from the due date for payment until payment is made and any interest payable under this paragraph will be charged at the Interest Rate.

5.5 Costs

- (1) To pay to the Lessor on demand:
 - (a) all duty, fines and penalties payable under the *Duties Act 2008* and other statutory duties or taxes payable on or in connection with this Lease;
 - (b) all registration fees in connection with this Lease; and
 - (c) all legal costs of and incidental to the instructions for the preparation, execution and stamping of this Lease and all copies.
- (2) To pay to the Lessor all costs, legal fees, disbursements and payments incurred by or for which the Lessor is liable in connection with or incidental to:
 - (a) the Amounts Payable or obtaining or attempting to obtain payment of the Amounts Payable under this Lease;
 - (b) any breach of covenant by the Lessee or the Lessee's Agents;
 - (c) the preparation and service of a notice under section 81 of the *Property Law Act 1969* requiring the Lessee to remedy a breach even though forfeiture for the breach may be avoided in a manner other than by relief granted by a court;
 - (d) any work done at the Lessee's request; and
 - (e) any action or proceedings arising out of or incidental to any matters referred to in this **clause 5.5** or any matter arising out of this Lease.

5.6 Accrual of Amounts Payable

Amounts Payable accrue on a daily basis.

5.7 Lessor's Responsibility for Outgoings

The Lessor agrees to be responsible for the annual costs of water, drainage and sewerage rates and charges for disposal of stormwater associated with the Premises.

6. Rent Review

6.1 Rent to be Review by CPI

- a) The Rent will be reviewed on each anniversary date of the commencement of the Lease to determine the Rent to be paid by the Lessee until the next Rent Review Date.

- b) The rent review will be based on CPI review on the dates specified in Item 6 of the Schedule 1.
- c) The CPI rent review will increase the amount of Rent payable during the immediately preceding period by the percentage of any increase in CPI having regard to the annual CPI published immediately prior to the later of the Commencement Date or the last Rent Review Date as the case may be and the annual CPI published immediately prior to the relevant Rent Review Date. If there is a decrease in CPI having regard to the relevant CPI publications the Rent payable from the relevant Rent Review Date will be the same as the Rent payable during the immediately preceding period. Should the CPI be discontinued or suspended at any time or its method of computation substantially altered, the Parties shall endeavour to agree upon the substitution of the CPI with an equivalent index.

6.2 Rent will not decrease following Review

Notwithstanding the provisions in this clause, the Rent payable from any rent review will not be less than the Rent payable in the period immediately preceding such Rent Review Date.

6.3 Lessor's right to review

The Lessor may institute a rent review notwithstanding the Rent Review Date has passed and the Lessor did not institute a rent review on or prior to that Rent Review Date, and in which case the Rent agreed or determined shall date back to and be payable from the Rent Review Date, for which such review is made.

7. Insurance

7.1 Insurance to be effected by Lessee

The Parties AGREE THAT the Lessee must effect and maintain with insurers approved by the Lessor in the joint names of the Lessor and the Lessee for their respective rights and interests in the Premises for the time being:

- (a) adequate public liability insurance for a sum not less than the sum set out at **Item 8** of the Schedule 1 in respect of any one claim or such greater amount as the Lessor may from time to time reasonably require;
- (b) content insurance to cover the Lessee's fixtures, fittings, equipment and stock against loss or damage by fire, fusion, smoke, lightning, flood, storm, tempest, earthquake, sprinkler leakage, water damage and other usual risks against which a Lessee can and does ordinarily insure in their full replacement value, and loss from theft or burglary;
- (c) employers' indemnity insurance including workers' compensation insurance in respect of all employees of the Lessee employed in, about or on the Premises; and
- (d) any other policy of insurance which the Lessor may reasonably require or specify from time to time.

7.2 Building Insurance to be effected by Lessor

The Lessor shall effect and keep effected insurance to the full insurable value on a replacement or reinstatement value basis of the Premises against damage arising from fire, tempest, storm, earthquake, explosion, aircraft, or other aerial device including items dropped from any device, riot, commotion, flood, lightning, act of God, fusion, smoke, rainwater, leakage, impact by vehicle, machinery breakdown and malicious acts or omissions and other standard insurable risks and the Lessee will reimburse the Lessor for any premiums, excess or other costs arising therefrom.

7.3 Details and receipts

In respect of the insurances required by **clause 7.1** the Lessee must:

- (a) upon renewal of any insurance policy immediately forward to the Lessor copies of certificates of currency and details of the insurances as held by the Lessee;
- (b) promptly pay all premiums and produce to the Lessor each policy or certificate of currency and each receipt for premiums or certificate of currency issued by the insurers; and
- (c) notify the Lessor immediately:
 - (i) when an event occurs which gives rise or might give rise to a claim under or which could prejudice a policy of insurance; or
 - (ii) when a policy of insurance is cancelled.

7.4 Lessee Required to Pay Excess on Insurances

The Lessee AGREES with the Lessor that it shall be responsible to pay any excess payable in connection with the insurances referred to in **clause 7.1** and **clause 7.2**.

7.5 Not to Invalidate

The Lessee must not do or omit to do any act or thing or bring or keep anything on the Premises which might:

- (a) render any insurance effected under **clause 7.1** and **clause 7.2** on the Premises, or any adjoining premises, void or voidable; or
- (b) cause the rate of a premium to be increased for the Premises or any adjoining premises (except insofar as an approved development may lead to an increased premium).

7.6 Report

Each Party must report to the other promptly in writing and in an emergency verbally:

- (a) any damage to the Premises of which they are or might be aware; and
- (b) any circumstances of which they are aware and which are likely to be a danger or cause any damage or danger to the Premises or to any person in or on the Premises.

7.7 Settlement of Claim

The Lessor may, but the Lessee may not without the prior written consent of the Lessor, settle or compromise any claims under any policy of insurance required by **clause 7.1** and **clause 7.2**.

7.8 Lessor as Attorney

The Lessee irrevocably appoints the Lessor as the Lessee's attorney during the Term:

- (a) in respect of all matters and questions which may arise in relation to any insurances required by **clause 7.1** and **clause 7.2**;
- (b) with full power to demand, sue for and recover and receive from any insurance company or society or person liable to pay the insurance money as are payable for the risks covered by the insurances required by **clause 7.1** and **clause 7.2**;
- (c) to give good and effectual receipts and discharges for the insurance; and
- (d) to settle, adjust, arbitrate and compromise all claims and demands and generally to exercise all powers of absolute owner.

7.9 Lessee's Equipment and Possessions

- (1) The Lessee ACKNOWLEDGES it is responsible to obtain all relevant insurances to cover any damage and/or theft to its property internal or external to the Premises. The Lessor does not take any responsibility for the loss or damage of the Lessee's property.

- (2) The Lessee AGREES during the Term and for so long as the Lessee remains in possession or occupation of the Premises to maintain all electrical devices, equipment and cords in good repair so as to prevent malfunction or electrical-related damage to the whole or part of the Premises.

8. Indemnity

8.1 Lessee responsibilities

- (1) The Lessee is subject to the same responsibilities relating to persons and property to which the Lessee would be subject if during the Term the Lessee were the owner and occupier of the Premises in freehold.
- (2) The Lessee is responsible and liable for all acts or omissions of the Lessee's Agents on the Premises and for any breach by them of any covenants or terms in this Lease required to be performed or complied with by the Lessee.

8.2 Indemnity

- (1) The Lessee indemnifies, and shall keep indemnified, the Lessor and the Minister for Lands from and against all actions, claims, costs, proceedings, suits and demands whatsoever which may at any time be incurred or suffered by the Lessor, or brought, maintained or made against the Lessor, in respect of:
- (a) any loss whatsoever (including loss of use);
 - (b) injury or damage of, or to, any kind of property or thing; and
 - (c) the death of, or injury suffered by, any person,
- caused by, contributed to, or arising out of, or in connection with, whether directly or indirectly:
- (i) the use or occupation of the Premises by the Lessee or the Lessee's Agents;
 - (ii) any work carried out by or on behalf of the Lessee on the Premises;
 - (iii) the Lessee's activities, operations or business on, or other use of any kind of, the Premises;
 - (iv) the presence of any Contamination, pollution or environmental harm in, on or under the Premises or adjoining land caused or contributed to by the act, neglect or omission of the Lessee or the Lessee's Agents;
 - (v) any default by the Lessee in the due and punctual performance, observance and compliance with any of the Lessee's covenants or obligations under this Lease; or
 - (vi) an act or omission of the Lessee.

8.3 Obligations Continuing

The obligations of the Lessee under this clause:

- (a) are unaffected by the obligation of the Lessee to take out insurance, and the obligations of the Lessee to indemnify are paramount, however if insurance money is received by the Lessor for any of the obligations set out in this clause then the Lessee's obligations under **clause 8.1** will be reduced by the extent of such payment; and
- (b) continue after the expiration or earlier determination of this Lease in respect of any act, deed, matter or thing occurring or arising as a result of an event which occurs before the expiration or earlier determination of this Lease.

8.4 No indemnity for Lessor's negligence

The Parties agree that nothing in this clause shall require the Lessee to indemnify the Lessor, its officers, servants, or agents against any loss, damage, expense, action or claim

arising out of a negligent or wrongful act or omission of the Lessor, or its servants, agents, contractors or invitees.

8.5 Release

- (1) The Lessee:
 - (a) agrees to occupy and use the Premises at the risk of the Lessee; and
 - (b) releases to the full extent permitted by law, the Lessor from:
 - (i) any liability which may arise in respect of any accident or damage to property, the death of any person, injury to any person, or illness suffered by any person, occurring on the Premises or arising from the Lessee's use or occupation of the Premises;
 - (ii) loss of or damage to the Premises or personal property of the Lessee; and
 - (iii) all claims, actions, loss, damage, liability, costs and expenses arising from or connected with (directly or indirectly) the presence of any Contamination, pollution or environmental harm in, on or under the Premises or surrounding area,

except to the extent that such loss or damage arises out of a negligent or wrongful act or omission of the Lessor, or its servants, agents, contractors or invitees.
- (2) The release by the Lessee continues after the expiration or earlier determination of this Lease in respect of any act, deed, matter or thing occurring or arising as a result of an event which occurs before the expiration or earlier determination of this Lease.

9. Limit of Lessor's Liability

9.1 No liability for loss on Premises

The Lessor will not be liable for loss, damage or injury to any person or property in or about the Premises however occurring.

9.2 Limit on liability for breach of Lessor's covenants

- (1) The Lessor is only liable for breaches of the Lessor's Covenants set out in this Lease which occur while the Lessor is the owner of the Land;
- (2) The Lessor will not be liable for any failure to perform and observe any of the Lessor's Covenants due to any cause beyond the Lessor's control.

10. Maintenance, Repair and Cleaning

10.1 Generally

- (1) The Lessee AGREES during the Term and for so long as the Lessee remains in possession or occupation of the Premises to maintain, replace, repair, clean and keep the Premises (which for the avoidance of doubt includes the Lessor's Fixtures and Fittings) and appurtenances in Good Repair having regard to the age of the Premises at the Commencement Date PROVIDED THAT this subclause shall not impose on the Lessee any obligation:
 - (a) to carry out repairs or replacement that are necessary as a result of fair and reasonable wear and tear or damage, EXCEPT when such repair or replacement is necessary because of any act or omission of or on the part of the Lessee (or its servants, agents, contractors or invitees), or the Lessor's insurances are invalidated by any act, neglect or default by the Lessee (or its servants, agents, contractors or invitees); and
 - (b) in respect of any structural maintenance, replacement or repair EXCEPT when such maintenance, repair or replacement is necessary because of any act or

omission of or on the part of the Lessee (or its servants, agents, contractors or invitees), or by the Lessee's particular use or occupancy of the Premises.

- (2) In discharging the obligations imposed on the Lessee under this subclause, the Lessee shall;
- (a) where maintaining, replacing, repairing or cleaning:
- (i) any electrical fittings and fixtures;
 - (ii) any plumbing;
 - (iii) any air-conditioning fittings and fixtures; or
 - (iv) any gas fittings and fixtures,
- in or on the Premises use only trades persons who hold appropriate and current insurance and appropriate licences and/or qualifications required to perform the works. All works must be performed in compliance with WHS legislative requirements, including those requirements contained in relevant Codes of Practice and Australian Standards.
- (b) Provide written notice of intended building maintenance, replacement or repair to the Lessor, and receive permission from the Lessor in writing prior to engaging licenced tradespersons, where applicable, to carry out the work.
- (3) Where structural maintenance, repair or replacement is necessary because of any act or omission of or on the part of the Lessee (or its servants, agents, contractors or invitees), or by the Lessee's particular use or occupancy of the Premises is necessary, the Lessee shall ensure that any workers they engage to perform work on their behalf, comply with meeting duties and responsibilities imposed on them by WHS legislation in force.
- (4) The Lessee must take such reasonable action as is necessary to:
- (a) prevent, if it has occurred as a result of the Lessee's use of the Premises; and
 - (b) rectify or otherwise ameliorate,
- the effects of erosion, drift or movement of sand, soil, dust or water on or from the Premises.

10.2 Cleaning

The Lessee must at all times keep the Premises clean, tidy, unobstructed and free from dirt and rubbish.

10.3 Repair

Unless such damage is the Lessor's responsibility pursuant to the terms of the Lease, the Lessee must promptly repair at its own expense to the satisfaction of the Lessor, any damage to the Premises, regardless of how the damage is caused and replace any of the Lessor's Fixtures and Fittings which are or which become damaged.

10.4 Responsibility for Securing the Premises

- (a) Securing the Premises

The Lessee must ensure the Premises, including Lessor's and Lessee's fixtures and fittings, are appropriately secured at all times.

- (b) Installation of Security Systems

Where multiple lease agreements exist for the use of a single multi-use premises, the Lessor may install a monitored alarm at the Premises where deemed appropriate and:

- (i) pay for all costs associated with ongoing monitoring; and
- (ii) provide the Lessee with access keys or cards and alarm codes.

10.5 Maintain surroundings

- (1) The Lessee must regularly inspect and maintain in good condition any part of the Premises which surrounds any buildings, including but not limited to any flora, gardens, lawns, shrubs, hedges and trees.
- (2) The Lessee agrees that any pruning of trees must be undertaken by a qualified tree surgeon.
- (3) If any flora, trees or lawn dies the Lessee must replace the flora, trees or lawn at its own expense.
- (4) The Lessee must plant and care for such trees on the Premises as the Lessor may from time to time reasonably require.
- (5) The Lessee may not remove any trees, shrubs or hedges without first consulting with and obtaining the approval of the Lessor, except where necessary for urgent safety reasons.

10.6 Lessor's Fixtures and Fittings

The Lessee covenants and agrees that the Lessor's Fixtures and Fittings (if any) will remain the property of the Lessor and must not be removed from the Premises at any time.

10.7 Pest control

- (1) The Lessee must keep the Premises free of any household pests, including but not limited to, back ants and vermin, and the cost of extermination will be borne by the Lessee.
- (2) The Lessor must arrange for the Premises to be inspected annually for evidence of environmental pests including but not limited to, spiders and termites, and the cost of extermination will be borne by the Lessor.

10.8 Drains

- (1) The Lessee must keep and maintain the waste pipes, drains, gutters and conduits originating in the Premises or connected thereto in a clean, clear and free flowing condition and must pay to the Lessor upon demand the cost to the Lessor of clearing any blockage which may occur in such waste pipes, drains and conduits between the external boundaries of the Premises and the point of entry thereof into any trunk drain unless such blockage has been caused without neglect or default on the part of the Lessee.
- (2) The Lessee must not permit the drains, toilets, grease traps (if any) and other sanitary appliances on the Premises to be used for any purpose other than that for which they were constructed and must not allow any foreign matter or substance to be thrown therein.

10.9 Property Condition Report

- (1) Prior to the commencement of the lease, the Lessor must inspect the premises and record the condition of the premises by completing the Entry Property Condition Report. The Lessor and Lessee are required to accept the Entry Property Condition Report before the Lessee can occupy the premises.
- (2) The Entry Property Condition Report is an important record of the condition of the premises when the lease/licence begins and may be used as evidence of the state of repair or general condition of the premises at the commencement of the lease/licence if there is a dispute, particularly about any damage to the premises.
- (3) The Lessor must complete a Periodic Property Condition Report every six (6) months.
- (4) As soon as practicable, and in any event within 14 days after the termination of the lease/licence agreement, the Lessor must complete an Exit Property Condition Report, indicating the condition of the premises at the end of the lease/licence. This

should be done in the presence of the Lessee, unless the Lessee has been given a reasonable opportunity to be present and has not attended the inspection.

10.10 Maintenance Completed Record

Every twelve (12) months from the Commencement Date, the Lessee must provide the Lessor with a record of all maintenance, repairs and upgrades completed in the year.

10.11 Annual Maintenance Plan

By 30th November each year, the Lessee shall submit to the Lessor an assessed condition report and a "Forward Plan for Building Maintenance" with regard to proposed works over the forthcoming twelve (12) months to keep the demised premises in an acceptable state such that the building's condition does not diminish below the standard of that which was applicable at the commencement of the Lease Agreement.

11. Use

The Lessee hereby covenants with the Lessor to use and suffer to be used the demised premises for the permitted purpose as specified in **Item 7** of Schedule 1, including functions and events, or other uses included in **clause 12** on a casual basis.

11.1 Restrictions on use

(1) Generally

The Lessee must not and must not suffer or permit a person to:

- (a) use the Premises or any part of the Premises for any purpose other than the Permitted Purpose; or
- (b) use the Premises for any purpose which is not permitted under any statute, local or town planning scheme, local law, act, statute or any law relating to health.

(2) No offensive or illegal acts

The Lessee must not and must not suffer or permit a person to do or carry out on the Premises any harmful, offensive or illegal act, matter or thing.

(3) No nuisance

The Lessee must not and must not suffer or permit a person to do or carry out on the Premises anything which causes a nuisance, damage or disturbance to the Lessor or to owners or occupiers of adjoining properties.

(4) No dangerous substances

The Lessee must not and must not suffer or permit a person to store any dangerous compound or substance on or in the Premises, otherwise than in accordance with the following provisions:

- (a) any such storage must comply with all relevant statutory provisions;
- (b) all applications for the approval or renewal of any licence necessary for such storage must be first referred to the Lessor;
- (c) the Lessor may within its absolute discretion refuse to allow the storage of any particular dangerous compound or substance on the Premises; and
- (d) upon the request of the Lessor, the Lessee will provide a list of all dangerous compounds or substances stored on the Premises.

(5) No harm or stress

The Lessee must not and must not suffer or permit a person to do any act or thing which might result in excessive stress or harm to any part of the Premises.

(6) No signs

The Lessee must not and must not suffer or permit a person to display from or affix any signs, notices or advertisements on the Premises that are visible from any public place or any other land, without the prior written consent of the Lessor.

(7) No smoking

The Lessee must not suffer or permit a person to smoke inside any building or other enclosed area on the Premises.

(8) Consumption of alcohol

The Lessee must not suffer or permit a person to use or allow the Premises to be used for the consumption of alcohol without first obtaining the written consent of the Lessor.

(9) Removal of rubbish

The Lessee must keep the Premises free from dirt and rubbish and store and keep all trade waste and garbage in proper receptacles.

(10) No pollution

The Lessee must do all things necessary to prevent pollution or contamination of the Premises by garbage, refuse, waste matter, oil and other pollutants.

11.2 No warranty

The Lessor gives no warranty:

- (a) as to the use to which the Premises may be put; or
- (b) that the Lessor will issue any consents, approvals, authorities, permits or licences required by the Lessee under any statute for its use of the Premises.

11.3 Lessee to Observe Copyright

In the event that the Lessee or any person sub-leasing, hiring, or in temporary occupation of the Premises provides, contracts for, or arranges for the performance, exhibition or display of any music or work of art the copyright of which is not vested in the Lessee or that person, the Lessee shall ensure that all obligations in regard to payment of copyright or licensing fees with the owner or licensor of the copyright are met before any such performance, exhibition or display is held.

11.4 Premises Subject to Restriction

The Lessee accepts the Premises for the Term subject to any existing prohibition or restriction on the use of the Premises.

11.5 Indemnity for Costs

The Lessee indemnifies the Lessor against any claims or demands for all costs, on a solicitor client basis, reasonably incurred by the Lessor by reason of any claim in relation to any matters set out in this **clause 0**.

12. Casual Hire of Premises**12.1 Casual Hire of Premises Permitted**

- (1) The Lessee may hire the Premises or any part thereof to any person or entity (**Hirer**), on a casual basis provided that:
 - (a) the Lessee requires that the Hirer complies with the terms of this Lease;

- (b) the Lessee obtains the prior written consent of the Lessor for any hire arrangements, which consent may be withheld by the Lessor in its absolute discretion;
- (c) such use is consistent with the Permitted Purpose;
- (d) the hire arrangement would not reasonably be expected to result in a breach of any term of this Lease; and
- (e) the hire arrangement between the Hirer and the Lessee is not for a period of longer than 24 hours cumulatively in any calendar month, and the hire arrangement does not constitute a transfer, assignment or sub-lease of this Lease.

12.2 Lessee remains responsible

The Lessee ACKNOWLEDGES that at all times, including when the Premises are hired to a third party, it remains responsible for the Premises, including without limitation any damage that may be caused or occurs during any hire period.

12.3 Lessee to retain Hire Fee

The Lessor agrees that the Lessee may retain the benefit of funds or other considerations raised by or derived from the hire of the Premises.

12.4 Casual Hire of Premises by Lessor

The Lessee agrees that the Lessor is entitled to hire the Premises or any part thereof on a casual basis at any time, and that this hire will be honoured above any existing hire arrangements if required.

The Lessee agrees that the Lessor is not required to pay any fees to hire the Premises.

13. Alcohol

13.1 Sale of Alcohol

The Lessee COVENANTS AND AGREES not to sell or supply alcohol (liquor) from the Premises or allow alcohol to be sold or supplied from the Premises without the prior written consent of the Lessor and then only in accordance with the provisions of the *Liquor Control Act 1988*, *Health (Food Hygiene) Regulations 1993*, *Liquor Licensing Regulations 1989* and any other relevant written law that may be in force from time to time.

13.2 Minimise Nuisance to Neighbours

- (1) The Lessee must take all reasonable action to minimise and prevent disruption, nuisance and disturbance to surrounding premises, particularly during and following social events at the Premises.

The Lessee must comply with all reasonable conditions and directions that may be imposed by the Lessor from time to time in relation to the minimisation and prevention of disruption, nuisance and disturbance to surrounding residential premises.

14. Alterations

14.1 Restriction

- (1) The Lessee must not without prior written consent:
 - (a) from the Lessor;
 - (b) from any other person from whom consent is required under this Lease; and
 - (c) required under statute in force from time to time, including but not limited to the planning approval of the Lessor under a local or town planning scheme of the Lessor;

make or allow to be made any alteration, addition or improvements to or demolish any part of the Premises.

14.2 Consent

- (1) If the Lessor and any other person whose consent is required under this Lease or at law consents to any matter referred to in **clause 14.1** the Lessor may:
 - (a) consent subject to conditions; and
 - (i) require that work be carried out in accordance with plans and specifications approved by the Lessor or any other person giving consent; and
 - (ii) require that any alteration be carried out to the satisfaction of the Lessor under the supervision of an engineer or other consultant; and
 - (b) if the Lessor consents to any matter referred to in **clause 14.1**:
 - (i) the Lessor gives no warranty that the Lessor will issue any consents, approvals, authorities, permits or policies under any statute for such matters; and
 - (ii) the Lessee must apply for and obtain all such consents, approvals, authorities, permits or policies as are required at law before undertaking any alterations, additions, improvements or demolitions.

14.3 Cost of Works

All works undertaken under this **clause 14** will be carried out at the Lessee's expense.

14.4 Conditions

If any of the consents given by the Lessor or other persons whose consent is required under this Lease or at law require other works to be done by the Lessee as a condition of giving consent, then the Lessee must at the option of the Lessor either:

- (a) carry out those other works at the Lessee's expense; or
- (b) permit the Lessor to carry out those other works at the Lessee's expense, in accordance with the Lessor's requirements.

14.5 Keys and Access

- (1) The Premises is to be fitted with locks based on the Lessor's master key security system, at the Lessor's cost. [KP4]
- (2) The Lessor will provide the Lessee 3 keys to the Premises based on the agreed lock hierarchy, upon payment of a bond.
- (3) The Premises' locks must not be changed, without the prior approval of the Lessor.
- (4) Any additional or replacement keys or locks required shall be provided by the Shire, at the Lessee's cost.

15. Lessor's Right of Entry

15.1 Entry on Reasonable Notice

The Lessee must permit entry by the Lessor or any Authorised Person onto or into the Premises without notice in the case of an emergency, and otherwise upon reasonable notice:

- (a)
 - (i) at all reasonable times;
 - (ii) with or without workmen and others; and
 - (iii) with or without plant, equipment, machinery and materials;
- (b) for each of the following purposes:

- (i) to inspect the state of repair of the Premises and to ensure compliance with the terms of this Lease;
- (ii) to carry out any survey or works which the Lessor considers necessary, however the Lessor will not be liable to the Lessee for any compensation for such survey or works provided they are carried out in a manner which causes as little inconvenience as is reasonably possible to the Lessee;
- (iii) to comply with the Lessor's Covenants or to comply with any notice or order of any authority in respect of the Premises for which the Lessor is liable; and,
- (iv) to do all matters or things to rectify any breach by the Lessee of any term of this Lease but the Lessor is under no obligation to rectify any breach and any rectification under this **clause 15.1** is without prejudice to the Lessor's other rights, remedies or powers under this Lease.

15.2 Costs of Rectifying Breach

All costs and expenses incurred by the Lessor as a result of any breach referred to at **clause 15.1** together with any interest payable on such sums will be a debt due to the Lessor and payable to the Lessor by the Lessee on demand.

16. Exclusive Rights to Buildings

Where the leased premises is a multi-function, purpose-built community facility, exclusive rights shall be removed from the Lessee. In such circumstances, availability of vacant areas or rooms within the facility can be made available to other community groups under a separate Lease/licence. Access by other non-for-profit community groups may be granted access and use, on written approval from the Lessor (lease/licence). See **Item 9** in schedule.

Under certain circumstances where another community group wishes to utilise the building for the purposes that the demised premise is permitted for, the lessee is under the obligation to hire out the premise to the community group for no more than what council has set in its adopted fees and charges fees for the premise hire. If there is no hire fees for that particular facility a premise of similar size and functionality will be used.

17. Statutory Obligations and Notices

17.1 Comply with Statutes

The Lessee must:

- (a) comply promptly with all statutes and local laws from time to time in force relating to the Premises;
- (b) apply for, obtain and maintain in force all consents, approvals, authorities, licences and permits required under any statute for the use of the Premises specified at **clause 11**;
- (c) ensure that all obligations in regard to payment for copyright or licensing fees are paid to the appropriate person for all performances, exhibitions or displays held on the Premises; and
- (d) comply promptly with all orders, notices, requisitions or directions of any competent authority relating to the Premises or to the business the Lessee carries on at the Premises.

17.2 Indemnity if Lessee Fails to Comply

The Lessee indemnifies the Lessor against:

- (a) failing to perform, discharge or execute any of the items referred to in **clause 17.1**; and

- (b) any claims, demands, costs or other payments of or incidental to any of the items referred to in **clause 16.1**.

18. Report to Lessor

The Lessee must immediately report to the Lessor:

- (a) any act of vandalism or any incident which occurs on or near the Premises which involves or is likely to involve a breach of the peace or become the subject of a report or complaint to the police and of which the Lessee is aware or should be aware;
- (b) any occurrence or circumstances in or near the Premises of which it becomes aware, which might reasonably be expected to cause, in or on the Premises, pollution of the environment; and
- (c) all notices, orders and summonses received by the Lessee and which affect the Premises and immediately deliver them to the Lessor.

19. Default

19.1 Events of Default

A default occurs if:

- (a) the Lessee is in breach of any of the Lessee's Covenants for 28 days after a Notice has been given to the Lessee to rectify the breach or to pay compensation in money;
- (b) where the Lessee is an association which is incorporated under the *Associations Incorporation Act 2015*, the association is wound up whether voluntarily or otherwise;
- (c) where the Lessee is an association which is incorporated under the *Associations Incorporation Act 2015*, the Lessee passes a special resolution under the *Associations Incorporation Act 2015* altering its rules of association in a way that makes its objects or purposes inconsistent with the use permitted by this Lease;
- (d) a mortgagee takes possession of the property of the Lessee under this Lease;
- (e) any execution or similar process is made against the Premises on the Lessee's property;
- (f) the Premises are vacated, or otherwise not used, in the Lessor's reasonable opinion, for the Permitted Purpose for a six-month period; or
- (g) a person other than the Lessee or a permitted sublessee or assignee is in occupation or possession of the Premises or in receipt of a rent and profits.

19.2 Forfeiture

On the occurrence of any of the events of default specified in **clause 18.1** the Lessor may:

- (a) without notice or demand at any time enter the Premises and on re-entry the Term will immediately determine;
- (b) by Notice to the Lessee determine this Lease and from the date of giving such Notice this Lease will be absolutely determined; and
- (c) by Notice to the Lessee elect to convert the unexpired portion of the Term into a tenancy from month to month when this Lease will be determined as from the giving of the Notice and until the tenancy is determined the Lessee will hold the Premises from the Lessor as a tenant from month to month under **clause 21**,

but without affecting the right of action or other remedy which the Lessor has in respect of any other breach by the Lessee of the Lessee's Covenants or releasing the Lessee from liability in respect of the Lessee's Covenants.

19.3 Lessor may remedy breach

If the Lessee:

- (a) fails or neglects to pay the Amounts Payable by the Lessee under this Lease; or
 - (b) does or fails to do anything which constitutes a breach of the Lessee's Covenants,
- then, after the Lessor has given to the Lessee notice of the breach and the Lessee has failed to rectify the breach within a reasonable time, the Lessor may without affecting any right, remedy or power arising from that default pay the money due or do or cease the doing of the breach as if it were the Lessee and the Lessee must pay to the Lessor on demand the Lessor's cost and expenses of remedying each breach or default.

19.4 Acceptance of Amount Payable by Lessor

Demand for or acceptance of the Amounts Payable by the Lessor after an event of default has occurred will not affect the exercise by the Lessor of the rights and powers conferred on the Lessor by the terms of the Lease or at law and will not operate as an election by the Lessor to exercise or not to exercise any right or power.

19.5 Essential Terms

Each of the Lessee's Covenants in **clauses 5** (Rent and Other Payments), **7** (Insurance), **8** (Indemnity), **10** (Maintenance, Repair and Cleaning), **0** (Use), **26** (Assignment, Subletting and Charging) and **32** (Goods and Services Tax), is an essential term of this Lease but this **clause 18.5** does not mean or imply that there are no other essential terms in this Lease.

19.6 Breach of Essential Terms

If the Lessee breaches an essential term of this Lease then, in addition to any other remedy or entitlement of the Lessor:

- (a) the Lessee must compensate the Lessor for the loss or damage suffered by reason of the breach of that essential term;
- (b) the Lessor will be entitled to recover damages against the Lessee in respect of the breach of an essential term;
- (c) the Lessee covenants with the Lessor that if the Term is determined:
 - (i) for breach of an essential term or the acceptance by the Lessor of a repudiation of this Lease by the Lessee; or
 - (ii) following the failure by the Lessee to comply with any Notice given to the Lessee to remedy any default,

the Lessee must pay to the Lessor on demand the total of the Amounts Payable under this Lease which would have been payable by the Lessee for the unexpired balance of the Term as if the Term had expired by effluxion of time together with the losses incurred or reasonably expected to be incurred by the Lessor as a result of the early determination including but not limited to the costs of re-letting or attempting to re-let the Premises;

- (d) the Lessee agrees that the covenant set out in this **clause 18.6** will survive termination or any deemed surrender at law of the estate granted by this Lease;
- (e) the Lessee may deduct from the amounts referred to at **clause 18.6(c)** the Rent and other money which the Lessor reasonably expects to obtain by re-letting the Premises between the date of Termination and the date on which the Term would have expired by effluxion of time; and
- (f) the Lessor must take reasonable steps to mitigate its losses and endeavour to re-let the Premises at a reasonable rent and on reasonable terms but the Lessor is not required to offer or accept rent or terms which are the same or similar to the rent or terms contained or implied in this Lease.

20. Damage or Destruction of Premises

20.1 Abatement of Rent

If the Premises are at any time during the Term, without neglect or default of the Lessee, destroyed or damaged by fire or other risk covered by insurance so as to render the same unfit for the occupation and use of the Lessee, then the Rent or a proportionate part thereof (according to the nature and extent of the damage) shall abate until the Premises have been rebuilt or made fit for the occupation and use of the Lessee, and in case of any dispute arising under this provision the same will be referred to arbitration under the provisions of the *Commercial Arbitration Act 1985* and the full Rent must be paid without any deduction or abatement until the date of the arbitrator's award whereupon the Lessor will refund to the Lessee any Rent which according to the award appears to have been overpaid.

20.2 Total Damage or Destruction

If the Premises are at any time during the Term destroyed or damaged to an extent as to be wholly unfit for the occupation and use of the Lessee either Party may by Notice in writing to the other of them given within sixty (60) days after the event elect to cancel and terminate this Lease. The Term will terminate upon such Notice being given and the Lessee must vacate the Premises and surrender the same to the Lessor, but such termination will be without prejudice however to the liability of the Lessee under this Lease up to the date of termination.

21. Option to Renew

If the Lessee at least one month, but not earlier than 6 months, prior to the date for commencement of the Further Term gives the Lessor a Notice to grant the Further Term and:

- (a) all consents and approvals required by the terms of this Lease or at law have been obtained; and
- (b) there is no subsisting default by the Lessee at the date of service of the Notice in:
 - (i) the payment of Amounts Payable; or
 - (ii) the performance or observance of the Lessee's Covenants,

the Lessor shall grant to the Lessee a lease for the Further Term at the Rent and on terms and conditions similar to this Lease, as reviewed, other than this **clause 21** in respect of any Further Term previously taken or the subject of the present exercise and on such other terms and conditions as the Lessor may consider appropriate.

22. Holding Over

If the Lessee remains in possession of the Premises after the expiry of the Term with the consent of the Lessor, the Lessee will be a monthly tenant of the Lessor at a rent equivalent to one twelfth of the Rent for the period immediately preceding expiry of the Term and otherwise on the same terms and conditions of this Lease provided that all consents required under this Lease or at law have been obtained to the Lessee being in possession of the Premises as a monthly tenant.

23. Restore Premises

Prior to Termination, the Lessee at the Lessee's expense must restore the Premises to a condition consistent with the observance and performance by the Lessee of the Lessee's Covenants under this Lease fair wear and tear excepted.

24. Yield up the Premises

24.1 Peacefully surrender

On Termination the Lessee must:

- (a) peacefully surrender and yield up to the Lessor the Premises in a condition consistent with the observance and performance of the Lessee's Covenants under this Lease; and

- (b) surrender to the Lessor all keys and security access devices and combinations for locks providing an access to or within the Premises held by the Lessee whether or not provided by the Lessor.

24.2 Clause 23.1 to survive termination

The Lessee's obligation under **clause 23.1** will survive termination.

25. Removal of Property from Premises

25.1 Remove property prior to termination

Prior to Termination, unless otherwise mutually agreed between the Parties, the Lessee must remove from the Premises all property of the Lessee which is not a fixture other than air-conditioning plant and fire equipment, security alarms and security systems and other fixtures and fittings which in the opinion of the Lessor form an integral part of the Premises and promptly make good, to the satisfaction of the Lessor, any damage caused by the removal.

25.2 Lessor can remove property on re-entry

On re-entry the Lessor will have the right to remove from the Premises any property of the Lessee and the Lessee indemnifies the Lessor against all damage caused by the removal of and the cost of storing that property.

26. Assignment, Subletting and Charging

26.1 No assignment or sub-letting without consent

The Lessee must not assign the leasehold estate in the Premises nor Sub-let, part with possession, or dispose of the Premises or any part of the Premises without the prior written consent of the Lessor and the Minister for Lands, any other persons whose consent is required under the terms of this Lease or at law.

26.2 Lessor's Consent to Assignment and Sub-letting

Provided all parties whose consent is required, under this Lease or at law, to an assignment or Sub-letting, give their consent and any assignment or sublease is for a purpose consistent with the use of the Premises permitted by this Lease then the Lessor may not unreasonably withhold its consent to the assignment or Sub-letting of the leasehold estate created by this Lease if:

- (a) the proposed assignee or sublessee is a respectable and responsible person of good financial standing capable of continuing the permitted use for non-profit making community purposes;
- (b) all Amounts Payable due and payable have been paid and there is no existing unremedied breach, whether notified to the Lessee or not, of any of the Lessee's Covenants;
- (c) the Lessee procures the execution by:
 - (i) the proposed assignee of a deed of assignment; or
 - (ii) the proposed sublessee of a deed of sublease,
 to which the Lessor is a party and which deed is prepared and completed by the Lessor's solicitors; and
- (d) the assignment contains a covenant by the assignee or sublessee with the Lessor to pay all Amounts Payable and to perform and observe all the Lessee's Covenants.

26.3 Consents of Assignee Supplementary

The covenants and agreements on the part of any assignee will be supplementary to the Lessee's Covenants and will not release the assigning lessee from the Lessee's Covenants.

26.4 Property Law Act 1969

Sections 80 and 82 of the *Property Law Act 1969* are excluded.

26.5 Costs for assignment and sub-letting

If the Lessee wishes to assign or sub-let the leasehold estate created by this Lease the Lessee must pay all reasonable professional and other costs, charges and expenses, incurred by the Lessor or other person whose consent is required under this Lease, of and incidental to:

- (a) the enquiries made by or on behalf of the Lessor as to the respectability, responsibility and financial standing of each proposed assignee or sublessee;
- (b) any consents required under this Lease or at law; and
- (c) all other matters relating to the proposed assignment or sub-letting, whether or not the assignment or Sub-letting proceeds.

26.6 No mortgage or charge

The Lessee must not mortgage nor charge the Premises.

27. Disputes

27.1 Referral of Dispute: Phase 1

Except as otherwise provided any dispute arising out of this Lease is to be referred in the first instance in writing to the Lessor's representative as nominated in writing by the Lessor from time to time (**the Lessor's Representative**) who shall convene a meeting within 10 days of receipt of such Notice from the Lessee or such other period of time as is agreed to by the Parties between the Lessor's Representative and an officer of the Lessee for the purpose of resolving the dispute (**the Original Meeting**).

27.2 Referral of Dispute: Phase 2

In the event the dispute is not resolved in accordance with **clause 26.1** of this Lease then the dispute shall be referred in writing to the CEO of the Lessor who shall convene a meeting within 10 days of the Original Meeting or such other date as is agreed to by the Parties between the CEO of the Lessor and the President of the Lessee for the purpose of resolving the dispute.

27.3 Appointment of Arbitrator: Phase 3

In the event the dispute is not resolved in accordance with **clause 26.2** of this Lease then the dispute shall be determined by a single arbitrator under the provisions of the *Commercial Arbitration Act 1985* (as amended from time to time) and the Lessor and the Lessee may each be represented by a legal practitioner.

27.4 Payment of Amounts Payable to Date of Award

The Lessee must pay the Amounts Payable without deduction to the date of the award of the arbitrator or the date of an agreement between the Parties whichever event is the earlier, and if any money paid by the Lessee is not required to be paid within the terms of the award of the arbitrator or by agreement between the Lessor and the Lessee then the Lessor will refund to the Lessee the monies overpaid

28. Prior Notice of Proposal to Change Rules

If the Lessee is an association which is incorporated under the *Associations Incorporation Act 2015*, the Lessee agrees that it will not change its rules of association under the *Associations Incorporation Act 2015* without notifying the Lessor of its intention to make such a change prior to consideration of the required special resolution.

29. Provision of Information

The Lessee agrees to provide to the Lessor:

- (a) a copy of the Lessee's audited annual statement of accounts for each year;
- (b) advice of any changes in its office holders during the Term; and
- (c) any information reasonably required by the Lessor.

30. Right to Terminate upon Notice

- (1) Notwithstanding any other provision of this Lease, the Parties AGREE that either Party may terminate this Lease for any reason upon four months written Notice to the other Party. Either party will not owe the other party (recompense). Any forward future planned events committed to within a six month timeframe will be honored (past the date of termination).
- (2) If this Lease is terminated in accordance with this clause, **clause 24** will apply.

31. Caveat

31.1 No absolute caveat

The Lessee nor any person on behalf of the Lessee will not, without the prior written consent of the Lessor and the Minister for Lands, lodge any absolute caveat at Landgate against the Certificate of Titles for the Land described in Item 1 of the Schedule 1, to protect the interests of the Lessee under this Lease.

31.2 Lessor's CEO as Attorney

In consideration of the Lessor having granted this Lease to the Lessee, the Lessee irrevocably appoints the Lessor and the CEO of the Lessor jointly and severally:

- (a) for the Term of this Lease;
- (b) for any holding over under this Lease; and
- (c) for a period of 6 months after Termination,

to be the agent and attorney of the Lessee in its name and on its behalf to sign and lodge at Landgate:

- (a) a withdrawal of any absolute caveat lodged by or on behalf of the Lessee;
- (b) a withdrawal of any caveat lodged by or on behalf of the Lessee and not withdrawn on Termination; and
- (c) a surrender of the estate granted by this Lease,

and the costs of withdrawing any caveat or surrendering this Lease (including the Lessor's solicitor's costs and registration fees) will be borne by the Lessee.

31.3 Ratification

The Lessee undertakes to ratify all the acts performed by or caused to be performed by the Lessor, its agent or attorney under this clause.

31.4 Indemnity

The Lessee indemnifies the Lessor against:

- (a) any loss arising directly from any act done under this clause; and
- (b) all costs and expenses incurred in connection with the performance of any act by the attorney on behalf of the Lessee under this clause.

32. Goods and Services Tax

32.1 Definitions

The following definitions apply for the purpose of this clause:

- (a) **Act** means the Commonwealth's *A New Tax System (Goods and Services Tax) Act 1999* and associated Acts and subsidiary legislation;
- (b) **Consideration** means the Amounts Payable or any other money payable to the **Lessor** under this Lease, but does not include the amount of the GST which may apply to the Amounts Payable or other money payable under the Act;
- (c) **GST means** a tax under the Act levied on a Supply including but not limited to the Amounts Payable or other money payable to the Lessor for goods or services or property or any other thing under this Lease; and
- (d) **Supply means** a good or service or any other thing supplied by the Lessor under this Lease and includes but is not limited to a grant of a right to possession of the Premises.

32.2 Lessee to pay GST

- (1) The Consideration will be increased by the amount of the GST, if any, which the Lessor is required under the Act to pay on any Supply made under this Lease.
- (2) The Lessee must pay any increase referred to at **clause 31.1(1)** whether it is the Lessee or any other person who takes the benefit of any Supply.
- (3) The Lessee must pay the amount of the GST to the Lessor at the same time and in the same manner as the Lessee is required to pay the Consideration under this Lease.

32.3 Consideration in Kind

If consideration in kind is accepted by the Lessor for any Supply made under this Lease, the GST amount payable to the Lessor under **clause 31.2 (2)** in respect of the consideration in kind will be calculated by using the prevailing market value of the consideration in kind as determined by the Lessor.

32.3 No Contribution from Lessor

If the Lessee is required under this Lease to make any payment of money or give other consideration to a third party for outgoings, goods, services and benefits of any kind, the Lessee is not entitled to any contribution from the Lessor for any GST payable by it to any person.

32.4 Statement of GST paid is Conclusive

A written statement given to the Lessee by the Lessor of the amount of the GST that the Lessor pays or is liable to pay or account for is conclusive as between the Parties except in the case of an obvious error.

32.5 Tax Invoices

For each payment by the Lessee under this clause the Lessor agrees to promptly deliver to the Lessee, as required under the Act, tax invoices and adjustment notes in a form which complies with the Act, so as to enable the Lessee to claim input tax credits or decreasing adjustments for Supplies.

32.6 Reciprocity

If the Lessee furnishes any Supplies to the Lessor under this Lease, then the requirements set out in this clause with respect to the Lessee will apply to the Lessor with the necessary changes.

33. No Fetter

Notwithstanding any other provision of this Lease, the Parties acknowledge that the Lessor is a local government established by the *Local Government Act 1995*, and in that capacity, the Lessor may be obliged to determine applications for consents, approvals, authorities, licences and permits having regard to any written law governing such applications including

matters required to be taken into consideration and formal processes to be undertaken, and the Lessor shall not be taken to be in default under this Lease by performing its statutory obligations or exercising its statutory discretions, nor shall any provision of this Lease fetter the Lessor in performing its statutory obligations or exercising any discretion.

34. Additional Terms Covenants and Conditions

Each of the terms, covenants and conditions (if any) specified in **Item 10** of the Schedule 1 are part of this Lease and are binding on the Lessor and the Lessee as if incorporated into the body of this Lease.

35. Commercial Tenancy Act

If at any time and for so long as the *Commercial Tenancy (Retail Shops) Agreements Act 1985* applies to this Lease and a provision of that Act conflicts with a provision of this Lease, then each conflicting provision of this Lease is deemed to be amended to the extent necessary to comply with that Act.

36. Acts by Agents

All acts and things which the Lessor is required to do under this Lease may be done by the Lessor, the CEO, an officer or the agent, solicitor, contractor or employee of the Lessor.

37. Governing Law

This Lease is governed by and is to be interpreted in accordance with the laws of Western Australia and, where applicable, the laws of the Commonwealth of Australia.

38. Statutory Powers

The powers conferred on the Lessor by or under any statutes for the time being in force are, except to the extent that they are inconsistent with the terms and provisions expressed in this Lease, in addition to the powers conferred on the Lessor in this Lease.

39. Notice

39.1 Form of delivery

A Notice to a Party must be in writing and may be given or made:

- (a) by delivery to the Party personally; or
- (b) by addressing it to the Party and leaving it at or posting it by registered post to the address of the Party appearing in this Lease or any other address nominated by a Party by Notice to the other.

39.2 Service of notice

A Notice to a Party is deemed to be given or made:

- (a) if by personal delivery, when delivered;
- (b) if by leaving the Notice at an address specified in **Clause A**, at the time of leaving the Notice, provided the Notice is left during normal business hours; and
- (c) if by post to an address specified in **Clause A**, on the second business day following the date of posting of the Notice.

39.3 Signing of notice

A Notice to a Party may be signed:

- (a) if given by an individual, by the person giving the Notice;
- (b) if given by a corporation, by a director, secretary or manager of that corporation;
- (c) if given by a local government, by the CEO of that local government;

- (d) if given by an association incorporated under the *Associations Incorporation Act 2015*, by any person authorised to do so by the board or committee of management of the association; or
- (e) by a solicitor or other agent of the individual, corporation, local government or association giving the Notice.

40. Severance

If any part of this Lease is or becomes void or unenforceable, that part is or will be severed from this Lease to the intent that all parts that are not or do not become void or unenforceable remain in full force and effect and are unaffected by that severance.

41. Variation

This Lease may be varied only by deed executed by the Parties subject to such consents as are required by this Lease or at law.

42. Moratorium

The provisions of a statute which would but for this clause extend or postpone the date of payment of money, reduce the rate of interest or abrogate, nullify, postpone or otherwise affect the terms of this Lease do not, to the fullest extent permitted by law, apply to limit the terms of this Lease.

43. Further Assurance

The Parties must execute and do all acts and things necessary or desirable to implement and give full effect to the terms of this Lease.

44. Payment of Money

Any Amounts Payable to the Lessor under this Lease must be paid to the Lessor at the address of the Lessor referred to in the Lease or as otherwise directed by the Lessor by Notice from time to time.

45. Waiver

45.1 No general waiver

Failure to exercise or delay in exercising any right, power or privilege in this Lease by a Party does not operate as a waiver of that right, power or privilege.

45.2 Partial exercise of right power or privilege

A single or partial exercise of any right, power or privilege does not preclude any other or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.

Schedule 1

Item 1 – Land and Premises

Land

The portion of Reserve 8746 South West Highway, Waroona, Certificate of Title Volume LR3165/360, (Lot 316 on Deposited Plan 404473) Folio 1, identified and outlined in red on the plan annexed hereto at **Annexure 1**.

Premises

The whole of the Premises as identified, together with all buildings, structures, alterations, additions and improvements on the Land or erected on the Land during the Term, as identified and outlined in red on the plan annexed hereto at **Annexure 1**.

Item 2 – Term

5 years commencing on 1 May 2023 and expiring on 30 April 2028.

Item 3 – Further Term

At the finalisation of the above term, a further 5-year term may be agreed upon.

Item 4 – Commencement Date

1 May 2023

Item 5 – Rent and Administration Fee

Rent

One hundred and sixty five dollars (\$165) including GST per annum, as at 1 May 2023, payable in advance. Rent is subject to an annual CPI review.

Please note that this fee may be subject to increases as set out in the Shire's annual budget as per **clause 6**.

Administration Fee

No Administration Fee is applicable.

Item 6 – Rent Review Dates

On each anniversary of the Commencement Date.

Item 7 – Permitted Purpose

Sporting and recreational activities.

Item 8 – Public liability Insurance

Ten million dollars (\$10,000,000.00).

Item 9 – Exclusive Rights to Buildings

The Lessee holds exclusive rights to the Premises under certain circumstance. Refer to **Clause 16**.

Item 10 - Additional Terms and Covenants

The Lessee AGREES during the Term and for so long as the Lessee remains in possession or occupation of the Premises to, at its own cost prepare and maintain an emergency evacuation plan for the Premises.

Schedule 2

This Schedule highlights the key responsibilities for the Lessors and Lessees, however, is not an exhaustive list. The Lease should be examined in its entirety to identify a complete list of responsibilities. Any items not addressed in the Lease will be determined through consultation between the Lessor and Lessee.

Summary of Lessor's Key Responsibilities

The Lessor shall be responsible for:

- local government services and other charges, including emergency services levy, water service charges and a single residential rubbish collection service (includes 1 weekly general waste and 1 fortnightly recycling collection), as per **clause 5.3(3)(a)**.
- Land tax and metropolitan regional improvement tax on a single ownership basis, if applicable as per **clause 5.3(3)(b)**.
- Annual or periodic servicing of emergency equipment belonging to the Lessor as per **clause 5.3(3)(c)**.
- Annual inspection and testing of Residual Current Devices (RCDs) as per **clause 5.3(3)(e)**
- Building insurance as per **clause 7.2**.
- Maintenance and repair or replacement as per **clause 10.1** and **clause 10.3** including:
 - structural e.g. building structure, floors, walls, roof except where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees);
 - electrical services e.g. electrical wiring and circuits except where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees); and
 - plumbing services e.g. water leaks except where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees).
 - scheduled painting of internal walls (painting completed outside of the Shire maintenance schedule will be the responsibility of the Lessee);
- Environmental pest inspections and control as per **clause 10.7(2)**.
- Maintenance and repair or replacement of waste pipes, drains, gutters and conduits as per **clause 10.8** except where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees).
- Provision of keys to the Premises as per **clause 14.5**.

Summary of Lessee's Key Responsibilities


The Lessee shall be responsible for:

- Payment of Rent as per **Item 5** of Schedule 1.
- Payment of Administration Fee as per **Item 5** of Schedule 1 – *Not applicable*.
- Water consumption and excess water charges as per **clause 5.3(1)(a)**, *if applicable*.
- telephone, internet, electricity, gas_[KP5] bottles, and other power and light charges including but not limited to meter rent and the cost of installation of any meter, wiring, internet connection or telephone connection as per **clause 5.3(1)(a)**, *if applicable*. Charges associated with the installation of essential infrastructure for the establishment of an internet connection at the premises may be negotiated with the lessor, in writing.

- Any other consumption charge or cost, statutory impost or other obligation incurred or payable by reason of the Lessee's use and occupation of the Premises as per **clause 5.3(2)(b)**.
- Public liability insurance for a sum not less than the sum set out at **Item 8** of Schedule 1 as per **clause 7.1(a)**.
- Contents insurance to cover the Lessee's fixtures, fittings, equipment and stock as per **clause 7.1(b)**.
- Any other policy of insurance which the Shire may reasonably require or specify from time to time as per **clause 7.1(d)**.
- Maintenance and repair or replacement as per **clause 10.1** and **clause 10.3** including:
 - structural e.g. building structure, floors, walls, roof where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees);
 - electrical services e.g. electrical wiring and circuits where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees);
 - plumbing services e.g. water leaks where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees);
 - painting of internal walls outside of the Shire maintenance schedule;
 - incidentals e.g. light globes, toilet paper, cleaning equipment;
 - mechanical services e.g. air conditioning, appliances;
 - fittings and fixtures; and
 - testing and tagging for all electrical appliances and equipment.
- Keeping the Premises clean, tidy, unobstructed and free from dirt and rubbish as per **clause 10.2**.
- Securing the Premises and all fixtures and fittings at all times as per **clause 10.4(a)**.
- Maintenance and repair of replacement of Premises surroundings including gardens as per **clause 10.5**.
- Pest control (household pests) as per **clause 10.7(1)**.
- Maintenance and repair or replacement of waste pipes, drains, gutters and conduits as per **clause 10.8** where due to of any act or omission of or on the part of the Lessees (or its servants, agents, contractors or invitees).
- Every twelve (12) months from the Commencement Date, the Lessee must provide the Lessor with a record of all maintenance, repairs and upgrades completed in the year as per **clause 10.10**.
- By 30th November each year, the Lessee shall submit to the Lessor an assessed condition report and a "Forward Plan for Building Maintenance" with regard to proposed works over the forthcoming twelve (12) months as per **clause 10.11**.
- Hire of the Premises as per **clause 12**.
- Provision of additional or replacement keys or locks as per **clause 14.5(4)**.
- Immediately reporting any vandalism, damage, incidents or notices to the Lessor as per **clause 18**.
- Provision of a copy of the Lessee's audited annual statement of accounts for each year as per **Clause 29**.
- Provision of Advice of any changes in its office holders during the term, as per **Clause 29**.

Annexure 1 – Sketch of Land

Portion of Reserve 8746 South Western Highway, Waroona
Not to Scale – Leased Area highlighted in Red

 Waroona Football Club Inc – Lease Area.



Signing Page

EXECUTED by the parties as a Deed this _____ day of _____ 2023.

The **COMMON SEAL** of the **Shire of Waroona**
was hereunto affixed in the presence of:

Full Name of Shire President

Signature of Shire President

Full Name of Chief Executive Officer

Signature of Chief Executive Officer

Signed on behalf of the **Waroona
Football Club Incorporated** under the
authority of resolution of the Committee:

Full Name of Chairperson

Signature of Chairperson

Full Name of Secretary

Signature of Secretary

User Agreement for Shire of Waroona Land



This AGREEMENT is made the _____ day of <Month> 2022

Commented [KP1]: Insert signing/ execution date following council resolution.

Between

Shire of Waroona, a local government authority under the *Local Government Act 1995*, of 52 Hesse Street, Waroona, Western Australia

(Shire)

and

Harvey River Restoration Taskforce Incorporated, an incorporated Association under the *Associations Incorporation Act 2015*, of [address];

Commented [KP2]: Current addresses to be inserted.

Peel Harvey Biosecurity Group Incorporated, an incorporated Association under the *Associations Incorporation Act 2015*, of [address]; and

Peel Harvey Catchment Council Incorporated, an incorporated Association under the *Associations Incorporation Act 2015*, of [address]

(Users)

Recitals

1. The Western Australian Agriculture Authority is the Lessor of Lot 419 (No. 120) South Western Highway, Waroona.
2. The Shire of Waroona is the Lessee of Lot 419 (No. 120) South Western Highway, Waroona.
3. The Shire has agreed to permit the Users to use the Agreed Area, and the Users have agreed to accept the permission on the terms and conditions provided by this Agreement.

Agreed Terms

1. Definitions

In this Agreement, unless otherwise required by the context or subject matter:

Administration Fee means the administration fee specified in **Item 3** of the Schedule;

Agreed Area means the area described in **Item 1** of the Schedule;

Agreement means this deed as supplemented, amended or varied from time to time;

CEO means the Chief Executive Officer for the time being of the Shire;

Commencement Date means the commencement of the Term specified in **Item 2** of the Schedule;

Good Repair means substantial tenable repair and in clean, good working order and condition;

Notice means each notice, demand or authority given or made to any Party under this Agreement;

Outgoings means the outgoings, if any, specified in **Item 4** of the Schedule;

Parties means the Shire and the Users'

Party means the Shire or the Users according to the context;

Permitted Purpose is described in **Item 5** of the Schedule;

Schedule means the Schedule to this Agreement;

Shire's Covenants means the covenants, agreements and obligations set out or implied in this Agreement, or imposed by law to be observed and performed by the Shire;

Term means the term of months specified in **Item 2** of the Schedule;

Termination means expiry by effluxion of time or sooner determination of the Term;

Users' Agents includes the Users' officers, employees, agents, contractors, sub-contractors, invitees and licensees, together with their vehicles, machinery and equipment.

Users' Covenants means the covenants, agreements and obligations set out or implied in this Agreement or imposed by law to be performed and observed by any person other than the Shire;

Users' Fee means the fee specified in **Item 3** of the Schedule;

2. Interpretation

In this Agreement, unless expressed to the contrary or the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to a person shall include a reference to a natural person and a legal person;
- (c) headings have been inserted in this Agreement for the purpose of guidance only and do not form part of this Agreement;
- (d) expressions referring to writing shall, unless the contrary intention appears, be construed as references to printing, facsimile, lithograph, photocopy and other modes of representing or reproducing words in a visible form; and
- (e) a reference to a Party includes reference to its successors and permitted assigns.

3. Demise

The Shire hereby permits the Users to use the Agreed Area, and the Users have agreed to accept the permission on the Agreed Area for the Term.

4. Fees

In consideration of the Agreement but subject to **clause 13.3**, the Users covenant to pay the Users' Fee and Administration Fee specified in **Item 3** of the Schedule to the Shire.

5. Outgoings

- 5.1 Subject to **clause 13.3**, if Outgoings are specified in Item 4, then the Users covenant to pay Outgoings to the Shire in accordance with statements forwarded by the Shire to the Users, provided that the Users may require the Shire to provide satisfactory evidence to the Users of the amount of the Outgoings, before the Users pay such Outgoings.
- 5.2 If no Outgoings are specified in **Item 4** of the Schedule, then **clause 5.1** and **clause 8(b)** are of no effect and Outgoings are not payable by the Users.

6. Maintenance and Repairs

- 6.1 The Users shall at all times maintain the Agreed Area in the same condition as it existed on the date on which this agreement commenced except in respect of fair wear and tear.
- 6.2 The Users will make good any damage done by the Users, other than fair wear and tear.

7. Shire's Covenants

The Shire covenants with the Users to:

- (a) put the Users into possession of the agreed Area and to allow the Users to remain peacefully in possession during the Term free from interruption;
- (b) allow unfettered access to the Agreed Area by the Users and Users' Agents to the extent necessary to enable the Users to perform their covenants and enjoy and exercise their rights under this Agreement;
- (c) allow the Users to do all things on the Agreed Area necessary or convenient to enable the Users to perform their covenants and enjoy and exercise their rights under this agreement including, but not limited to (with prior written approval from the Shire), on Agreed Area, the installation and construction of fences, sheds and equipment;
- (d) prevent visitors from entering onto the Agreed Area or interfering with the Users' use of the Agreed Area or damaging anything belonging to the Users on the Agreed Area;
- (e) follow the recommendations for the use of the agreed Area after the expiry or termination of this Agreement, as set out in **Item 7** of the Schedule;
- (f) promptly notify the Users if any property has been removed, damaged or destroyed; and
- (g) effect and keep effect insurance to the full insurable value on a replacement or reinstatement value basis of the Agreed Area against damage arising from fire, tempest, storm, earthquake, explosion, aircraft, or other aerial device including items dropped from any device, riot, commotion, flood, lightning, act of God, fusion, smoke, rainwater, leakage, impact by vehicle, machinery breakdown and malicious acts or omissions and other standard insurable risks.
- (h) despite sub-clauses (a) to (d), restrict possession, unfettered access and the ability for users to perform the covenants and enjoy and exercise their rights, only to the extent that the Shire needs to access, or authorise access for others, to repair, maintain and clean the premises.

8. Users' Covenants

The Users covenant with the Shire to:

- (a) use the Agreed Area only for activities that are consistent with the Permitted Purpose;
- (b) maintain and keep the Agreed Area clean, tidy and free from rubbish, fair wear and tear, residual seed and stubble – damage by fire, lightning, flood, storm, tempest, earthquake, Act of God, war or damage caused by the negligent or unlawful act or omission of the Shire excepted.
- (c) refrain from making any structural alterations to existing improvements on the Agreed Area without the written consent of the Shire, which shall not be unreasonably withheld;

- (d) permit, at all times, the Shire to enter the Agreed Area and to use the area and carry out appropriate repairs, renovations and maintenance, provided that no undue inconvenience is caused to the Users and no damage is caused to any property; and
- (e) maintain sufficient public liability, contents, workers' compensation and personal accident insurance to cover the Users' agents during the period of this agreement in relation to these premises.

9. Keys and Access

- 9.1 The Agreed Area is to be fitted with locks based on the Shire's master key security system, at the Shire's cost.
- 9.2 The Shire will provide 2 keys to each User group to access the agreed area, based on the agreed lock hierarchy, upon payment of a Thirty dollar (\$30) bond per key.
- 9.3 The Agreed Area's locks must not be changed, without the prior approval of the Shire.
- 9.4 Any additional or replacement keys or locks required shall be provided by the Shire, at the Users' cost.

10. Assignment

The Users will not assign, sublet or part with possession of the Agreed Area without the prior written consent of the Shire.

11. Default by the Users

If:

- (a) fees remain unpaid twenty-eight (28) days after written demand for the same has been served on the Users;
- (b) subject to any requirement for satisfactory evidence under **clause 5**, if applicable, remain unpaid twenty-eight (28) days after written demand for the same has been served on the Users; or
- (c) the Users breach any of their covenants or the terms of this Agreement and the breach continues for twenty-eight (28) days after written Notice of the same has been served on the Users without the Users having remedied the breach or having demonstrated to the Shire's reasonable satisfaction that such breach will be remedied within a reasonable time;

then the Shire may at any time thereafter without any notice or demand enter and repossess the Agreed Area and the estate and interest of the Users in the Agreed Area will immediately determine.

12. Default by the Shire

If the Shire breaches any of its covenants or the terms of this Agreement and the breach continues for twenty-eight (28) days after written Notice of the same has been served on the Shire without the Shire having remedied the breach or having demonstrated to the Users' reasonable satisfaction that such breach will be remedied within a reasonable time, then the Users may without any notice or demand, at its absolute discretion:

- (a) terminate this Agreement; or
- (b) suspend payment of Users' Fees or Outgoings if applicable, or both, until the Shire remedies the breach and the Users' obligation to pay the Users' Fee or Outgoing or both, as the case may be, will be suspended until the Shire has remedied the breach.

13. Rights on Expiry and Termination

- 13.1 On expiry or termination of this Agreement, the Shire covenants to allow access to the Agreed Area by the Users and Users' Agents, to the extent necessary to enable the removal of the Users' property for a period of twenty-eight (28) days.

- 13.2 The Users retain all their rights, including but not limited to rights of ownership or possession, in respect of any property including but not limited to vehicles, machinery and equipment brought onto, installed or constructed on the Agreed Area by the Users a during the Term, provided that if the Users do not remove the property from the Agreed Area by the end of the period referred to in **clause 13.1**, the Shire may remove the property and deliver it to the Users and the Users will be liable to pay the Shire's reasonable cost of doing so.
- 13.3 If this Agreement is terminated, the Users will not be liable to pay Users' Fee or Outgoings if applicable in respect of any day after the day on which the Agreement is terminated.
- 13.4 This **clause 13** survives the expiry or termination of this Agreement.

14. Dispute Resolution

If the Parties are unable to settle any dispute under this Agreement between them on a good faith basis within fourteen (14) days of notice from one Party to the other, the dispute will be referred to mediation conducted by an external independent mediator.

15. Notices

- 15.1 Notices under this agreement must be delivered by hand, mail or email to the addresses specified in **Item 9** of the Schedule for each Party.
- 15.2 Notice will be deemed to have been given:
- (a) in the case of hand delivery, upon written acknowledgement of receipt by an officer or other duly authorised employee, agent or representative of the receiving Party;
 - (b) in the case of posting, three (3) business days after dispatch; or
 - (c) in the case of email, upon the successful completion of transmission.

16. Indemnity

Each Party shall indemnify the other and their officer, employees and agents against all damages, costs, expenses and liabilities claimed, suffered or incurred as a consequence of the first Party's breach of any of its undertakings under this Agreement or any failure of the first Party to perform its obligations under this Agreement.

17. Waiver

- 17.1 No right under this agreement shall be deemed to be waived except by an instrument in writing signed by each Party.
- 17.2 A waiver by a Party pursuant to **clause 17.1** will not prejudice that Party's rights in respect of any subsequent breach of covenant or the terms of this Agreement by the other Party.
- 17.3 Subject to **clause 17.1**, any failure by a Party to enforce any clause of this agreement, or any forbearance, delay or indulgence granted by a Party to the other Party, will not be construed as a waiver of the first-mentioned Party's rights under this Agreement.

18. Severability

If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, a court or competent jurisdiction may sever the provision in an appropriate case, and the rest of the Agreement continues to have effect according to its tenor.

19. Governing Law

This Agreement is governed by and is to be interpreted in accordance with the laws of Western Australia and, where applicable, the laws of the Commonwealth of Australia.

20. Variations

Variations to the standard clauses in this Agreement are to be documented in **Item 6** of the Schedule.

DRAFT

Schedule

Item 1: Agreed Area

The whole of the Agreed Area as identified, together with all buildings, structures, alterations, additions and improvements completed during the Term, as identified and outlined in red below:

Lot 419 (120) South Western Highway, Waroona

Not to Scale

- Users' Agreed Area
- Main shed and laydown areas – Peel Harvey Biosecurity Group Inc.
- Small shed x 2 and laydown areas – Harvey River Restoration Taskforce Inc.
- Laydown Areas only – Peel Harvey Catchment Council
- Excluded area – Office building
- Excluded Area – Shire shed and adjacent driveway
- Excluded area – Containers for Change operations



Item 2: Term and Commencement Date**Term**

Twelve (12) months commencing on 1 May 2023 and expiring on 30 April 2024 (or when the Sub-Lease Agreement takes effect, whichever is sooner).

Commencement Date

1 May 2023

Item 3: Fees and Charges**Users' Fee**

No Users' Fee is applicable.

Administration Fee

No Administration Fee is applicable.

Item 4: Outgoings

The Peel Biosecurity Group Incorporated shall provide the following outgoings or charges:

- (1) Electricity, power and light charges including but not limited to meter rent and cost of installation of any meter, wiring or connection, for the east end site power connection, payable to the Shire.

The Users shall each provide the following outgoings or charges, where applicable:

- (1) Payment of one fourth (twenty five percent) of the total telephone, gas, communications and other utilities including but not limited to meter rent and the cost of installation of any meter, wiring, internet connection or telephone connection, payable to the Shire.
- (2) Payment of one fourth (twenty five percent) of the total water consumption, meter rent and reading, excess water charges and charges for the disposal of sewage, payable to the Shire.
- (3) Payment of one fourth (twenty five percent) of any other consumption charge or cost, statutory impost or other obligation incurred or payable by reason of the Sub-Lessees' use and occupation of the Site.
- (4) Key bond of thirty dollars (\$30) per key, as per **clause 9.3**, payable to the Shire prior to the issue of each key.

The Shire shall provide the following outgoings or charges:

- (1) Annual or periodic servicing of emergency equipment belonging to the Shire;
- (2) Local government rates, services and other charges, including rubbish disposal;
- (3) Land tax on a single ownership basis, if applicable; and
- (4) Emergency service levy.

Item 5: Permitted Purpose

Natural Resource Management groups, environmental and agricultural activities and directly associated purposes.

Item 6: Agreement Variation

Nil.

Item 7: Recommendations

Nil.

Item 8: Additional Terms and Covenants

- (1) The Users AGREE during the Term and for so long as the Users remain in possession or occupation of the Agreed Area to at their own cost prepare and maintain an emergency evacuation plan for the Agreed Area.
- (2) The office building, which is excluded from, but adjacent to the agreed area, as per **Item 1** may contain asbestos containing materials and the Users shall take all precautions to ensure that all personnel and contractors are notified of the dangers of this substance when working within close proximity of the office building. The Shire shall, upon request, provide the Users with a comprehensive report of the location of asbestos containing material.
- (3) The Users ensure that all chemicals used are registered, stored and used according to label recommendations, and MSDS – SDS are available.

Item 9: Address and Contact Details**Shire's Details**

Contact Name	Ashleigh Nuttall
Postal Address	PO Box 20, Waroona WA 6215
Telephone Number	(08) 9733 7800
Email Address	dcs@waroona.wa.gov.au

Users' Details**Harvey River Restoration Taskforce Incorporated**

Contact Name	
Postal Address	
Telephone Number	
Email Address	

Peel Biosecurity Group Incorporated

Contact Name	
Postal Address	
Telephone Number	
Email Address	

Peel Harvey Catchment Council Incorporated

Contact Name	
Postal Address	
Telephone Number	
Email Address	

Signing Page

EXECUTED by the Parties as a Deed

Full Name of Shire President

Signature of Shire President

Full Name of Chief Executive Officer

Signature of Chief Executive Officer

Harvey River Restoration Taskforce Incorporated

Full Name of Chief Executive Officer

Signature of Chief Executive Officer

Full Name of Witness

Signature of Witness

Peel Harvey Biosecurity Group Incorporated

Full Name of Chief Executive Officer

Signature of Chief Executive Officer

Full Name of Witness

Signature of Witness

Peel Harvey Catchment Council Incorporated

Full Name of Chief Executive Officer

Signature of Chief Executive Officer

Full Name of Witness

Signature of Witness