

# **ATTACHMENT NO. 1**

Internal Audit - Revenue Report

**Town of Bassendean**  
**March 2018**

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## 1.0 Engagement Overview

### Introduction

As part of the 2016 – 2019 Internal Audit agreement between the Town and Moore Stephens, an internal audit of Revenue – Fees and Charges was conducted in January 2018.

Fees are primarily generated from the following core categories:

- Fee for service – i.e. Childcare, recreation, disability services and building services;
- Statutory – i.e. Fines and penalties, license fees, health inspections; and
- Town services – i.e. waste collection, requests for private works and use of facilities.

### Objective

The audit objective was to review the appropriateness and effectiveness of internal controls in line with *Local Government (Financial Management) Regulations 1996 Section 5(2)(c)* pertaining to processes key to Revenue – Fees and Charges, and to recommend process improvements where applicable.

### Scope

The auditor is to carry out such work as necessary to evaluate the adequacy and effectiveness of internal controls in the current financial year including governance over:

- Fee establishment;
- Fee initiation;
- Fee collection including overdues;
- Recording of fees in G.L. and reconciliation procedures with finance records; and
- Compliance with approved policies and procedures, regulations and relevant legislation.

Following an initial risk assessment during audit planning, the focus for this audit will be in the areas below:

- Revenue from Leases & Agreements for the use of Council buildings, Council Reserves and other Council Facilities;
- Fines imposed by Council Rangers;
- Town Planning fees; and
- Fees from Childcare Services.

### Approach / methodology

The process included:

- Onsite discussions and review of documentation from 10 to 12 January 2018;
- Understanding of existing policies and procedures in place and walkthroughs of key controls;
- High level and detailed testing across fee categories (24 samples were tested); and
- Provision of a draft report to the Director, Corporate Services.

## 2.0 Executive Summary

### Background

The approved fees adopted by Council are published on the Town website as Fees & Charges (2017-2018).

Administration of fees (i.e. fee initiation, follow-up of outstanding fees and recordkeeping) is currently handled by the respective Town Service department with recording of payments into the Town's ERP system (Synergy Soft) supported by Finance staff. The annual setting of fees is co-ordinated by Finance in consultation with the appropriate managers from the Town Service department with recommendations made to Council for their approval.

### Overall Results

The evaluation of the internal control environment including observations and verification of current practices supporting the administration and collection of fees, concluded that Town of Bassendean comply with the various local laws and legislative requirements when setting fees and their collection thereof with minor exceptions detailed in this report.

The review highlighted opportunities to improve on existing practices by implementing more structured processes and procedures in the following areas:


1. Implementation of a documented methodology and approach to the annual review of fees to ensure:
  - a more fulsome review of all service areas for new fees required either through legislation or for cost recovery purposes, and appropriateness of using previous year's fees; and
  - the fee strategy for the upcoming budget year is documented and available to support the recommendation for Council approval.
2. Tighter controls over fee administration with respect to:
  - managing lease expiry dates and lease agreements to ensure timely renewal (e.g. Community Services);
  - monitoring of overdue and outstanding fees/fines (e.g. Ranger Services); and
  - fee recovery from third parties (e.g. Ranger Services).

The review noted some positive observations such as encouraging community compliance through education and communication versus taking a punitive approach over infringements by Ranger Services. It was also noted that management of Childcare Services were well controlled with respect to capture of services, co-ordination with Finance over fee collections and fee recovery from government sources.


Due to the complexity and nature of the numerous programs under Senior and Disability Services, detailed testing was not conducted over the determination of the fee structure.

Recommendations have been discussed with Management for their consideration. Details of the above are outlined in Section 3.0 Review Findings and Recommendations.



## 3.0 Review Findings and Recommendations

NO	OBSERVATION	RISK CONSIDERATIONS	RATING	RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION OWNER & DUE DATE
FEE STRATEGY						
1.0	<p>Review of Annual Fees – Methodology &amp; Approach</p> <p>Legislation regarding Fees &amp; Charges is complex as depicted by the decision tree illustrated in Appendix A.</p> <p>Through discussions with respective Managers involved in setting fees, it was confirmed that the review for fees and charges is performed in conjunction with the annual budgeting process and not formally documented.</p> <p>The above approach does not fully consider the following factors which may influence the amount of fee for the new budget year:</p> <ul style="list-style-type: none"> <li>confirmation that the historical rate is still appropriate and/or that there have been no changes to the legislated amount;</li> <li>whether there are any new fees that should be considered; and</li> <li>the fee strategy for the upcoming budget year for fees not specifically legislated.</li> </ul>	<p><i>Lost opportunity costs in revenue generation.</i></p> <p><i>Lack of transparency</i></p>		<p>1.1 The rationale for the respective fees should be documented and presented as part of the approval process to Council.</p>	<p>The larger fees such as waste, children’s services and HACC are based on cost recovery. The audit observation relates to minor fees and charges such as hall hire, ground hire and sale of mulch.</p>	<p>Finance Manager 30 June 2018</p>

## 3.0 Review Findings and Recommendations (continued)

NO	OBSERVATION	RISK CONSIDERATIONS	RATING	RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION OWNER & DUE DATE
<b>FEES ADMINISTRATION - OPERATIONAL</b>						
2.0	<p>Administration of Leases and Agreements</p> <p>The following control deficiencies were noted regarding fees generated from leasing and other long term arrangements:</p> <ul style="list-style-type: none"> <li>There is no current master list of leases held by the Town to ensure all fees due are captured and monitored for receipt on a timely basis;</li> <li>2 of 4 lease payments tested were not calculated correctly resulting in 1 overpayment of \$403.45 (over five years) and 1 underpayment of \$107.24 (over two years);</li> <li>1 lease agreement totalling \$50,000 expired on 1 January 2018; as of 19 January, the lease has not been finalised (Casa Mia Montessori). root cause: responsible officer not aware of expiry on timely basis to initiate renewal.</li> </ul> <p>There does not appear to be a documented approach for the renewal of leases.</p>	<p>Incorrect fees.</p> <p>Lack of transparency in determining lease agreements.</p>		<p>2.1 Create and maintain a master list of leases / agreements to track renewal planning and monitoring payments. Responsibility for the master list should be assigned to a specific role to ensure accountability.</p> <p>2.2 Review the master list and ensure lessees have paid the correct amounts and adjust difference accordingly (where appropriate).</p> <p>2.3 Finalise the Casa Mia Montessori lease agreement.</p>	<p>2.1 Agreed. Staff are reviewing the Central Records system to cater for Lease documents as an initial step. ITVISION have a Lease and Contracts module which includes alerts and will assist in monitoring Leases. Staff will discuss this with ITVISION to implement the module.</p> <p>2.2 Adjustments will be made where appropriate when the master list has been set-up and reviewed.</p> <p>2.3 Council approved a 5 year lease in July 2017, however there were issues relating to the adjacent property and the final agreement was signed in March 2018.- No further action required.</p>	<p>30 June 2018 (2.1 and 2.2)</p>

## 3.0 Review Findings and Recommendations (continued)

NO	OBSERVATION	RISK CONSIDERATIONS	RATING	RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION OWNER & DUE DATE
<b>FEES MANAGEMENT - SUPERVISORY</b>						
3.0	<p>Reconciliation of Fees between relevant Town Services and Finance</p> <p>There does not appear to be a formal/ documented procedure for Town Services and Finance to determine whether the fees initiated, levied or collected are reconciled back to payment records (except for Childcare Services which are reconciled and tracked in a spreadsheet).</p> <p>A reconciliation process would assist Finance with visibility over the fees initiated/expected and collected for cashflow purposes and to ensure that significant shortcomings or negative trends are flagged and investigated on a timely basis.</p>	<p>Errors may not be detected on a timely basis.</p>		<p>3.1 Where appropriate develop templates which capture fees payable and/ or paid with fee payments received. This will provide Finance with assurance that the service area has received fees for the services performed.</p> <p>This information can then be used as a reasonability check when Finance is performing its semi-annual budget review.</p>	<p>Reconciliations will be maintained by Services as appropriate.</p>	30 June 2018
4.0	<p>Outstanding and Overdue Fines</p> <p>Overall, the review of procedures for monitoring outstanding and overdue fees by the respective Town Service indicate outstanding amounts are appropriately risk managed.</p> <p>The review noted that the process for following up on 'unpaid' fines and infringements within Ranger Services could be improved.</p>	<p>Lost revenue</p>		<p>4.1 Assess the feasibility of the system to provide the necessary detail to enable analysis of infringement data.</p> <p>This should provide insight into current recovery rates and whether a change to</p>	<p>Discussion with IT Vision on the reporting capability will be done.</p> <p>Further staff training for rangers will be implemented.</p>	30 June 2018





### 3.0 Review Findings and Recommendations (continued)

NO	OBSERVATION	RISK CONSIDERATIONS	RATING	RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION OWNER & DUE DATE
	<p>Currently, there is no capability to provide a report for Ranger Services to track infringements issued against infringement paid on a summary basis or by defined period. The status of individual infringements can be determined but not on an aggregated basis.</p> <p>This makes it difficult to track the overall success or recovery rate of recoverable infringements, in particular vehicle infringements.</p>			existing procedures need to be changed to increase collectability.		

### 3.0 Review Findings and Recommendations (continued)

NO	OBSERVATION	RISK CONSIDERATIONS	RATING	RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION OWNER & DUE DATE
<b>FEES MANAGEMENT - SUPERVISORY</b>						
5.0	<p>Recovery of Expenses from Property Owner</p> <p>Sample testing of three Bushfire Infringements highlighted one instance where procedures need to be improved to ensure that expenses incurred on behalf of rate payers are fully recovered.</p> <p>The exception involved a property owner who did not comply with the Infringement notice and for safety reasons, the Town hired a contractor to remove the hazard. Due to significant late receipt of the invoice from the contractor, the Town was not able to recoup the costs incurred from the ratepayer as it was deemed that too much time had elapsed since the works had been done to pass on the costs.</p> <p>The total costs of \$1,050 represents an unavoidable financial loss which has been incurred due to a lapse in internal controls.</p>	<p>Risks mitigated at cost to Town.</p>		<p>5.1 Procedures should be re-enforced regarding the recovery of costs.</p>	<p>This was an isolated incident and generally these charges are included on the rates notice.</p> <p>Staff have been advised to be more timely with recovery of expenses in such cases.</p>	<p>Closed</p>

### 3.0 Review Findings and Recommendations (continued)

NO	OBSERVATION	RISK CONSIDERATIONS	RATING	RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION OWNER & DUE DATE
<b>FEES MANAGEMENT – IMPROVEMENT OPPORTUNITIES</b>						
6.0	<p><b>Town Planning – Spreadsheet Controls</b></p> <p>A spreadsheet has been developed by Town Planning for Customer Service staff to ensure that the correct rates have been applied based on the estimated value of the building works.</p> <p>Review of the spreadsheet noted that the cells containing formulae are not locked down to prevent accidental or unauthorised changes.</p>	Potential for incorrect fees to be levied.	 <sup>1</sup>	6.1 Formulae should be locked down to prevent errors.	Agreed. Formulae now locked down.	Closed
7.0	<p>Audit testing of the Fees and Charges 2017-2018 published on the Town website and agreed back to the relevant local law/Act noted one anomaly (sample tested = 50):</p> <ul style="list-style-type: none"> <li><i>Health (Offensive Trades Fees) Regs 1976</i> for Fish processing establishments is \$298. Fees and Charges has fee set at \$307.</li> </ul> <p>The above discrepancy was due to an estimate being made on the anticipated statutory fee increase which typically occurs after the Fees &amp; Charges have been presented to Council for approval.</p>	Incorrect fees being levied.		7.1 It is suggested that any statutory fees which may be subject to change following the annual fee setting process should be denoted as TBA (To be Advised). The previous year's fees could be provided as reference.	Agreed – Fees and Charges document has been corrected.	Closed

<sup>1</sup> Rated minor due to additional reviews performed by Planning Services.

## 3.0 Review Findings and Recommendations (continued)

### Classification of Review Findings

The following framework has been used to assist Management with prioritising internal audit findings according to their relative significance and in consideration of their impact to the business process.



Issue represents a control weakness which will/may have an adverse effect on the ability to achieve business objectives and/or is in significant breach with legislative requirements. Requires immediate management action.



Issue represents a control weakness which may become more serious if not addressed. Requires management action within a reasonable time period.



Issue represents an opportunity for improvement. Management should consider cost benefit analysis within a reasonable time period.

## 4.0 Revenue Review – Services & Fees Process Controls

The following chart depicts the key processes and supporting controls reviewed during the audit.



✓ Controls are Adequate

⚠ Improvement to Control Identified

## 5.0 Other Matters

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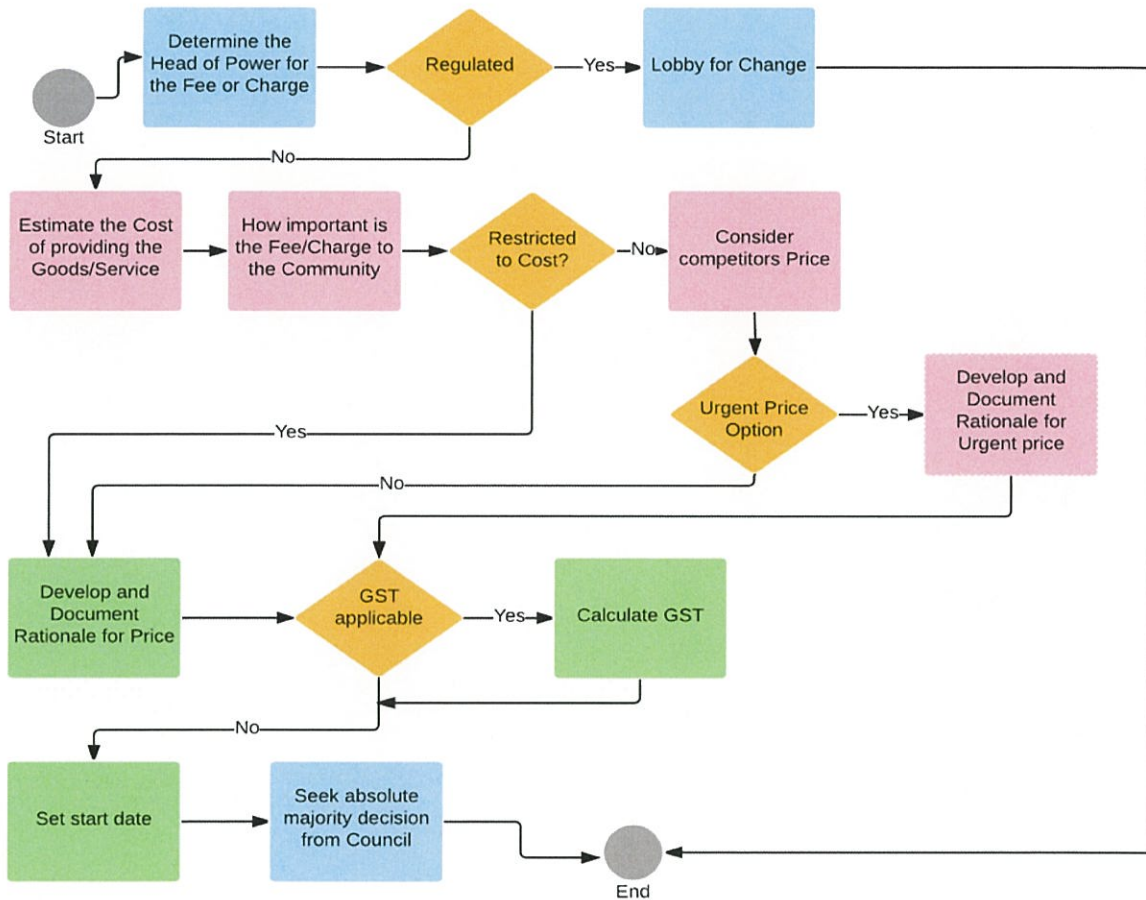
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### DOCUMENT

Status: Draft | V1.6  
Date: 20 February 2018

## APPENDIX A – Legislative Background

The Act deals with fees and charges from LGA S6.16 to 6.19 which can be summarised in the following diagram.



# **ATTACHMENT NO. 2**



MACRI PARTNERS

2018 FRAUD & ERROR  
ASSESSMENT

**TOWN OF BASSENDEAN**

## Explanatory Information

The purpose of this form is to contribute towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make enquiries of the Audit Committee under auditing standards.

### Background

Under the Australian Auditing Standards, auditors have specific responsibilities to communicate with the Audit Committee.

Australian Auditing Standards ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report* and ASA 260 *Communication with Those Charged with Governance* now make it mandatory for auditors to make enquiries of management and those charged with governance (audit committees) regarding matters that are indicated in the template form. The enquiries with those charged with governance (audit committees) are made in part to corroborate the responses to the enquiries of management.

### Respective Responsibilities

The primary responsibility to prevent and detect fraud rests with both the Audit Committee and management. Management, with the oversight of the Audit Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

### Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Audit Committee's oversight to address fraud risk.

This form includes a series of questions on each area with provision for responses from both management and the Audit Committee.

**We suggest that Management complete the relevant sections before submitting these responses to the Audit Committee.**

**The Audit Committee should consider whether these responses are consistent with its understanding, before completing the relevant sections applicable to them.**

# Fraud and Error Assessment – Management

## TOWN OF BASSENDEAN

FOR THE YEAR ENDING 30 JUNE 2018

1. Has management assessed the risk of material misstatement in the financial statements due to fraud? What are the results of this process?

**Response:**

*Management has made an assessment to ensure that the annually adopted accounting policies continue to be appropriate to the Towns circumstances and if they have been consistently applied and adequate disclosure has been undertaken.*

*The reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements is undertaken on a regular monthly basis. Council also undertakes the required budget review process to ensure that the originally adopted accounting estimates are on target.*

*The Financial Statements are developed on a monthly basis, there are numerous credit and debit transactions that are scrutinised through Contracts management procedures, and processes as well as authorisation of invoices that require two senior Officers to give the final approval before any funds are transferred to the Contractor. The Town Officers maintain a consistent check on new creditors through ASIC searches and ensures that any changes to BSB or Bank Account numbers are fully authorised by two Officer prior to any changes being made to the Creditor. These measures will assist in any misstatements in the financial statements. Where Council is required to adjust the budget, a report is provided giving an overview of the need for an adjustment to a particular item or items. Council needs to pass such amendment by absolute majority.*

2. What processes does management have in place to identify and respond to risks of fraud?

**Response:**

*Management undertakes a rigorous internal audit program with a respected Auditing firm, not associated with the External Audit to ensure probity. Combined with the internal audit program, and internal review of processes Management has enhanced and monitors the effectiveness of internal controls. The findings of these audits are reported to the Audit and Governance Management Committee, and then to Council, so that any identified adverse trends or deficiencies are rectified.*

*Fraud and corruption control and management is an integral component of the Towns Governance framework and Policy's which builds upon the requirement for transparent and accountable processes consistent with sound business practices and organisational standards of compliance. Additionally through this governance process management aim to create a culture of honesty and ethical behaviour within the Town.*

*The Town has established internal financial, information systems and management controls, which require staff to follow standard practices when conducting business, to act in accordance with best practice, and to adhere to agreed internal control systems. Applicable internal controls include:*

- *suitable recruitment procedures (e.g. contacting referees Diversified selection panels)*

- *reporting and management of conflicts of interest (As per LG.Act)*
  - *appropriate procurement practices*
  - *segregation of duties*
  - *security of records and information systems*
  - *consideration of risk and risk management strategies (Reviewed by Audit Committee)*
  - *supervision and internal checks*
  - *approvals within delegated authority*
  - *reconciliations*
  - *budget control*
  - *regular review of management reports*
  - *Internal audit.*
- *The Town's Code of Conduct, which applies to all officers, is a reflection of the Towns commitment to create an environment and culture in which ethical conduct is expected, encouraged, supported and achieved.*
  - *As stated in the Code of Conduct, staff must report suspected fraudulent and/or corrupt activity. Any staff member who suspects such activity must immediately notify his/her supervisor or those responsible for investigation. In situations where the supervisor is suspected of involvement in fraudulent and corrupt activity, the matter should be notified to the next highest level of supervision.*

*The Town's response to fraud and corruption allegations or matters will vary, according to the nature and seriousness of the alleged conduct. A full investigative response will be undertaken where the conduct, if proved, could result in dismissal or demotion. At the other end of the spectrum are complaints best dealt with by prompt managerial action.*

3. **Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?**

**Response:**

***The use of Credit cards has been identified in other local authorities as a potential fraud risk. In response to this potential risk, the Town reviewed credit card limits, number of cards issued to officers, and the procedures govern the use of the cards. Credit Card procedures were reviewed in March 2018. Credit Card holders were provided with revised card guidelines, which were signed off by the cardholder.***

***No other specific fraud risks have been identified in the review period***

4. **Are internal controls, including segregation of duties, in place and operating effectively? If not, where are the risk area's and what mitigating actions have been taken?**

**Response:**

***Management reviews internal controls and internal audit reviews. The segregation of duties in regards to procurement, tender assessment, payment authorisation, security access on the town's financial systems, authorisation of accounts & engagement & monitoring of contracts are frequently reviewed.***

5. Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (e.g. because of undue pressure to achieve financial targets such as a surplus position or better performance indicators)?

**Response:**

*The end of year process & preparation of the annual financial statements is reviewed thoroughly by Audit. The Financial ratio's that are reported in the Annual Financial Statements are subject to audit.*

6. What arrangements are in place to report fraud issues and risks to the Audit Committee?

**Response:**

*The Town of Bassendean Code of Conduct for Councillors Committee Members & Employees (Section 6) deals with Fraudulent or Corrupt behaviour. Appropriate arrangements where this situation arises.*

*A role of the Town of Bassendean – Audit & Governance Committee – Instrument of Appointment, Risk management provides that it will review the process of developing & implementing fraud control arrangements and satisfy itself it has appropriate processes and systems in place to detect, capture and effectively respond to fraud related information.*

7. How does the Council communicate and encourage ethical behaviour of its staff and contractors?

**Response:**

*The Town of Bassendean's Code of Conduct (for Councillors, Committee Members & Employees) reinforces to individuals the importance and significance of ethical behaviour.*

*This is clearly listed in the code of conduct, under General Principles and Ethical standards. Further to this, the Town's corporate vision statements enforce a code of behaviour by staff that includes excellence in behaviour, professionalism, & teamwork.*

8. How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?

**Response:**

*As stated above, the Town of Bassendean's code of conduct (Section 6.0 6.1) deals with this matter.*

*In regards to the second part of this question, no issues have been reported in the current reporting period.*

9. Are you aware of any related party relationships or transactions that could give rise to risks of fraud?

**Response:**

*Management are not aware of any related party relationships that may lead to fraud. Related party relationships will evolve in 2018/19 once new Accounting standards requirements and Local government Department requirements move into a higher level of compliance.*

10. Are you aware of any instances of actual, suspected or alleged, fraud, within the Council since 1 July 2017? If yes, provide details of what occurred and who was involved.

**Response:**

*No instances of actual, suspected or alleged, fraud within the Council have occurred since 1 July 2017.*

11. Please advise if there have been any matters reported to the CCC (Corruption and Crimes Commission) by the Town.

**Response:**

*During the 2017/18 reporting period, no matters have been referred to the CCC.*

Signature: \_\_\_\_\_  
Name: Mr Bob Jarvis  
Position: CEO  
Date: 11<sup>th</sup> May 2018

## Fraud and Error Assessment – Audit Committee TOWN OF BASSENDEAN

FOR THE YEAR ENDING 30 JUNE 2018

The Australian Auditing Standards require us to consider the risk that fraud could occur within the Council. We are preparing to perform our Interim Audit risk assessment of your Council in relation to the audit for the year ending 30 June 2018. We would appreciate if you could briefly answer the following questions in the spaces provided, and return this signed letter.

1. Has the Council's management communicated to you its processes for identifying/responding to risks of fraud?

*Response:*

*Yes. Council has adopted a code of conduct with advice from the Public Sector Commission and which has provision for the definition of fraud and misconduct.*

2. How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud?

*Response:*

*Matters relating to internal audits and investigations are referred to the Audit and Governance Committee*

3. Is the Audit Committee aware of any actual, suspected or alleged fraud? If yes, please provide details.

*Response:*

*During the reporting period, there has been no any actual, suspected or alleged fraud that required the reporting to the Audit and Governance Committee.*

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CR K HAMILTON

Position: \_\_\_\_\_

CHAIRPERSON

Date: \_\_\_\_\_

### Examples of Circumstances that Indicate the Possibility of Fraud

The following are examples of circumstances that may indicate the possibility that the financial report may contain a material misstatement resulting from fraud.

Discrepancies in the accounting records, including:

- Transactions that are not recorded in a complete or timely manner or are improperly recorded as to amount, accounting period, classification, or entity policy.
- Unsupported or unauthorised balances or transactions.
- Last-minute adjustments that significantly affect financial results.
- Evidence of employees' access to systems and records inconsistent with that necessary to perform their authorised duties.
- Tips or complaints to the auditor about alleged fraud.

Conflicting or missing evidence, including:

- Missing documents.
- Documents that appear to have been altered.
- Unavailability of other than photocopied or electronically transmitted documents when documents in original form are expected to exist.
- Significant unexplained items on reconciliations.
- Unusual balance sheet changes or changes in trends or important financial statement ratios or relationships – for example receivables growing faster than revenues.
- Inconsistent, vague, or implausible responses from management or employees arising from enquiries or analytical procedures.
- Unusual discrepancies between the entity's records and confirmation replies.
- Large numbers of credit entries and other adjustments made to accounts receivable records.
- Unexplained or inadequately explained differences between the accounts receivable sub-ledger and the control account, or between the customer statements and the accounts receivable sub-ledger.
- Missing or non-existent cancelled cheques in circumstances where cancelled cheques are ordinarily returned to the entity with the bank statement.
- Missing inventory or physical assets of significant magnitude.
- Unavailable or missing electronic evidence, inconsistent with the entity's record retention practices or policies.
- Fewer responses to confirmations than anticipated or a greater number of responses than anticipated.
- Inability to produce evidence of key systems development and program change testing and implementation activities for current-year system changes and deployments.

Problematic or unusual relationships between the auditor and management, including:

- Denial of access to records, facilities, certain employees, customers, vendors, or others from whom audit evidence might be sought.
- Undue time pressures imposed by management to resolve complex or contentious issues.
- Complaints by management about the conduct of the audit or management intimidation of engagement team members, particularly in connection with the auditor's critical assessment of audit evidence or in the resolution of potential disagreements with management.
- Unusual delays by the entity in providing requested information.
- Unwillingness to facilitate auditor access to key electronic files for testing through the use of computer-assisted audit techniques.



- Denial of access to key IT operations staff and facilities, including security, operations, and systems development personnel.
- An unwillingness to add or revise disclosures in the financial report to make them more complete and understandable.
- An unwillingness to address identified deficiencies in internal control on a timely basis.

Other

- Unwillingness by management to permit the auditor to meet privately with those charged with governance.
- Personal financial pressure
- Vices such as substance abuse and gambling
- Extravagant purchasing or lifestyle
- Real or imagined grievances against the organisation or management
- Increased stress, irritable, defensive and argumentative
- No vacations / sick leave / excessive overtime
- Dominant personality
- Protective of area of administration and missing documents and files from the staff's area
- Accounting policies that appear to be at variance with industry norms.
- Frequent changes in accounting estimates that do not appear to result from changed circumstances.
- Tolerance of violations of the entity's Code of Conduct.

# CONFIDENTIAL REPORTS

## AUDIT & GOVERNANCE COMMITTEE AGENDA

16 MAY 2018

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11.1 Various Debts Write-off Ref: FINM/DBTOS/2- (Ken Lapham – Manager Corporate Services)

APPLICATION

- The purpose of this report is to recommend that various outstanding & unrecoverable debts be written off.
- The Manager Corporate Services recommends that debtors totalling \$512.10 be written off.

BACKGROUND

As part of the internal audit process, management run monthly reports on outstanding debts. Variances are identified through the aged trial balance process to ensure debt collection is controlled.

COMMENT

A review of the outstanding debtors has been undertaken for the final quarter of 2017/18 financial year with research being undertaken to determine the likelihood of economically recovering various outstanding debts. It is considered that that the following debts are unlikely to be recovered and it is recommended that the debts be written off. The last debtors write off report was endorsed by Council was in June 2018.

Debts are to be written off as an expense in the reporting period when the review identifies them as unlikely to be recovered.

## STRATEGIC IMPLICATIONS

*Good Governance*  
*Enhance Organisational Accountability*  
Ensure financial sustainability  
Strengthen Governance, risk management & compliance

## STATUTORY REQUIREMENTS

Local Government Act 1995.  
Local Government (Financial Management) Regulations.  
Debts that are non-recoverable require Councils  
Authorisation under the provisions of the Local Government  
Act Section 6.12 (1) (c).

## FINANCIAL IMPLICATIONS

Loss of potential revenue is \$512.10 There is no provision  
for bad debts to be written off in the 2017-18 Budget.

## COMMENT

Prior to the following list being compiled, there has been  
consultation with Business Unit Managers as to the reasons  
why the various debts have been unable to be recovered.  
Council's Auditors have suggested that where all avenues  
for the recovery of debts have been fully examined and  
exhausted, that those debts be removed from the Debtors  
Ledger.

A brief statement of the circumstances of each debt and the  
amount outstanding is as follows:

<b>Debtor Name</b>	<b>Debtor Number</b>	<b>Invoice Date</b>	<b>Amount</b>
<b>Scarborough Public Library</b>	781	6/11/2015	12.10
Lost Book "Shared Care or Divided lives: What's Best for Children When Parents Separate". This invoice has been sent on several occasions to the City of Stirling, without any response.			
<b>Helen Morton</b>	12343	22/9/2016	500.00
Invoice was raised as a contribution to the 2016 Bassendean Visual Arts awards for sponsorship to the People's Choice Category. Community Services staff advice is that they have been unsuccessful in any recovery of the promised donation.			

OFFICER RECOMMENDATION – ITEM 11.1

That Council writes off debtors of \$512.10 as listed in the Confidential Report to the Audit & Risk Management Committee Agenda of 16 May 2018.

**Voting requirement: Absolute majority**

**11.2 Stan Moses Pavilion Management Group Inc. Management & Lease & Agreement (Ref: COUP/LEASNGO/3 - Salvatore Siciliano, Manager Recreation and Culture and Tim Dayman, Recreation Development Officer)**

APPLICATION

The Audit and Governance Committee is requested to consider the Stan Moses Pavilion Management Group Inc. (SMPMG) non compliance of financial reporting to the Town and make appropriate recommendations to Council for their decision.

ATTACHMENTS

**Attachment No. 5:**

- Lease and management agreement
- Correspondence to the SMPMG

BACKGROUND

In September 2004, Council adopted the Jubilee Reserve Strategic Master Plan, which included a recommendation for the Town to assist in the establishment of a new sporting body to lease and operate Stan Moses Pavilion.

In 2005, the Stan Moses Pavilion Management Group Inc. (SMPMG) was established.

In 2006, OCM - 47/02/06, Council resolved to finalise a lease and management agreement with the SMPMG for the management of the Pavilion. The period for both agreements was 10 years with the lease and management agreement both being signed on 17 and 18 July 2006. Since then, both the lease and management agreement have expired.

The Lease and Management Agreement stipulates that the SMPMG will not be charged an annual rental fee for use of the Pavilion (i.e. a “peppercorn” agreement). However, the SMPMG shall be responsible for paying all running costs (other than significant maintenance costs over \$1,000).

In 2006, OCM – 13/10/06, Council approved the request by the SMPMG for a management subsidy of \$27,990 for the 2006/07 financial year. The management subsidy was provided as a means to assist and empower the SMPMG at the time to take responsibility for the management and attending to minor maintenance items of the Pavilion given that multiple sporting clubs are based at Jubilee Reserve and use the building.

The SMPMG is required to lodge financial statements with the Town in accordance with Item 2.1 (f) of the Management Agreement, which states:

*Prepare financial statements in a form and in such detail as may be specified by the Town of all income derived from the use of the Facility and all expenditure associated with the Facility (and in particular all records relating to casual hire charges and receipts) and provide copies to the Town on a monthly basis.*

Officers have endeavoured in recent years to obtain financial statements from the SMPMG. It has become evident that whilst the group has maintained a basic system for recording income and expenditure, they have not prepared financial statements in a format that can be readily presented to the Town.

Given that the SMPMG have not lodged financial statements in recent years, with little or no user group meetings, and at times the non reporting of maintenance items over \$1,000, Officers believe that it is time to review the management model for the pavilion in light of these issues as well as the fact that both the management and lease agreement have expired.

### COMMUNICATION & ENGAGEMENT

Officers are regularly in communication with the Chairperson of the SMPMG who is also the President of the Bassendean Junior Football Club.

During the 2017/2018 financial year, Officers commenced discussions with the Chairman of the SMPMG regarding the future management of the Pavilion. The Chairman was advised of the Town's concerns that no financial statements had been lodged with the Town.

On 7 September 2017, an email was sent to the Chairman of the SMPMG with a timetable for the renewal or otherwise of the lease and management agreement. This was based on an indication at the time that the Chairman/SMPMG were happy to continue managing the Pavilion. The timeline included a request for the Chairman to call a meeting of user groups to formally resolve in accordance with their constitution that they would be in agreement to continue managing the Pavilion. Since that initial email, no response was received by the Chairman nor any of the actions were completed that formed part of the timeline.

On 3 November 2017, the Director Corporate Services and Acting Director Community Development met with the Chairman regarding the current status of the management of the Pavilion. Once again, the Town's concerns regarding the non-lodgement of financial statements of the Group were communicated as well as the management options for the Pavilion going forward in light of the expiration of both the lease and management agreements. Other issues discussed, included challenges in maintaining the building given the age and dealing with the respective user groups.

At the November 2017 meeting, Officers again requested that the matter regarding the future management of the Pavilion be tabled before user groups to determine their preference on the future management model of the facility. It was made clear that Council would need to resolve the management model for the Pavilion.

Some of the options discussed with the Chairman included:

- the Town reclaiming management of the Pavilion;
- renewing the SMPMG committee with a facility care taker provided by the Town. This would include an amended management agreement;
- continue with the existing lease and management agreement.

In February 2018, the Manager Recreation and Culture emailed the Chairman of the SMPMG and once again requested for a meeting of user groups be called to determine their position on the future management of the Pavilion.

The Chairman of the SMPMG provided a verbal report on 11 April 2018 that he was not able to organise a meeting of user groups, but indicated that he would be happy for Councillors to inspect the pavilion in light of the likely change to the management model for the pavilion.

## STRATEGIC IMPLICATIONS

### Strategic Priority 1: Social

<b>Objectives</b> <i>What we need to achieve</i>	<b>Strategies</b> <i>How we're going to do it</i>	<b>Measures of Success</b> <i>How we will be judged</i>
1.1 Build a sense of place and belonging	1.1.1 Facilitate engagement and empowerment of local communities	Community Stakeholder Satisfaction Survey (Engagement and Participation)
	1.1.2 Activate neighbourhood spaces to facilitate community gathering	
1.2 Ensure all community members have the opportunity to be active, socialise and be connected	1.2.1 Provide accessible facilities that support leisure, learning and recreation for people of all ages.	Community Stakeholder Satisfaction Survey (Activity and connectivity)
	1.2.4 Ensure people with disabilities and those from diverse backgrounds are valued and supported to participate in community life	
	1.2.5 Support our volunteers and community groups to remain empowered, dynamic and inclusive	Volunteer Rate

### Strategic Priority 5: Good Governance

<b>Objectives</b> <i>What we need to achieve</i>	<b>Strategies</b> <i>How we're going to do it</i>	<b>Measures of Success</b> <i>How we will be judged</i>
5.1 Enhance organisational accountability	5.1.1 Enhance the capability of our people	Community / Stakeholder Satisfaction Survey (Governance)  Compliance Audit  Risk Management Profile  Financial Ratio Benchmarked.  Asset Ratio Benchmarked
	5.1.2 Ensure financial sustainability	
	5.1.3 Strengthen governance, risk management and compliance	
	5.1.5 Ensure optimal management of assets	
5.3 Strive for Improvement and Innovation	5.3.1 Adopt and measure against best practices ensuring a focus on continuous improvement	Local Government Service Review Benchmarks  Percentage uptake of the community of Ecommerce applications

### COMMENT

Officers through subsequent meetings with individual sporting clubs who utilise the Pavilion, identified that sporting clubs no longer wish to continue with the current arrangement/management model. Sporting Clubs cited poor internal communication processes by the SMPMG to be the major hurdle in executing any maintenance under the \$1,000 threshold.



During the consultation process in conducting the Community Facilities, Ovals/Reserve Audit and Needs Assessment (Community Facilities Audit), Consultants AECOM identified a range of risk items in relation to the condition and management of spaces for sporting clubs utilising the Pavilion. Officers were able to mitigate some of the obvious risks such as non-completion of tiling around the sink in the kitchen, removal of unnecessary furniture and whitegoods that were blocking exits and general cleanliness.

The Community Facility Audit rated the facility a 3 as a high priority as there are action items within the facility that need addressing in the short term. Consultant comments included that the Pavilion is showing signs of wear and tear and could do with renovations or replacement. It was proposed in the Community Facilities Audit that the change rooms and toilets are to be upgraded by the end of the 2017/2018 financial year.

The proposed master planning project for Jubilee Reserve has been listed as a potential project in the draft Corporate Plan 2018/2019-2022/2023. Council will consider the Corporate Plan at the June 2018 Ordinary Council Meeting.

In view of the lack of adherence to the management agreement by the SMPMG, Officers recommend that the Town resume full management of the facility.

This recommendation by Officers is being made in light of the non-lodgement of financial statements by the Group, ineffective communication processes between sporting clubs for the use of the facility, the general aged condition of the facility, the expiration of the management and lease agreement between the Town and the Stan Moses Pavilion Management Group Inc. and the potential master planning process for Jubilee Reserve.

### STATUTORY REQUIREMENTS

Local Government Act. 1995

### FINANCIAL CONSIDERATIONS

From 2006/2007 to 2016/2017, on average Council has paid an annual management subsidy of \$34,531 to the SMPMG to manage the facility and to attend to minor maintenance.

The Town is endeavouring to establish the amount the group has funded for minor maintenance and this can only be established by the SMPMG providing financial statements. The table below shows the amounts to be confirmed that were expended by the group for minor maintenance:

Management Subsidy 2006/2007 to 2016/2017	<u>\$345,310.00</u>
Reimbursements to the Town	\$168,604.75
Minor maintenance undertaken (TBC)	\$176,705.25

In terms of the overall outgoings and income for the Stan Moses Pavilion, from 2006/2007 to early April 2017/2018, \$190,568.62 has been levied as outgoings with the Town being reimbursed \$168,604.75. The current outstanding debt for the SMPMG for reimbursement of utility charges, insurance and other levies equates to \$21, 963.87.

For the current financial year 2017/2018, the full management subsidy of \$37,000 has not been paid. Part payment of \$16,305.58 has been paid to the SMPMG to pay for cleaning costs and reimbursement to the Town for charges relating to the Pavilion such as water, telephone, waste collection, emergency levy etc. These costs were initially paid by the Town.

If Council resolved to resume management of the Pavilion, the remaining balance of \$20,694.42 would be designated for the remainder of the 2017/2018 financial year to cover costs relating to the management and minor maintenance of the facility, with Officers including a budget request for the 2018/2019 financial year for the Town to fully manage and maintain the facility from 1 July 2018 onwards.

#### OFFICER RECOMMENDATION – ITEM 11.2

That the Audit and Governance Committee recommends to Council that:

1. Council does not enter into a new management and lease agreement with the Stan Moses Pavilion Management Group Inc.;
2. Council resumes full management and maintenance of the Stan Moses Pavilion, from the commencement of the Council resolution;

3. Council requests the Stan Moses Pavilion Management Group Inc. to provide income and expenditure statements for the period commencing 2006/2007 to 2016/2017 within 60 days of Council's resolution;
4. In the event that item 3 of this recommendation is not adhered to, the Town will instigate a probity audit of the financial records of the Stan Moses Pavilion Management Group Inc.; and,
5. Council reallocates the balance of the management subsidy for the 2017/2018 year to fund the outstanding debtors balance of \$21, 963.87.

# **ATTACHMENT NO. 3**



Government of **Western Australia**  
Department of **Local Government and Communities**



# Rating Policy

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## Differential Rates (s.6.33)

March 2016



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Rating Policy – Differential Rates (March 2016)

Prepared by: Department of Local Government and Communities

140 William Street, Perth WA 6000, GPO Box R1250, PERTH WA 6844

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Translating and Interpreting Service (TIS) - Telephone: 13 14 50

All or part of this document may be copied. Due recognition of source would be appreciated. If you would like more information please contact the Department of Local Government and Communities.

## Introduction

Local governments impose rates on the properties within their district to raise revenue to fund the services and facilities provided to residents and visitors.

The quantum of rates payable is determined by three factors: the method of valuation of the land, the valuation of the land and improvements, and the rate in the dollar applied to that valuation by the local government.

Land is rated according to its unimproved value for land used predominantly for rural purposes or gross rental value for land used predominantly for non-rural purposes.

The Valuer General values the land in accordance with the provisions of the *Valuation of Land Act 1978*. The local government sets a rate in the dollar which is applied to this valuation to give the rates liability for each property.

A local government may impose a single general rate which applies to all of the properties in the unimproved value or gross rental value category. Alternatively the local government can distinguish between land in either category on the basis of its zoning, use or whether it is vacant land (or other characteristic set out in regulations), or a combination of these factors, and apply a differential general rate to each.

The purpose of the imposition of a differential general rate is generally to ensure that every landowner makes a reasonable contribution to the rate burden.

## Objective

This document describes the legislative and policy basis for the application of differential general rates to land being rated by a local government. In particular, it sets out the policy that guides the Minister for Local Government's exercise of the power to approve the imposition of a differential general rate which is more than twice the lowest differential general rate imposed by that local government.

The second part of this document provides guidance for local governments in requesting such an approval.

# Legislation

## Local Government Act 1995

### 6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics:
  - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the *Planning and Development Act 2005*; or
  - (b) a purpose for which the land is held or used as determined by the local government; or
  - (c) whether or not the land is vacant land; or
  - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may:
  - (a) specify the characteristics under subsection (1) which a local government is to use; or
  - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) **In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.**
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the *Local Government Amendment Act 2009* section 39(1)(a) came into operation is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.



## **Local Government (Financial Management) Regulations 1996**

### **52A. Characteristics prescribed for differential general rates (Act s. 6.33)**

(1) In this regulation:

**commencement day** means the day on which the *Local Government (Financial Management) Amendment Regulations (No. 2) 2012* regulation 5 comes into operation.

**relevant district** means a district that:

- (a) is declared to be a district by an order made under section 2.1(1)(a) on or after commencement day; or
- (b) has its boundaries changed by an order made under section 2.1(1)(b) on or after commencement day.

(2) For the purposes of section 6.33(1)(d), the following characteristics are prescribed in relation to land in a relevant district, where not more than 5 years has elapsed since the district last became a relevant district:

- (a) (a) whether or not the land is situated in a townsite as defined in the Land Administration Act 1997 section 3(1);
- (b) (b) whether or not the land is situated in a particular part of the district of the local government.

In relation to 52A(1), Regulation 5 of *Local Government (Financial Management) Amendment Regulations (No. 2) 2012* came into effect on 30 June 2012.

## **Policy**

The Minister may approve the imposition of a differential general rate that is more than twice the lowest differential general rate imposed by that local government. Without that approval the difference between differential general rates imposed by a local government is limited to two times in each of the unimproved value and gross rental value categories.

## Key values

The Minister's approval under section 6.33(3) will be made consistently with the key values of objectivity, fairness and equity, consistency, transparency and administrative efficiency. To that end, the Minister will not approve an application for an approval under this policy (**the application**) unless the Minister is satisfied of the following matters.

### Objectivity

- The land on which differential general rates has been rated according to one or more of the following land characteristics:
  - zoning
  - land use
  - vacant land.
- Where there has been a change to the boundaries of the district within the past five years, the land on which differential general rates apply may also be rated according to one or more of the following land characteristics:
  - whether or not it is situated in a town-site
  - whether or not it is situated in a particular part of the district.
- The local government has proposed a differential general rate which is more than twice the lowest differential rate.

### Fairness and Equity

- The Council of the local government has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. This is to be reflected in the council minutes when it adopts the budget strategy and endorses objects and reasons for each differential rating category and each minimum payment.
- The objects of imposing differential rates and reasons for each proposed differential general rate are set out by the local government in a publically available document.
- These objects and reasons clearly explain why each differential general rate is proposed to be imposed.
- The objects and reasons clearly explain why it is proposed to set the differential general rate at that particular rate.

- If a category of ratepayer is significantly contributing to the local government's revenue through fees, charges and other payments, the local government has not used these same costs as the justification for the difference in differential general rate.
- If there are fewer than thirty ratepayers who will be subject to the differential general rate, each affected ratepayer has been informed in writing by the local government of:
  - the terms of this policy (through the provision of a copy of this document to the ratepayer)
  - the local government's objects of and reasons for proposing to impose the differential general rates
  - the differential general rate that will apply to the ratepayer's property; and
  - the differential general rate that applied in the previous year for comparison

and was given at least 21 days to make submissions to the local government on the proposal.

- The ratepayers' submissions, if any, and the local government's response to each ratepayer's submission (as recorded in the minutes of the Council meeting at which the response was adopted) have been provided to the Minister.

### Consistency

- The local government has rated similar properties that are used for the same purpose in the same way.
- The proposed differential rates align with the rating strategy in the corporate business plan and long term financial plan or the council of the local government has detailed its reasons for deviating from that rating strategy.
- The local government has reviewed and considered rates proposed in neighbouring or similar local government districts in the rating strategy.

### Transparency and administrative efficiency

- The local government has:
  - prepared and made publically available a document clearly describing the object of and reason for each differential general rate;
  - given public notice in a newspaper circulating generally throughout the district and exhibited to the public on a notice board at the local government's office and at every local government library in the district (refer to [Rating Policy – Giving Notice](#))
  - published the notices after 1 May in the relevant year.

- The public notice published by the local government contained:
  - details of each differential general rate that the local government intends to impose
  - an invitation for submissions to be made by an elector or ratepayer
  - a closing date for submissions which is at least twenty one days after the day on which the notice is published
  - advice on the time and place where a document containing the objects of and reasons for the differential general rates can be inspected.
  
- The council of the local government has:
  - considered each ratepayer submission (if any)
  - resolved to make the application provided the Minister with the minutes and agenda papers relevant to these matters.

## Guidance for Local Governments and Affected Ratepayers on Requesting Approval

The guidance below is directed to an application for approval under section 6.33(3) for the imposition of a differential general rate which is more than twice the lowest differential general rate imposed by it.

### Local governments

The policy section of this document identifies the matters on which the Minister will want to be satisfied before he or she approves an application.

Before making an application, a local government should be satisfied that:

- it intends to impose a differential general rate which is more than twice the lowest differential general rate imposed by it
  
- in light of the application and its supporting material, the Minister will be able to be satisfied that making such a determination would be consistent with the key values of objectivity, fairness and equity, consistency, transparency and administrative efficiency, as detailed in the policy.

The starting point for a local government will be the matters identified under the key values of objectivity and consistency. The local government will need to ensure that all of the matters identified under those key values are addressed.

Once the local government is satisfied that it has addressed all the matters identified under the key values of objectivity and consistency, the local government will need to address the key value of fairness and equity. This includes the requirement for the local government to give public notice of its intent to impose the differential general rates.

The [Rating Policy – Giving Notice](#) provides more information on this process. If there are fewer than thirty ratepayers affected in any differential rate category, the local government will need to contact those ratepayers directly. That will involve the local government writing to the ratepayer, addressing each of the matters identified under that key value and giving the ratepayer at least 21 days to make submissions.

Once the local government has given public notice, written to the affected ratepayers if required, and received any submissions from ratepayers, the council of the local government will need to consider:

- those submissions
- the other information addressing the key values of objectivity, consistency and fairness and equity.

Even if the council has previously considered the matter, the council must consider the submissions and the other information and resolve to make the application to the Minister.

Once the council has resolved to make the application, the following should be sent to the Minister:

- the application
- a copy of the public notice showing the publication date
- the supporting material addressing each of the matters identified under the key values of objectivity, fairness and equity, consistency, transparency and administrative efficiency.

The Minister will then consider the application and may request more information from the local government before granting approval.

## The ratepayer

The ratepayer should respond constructively to a request for submissions by a local government considering imposing specified differential general rates.

In particular, the ratepayer should form a view as to whether the matters set out under the key values have been correctly addressed.

If the ratepayer considers that these matters have not been correctly addressed, the ratepayer should set out why they hold this view in their submission to the local government.

In their submission, the ratepayer should address any other matter which they wish the local government and the Minister (if applicable) to consider.

In considering an application, the Minister may request information from the ratepayer before making their decision.

## Application

The completed application form and relevant attachments must be sent to:

Email: [legislation@dlgc.wa.gov.au](mailto:legislation@dlgc.wa.gov.au)

or

Executive Director

Sector Regulation and Support

Department of Local Government and Communities

GPO Box R1250

PERTH WA 6844

## Timeline

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### January/February (approximately) – Planning

The local government commences budget planning by reviewing the Corporate Plan and other relevant plans.

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### April (approximately) – Budget Strategy

The council adopts the budget strategy and endorses objects and reasons for each differential rating category and each minimum payment.

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### 1 May – Notice Period

In accordance with section 6.36(2)(a) of the *Local Government Act 1995*, the local government publishes a notice of its intention to impose differential general rates on or after this date.

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### At least 21 days after the notice is published

(not including date of appearance)

Council considers submissions and determines appropriate level of differential rates.

Council decision to seek Ministerial approval for the imposition of differential general rates that fall within section 6.33(3).

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### Processing Time

A local government needs to allow three weeks for the processing of an application from the date all of the required information is received by the Department of Local Government and Communities.

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### Budget Deadline

The local government's budget is to be adopted by 31 August under section 6.2(1) of the *Local Government Act 1995*. The budget cannot be adopted until after the Minister makes their decision.

If the local government has submitted the final documents for Ministerial approval later than the end of July, consideration may need to be given by the local government to applying for Ministerial approval for an extension to the budget adoption

## For more information please contact:

Department of Local Government and Communities

Gordon Stephenson House, 140 William Street, Perth WA 6000

GPO Box R1250, Perth WA 6844, Telephone: (08) 6551 8700, Fax: (08) 6552 1555,

Freecall: 1800 620 511 (Country only)

Email: [legislation@dlgc.wa.gov.au](mailto:legislation@dlgc.wa.gov.au)

Website: [www.dlgc.wa.gov.au/AdviceSupport/Pages/Rating-policies.aspx](http://www.dlgc.wa.gov.au/AdviceSupport/Pages/Rating-policies.aspx)

Translating and Interpreting Service (TIS) – Telephone: 13 14 50





## Application Form - Rating Policy: Differential General Rates

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This form is to be used by local governments for an application to the Minister for Local Government for approval to impose a differential general rate under section 6.33(3) of the *Local Government Act 1995* that is more than twice the lowest differential rate being imposed.

To assist with completing the application form, please ensure that the Rating Policy: Differential General Rates is reviewed. This policy outlines the legislative basis for an application as well as what guides the Minister's decision when considering applications.

The information you provide will be used by the Department of Local Government and Communities for the purpose of assessing the application.

Should you require assistance with completing this form, please telephone the department on (08) 6551 8700 or toll free for country callers on 1800 620 511, or email [legislation@dlgc.wa.gov.au](mailto:legislation@dlgc.wa.gov.au). For alternative formats and more information, please visit the department's website at [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au).

For a Translating and Interpreting Service (TIS) telephone 13 14 50.

### **Before submitting this application, please ensure that:**

- The matters within the Rating Policy: Differential General Rates have been complied with.
- Separate application forms are used if submitting an Unimproved Value (UV) and a Gross Rental Value (GRV) application.
- Public notice has been for a period of at least **21 days**, not including the date of advertisement.
- All relevant attachments are included (see checklist at the end of this form). It should be noted that applications **will not** be processed until all relevant attachments are received by the department.
- Adequate consultation has been undertaken. If there are less than 30 ratepayers in a category, each ratepayer should be contacted individually.
- Local governments may also wish to view the Rating Processes webinar which is available on the department's [Rating Policies web page](#).

## Application Form

The City/Town/Shire of [\[Click here to enter text.\]](#) applies to the Minister for Local Government for approval to impose a differential general rate under section 6.33(3) of the *Local Government Act 1995* that is more than twice the lowest differential rate being imposed.

### Key Value - Objectivity

1. This application relates to properties proposed to be rated on the basis of:

**Gross Rental Value (GRV)**  **Unimproved Value (UV)**

Complete a separate application for each valuation method.

2. Details of land

Please describe the characteristics of the land that have been used to determine the differential rates, for example zoning, land use, vacant land or a combination of these or other prescribed characteristics (differential general rates can only be applied to land based on these characteristics).

[Enter text]

3. Has there been a change to boundaries of the district within the past five years? If there has been, the Local Government Act provides that the land may be rated according to whether or not the land is in a town-site or in a particular part of a district.

Yes  No

### Compliance with legislation

4. Have section 6.33(1) of the *Local Government Act 1995* and Financial Management Regulation 52A been complied with? Refer to the policy for details.

Yes  No

5. Is this application because the local government proposes to apply a differential general rate which is more than twice the lowest?

Yes  No

If no, then an application is not necessary.

6. Outline the proposed differential rates below (must be fully completed)

An excel spreadsheet version of the tables in this question are available on the department's website.

Rating Category	2015 – 2016				
	rate in \$ (cents)	rateable value (\$)	Number on minimum payments	Number of properties (excluding minimums)	Average per property (excluding minimums)
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]

Rating Category	2016 – 2017					
	rate in \$ (cents)	Percentage (%) change from previous year	rateable value (\$)	Number on minimum payments	Number of properties (excluding minimums)	Average per property (excluding minimums)
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount.]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]
[Enter text]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]	[Enter amount]

## Key Value - Fairness and Equity

7. Has council reviewed its expenditure and considered budgetary efficiency measures as part of its budget deliberations?

Yes  No

Attachment 1: copy of council minutes

8. Do the objects and reasons clearly explain why each differential general rate is proposed and why it is set at the proposed amount?

Yes  No

Attachment 2: copy of the statement of objects and reasons

9. Has council adopted the objects of, and reasons for, each proposed differential rate?

Yes  No

Attachment 3: copy of council minutes

10. If a category of ratepayer is significantly contributing to the local government's revenue through fees, charges and other payments, do these same costs form justification for the different rates in the objects and reasons?

Yes  No

If yes, please explain: [Enter text]

11. Has the land been revalued by the Valuer General's Office in the past 12 months?

Yes  No

If yes, has this been taken into consideration in setting the rate in the dollar for those categories?

Yes  No

Please explain: [Enter text]

**12.** In categories where there were less than 30 ratepayers, has each ratepayer been consulted in writing and provided a 21 day submission period? Each ratepayer should be provided a copy of the department's Rating Policy: Differential General Rates, the objects and reasons, the differential general rate that will apply and a comparison to the previous year.

Yes  No  Not Applicable

Attachment 4: copies of letters

**13.** Were any submissions or objections received?

Yes  No

Attachment 5: copy of submissions

Attachment 6: copy of council response to each submission

## Key Value - Consistency

**14.** Are properties that are used for the same purpose rated in a similar way?

Yes  No

If no, please explain: [Enter text]

**15.** Do the proposed differential general rates align with the rating strategy in the corporate business plan and long term financial plan?

Yes  No

If no, has the council detailed its reasons for deviating from the rating strategy?

Yes  No

Attachment 7: copy of council minutes

**16.** As part of the local governments rating strategy, has consideration been given to the rates being proposed in neighbouring or similar local governments?

Yes  No

Please explain: [Enter text]

## Key Value - Transparency and Administrative Efficiency

**17.** Has the local government complied with the Rating Policy – Giving Notice and given public notice of the proposed rates?

Yes  No

Attachment 8: copy of the public notice

**18.** On what date was the public notice given? [Enter text]

If this is before 1 May, this will have to be readvertised.

**19.** On what date did submissions close? [Enter text]

If less than twenty one (21) days (not including the date of advertisement), this will have to be readvertised.

**20.** Did the public notice contain all of the required information (refer to the policy)?

Yes  No

If not, this will have to be readvertised.

**21.** Has council given full consideration to each submission received?

Yes  No  Not Applicable

Attachment 9: copy of agenda and council minutes

**22.** Were any changes made as a result of the submissions or other factors?

Yes  No

If yes, please explain: [Enter text]

**23.** Did council resolve to make this application?

Yes  No

Attachment 10: copy of council minutes

## Attachments to support the City/Town/Shire's application

Please provide the following attachments along with this application form. If the attachments are not provided, the department will request the documents before the application is progressed.

Attachment Checklist	Check box
Attachment 1: Copy of minutes that reflect that council reviewed and considered budget efficiency measures	<input type="checkbox"/>
Attachment 2: copy of statement of objects and reasons	<input type="checkbox"/>
Attachment 3: copy of minutes where council adopted the objects and reasons	<input type="checkbox"/>
Attachment 4: copy of letters to ratepayers where there are less than 30 in a category	<input type="checkbox"/>
Attachment 5: copy of any submissions received	<input type="checkbox"/>
Attachment 6: copy of the response to submissions	<input type="checkbox"/>
Attachment 7: copy of the council minutes that reflect the reason for deviation from the rating strategy in the corporate business plan and long term financial plan	<input type="checkbox"/>
Attachment 8: copy of the public notice	<input type="checkbox"/>
Attachment 9: copy of the council agenda and minutes where submissions were considered	<input type="checkbox"/>
Attachment 10: copy of minutes where council resolved to make an application to the Minister	<input type="checkbox"/>

Contact person: [Enter text]

Email: [Enter text]

Telephone: [Enter text]

Date completed: [Enter text]

### Please return this form and attachments to:

Executive Director

Sector Regulation and Support

Department of Local Government and Communities

GPO Box R1250, PERTH WA 6844

Fax: (08) 6552 1555 or Email: [legislation@dlgc.wa.gov.au](mailto:legislation@dlgc.wa.gov.au)



# **ATTACHMENT NO. 4**

**DRAFT**



TOWN OF  
**BASSENDEAN**  
*Home by the Swan*

## **AUDIT AND GOVERNANCE COMMITTEE**

### **INSTRUMENT OF APPOINTMENT**

#### **1.0 INTRODUCTION**

The Council of the Town of Bassendean (hereinafter called the "Council") hereby establishes a committee under the powers given in Part 7 of the Local Government Act 1995, such committee to be known as the Audit and Governance Committee, (hereinafter called the "Committee").

The Audit and Governance committee is an advisory committee formally appointed by the Council and is responsible to the Council. The Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any financial responsibility.

Membership of the Committee shall, unless otherwise specified, be for a term up to two years, ceasing at the date of the next Local Government election in the year the Town's local government elections are held.

#### **2.0 NAME**

The name of the Committee shall be the Audit and Governance Committee

#### **3.0 ROLES AND RESPONSIBILITIES**

The Committee will carry out the following responsibilities:

##### **Compliance**

- Review the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to those findings.
- Review the annual Compliance Audit Return and report to the Council the results of the review.

- Review the report provided by the CEO in accordance with Regulation 5 (2) of the *Local Government (Financial Management) Regulations 1996*.

#### Internal Audit

- Review the internal audit report and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
- Monitor management's implementation of internal audit recommendations.

#### External Audit

- Consider the findings and recommendations of relevant Management Letters undertaken by the external auditor and ensure implements relevant recommendations.
- The Committee will meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed.
- Monitor management's implementation of external audit recommendations.

#### Risk management

- Review whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the business and financial risks, including fraud.
- Assess whether a sound and effective approach has been followed in managing the major risks including those associated with individual projects, program implementation, and activities.
- Assess the impact of the enterprise risk management framework on its control environment and insurance arrangements.
- Review the process of developing and implementing fraud control arrangements and satisfy itself it has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.
- Review a report given to it by the CEO under regulation 17 (3) of the *Local Government (Audit) Regulations 1996*.

#### Internal Control

- Review whether management has in place Governance policies and that they are periodically reviewed and updated.
- Review whether appropriate policies are in place for the management and exercise of delegations.
- Consider how management identifies any required changes to the design or implementation of key internal controls.

### Financial Report

- Review the annual financial report and performance report of the Council and consider whether it is complete, consistent with information known the Committee members, and reflects appropriate accounting principles.
- Review the draft Annual Financial Statements and recommend the adoption of the Annual Financial Statements to Council, in accordance with the timeframes as prescribed.

### Business Continuity

- Assess whether a sound and effective approach has been followed in establishing the business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

## **5.0 MEMBERSHIP**

Membership of the Committee shall consist of 5 members, comprising the following:

- a) Three Councillors from the Town of Bassendean; and
- b) Two Community Members.

Appointment of Community members will be made following a public advertisement. The Chief Executive Officer (CEO) will evaluate potential members and make a recommendation to Council.

The Council will appoint all members of the Committee.

Members shall be appointed for a period of up to two (2) years terminating on the day of the next Local Government Ordinary Council Elections.

## **6.0 PRESIDING MEMBER**

The Presiding Member and Deputy Presiding Member will be appointed by the Committee, biennially by election by all committee members after the Local Government Ordinary Council Elections

The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the Town of Bassendean Standing Orders (Local Law 2011).

The Presiding Member must cast a second vote if the votes of the members present are equally divided.

## **7.0 MEETINGS**

The Committee shall meet at least four times per year.

The quorum for a meeting shall be a minimum of 3 committee members

Elected Members, who are not part of the committee are invited to observe committee meetings, however they are not entitled to participate in the meeting.

A committee recommendation does not have effect unless it has been made by simple majority. A simple majority is the agreement of not less than half of the members present at the meeting.

The CEO, or his delegate, is to attend all meetings to provide advice and guidance to the committee, however the CEO and employees are not members of the committee.

The CEO will invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.

The Committee meetings are generally open to the public unless the Presiding Member deem it necessary to proceed behind closed doors pursuant to section 5.23 of the *Local Government Act 1995*.

Meeting agendas will be prepared and provided at least three days prior to each meeting.

Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.

Recommendations and Minutes of each committee meeting shall be presented to the next ordinary council meeting.

Committee members are required to abide by the *Local Government Act* and *Code of Conduct* in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.

## **8.0 ORDER OF BUSINESS**

The order of business for Committee meeting shall be (in accordance with the Standing Orders Local Law 2011)

- (a) Declaration of opening/announcement of Visitors
- (b) Public question time and Address by Members of the Public
- (c) Attendances, apologies and applications for leave of absence
- (d) Deputations
- (e) Confirmation of minutes
- (f) Announcements by the presiding person without discussion
- (g) Petitions
- (h) Declarations of interest
- (i) Business deferred from previous meeting
- (j) Reports
- (k) Motions of which previous notice has been given
- (l) Announcements of notices of motion for the next meeting
- (m) Confidential business
- (n) Closure

## **9.0 DELEGATED POWERS**

The Committee has no delegated powers under the Local Government Act and is to advise and make recommendations to Council only.

## **10 AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION**

This document may be altered at any time by the Council on the recommendation of the Committee, or after giving 14 days notice to the Committee.

## **Town of Bassendean**

### **Draft Instrument of Appointment and Delegation: Audit and Governance Committee**

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7.6 Internal Audit .....	
7.7 External Audit .....	
7.8 Reporting Responsibilities .....	
7.9 Other Responsibilities.....	

#### **1. Purpose of the Terms of Reference**

The purpose of the terms of reference is to;

- 1.1 facilitate the operation of the Audit and Governance Committee;
- 1.2 support the Council in fulfilling its responsibilities in relation to:-
  - a. risk management systems
  - b. internal control structure
  - c. financial reporting
  - d. compliance with laws and regulations e. internal and external audit functions

#### **2. Introduction**

The Audit and Governance (ARG) committee has been established in accordance with part 7 of the *Local Government Act 1995*.

The Audit and Governance committee is an advisory committee formally appointed by the Council and is responsible to the Council. The AG committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any financial responsibility. The AG committee does not have any management functions and is therefore independent of management.

#### **3. Objectives**

The AG committee's primary objective is to support the Town of Bassendean's Council in discharging its legislative responsibility associated with governing the Town's affairs and overseeing the allocation of the Town's finances and resources. The AG committee will promote transparency and accountability in the Town's financial reporting and promote effective and responsible management of risks to protect the Town's assets.

The AG committee will report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision making by the Council in relation to the discharge of its responsibilities.

More specifically, the objectives of the AG committee are to oversee:

- 3.1 The integrity of external financial reporting, including accounting policies.
- 3.2 The scope of work, objectivity, performance and independence of the external auditor.
- 3.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical assets.
- 3.4 The framework and systems that are designed to ensure the Town comply with relevant statutory and regulatory requirements.
- 3.5 The framework for recognising risks arising from the Town's operations and strategies, and consider the adequacy of measures taken to manage those risks.
- 3.6 The framework and systems which protect the Council against fraud and irregularities.

The AG committee must also add to the credibility of Council by promoting ethical standards through its work.

#### **4. Authority**

The AG committee has the authority of Council to:

- 4.1 Review the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken;
- 4.2 Formally meet with the Town's appointed external auditor as necessary;
- 4.3 Ensure that any matters raised by external audit that require action are actioned; and
- 4.4 Advise Council on any or all of the above as deemed necessary.

#### **5. Composition**

- 5.1 The AG committee will comprise of five (5) members, three (3) Elected Members and two (2) external independent members.
- 5.2 An external member will be a person independent of the Town of Bassendean, and will not have provided paid services to the Town either directly or indirectly.
- 5.3 External independent members will be selected based on the following criteria:
  - a) a demonstrated high level of expertise and knowledge in financial management, reporting, governance and audit; and
  - b) relevant skills and experience in providing independent expert advice.
- 5.4 Appointments of external independent members will be made following a public advertisement, and all nominations will be provided to Council for consideration.
- 5.5 The Council will appoint all members of the AG committee.



- 5.6 Members shall be appointed for a period of up to two (2) years terminating on the day of the Local Government Ordinary Council Elections, unless Council resolves otherwise.
- 5.7 The Presiding Member and Deputy Presiding Member will be appointed by the AG committee, biennially by election by all committee members after the Local Government Ordinary Council Elections.
- 5.8 The quorum for a meeting shall be a minimum of 3 committee members.
- 5.9 AG committee members are required to abide by the Local Government Act and Code of Conduct in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.
- 5.10 Reimbursement of expenses approved by Council may be paid to an external person who is a member of the AG committee.

## **6. Meetings**

- 6.1 The AG committee shall meet every three (3) months or more regularly as required at the discretion of the Presiding Member of the AG committee, the Mayor, or the CEO.
- 6.2 All AG committee members are expected to attend each meeting in person.
- 6.3 Elected Members, who are not part of the AG committee are invited to observe AG committee meetings, however they are not entitled to participate in the meeting.
- 6.4 The members of the AG committee are to elect a Presiding Member from amongst themselves at the first meeting of the committee following an Ordinary Local Government Election.
- 6.5 The Presiding Member will preside at all meetings.
- 6.6 Each member of the Committee at a meeting will have one vote. The Presiding Member will have a casting vote and simple majority will prevail.
- 6.7 A committee recommendation does not have effect unless it has been made by simple majority. A simple majority is the agreement of not less than half of the members present at the meeting.
- 6.8 The CEO, or his delegate, the Director Corporate Services, is to attend all meetings to provide advice and guidance to the committee, however the CEO and employees are not members of the committee.
- 6.9 The CEO will invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 6.10 The AG committee meetings are generally open to the public unless the Presiding Member or CEO deem it necessary to proceed behind closed doors pursuant to section 5.23 of the Local Government Act 1995.
- 6.11 Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials.
- 6.12 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.
- 6.13 Reports and recommendations of each committee meeting shall be presented to the next ordinary council meeting.

## **7. Responsibilities**

The AG committee will carry out the following responsibilities:

### 7.1 Risk management

- 7.1.1 Review whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the Town's business and financial risks, including fraud.
- 7.1.2 Assess whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.
- 7.1.3 Assess the impact of the Town's enterprise risk management framework on its control environment and insurance arrangements.
- 7.1.4 Review the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.

### 7.2 Business continuity

- 7.2.1 Assess whether a sound and effective approach has been followed in establishing the Town's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

### 7.3 Internal Control

- 7.3.1 Review whether management's approach to maintaining an effective internal control framework is sound and effective.
- 7.3.2 Review whether management has in place relevant policies and procedures and that they are periodically reviewed and updated.
- 7.3.3 Assess whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
- 7.3.4 Review whether appropriate policies and supporting procedures are in place for the management and exercise of delegations.
- 7.3.5 Consider how management identifies any required changes to the design or implementation of key internal controls.

### 7.4 Financial Report

- 7.4.1 Review significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
- 7.4.2 Review with management and the external auditors the results of the audit, including any difficulties encountered.
- 7.4.3 Review the annual financial report and performance report of the Town of Bassendean and consider whether it is complete, consistent with information known to AG committee members, and reflects appropriate accounting principles.

- 7.4.4 Review with management and the external auditors all matters required to be communicated to the AG committee under the Australian Auditing Standards.
- 7.4.5 Review the draft Annual Financial Statements and recommend the adoption of the Annual Financial Statements to Council, in accordance with the timeframes as prescribed.
- 7.4.6 Review the mid year budget review and recommend the adoption of the budget review to Council.

## 7.5 Compliance

- 7.5.1 Review the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- 7.5.2 Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to those findings.
- 7.5.3 Obtain regular updates from management about compliance matters.
- 7.5.4 Review the annual Compliance Audit Return and report to the Council the results of the review.

## 7.6 Internal Audit

- 7.6.1 Review with management the terms of reference, activities and resourcing of the internal audit function.
- 7.6.2 Review and recommend the annual internal audit plan for approval by the Council and all major changes to the plan.
- 7.6.3 Monitor processes and practices to ensure that the independence of the audit function is maintained.
- 7.6.4 Annually review the performance of the internal audit including the level of satisfaction with internal audit function having consideration of the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
- 7.6.5 Review all audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
- 7.6.6 Monitor management's implementation of internal audit recommendations.
- 7.6.7 Regularly review a report given to it by the CEO under regulation 17 (3) of the Local Government (Administration) Regulations 1996.

## 7.7 External Audit

- 7.7.1 Develop and recommend to Council a process to be used to select and appoint a person to be an auditor.
- 7.7.2 Recommend to Council the person or persons to be appointed as the external auditor.
- 7.7.3 Develop and recommend to Council a written agreement for the appointment of the external auditor in accordance with Local Government (Audit) Regulation 7.

7.7.4 Note the external auditor's proposed audit scope and approach for financial performance audits.

7.7.5 Consider the findings and recommendations of relevant Management Letters undertaken by the external auditor and ensure the Shire implements relevant recommendations.

7.7.6 Provide an opportunity for the AG committee to meet with the external auditors to discuss any matters that the AG committee or the external auditors believe should be discussed privately.

7.7.7 Annually review the performance of external audit including the level of satisfaction with external audit function.

7.7.8 Monitor management's implementation of external audit recommendations.

#### 7.8 Reporting Responsibilities

7.8.1 Report regularly to the Council about AG committee activities, issues, and related recommendations through circulation of minutes.

7.8.2 Monitor that open communication between the external auditor and the Town's management occurs.

#### 7.9 Other Responsibilities

7.9.1 Perform other activities related to this terms of reference as requested by the Council.

7.9.2 Annually review and assess the adequacy of the AG committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

# **ATTACHMENT NO. 5**



Our Ref  
Your Ref

McL/R11/BASS 19008  
R06.1: PQ

24 July 2007

The Chief Executive Officer  
Town of Bassendean  
48 Old Perth Road  
BASSENDEAN WA 6054

Attention: Mr Patrick Quigley

TOWN OF BASSENDEAN	
RECEIVED	
25 JUL 2007	
C1104.2	
File: <i>STRONGROOM DOC 338 A</i>	
167337	
Action Officer/s:	
Officer	<i>P Quigley</i>
	<i>C Evidential</i>
	<i>Mayer</i>

# McLEODS



BARRISTERS &  
SOLICITORS  
Local Government Law  
Environmental Planning Law

Stirling Law Chambers  
220-222 Stirling Highway  
Claremont WA 6010  
Tel (08) 9383 3133  
Fax (08) 9383 4935  
Email:  
mcleods@mcleods.com.au

Denis McLeod (Counsel)  
Neil Douglas  
Fiona Grgich  
David Nadebaum  
Geoff Owen  
Andrew Roberts  
Craig Clarke  
Peter Willkuhn  
Elizabeth Stevenson (Senior Associate)  
David Nicholson (Associate)  
Peter Gillett (Associate)

Dear Sir

LEASE FOR STAN MOSES PAVILION MANAGEMENT GROUP INCORPORATED; ROBINSON ROAD,  
EDEN HILL

Please find attached the Management Agreement in duplicate. Those documents have been stamped as exempt. The original copy should be retained by the Town and the duplicate forwarded to the Group for their records.

Please contact Fiona Grgich of this firm should you wish to discuss any of the above.

Yours faithfully

Enc.



Document #: ILCP-1978209  
Date: 21.07.2009  
Officer: TRAVIS J MOORE  
File: COUP/LEASNGO/3

**STAN MOSES PAVILION MANAGEMENT  
GROUP INCORPORATED**

**AND**

**TOWN OF BASSENDEAN**



Barristers & Solicitors, Stirling Law Chambers, 220 - 222 Stirling Highway, Claremont WA 6010  
Ph: (08) 9383 3133 Fax: (08) 9383 4935 E-mail: [mcleods@mcleods.com.au](mailto:mcleods@mcleods.com.au)

DATED 17 July 2006<sup>7</sup>

STAN MOSES PAVILION MANAGEMENT  
GROUP INCORPORATED

AND

TOWN OF BASSENDEAN

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MANAGEMENT AGREEMENT

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TOWN OF BASSENDEAN		
RECEIVED		
2 5 JUL 2007		
File: STRONGROOM		
167337		
Action Officer/s:		
Officer	I/A	Initials

McLEODS  
SOLICITORS  
220-222 STIRLING HIGHWAY  
CLAREMONT WA 6010  
Telephone: 9383 3133  
Facsimile: 9383 4935  
Reference: McL/R11 19008  
© McLeods



THIS MANAGEMENT AGREEMENT is made the 17 day of July 2006<sup>7</sup>.

BETWEEN:

STAN MOSES PAVILION MANAGEMENT )  
GROUP INCORPORATED of Robinson )  
Road, Eden Hill in the State of Western )  
Australia ("the Manager") )

EXEMPT from W.A. Stamp Duty  
*MP 5.119*  
for Commissioner of State Revenue

AND

TOWN OF BASSENDEAN of 48 Old Perth )  
Road, Bassendean in the said State ("the )  
Town") )

ABN 66 012 878 629  
WESTERN AUSTRALIA STAMP DUTY  
DEC 19/07/07 13:03 002805787-001  
FEE \$ \*\*\*\*\*00  
SD \$ \*\*\*\*\*.00 PEN \*\*\*\*\*.00  
EXEMPT 100 %

**RECITALS:**

- A. The Town owns the sporting/community facility referred to in Item 1 of the Schedule hereto ("the Facility").
- B. The Town has granted a lease of the Facility and a portion of the Reserve 24780 on which the Facility is situated to the Manager ("the Lease").
- C. On 1 July the Town resolved to enter into a management agreement with the Manager.
- D. The Manager is prepared to manage the Facility on behalf of the Town and does so on the terms and conditions set out in this Management Agreement.

**OPERATIVE PART:**

1. **DURATION OF AGREEMENT**

The Manager shall manage the Facility for the Term described in Item 2 of the Schedule ("Term of Contract") commencing on the date specified in Item 2 of

---

the Schedule and shall continue during the Term subject to compliance with the management obligations set out in clause 2 of this Agreement.

2. MANAGEMENT OBLIGATIONS

2.1 Where the Manager has responsibility for bookings as contemplated by Item 3 of the Schedule, the Manager shall:

- (a) Co-ordinate the usage of the Facility by persons and any recreational associations or other community oriented groups whether incorporated or unincorporated whose intended use of the Facility is consistent with the purpose of the Facility;
- (b) Keep the Facility clean and decide upon and arrange the manner in which the opening and securing of toilets and associated facilities shall occur including provision for times at which the Facility is used on a casual hire basis;
- (c) Maintain the Facility, which maintenance shall include:
  - (i) the cleaning of the Facility including floor coverings, wall and floor tiles and clearing and cleaning of blocked drains and floor waste traps;
  - (ii) interior maintenance of the Facility including painting, repair of accidentally broken windows and maintenance of stoves and refrigerators;
  - (iii) repair and maintenance of hot water systems, leaking taps and cisterns and all broken seats and cisterns;
  - (iv) replacing faulty lights and fittings including broken globes, tubes and faulty switches and all internal door locks and hinges;

- 
- (v) the regular checking, maintenance and upkeep of fire fighting and safety equipment including emergency lighting and exit signs.
  - (d) Take steps to prevent or shall intervene to prevent the Facility from being used in a manner, which would unreasonably interfere with the amenity of neighbouring residents;
  - (e) Comply with all laws, local laws and regulations including (but not limited to) restrictions imposed by the Liquor Licensing Act 1988;
  - (f) Prepare financial statements in a form and in such detail as may be specified by the Town of all income derived from the use of the Facility and all expenditure associated with the Facility (and in particular all records relating to casual hire charges and receipts) and provide copies to the Town on a monthly basis;
  - (g) Not alter the buildings or improvements comprising the Facility without the written consent of the Town;
  - (h) Effect insurance for the purpose of covering the replacement of contents in the Facility, which are not otherwise the property of the Town;
  - (i) Keep the Facility secure and take all steps to prevent damage to the Facility;
  - (j) Permit the Town by its officers and agents or contractors, to inspect the Facility at any time on the giving of reasonable notice;
  - (k) Meet all consumption costs associated with the operation of the facility including telephone connection and usage costs (if any) and costs paid by the Town on behalf of the Facility such as electricity, water consumption and any water and sewerage rates levied on the Facility.

---

## 2.2 Acknowledgments

The Manager acknowledges that any fire fighting and safety equipment provided in the Facility are only of use where accessible, and that as part of its obligations to ensure that the Facility complies with all relevant statutory or other legal requirements relating to public buildings or otherwise, it shall establish and observe procedures to ensure that access to fire fighting and safety equipment is not prevented or impeded, and that emergency evacuation procedures may be easily implemented.

## 3. CHARGES AND EXPENDITURE

3.1 The Town and the Manager shall meet annually on a date nominated by the Town of which not less than one (1) month's notice shall be given to the Manager to revise the fees for the use of the Facility which revision shall contemplate:

- (a) that persons under the age of eighteen (18) years ("juniors") and associations comprised of juniors shall pay membership fees at a minimum figure determined by the Council of the Town;
- (b) that the Manager is allowed to retain the fees paid by casual users who wish to hire the Facility,

which fees must be of a level adequate to cover the commitments of the Manager under this Deed. A review may not necessarily result in the amendment or adjustment of fees as a matter of course.

3.2 Subject to the provisions of clause 4 below, the Manager shall collect and may retain all fees from users of the Facility subject to payment to the Town of an amount equal to the outgoings for the Facility referred to in clause 4(c) paid by the Town by way of reimbursement.

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4. TOWN'S OBLIGATIONS

The Town shall:

- (a) Insure the improvements comprising the Facility against all risks ordinarily the subject of a building insurance policy and further shall maintain a public liability or public risk insurance policy to the value of \$20 million in respect of all properties of the Town in its local government district.
- (b) Replace broken windows caused by vandalism, but excluding accidental damage caused by the Manager or users of the Facility;
- (c) Meet electricity, gas, telephone connection, equipment and usage fees, water consumption charges and water rates subject to reimbursement of the Town by the Manager in the manner contemplated by clause 3.2;
- (d) Carry out all significant internal maintenance on the Facility. Significant maintenance is deemed to be any single task, which involves the expenditure of more than One Thousand Dollars (\$1,000.00). The threshold amount for determining whether or not a single maintenance task constitutes significant maintenance shall be increased annually in accordance with proportionate rises in the Consumer Price Index (All Groups) for Perth over the previous year;
- (e) Pay any insurance premium for and effect on behalf of the Manager a public liability insurance policy in respect of any act or omission of the Manager done in connection with the Facility of an insurable nature, which would not otherwise be covered by the Town's policy referred to in paragraph (a) above.

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5. OTHER PROVISIONS OF GENERAL APPLICATION

The parties mutually agree:

- (a) This Agreement is personal to the parties and is not transferable without the express written agreement of both parties. It does not confer exclusive possession of the Facility on the Manager.
- (b) If any dispute arises between the parties to this Agreement, the determination of the Council of the Town shall prevail, provided that the Manager has first been given an opportunity to address the Council either in writing or by personal presentation or both as to the reasons for its interpretation of this Agreement or its point of view.
- (c) The Manager will accept direction by the Town as to who may use the Facility and in what circumstances having regard to the Guidelines attached hereto;
- (d) If, in the view of the Town, the Manager has failed to comply with the commitments in clause 2, the Town shall give notice of the default and specify a reasonable time within which such obligation is to be carried out to rectify the default. Failure to comply with the requirements specified in the notice shall enable the Town to terminate the management contract immediately, and all fees payable by users after the termination date shall be the property of the Town notwithstanding any liability on the part of the Manager to pay expenses of the Facility due prior to the date of termination.

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**SCHEDULE**

**Item 1:**        THE FACILITY

Stan Moses Pavilion situated on 26 Robinson Road, Eden Hill.

**Item 2:**        TERM OF CONTRACT

Commencement Date: 1 July, 2006.

10 years or on the expiration or sooner determination of the Lease.

**Item 3:**        RESPONSIBILITY FOR BOOKING FOR CASUAL HIRE OF FACILITY

Yes

EXECUTED BY THE PARTIES as a DEED:

THE COMMON SEAL of the TOWN OF )  
BASSENDEAN was hereunto affixed in )  
the presence of: )



[Signature]  
MAYOR

Walterina Geraldina Klein  
(Print Full Name)

[Signature]  
CHIEF EXECUTIVE OFFICER

Gary F. Everstine  
(Print Full Name)  
Chief Executive Officer  
Town of Bassendeau

STAN MOSES PAVILION MANAGEMENT )  
GROUP (INC) was hereunto affixed pursuant )  
to a resolution of the Management Committee )  
in the presence of: )

[Signature]  
PRESIDENT (Signature)

GARRY STEPHEN LOVELOCK  
(Print Full Name)

[Signature]  
SECRETARY (Signature)

FRANCES CHRISTINE TESNEAR  
(Print Full Name)



## FORM LIC

FORM APPROVAL NO.LAA-1022

TENURE CODE

WESTERN AUSTRALIA  
LAND ADMINISTRATION ACT 1997  
TRANSFER OF LAND ACT 1893 as amended

## LEASE OF CROWN LAND (L)

## DESCRIPTION OF LAND (NOTE 1)

That part of Lot 6322 on Deposited Plan 29714 as is shown hachured on the sketch annexed hereto

## EXTENT

Part

## VOLUME

3045

## FOLIO

88

## ENCUMBRANCES (NOTE 2)

1. Lease H819889
2. Management Order I101977

## LESSOR/LESSORS (NOTE 3)

TOWN OF BASSENDEAN of 48 Old Perth Road, Bassendean

## LESSEE/LESSEES (NOTE 4)

STAN MOSES PAVILION MANAGEMENT GROUP INCORPORATED of Robinson Road, Eden Hill

## TERM OF LEASE (NOTE 5)

10 Years Months Days  
Commencing from the 1 day of July in the year 2006

THE LESSOR HEREBY LEASES TO THE LESSEE the land above described subject to the encumbrances as shown hereon (Note 6)

For the above term for the clear yearly rental of (Note 7): one peppercorn  
payable (Note 8): per annum

SUBJECT TO THE COVENANTS AND POWERS IMPLIED UNDER THE LAND ADMINISTRATION ACT 1997 AND THE TRANSFER OF LAND ACT 1893 AS AMENDED (UNLESS HEREBY NEGATED OR MODIFIED) AND ALSO TO THE COVENANTS AND CONDITIONS CONTAINED HEREIN.

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THIS LEASE is made the 18 day of July 2006.

**BETWEEN:**

STAN MOSES PAVILION MANAGEMENT )  
GROUP INCORPORATED of Robinson Road, )  
Eden Hill in the State of Western Australia ("the )  
Lessee") )

**AND**

TOWN OF BASSENDEAN of 48 Old Perth )  
Road, Bassendean in the said State ("the Town") )

**RECITALS:**

- A. By virtue of Management Order registered 10 May 2002 made pursuant to the Land Act 1933 ("the Management Order") the Town has the care control and management of Reserve number 24780
- B. Pursuant to the Management Order the Town has power to lease the whole or part of Reserve 24780 for the designated purpose of "Recreation" for any term not exceeding 21 years, subject to first obtaining approval in writing from the Minister for Lands.
- C. Subject to all necessary consents being obtained, the Town has agreed to lease a portion of the Reserve number 24780 to the Lessee upon the terms contained herein.

**OPERATIVE PART:**

I. LEASE

Subject to the approval of the Minister for Lands and the WAPC (if required) the Town HEREBY LEASES to the Lessee which takes on lease the land described in

Item 1 of the Schedule including the Town's buildings, fixtures, chattels and improvements erected thereon ("the Premises") for the term commencing on the commencement date specified in Item 2 of the Schedule and expiring on the expiry date specified in Item 2 of the Schedule ("the Term") at the annual rental specified in Item 3 of the Schedule subject to the covenants and powers implied under the Transfer of Land 1893 (unless hereby negated or modified) and also to the covenants and conditions hereinafter contained.

2. LESSEE'S COVENANTS

The Lessee to the intent that the obligations may continue throughout the whole Term and be binding upon and enforceable not only against the Lessee but also against any occupier whatever for the time being of the Premises or any part thereof HEREBY COVENANTS with the Town as follows:

(a) Rent

- (1) To pay to the Town the annual rent hereby reserved clear of all deductions.
- (2) To pay the Town in the first year of the Lease the annual rent referred to in Item 3 of the Schedule.
- (3) To pay in the second and subsequent years of the Lease the rent or any amount to which it may be varied in accordance with any indexation carried out pursuant to clause 4(m) of this Lease.
- (4) To pay to the Town the rent annually in advance on 1 July of each year.

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(b) Rates and Taxes

To pay to the Town or as the Town may from time to time direct all such (if any) rates, taxes, charges, assessments and impositions payable in respect of the Premises as are specified in Item 5 of the Schedule.

(c) Interest

To pay on demand to the Town or as the Town may from time to time direct interest on all arrears of rent and on all moneys due pursuant to sub-clause 2(b) which are unpaid for 7 days from the due date for payment, calculated from the respective times at which the same fall due until payment.

(d) Outgoings

Promptly and punctually to bear, pay and discharge all outgoings, including telephone rental and calls, electricity, gas, water and other services supplied to the Premises during the continuance of the Term or any extension thereof.

(e) Compliance with Requisitions

To perform, discharge and execute all such requisitions and all such works as are or may be required or directed to be executed or done by the Town (as owner or otherwise) or by the Lessee (as occupier or otherwise) by, under or in pursuance of any Act (Federal or State) or Regulation, Town Planning Scheme, By-law local law or other delegated legislation made thereunder now or hereafter in force dealing with, relating to or affecting the Premises or any part thereof (including any street, pathway or passage adjoining or co-extensive with the Premises) or relating to or affecting any business now or hereafter carried on upon the same or by virtue or in pursuance of any requisition under any such Act or delegated legislation or by the order or direction of any local or public authority. Without limiting the generality of the foregoing and in

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addition to any obligations imposed upon the Lessee pursuant to the foregoing, this paragraph shall apply to structural alterations carried out by the Lessee in accordance with or under this Lease.

(f) Maintenance and Repairs

- (i) At all times during the Term to well and substantially repair, cleanse and maintain to the reasonable satisfaction of the Town's Director Operational Services all buildings and improvements on the Premises (including without limitation all electric installations, gas and water pipes and fittings and drains), in good and tenable repair, (provided that the Town's indemnity under any policy of insurance for the time being in force shall not have been vitiated or avoided by any act or neglect of the Lessee, its servants, agents, sublessees, licensees, invitees) damage by fire storm or tempest and fair wear and tear excepted.
- (ii) To carry out any requisitions of the Town's Director Operational Services relating to the Lessee's compliance with this paragraph within the period specified in any written notice containing such requisition.

(g) Cleanliness

To keep the Premises including toilets and drains thoroughly clean and free from filth and refuse and rubbish and free from rodents and vermin.

(h) No Blockage of Sewerage

To use the Lessee's best endeavours to prevent the Lessee's members or servants from placing tea leaves, paper or refuse likely to block any drainage or sewerage systems on the Premises.

(i) Handling of Food and Bar Facilities

(A) Where food is sold or handled in any way on the Premises the Lessee shall:

(i) construct or otherwise provide to the satisfaction of the Town and in compliance with the Health Act 1911 (as amended) adequate facilities for the hygienic handling of such food, including facilities for the washing of hands and utensils;

(ii) notwithstanding any other provision of this Lease not permit or suffer any food vendor or handler to breach in any way the provisions of the Health Act 1911 (as amended) or any order, regulation or local law made thereunder or the provisions of any other written law or order or direction made thereunder relating to food or its preparation or handling; and

(iii) without limiting the generality of the foregoing the Lessee will take adequate measures and at all times measures which are satisfactory to the Town to safeguard any food being sold or distributed on the Premises from flies and dust.

(B) Bar facilities shall be available and a liquor licence obtained as arranged with and approved by the Town, such approval not to be unreasonably withheld.

(j) No Building Additions or Alterations

Not to erect or suffer to be erected any building or structure on the Premises or any part thereof or make or suffer to be made any external or internal addition or alteration to the walls, roof, floor, partitions, ceilings, supports, elevation plan or architectural appearance of the buildings on the Premises without the

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Town's prior written consent. All permitted alterations or additions shall be made completed and carried out to the entire satisfaction of and the materials used therein shall be approved by the Town.

(k) No Signs

Not to affix any trade or business name-plate, advertising sign or notice in or upon the Premises without the prior approval of the Town such approval not to be unreasonably withheld as to its size and character PROVIDED THAT if any such name-plate, sign or notice is removed from a wall whether it is affixed with or without the Town's approval then the Lessee shall make good the surface of any such wall so that it is restored and repaired to the same finish as the surrounding wall.

(l) Increased Insurance Premiums

Not to commit or permit anything whereby any insurance against loss or damage by fire to any of the buildings or improvements comprising the Premises may be rendered void or voidable AND to keep all heat, power and light appliances and installations so guarded as not to increase the risk of ignition to such buildings or improvements and not to do or suffer or permit to be done anything whereby there shall or may be demanded an increased rate of premium in respect of any insurance against fire at present effected on the Premises or any adjoining Premises of the Town according to any current schedule of rates laid down by the Insurance Council of Australia Ltd. without the consent of the Town in writing having been first obtained PROVIDED THAT notwithstanding such consent the Lessee will on demand pay to the Town during the Term or any extension thereof the amount of any increase of premium so occasioned if the Town has paid the increase in premium.

(m) Use of Premises

The Lessee shall at all times during the Term continue to use the Premises for the purposes specified in Item 6 of the Schedule and shall not use the Premises for any other purpose without the prior written consent of the Town and shall not permit the Premises to be used for any illegal purpose or so as to create a nuisance to the occupiers of adjacent Land PROVIDED THAT the Lessee may sell or supply light refreshments and alcohol to persons lawfully using the Premises in accordance with this Lease.

(n) No Nuisance or Illegal Activities

Not to carry on or permit or suffer to be carried on any offensive noisome or noxious trade or calling and not do or permit or suffer anything to be done whatsoever on the Premises that may be or become obnoxious or objectionable or a nuisance to any neighbouring land owner or occupier or to the public and will not allow or suffer to be carried on or about the Premises any act, matter or thing which may be prohibited by law or otherwise be illegal and without prejudice to the generality of the foregoing the Lessee will not commit or permit to be committed any offence against or act in any way contrary to the provisions of the Town Planning and Development Act, 1928, Environmental Protection Act, 1986, Health Act, 1911, Conservation and Land Management Act, 1984, Metropolitan Region Town Planning Scheme Act, 1959, Police Act, 1892, the Criminal Code, the Liquor Licensing Act, 1988, Agriculture and Related Resources Protection Act, 1976, Plant Diseases Act, 1914, Bush Fires Act, 1954, Heritage of Western Australia Act, 1990, Museum Act, 1969, Factories and Shops Act, 1963 or any enactment or law dealing with gambling, gaming or unlawful games and will indemnify the Town from and against any claims or demands and all costs (on a solicitor and client basis) incurred by the Town by reason of any claim made whether justifiably or not in relation to any of the matters referred to in this paragraph.



(o) Delivery of Notices to Town

To deliver all notices orders and summonses in any manner affecting the Land or any part thereof to the Town immediately on receipt of same SAVE AND EXCEPT notices relating to outgoings.

(p) Yielding Up of Premises

To give and yield up the Premises at the expiry of this Lease or any extension of it in such condition and repair as shall be consistent with strict observance of the covenants herein on the part of the Lessee and in particular with all windows whole and unbroken and locks, keys and doors, fixtures and fittings in good working order and if required by the Town to remove any structure on the Premises or any walls or partitions erected hereafter by the Lessee unless those structures and walls or partitioning are erected with the prior written approval of the Town and restore the Premises or such part thereof as the Town shall require to its former condition such as it was prior to any improvements or alterations being effected.

(q) Entry by Town

To permit the Town by its employees servants and agents to enter the Premises at any reasonable time after 24 hours prior notice is given for the following purposes or any of them:

- (i) to inspect and view the same;
- (ii) to do or cause to be done all such acts, matters and things as the Town shall consider necessary or desirable in order to rectify any breach by the Lessee of any of the terms, conditions, covenants and agreements on its part contained in the Lease (without the Town being under any obligation so to do and without prejudice to the Town's other rights, powers,

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remedies and discretions) and all reasonable costs and expenses incurred by the Town (including the wages, fees and remuneration of any workmen, servants, agents, solicitors, surveyors or architects employed or engaged in respect thereto) together with interest thereon from the respective dates upon which such costs and expense were incurred shall be a debt due and payable by the Lessee to the Town upon demand;

(iii) to execute any works or improvements to the Premises or any neighbouring property, but so as not to interfere unreasonably with the Lessee in the ordinary course of its business except in so far as that cannot be avoided in complying with the lawful requisitions of a competent local or public authority.

(r) **No Subletting or Assignment**

That the Lessee shall not mortgage, charge or encumber nor sublet, assign, transfer or part with the possession of the Premises or any part thereof or the Lease thereof or any estate or interest therein to any person without the prior written consent of the Town such consent not to be unreasonably withheld and the Minister for Lands PROVIDED THAT it shall be a condition precedent to the granting of such consent to any transfer or assignment or sublease that the Lessee shall have obtained the execution by the proposed transferee assignee or sublessee of a deed of covenant to be prepared by the Town's solicitors at the expense of the Lessee in which shall be repeated by such permitted transferee assignee or sublessee with the Town the covenants and agreements on the part of the Lessee contained and implied herein or such of them as the Town's solicitors consider necessary AND the provisions of Sections 80 and 82 of the Property Law Act, 1969 are excluded from and do not apply to the Lease.

(s) **Painting**

To paint the buildings which form part of the Premises internally and externally at the times specified in Item 7 of the Schedule PROVIDED THAT the Town

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may relax these requirements if in the opinion of its Engineer the condition of the building can justify such relaxation.

(t) Insurance - Public Liability

To insure and keep insured from time to time in a reputable insurance office approved by the Town in the joint names of the Town and the Lessee for their respective rights and interests against all claims based on what is commonly known as public liability or public risk insurance so as in particular to insure the Town against all claims which may be made against the Town by any person arising out of any defect in the Premises or the buildings comprising the same or any matter relating thereto which could cause or might cause any claim in damages to be made against the Town by any third party which insurance to be in an amount of not less than Ten Million Dollars (\$10,000,000.00) AND will deliver certificates of currency pertaining to such policies of insurance in the names of themselves and the Town to the Town at least seven (7) days prior to the date of renewal appointed in such policies and will pay the premiums therefore.

(u) Insurance - Buildings

- (i) Subject to the approval of the Town to insure and keep insured in the joint names of the Town and the Lessee such buildings and structures as form part of the Premises and all additions to such buildings and structures carried out by the Lessee (but excluding all tenant's fixtures) against loss or damage by fire, storm, tempest, explosion, aircraft or other aerial devices (including articles dropped therefrom), strikes, riots, civil commotion, malicious damage, flood impact, water damage, earthquake or fusion in the full replacement value thereof and if required by the Town the Lessee will deliver such policy or policies of insurance to the Town forthwith and will pay the premiums therefor and will deliver the receipts for payment thereof to the Town at least seven (7) days prior to the date of renewal appointed in such policy or policies.

(ii) In the event that the Lessee does not arrange its own insurance or the Town does not give approval for the Lessee to arrange its own insurance then the Lessee shall punctually reimburse the Town in respect of all premiums and other payments made by the Town to effect insurance against loss or damage to the Land by fire or such other extraneous perils as the Town shall decide to insure against. In the event of such loss or damage, the Town alone shall be entitled to receive payment of such insurance moneys and to settle and compromise any claim against the insurer.

(iii) If the Town does not give approval for the Lessee to arrange its own insurance, the Town must insure and keep insured in the joint names of the Town and the Lessee such buildings and structures as form part of the Land and all additions to such buildings and structures carried out by the Lessee (excluding tenants' fixtures) to their full replacement value against those risks which a prudent lessor would insure against and the Lessee shall reimburse the Town in respect of the premiums for such insurance.

Such insurance as may be effected by the Town to cover damage to the Premises will not cover chattels or tenant's fixtures owned by the Lessee.

(v) Insurance - Workers' Compensation

To maintain adequate insurance with a reputable insurance company at its own expense in the joint names of the Town and the Lessee for their respective rights and interests against each and every of the following risks:

(i) all loss or damage resulting from personal injury to or the death of (other than such injury or death resulting from any breach by the Town of any of the provisions of the Lease or any negligent act or omission of the Town or the employees of the Town) any subcontractor or any employee or agent of the Lessee on the Land occurring during the currency of this

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Lease and arising out of or in connection with this Lease and against all claims, demands, actions, suits or proceedings, costs and expenses whatsoever in respect thereof or in relation thereto whether at common law or under any statute;

- (ii) any liability, loss, damage, claims, demands, actions, suits or proceedings, costs and expenses whatsoever arising at common law or under any statute or other legislative provision including any statute or other provision relating to workers' compensation as a result of personal injury to or the death of any person employed by the Lessee or by any subcontractor in carrying out the provisions of this Lease or matters incidental thereto and such insurance shall be extended to cover all liabilities of the Lessee at common law and under any applicable statute or other legislative provision.

(w) Indemnification

To at all times indemnify and hold the Town harmless for claims made against the Town in respect of:

- (i) employers' liability or workers' compensation arising in respect of any servant, agent or contractor of the Lessee;
- (ii) any loss, damage, expense, claim or other liability whatsoever by reason of the death of or injury to persons or loss or damage to property or any claim demand or action made or brought against the Lessee by any person for negligence, occupiers' liability or otherwise; and
- (iii) without limiting the generality of the foregoing, the escape of any liquid or gas from the Premises and any nuisance committed by or arising from the use of the Premises by any person, whether or not the Town has consented to such use;  
where;

(A) such claims have been brought as a result of a breach by the Lessee of the terms of this Lease, or the terms of the occupation by the Lessee; and

(B) the claims do not arise out of any negligent act or omission of the Town, or its employees, agents or contractors.

(x)  Holding Over

That if the Lessee shall with the consent of the Town and the Minister remain in possession of Premises after the expiration of the Term or any extension thereof it shall so remain as a tenant from month to month at a monthly rental equal to the amount of one twelfth ( $1/12$ ) of the rent as reviewed in accordance with subclause 4(m) payable monthly in advance on the first day of each month and otherwise upon the same terms and conditions as are herein contained or implied so far as the same may be applicable.

(y)  Costs

To pay the reasonable costs of and incidental to the instructions (including the Town's instruction fee) and the preparation (including the costs of the preparation of preliminary drafts if any) execution and stamping of this Lease and all necessary copies and the costs and expenses of and incidental to obtaining any mortgagee's consent and all costs, charges, expenses (including the costs, charges and expenses of the Town's solicitors) incurred by the Town for the purpose of or incidental to the preparation and service of a notice pursuant to Section 81 of the Property Law Act, 1969 requiring the Lessee to remedy a breach of any of the covenants herein notwithstanding that forfeiture for such breach may be avoided otherwise than by relief granted by the Court; and

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3. TOWN'S COVENANTS

The Town HEREBY COVENANTS with the Lessee that so long as the Premises remains vested in the Town and subject to the Lessee duly paying the rent hereby reserved and observing and performing the covenants, agreements, stipulations and conditions on its part herein contained or implied the Lessee shall peaceably hold and enjoy the Premises throughout the Term without any interruption by the Town or any person rightfully claiming under or in trust for the Town.

4. MUTUAL COVENANTS

IT IS HEREBY EXPRESSLY AGREED AND DECLARED as follows:

(a) Default

If the rent hereby reserved or any part thereof shall at any time be in arrears for twenty eight (28) days after becoming due and such default in payment of rent is continued for twenty eight (28) days after written notification is served on the Lessee by the Town

or

If the Lessee shall be in breach of any covenant on its part herein contained and the Town shall serve on the Lessee a notice specifying the particular breach and (where the breach is capable of remedy) requiring the Lessee to remedy the breach and (in any case) requiring the Lessee to make compensation in money for the breach and the Lessee fails within 28 days after service of the notice to remedy the breach (if it is so capable of remedy) and to make reasonable compensation in money to the satisfaction of the Town for the breach

or

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If any person shall be in occupation or possession of the Premises or in receipt of the rents and profits thereof other than the Lessee or an approved sublessee, assignee or transferee of the Lessee

or

If the Lessee shall suffer or permit any execution or distress to be levied on the Premises

or

If the Lessee shall become bankrupt or enter into any arrangement with creditors voluntary or involuntary

THEN and in any of the said cases the Town may at any time thereafter by notice in writing addressed to the Lessee determine this Lease or without notice re-enter upon the Premises or any part thereof in the name of the whole and thereupon this Lease shall absolutely determine but without releasing the Lessee from liability for rent accrued up to such determination or for breaches of covenant antecedent to such determination.

(b) Notices to Lessee

Any notice required to be given to the Lessee hereunder may be given by the Town or its solicitors and may be left for the Lessee at its address herein or at the Premises or sent to it by security post in a letter addressed to it at such address or at the Premises or at its address in Western Australia last known to the Town and a notice sent by security post shall be deemed to have been served in due course of post on the production of the Australia Post receipt.



(c) Notices to Town

A requirement herein to deliver rent or serve any document on the Town shall include a requirement that such delivery or service be effected at the address herein of the Town or as directed by the Town in writing.

(d) No General Waiver

That no waiver by the Town of any breach or non-observance by the Lessee of any of the covenants, conditions or agreements herein contained and on its part to be performed or observed shall be construed as a general waiver and such waiver shall relate only to the particular breach or non-observance in respect of which it was made. The acceptance by the Town of any rent or other moneys payable under this Lease shall not alone constitute a waiver by the Town.

(e) Insurance Endorsements

In relation to all policies of insurance which may be effected hereunder in the joint names of the Town and any other person including the Lessee the following shall apply:

- (i) such policies shall bear endorsements that they shall not be cancelled until after fourteen (14) days' notice in writing has been given to the Town and the Town has consented in writing to such cancellation;
- (ii) in respect of policies covering the Premises or the Town's property, the Lessee HEREBY IRREVOCABLY NOMINATES CONSTITUTES AND APPOINTS the Town and each and every one of its officers as the Lessee's attorney during the full term of this Lease in respect to all matters and questions which may arise in relation to such insurance with full power to demand, sue for, recover and receive from any insurance company or society or person liable to pay the same all such moneys as

shall be payable in respect to the risks covered by such insurances and to give good and effectual receipts and discharges therefore and to settle, adjust, arbitrate and compromise all claims and demands and generally to exercise all powers of absolute owner;

(iii) all moneys received pursuant to any such policy of insurance covering the Premises or the Town's property on the Premises shall be applied in such manner as the Town in its absolute discretion shall think fit.

(f) **Interest**

The obligations herein contained on the part of the Lessee to pay interest shall be obligations to pay interest at the overdraft rate from time to time of the Town's bankers.

(g) **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.

(h) **Compensation to Lessee**

Compensation shall not be payable by the Town to the Lessee if notice to terminate the Lease is given because of a breach of any covenant by the Lessee or for any reason beyond the control of the Town and IT IS HEREBY EXPRESSLY AGREED AND DECLARED that at the termination of the Term or any extension thereof the Town shall not be liable to compensate or reimburse the Lessee in respect of any improvements whatsoever including but without limiting the generality of the foregoing all buildings, landscaping, earthworks, fixtures and other works carried out on the Premises by the Lessee.

(i) **No Liability for Damage**

The Lessee shall indemnify and hold indemnified by the Town from and against all actions, claims, demands, losses, damages, costs and expenses which the Town may sustain or incur or for which the Town may become liable in respect of loss, damage or injury to property or person arising out of the Lessee's use or occupation of the Premises or caused by the negligent act or omission of the Lessee or any servant, agent, sub-lessee or other person claiming through the Lessee (to the extent that the Lessee or any servant, agent, sub-lessee or other person claiming through the Lessee has contributed thereto).

(j) **Exclusion of Legislation**

No Act, Statute, proclamation, order, regulation or moratorium (whether Federal or State) shall to the extent it is lawful to exclude its application apply to this Lease so as to abrogate, extinguish, impair, diminish, fetter, delay or otherwise prejudicially affect any rights, powers, remedies or discretions given or accruing to the Town.

(k) **Further Indemnification**

In the event of the Town without any fault on its part being made a party to any litigation commenced by or against the Lessee, the Lessee will indemnify the Town in respect thereof or any matter or thing arising thereout of or connected therewith except to the extent that any such matter or thing arises due to an act or omission of the Town, its agents, employees or contractors.

(l) **No Warranty as to Fitness**

No warranty or representation expressed or implied is or has been given or made by or on behalf of the Town as to the suitability of the Premises for the purposes of the Lessee herein authorised or that the Premises can or may be

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used for those purposes without first obtaining all consents, approvals and authorisations which may be otherwise required by law or that those consents, approvals and authorisations can, will or may be given.

(m) Review of Rent

- (i) The rent shall be varied by indexation at the beginning of the second year of the Lease and every other year of this Lease on the dates specified in Item 4 of the Schedule.
- (ii) When the annual rent is to be indexed, the current annual rent will be varied in proportion to any change in the Consumer Price Index ("CPI") published during the quarter preceding the day on which the indexed annual rent is to take effect from the CPI published during the quarter preceding the day on which the current annual rent took effect.
- (iii) If the base of the CPI changes, the arithmetical calculations necessary to preserve continuity of the index will be made before the variation in the annual rent is calculated.
- (iv) The Lessee will be liable to pay the indexed annual rent from the commencement of the year in which it is to take effect whether or not the Town has notified it of the amount to which the annual rent has been varied. However, if the Lessee continues to pay rent at the rate of the current annual rent until the Town notifies it of the amount, it will not for that reason only be in default for non-payment of rent. When the Town notifies it of the amount, any necessary adjustment is to be made on the day on which rent is next due.
- (v) The reviewed rental shall take effect from the rent review date and until such time as a determination of the reviewed rental is made the Lessee shall pay rent at the rate payable immediately prior to the rent review date provided that upon the determination of the reviewed rental being

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supplied to the Lessee the reviewed rental shall apply from the rent review date and the Lessee shall pay any arrears forthwith on the next date for payment of a rental instalment pursuant to the Lease.

- (vi) In no event shall the reviewed rental be less per annum than the amount of rental payable immediately prior to the relevant rent review date and if the reviewed rental calculated in accordance with clause 4(m)(ii) is less than the rental payable in the 12 month period immediately prior thereto then the reviewed rental shall be the same as that paid in the Lease year just ended.
- (vii) The obligations of the Lessee to pay the reviewed rental shall not be released, varied, modified or extinguished by reason of any laches or delay on the part of the Town or by reason of the expiration or sooner determination of the term.

(n) **Supply of Water**

That the Town shall not be responsible for the supply of or cost of supply of water to the Premises from any source.

(o) **Essential Terms**

Each of the covenants by the Lessee which is specified in this paragraph is an essential term of the Lease:

- (i) The covenant to pay rent throughout the lease Term at a date not later than twenty-eight (28) days after the due date of payment of each instalment of rent (clause 2(a));
- (ii) The covenant to use the Premises for the purpose specified (clause 2(m));

- (iii) The covenant to maintain and repair the buildings, improvements equipment and landscaping on the Premises (clause 2(f));
- (iv) The covenants to insure (clauses 2 (t) and 2 (u));
- (v) The covenant to not assign, sub-let or part with the possession or occupation of the Premises without the prior approval of the Town (clause 2(r)); and
- (vi) The covenant to indemnify the Town (clause 2 (w)).

In respect of the Lessee's obligation to pay rent, the acceptance by the Town of arrears or of any late payment of rent shall not constitute a waiver of the essentiality of the Lessee's obligation to pay such rent and interest or in respect of the Lessee's continuing obligation to pay rent during the balance of the Term.

The Lessee covenants to compensate the Town in respect of any breach of an essential term of the Lease and the Town is entitled to recover damages from the Lessee in respect of such breaches. The Town's entitlement under this clause is in addition to any other remedy or entitlement to which the Town is entitled (including the right to terminate the Lease).

(p) Option to Renew

If there is no subsisting default by the Lessee of the Lessee's covenants of which the Lessee has been given notice and failed to rectify, the Lessee shall subject to the approval of the Minister for Lands have the option at the expiration of the Term hereby granted of the renewal of this Lease for such further period (if any) as is specified in Item 8 of the Schedule ("the Option Term") SUBJECT TO AND UPON the same terms and covenants and conditions as are herein contained (except for this option of renewal) at such

rental as shall be determined in accordance with the provisions herein for review of rent. Such option shall be exercisable by notice in writing delivered to the Town personally or sent by post to the Town at the address of the Town aforesaid or other place where the Lessee pays the rent to the Town no later than three (3) months prior to the expiration of the Term hereby granted AND NOT earlier than six (6) months prior to the expiration of the Term hereby granted.

5. DEFINITIONS

In this Lease unless the context otherwise requires:

"local law" includes by-laws local laws and regulations heretofore or hereafter made or issued under any present or future Act of Parliament (Federal or State) and also every requisition hereafter made or issued under any such by-law or regulation and/or under any such Act;

"Consumer Price Index" means the Consumer Price Index (all groups) published from time to time by the Australian Bureau of Statistics or in the event that there is any suspension or discontinuance of the Consumer Price Index or its method of calculation is substantially altered, "Consumer Price Index" shall mean an index published as at the date of the relevant Review Date which reflects fluctuations of the cost of living in Perth.

"local government or public authority" includes Local Government Authority, Municipal Council Health Commissioner, the Minister for Water Supply Sewerage and Drainage, or other Minister of the Crown, State or Federal, the State Planning Commission and every and any other board, person or authority whatsoever now or hereafter exercising under any present or future Act of Parliament (Federal or State) any control or jurisdiction over or power in connection with the Premises or any part thereof or the owner or occupier thereof or in connection with any business now or hereafter carried on upon the Premises and every officer or person acting under the authority or any such local or public authority or under the authority of any such Act,

Regulation, Town Planning Scheme, By-law, local law or other delegated legislation thereunder;

"Maintenance and/or Repair" shall mean any works necessary to keep the Premises and all equipment therein leased with the Premises in fully useable condition and the principal purpose of which is not to increase the capital value of the Land or equipment at the time such work is carried out;

"Land" includes not only the land demised but also all the Town's fixtures and fittings hereafter erected or being thereon or used therewith and also all fences, drains, pipes, water and sewerage fixtures and apparatus now or hereafter on the said leased area;

"requisition" includes every proclamation, order, requisition, notice or demand made or issued under any present or future Act of Parliament (Federal or State) and/or under any delegated legislation thereunder;

"to paint" means:

- (i) to paint all wood, iron and all other work now or usually or at any time painted with two (2) coats of good quality paint in colours approved by the Town and in a workmanlike manner to the reasonable satisfaction of the Town or its architect;
- (ii) to repaper with paper of the same quality such parts (if any) as are now or later papered in a workmanlike manner to the reasonable satisfaction of the Town or its architect;
- (iii) to distemper, whiten or colour such parts (if any) of the buildings on the Premises as are now or later distempered, whitened or coloured in a workmanlike manner to the reasonable satisfaction of the Town or its architect;  
and



- 
- (iv) in the case of a covenant to paint externally includes all verandahs, roofs and balconies now, usually, or later painted.

6. GOODS AND SERVICES TAX

6.1 Definitions

Unless the contrary attention appears in this clause:

- (a) "Consideration" means any money payable to the Town under this Lease;
- (b) "GST" means a tax under the Commonwealth Government Goods and Services Tax levied on a Supply including but not limited to the money payable to the Town for goods or services or property or any other thing under this Lease.
- (c) "Supply" means a good or service or any other thing supplied by the Town under this Lease and includes but is not limited to a grant of a right to possession of the Premises.

6.2 Lessee to Pay GST

- (a) The Consideration will be increased by the amount of GST, if any, which the Town is required by legislation to pay on any Supply made under the terms of this Lease;
- (b) The Lessee must pay any increase referred to at paragraph (a) whether it is the Lessee or any other person who takes the benefit of any Supply; and
- (c) The Lessee must pay the amount of GST to the Town at the same time and in the same manner as the Lessee is required to pay the Consideration.

6.3 Prices do not include GST

The price for each Supply, including the Consideration determined under this Lease has been determined prior to the introduction of GST and accordingly does not include GST on that Supply and the Association must pay the amount

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of GST in addition to the price for that Supply fixed or determined under this Lease.

6.4 If consideration in kind is accepted by the Town for any Supply made under this Lease the GST amount payable to the Lessee 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 Town.

6.5 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 Town for any GST payable by it to any person.

6.6 Statement of GST paid is Conclusive

A written statement given to the Lessee by the Town of the amount of GST that the Town pays or is liable to pay or account for is conclusive as between the Parties except in the case of an obvious error.

7. INTERPRETATION

Reference to the parties includes their personal representatives, successors and lawful assigns.

Where a reference to a party includes more than one person the rights and obligations of those persons shall be joint and several.

Headings have been inserted for guidance only and shall be deemed not to form part of the context.

The Schedule and Annexures (if any) form part of this Deed.

Every word in the masculine gender shall be construed as including the feminine gender; every work in the singular number shall be construed as including the plural number, every number in the plural number shall be construed as including the singular

number; every word in either of the said genders or numbers shall be construed as including a body corporate as well as an individual.

## SCHEDULE

**Item 1:        THE LAND**

That part of Lot 6322 on Deposited Plan 29714 and being the whole of the land comprised in Crown Land Title Volume 3045 Folio 88 as is shown hatched on the sketch annexed hereto as Annexure A.

**Item 2:        TERM**

Ten (10) years

Commencement Date        1 July 2006

Expiry Date                30 June 2016

**Item 3:        ANNUAL RENTAL**

One peppercorn per annum payable to the Town annually in advance on 1 July of each year of the Term of the Lease.

**Item 4:        RENT REVIEW DATE**

N/A.

**Item 5:        RATES AND TAXES**

Such rates, taxes and other State or Federal Government charges as may be imposed from time to time other than the sums payable by way of annual rent.

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**Item 6:        PURPOSES FOR WHICH LAND MAY BE USED**

Sporting Pavilion.

**Item 7:        PAINTING**

The buildings forming part of the Land shall be painted:

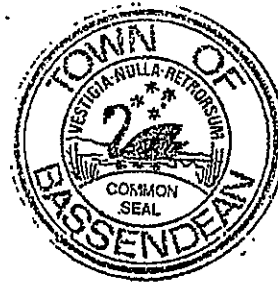
- (a) externally every three (3) years from the commencement of the Term; and
- (b) internally every five (5) years from the commencement of the Term.

**Item 8:        THE OPTION TERM**

10 years

EXECUTED BY THE PARTIES as a DEED:

THE COMMON SEAL of the TOWN OF )  
BASSENDEAN was hereunto affixed in )  
the presence of: )



[Signature]  
MAYOR

Walterina Godeliva Klein  
(Print Full Name)

[Signature]  
CHIEF EXECUTIVE OFFICER

Gary F Evershed  
Chief Executive Officer  
(Print Full Name) of Bassendean

STAN MOSES PAVILION MANAGEMENT )  
GROUP (INC) was hereunto affixed pursuant )  
to a resolution of the Management Committee )  
in the presence of: )

[Signature]  
PRESIDENT (Signature)

GARRY STEPHEN LOVELOCK.  
(Print Full Name)

[Signature]  
SECRETARY (Signature)

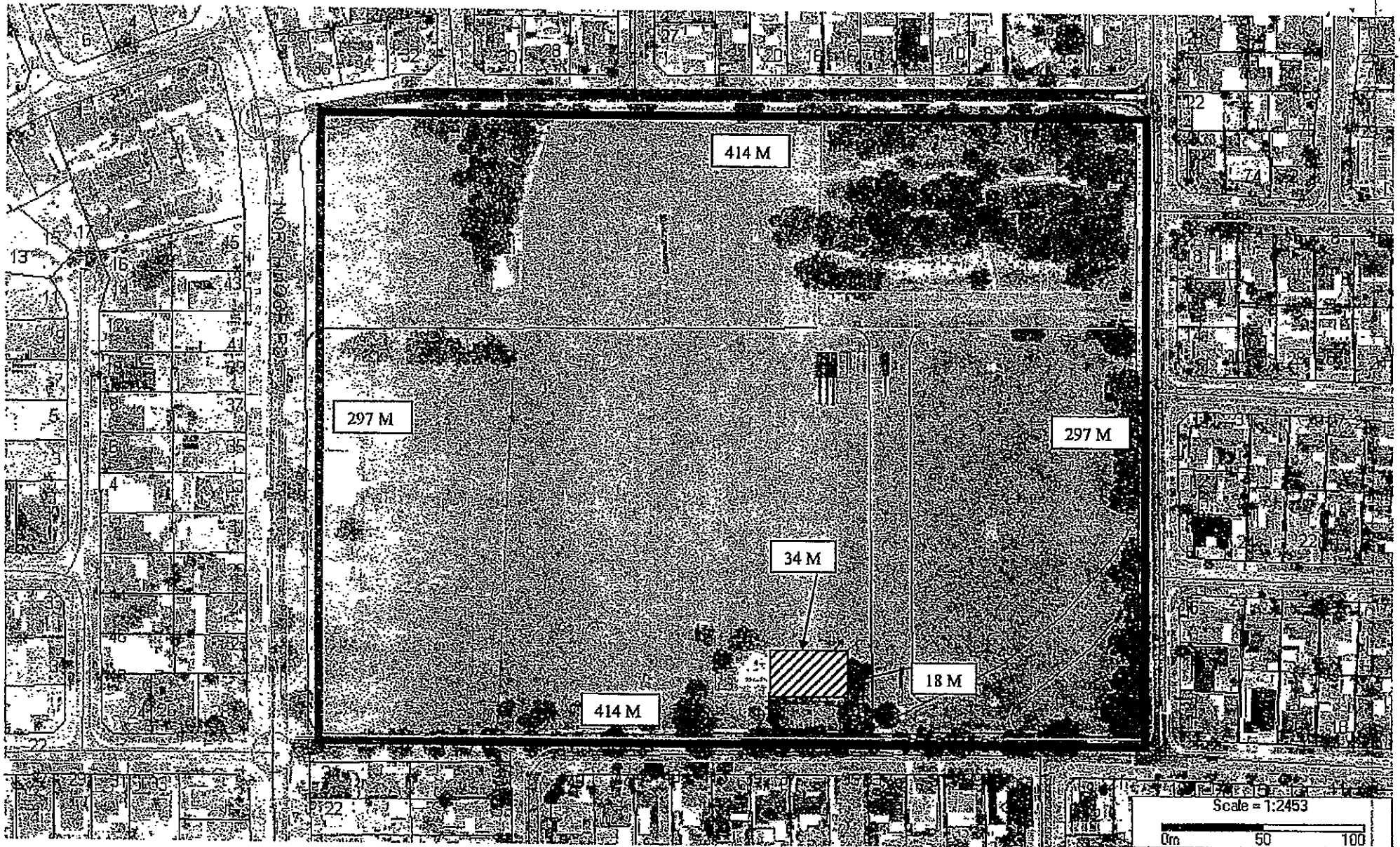
FRANCES CHRISTINE TESNEAR  
(Print Full Name)

I CONSENT to this Lease.

By order of the Minister for Lands

\_\_\_\_\_

APPROVED FOR THE PURPOSES OF SECTION 18  
OF THE LAND ADMINISTRATION ACT 1997  
[Signature]  
By Order of the Minister for Lands  
This document is still subject to the registration  
requirements of the Transfer of Land Act 1898.



**LEASED AREA –**  
**STAN MOSES PAVILION MANAGEMENT GROUP**

**NOTE: DRAWING NOT TO  
SCALE**

**ATTESTATION SHEET**

Executed by the parties as a Deed on the 17 day of July in the year 2007

**LESSOR/LESSORS SIGN HERE (NOTE 9)**

(See Page 28)

**LESSEE/LESSEES SIGN HERE (NOTE 9)**

(See Page 28)

**INSTRUCTIONS**

- 1 If insufficient space in any section, Additional Sheet Form B1 should be used with appropriate headings. The boxed sections should only contain the words "See Annexure"
- 2 Additional Sheets shall be numbered consecutively and bound to this document by staples along the left margin prior to execution by the parties.
- 3 No alteration should be made by erasure. The words rejected should be scored through and those substituted typed or written above, them, the alteration being initialled by the person signing this document and their witnesses.
- 4 Duplicates are not issued for Crown Land Titles.

**NOTES**

- 1 **DESCRIPTION OF LAND**  
Lot and Diagram/Plan number or Location name and number to be stated.
- 2 **ENCUMBRANCES**  
To be identified by nature and number, if none show "nil".
- 3 **LESSOR**  
State full name and address of Lessor/Lessors and the address/addresses to which future notices can be sent.
- 4 **LESSEE**  
State full name of Lessee/Lessees and the address/addresses to which future notices can be sent. If two or more state tenancy, eg. Joint Tenants, Tenants in Common. If Tenants in Common specify shares.
- 5 **TERM OF LEASE**  
Term to be stated in years, months and days. Commencement date to be stated. Options to renew to be shown.
- 6 **RECITE ANY EASEMENTS TO BE CREATED**  
Here set forth Easements to be created as appurtenant to the lease commencing with the words "together with" and/or any Reservations hereby created encumbering the lease commencing with the words "reserving to".
- 7 **RENTAL**  
State amount in words.
- 8 **PAYMENT TERMS**  
State terms of payment. Eg. by instalments of \$... payable on the ... day of each month/the months of ... in each year, commencing with a payment of \$... on or before the day of .../execution of this lease by the Lessee.
- 9 **EXECUTION**  
A separate attestation is required for every person signing this document. Each signature should be separately witnessed by an Adult Person. The address and occupation of witnesses must be stated.

**EXAMINED**

**Office Use Only**

**LEASE OF CROWN LAND (1)**

**LODGED BY:** McLeods  
**ADDRESS:** 220-222 Stirling Highway  
 Claremont WA 6010  
**PHONE NO:** 9383 3133  
**FAX NO:** 9383 4935  
**REFERENCE:** R11 19008  
**ISSUING BOX NO:** 346K

**PREPARED BY:** McLeods  
**ADDRESS:** 220-222 Stirling Highway  
 Claremont WA 6010  
**PHONE NO:** 9383 3133  
**FAX NO:** 9383 4935

**INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY**

**TITLES, LEASES, DECLARATIONS ETC  
LODGED HEREWITH**

1 \_\_\_\_\_ Received Items  
 2 \_\_\_\_\_ Nos.  
 3 \_\_\_\_\_  
 4 \_\_\_\_\_ Receiving Clerk  
 5 \_\_\_\_\_  
 6 \_\_\_\_\_

Registered pursuant to the provisions of the TRANSFER OF LAND ACT 1893 as amended on the day and time shown above and particulars entered in the Register.