



1. Intention

To set out the insurances that contractors must carry in order that they are adequately covered and that the Shire of Waroona is therefore indemnified from claims arising from the actions of the contractor.

2. Scope

This policy applies to any external party involved in providing goods or services to the Shire of Waroona, such as contractors, consultants, outsourced service providers and suppliers.

3. Statement

Tender and contractual documentation should contain the clauses that are set out below:

1. The Contracted Worker shall be solely responsible for the services and shall bear the sole risk for any loss or damage whether to any person or property caused by or resulting from, directly or indirectly, any act or omission of the Contracted Worker or any default or negligence by the Contracted Worker irrespective of any negligence, default or breach of statutory duty on the part of the Shire of Waroona.
2. The Contracted Worker shall indemnify and keep indemnified the Shire of Waroona from and against any loss or damage and against claims, demands, proceedings, costs, charges and expenses whatsoever arising out of any act or omission of the Contracted Worker or any default by the Contracted Worker irrespective of any negligence, default or breach of statutory duty on the part of the Shire of Waroona.
3. The Contracted Worker shall, at the contracted workers own expense, procure and maintain and shall ensure that all Sub-Contractors procure and maintain the following insurances, such insurance shall be specifically endorsed so that it is deemed primary to any insurance effected by or on behalf of the Shire of Waroona and shall contain a cross liability clause which shall treat each of the insured parties as if a separate policy had been issued to each of them;
4. Public liability insurance must be provided by each contracted worker. The amount of liability is based on the risk level determined by the scope of works.
 - Low Risk – An amount of not less than \$5 million for any one accident or occurrence in the name of the Shire of Waroona and Contractor
 - Medium Risk – An amount of not less than \$10 million for any one accident or occurrence in the name of the Shire of Waroona and the Contractor
 - High Risk – An amount of not less than \$20 million for any one accident or occurrence in the name of the Shire of Waroona and the Contractor
5. Workers Compensation Insurance must be provided by contracted workers. It is recommended that Sole Traders provide personal accident insurance or Income Protection Insurance.

6. Professional Indemnity Insurance is required for professional consultants who provide advice as part of the contract. The nominal amount of Professional Indemnity Insurance is to be \$5 million.

A risk assessment may be undertaken by the Shire of Waroona to assess the minimum value of a negligence claim for a particular contract, plus 50% for dealing with the matter in court as the Professional Indemnity Insurance amount. In determining the maximum value note that insurance typically deals with the unexpected and so the maximum value should reflect the “possible” rather than the “likely” occurrence in the risk assessment process.

7. Third party property damage insurance of not less than \$20 million in respect of any motor vehicles, plant or equipment used in the performance of the contracted services.
8. If the Contractor or any Sub-Contractor employs any person or persons to perform the services or any part thereof, documentation certifying current workers compensation insurance, public liability insurance and third-party property damage insurance to the specifications and criteria required by the contractor must be provided to the Shire of Waroona before the commencement of services.
9. If the Contractor or any Sub-Contractor employs any person or persons to perform the services or any part thereof, awareness and compliance with the Shire of Waroona occupational safety and health guidelines and policy must be provided and acknowledged.
10. Any other insurance which is required by the laws of the Commonwealth of Australia and the State of Western Australia and as amended by these guidelines following its review.
11. The implementation and maintaining of all insurances as required under these guidelines shall in no way limit the obligations or responsibilities of the Contractor under these guidelines.
12. The Contractor shall provide to the Shire of Waroona, prior to the commencement date, certificates of currency for all insurances that provide evidence of validity and currency of the insurance policies.

3.1 Termination

The Shire of Waroona may terminate its agreement with the Contractor immediately upon written notice to the Contractor if the Contractor fails to work with due diligence or expedition or makes a default in the performance of or observance of any covenant, condition or stipulation contained in these guidelines and the agreement made with the Contractor or refuses or neglects to carry out any instruction which Council is empowered to give or make under these guidelines.

The Shire of Waroona may terminate its agreement with the Contractor immediately upon written notice to the Contractor if the Contractor enters bankruptcy or enters into liquidation, a Deed of Assignment, Deed of Arrangement or similar style process with creditors or commences to carry on business under a Receiver for the benefit of its creditors or any other party.

4. Legislative and Strategic Context

The Work Health and Safety Act 2020 and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed annually.

6. Associated Documents

Other documents that have an association to this policy and that may be useful reference material are:

- WHSD004 – WHS Worker Management Procedure
- WHSD005 – Contracted Workers Risk Classification Schedule

7. Document Control

Division	Corporate & Governance		
Policy Number	CPG015		
Contact Officer	Manager Corporate Services		
Related Legislation	Work Health and Safety Act 2020, Work Health and Safety (General) Regulations 2022		
Related Shire Documents	WHSD004 – WHS Worker Management Procedure WHSD005 – Contracted Workers Risk Classification Schedule		
File Number	RM.7, CM11		
Risk Rating	High	Review Frequency	Annually
Next Review	June 28	Date Adopted	22/06/2004
OCM Number	OCM04/083		

8. Previous Policy No's.

Policy No.	Title
CORP039	Contractor Risk and Insurance
5.12	Contractor Risk and Insurance

9. Amendments

Date	Details of Amendment	Reference	Record Number
23/10/2012	Updated as part of major review.	OCM12/10/123	
23/10/2015	Updated as part of major review.	OCM15/12/164	
18/12/2018	Updated as part of major review.	OCM18/12/126	
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071	
22/08/2023	Amendment in include contractor insurance requirements	OCM23/08/101	
25/06/2024	Reviewed without amendment	OCM24/06/090	
24/06/2025	Added updated associated documents	OCM25/06/090	RM.7