

SHIRE OF WYNDHAM EAST KIMBERLEY

Audit, Finance and Risk Committee Agenda

Monday 25 May 2026



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**SHIRE OF WYNDHAM EAST KIMBERLEY
AUDIT, RISK AND IMPROVEMENT COMMITTEE
AGENDA
KUNUNURRA COUNCIL CHAMBERS
TO BE HELD ON MONDAY 25 MAY 2026 AT 5:00 PM**

- 1. DECLARATION OF OPENING**
- 2. RECORD OF ATTENDANCE / APOLOGIES**
- 3. DECLARATION OF INTEREST**
- 4. CONFIRMATION OF MINUTES**
- 5. REPORTS**

5.1. AUDIT - AUDIT REGULATION 17 AND FINANCIAL MANAGEMENT REGULATION 5(2)(C) REPORT

AUTHOR:	Manager Finance
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
FILE NO:	CM.01.1
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council notes the management progress updates as per confidential attachments 1 & 2 on actions arising from the 2025 statutory compliance reviews undertaken in accordance with Regulation 17 of the *Local Government (Audit) Regulation 1996* and Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

PURPOSE

The purpose of this report is to update the Audit Risk and Improvement Committee on the Shire's progress in addressing findings from the 2025 statutory compliance reviews conducted in accordance with:

- Regulation 17 of the *Local Government (Audit) Regulations 1996*, which requires a review of the appropriateness and effectiveness of financial management, legislative compliance and risk management systems and procedures.
- Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, which requires a review of the appropriateness and effectiveness of financial management systems and procedures.

This progress report outlines the status of implementation activities, timelines, and key developments. It supports the Audit Risk and Improvement Committee's oversight function and demonstrates improvements made to ensure the Shire meets its legislative obligations.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

The Shire engaged Stantons International to undertake statutory compliance reviews under:

- Regulation 17 of the *Local Government (Audit) Regulations 1996*.
- Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

The findings and recommendations arising from these reviews were presented at the Audit (Finance and Risk) Committee (now known as at Audit, Risk and Improvement Committee) meeting held on 4 March 2025. Following consideration by the Audit Risk and Improvement

Committee (ARIC), Council adopted the Committee's recommendations at the Ordinary Council Meeting held 25 March 2025 (Resolution 0303/2025).

Progress reports on the implementation of the audit recommendations have been presented to the ARIC at each subsequent meeting to ensure ongoing oversight and monitoring of progress.

COMMENTS

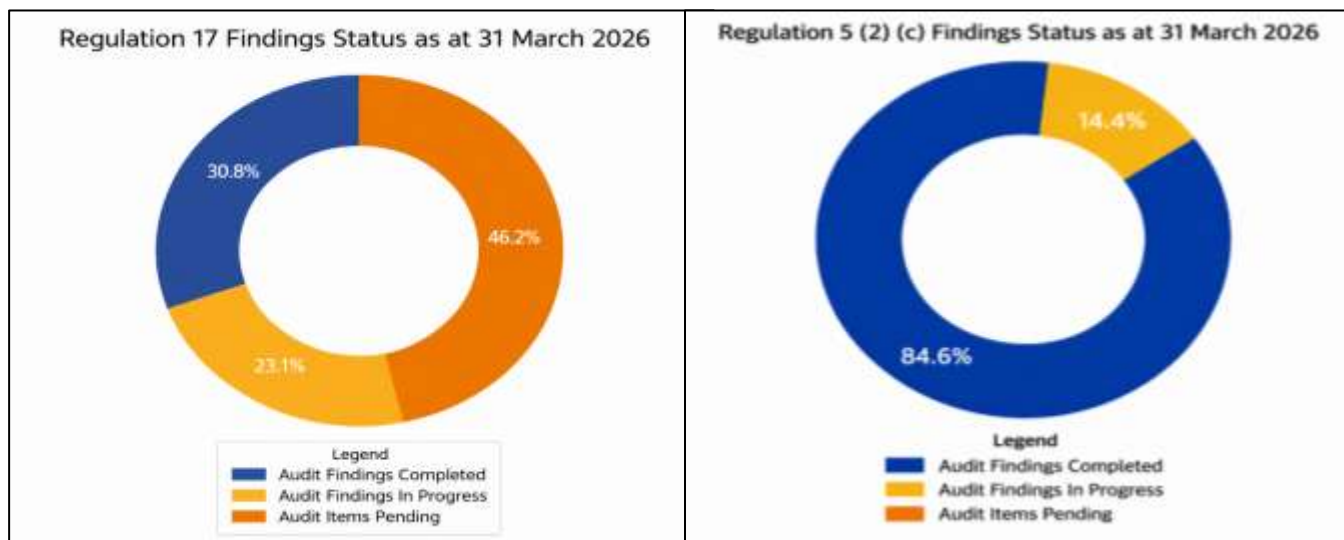
The Shire has commenced the implementation of actions arising from the statutory compliance reviews. These actions aim to strengthen legislative compliance, and improve governance, internal control processes, and the effectiveness of financial management systems.

Implementation efforts to date include:

- Reviewing and updating key operational policies and procedures.
- Updating internal controls, particularly in relation to asset management and system access.
- Integrating compliance improvements into broader organisational reform and improvement initiatives.

Several actions have been completed, while others are scheduled for implementation in future reporting periods, depending on available resources and alignment with related projects. Some recommendations have been incorporated into existing strategic initiatives to maximise efficiency and minimise duplication.

This progress report demonstrates the Shire's commitment to good governance and continuous improvement. A detailed status update for each action item, including responsible officers and revised timelines, is provided in Confidential Attachment 7.1.



STATUTORY IMPLICATIONS

[Regulation 17 of the *Local Government \(Audit\) Regulations 1996*](#)
[Regulation 5 of the *Local Government \(Financial Management\) Regulations 1996*](#)

POLICY IMPLICATIONS

The Following Policies are relevant to this report:

- POL-1005 Code of Conduct for Elected Members & Candidates
- POL-1011 Risk and Opportunity Management

- POL-2009 Sundry Debt Collection
- POL-2014 Information Management & ICT Acceptable Use
- REG-1001 Delegations Register.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management, risk management, internal control and legislative compliance.

Control: Review policies and procedures in accordance with relevant statutory requirements and identified risk priorities, complete the statutory compliance review under Audit Regulation 17 and Financial Management Regulation 5(2)(c), implement the recommendations as part of our commitment to continuous improvement.

FINANCIAL IMPLICATIONS

The cost of Stanton's review and the preparation of the report was \$27,720 excl. GST.

CURRENT AND FUTURE ASSET CONSIDERATIONS

Asset Management: The absence of a formal process for asset acquisition, disposal, and stock take increases the risk of financial mismanagement.

Financial Systems: The SynergySoft system requires better alignment with delegations and more controlled access to payroll and finance data.

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - Regulation 17 Management Response Progress Update
2. Confidential - Regulation 5 Management Response Progress Update

5.2. AUDIT - QUARTERLY FINANCIAL REPORT

AUTHOR:	Manager Finance
RESPONSIBLE OFFICER:	Alexandra Bell, Director Corporate Services
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council receives the Quarterly Financial Report for the period ended 31 March 2026.

PURPOSE

To present the Audit Risk and Improvement Committee with the Shire's unaudited Quarterly Financial Report, highlighting material variances and key financial management risks. This quarterly review forms part of the year-end process and supports oversight of financial sustainability, infrastructure investment, and performance against budget.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

Quarterly financial reporting is a mechanism to provide transparency and oversight of the Shire's financial position, performance against budget, and management of material variances.

Regular review supports early identification of risks or emerging financial issues.

COMMENTS

The Quarterly Financial Statements are unaudited and remain subject to change.

The Quarterly Financial Report includes:

- Statement of Financial Activity for the Quarter
- Financial Trend Analysis
- Financial Ratio Analysis
- Statement of Financial Position
- Commentary on significant financial risks or emerging issues.

During the third quarter of the 2025–26 financial year:

- Net assets decreased by approximately \$8.2 million over the quarter, bringing total equity to \$360.3 million. This movement is primarily driven by the timing of capital expenditure and funding flows during the period.
- Cash and cash equivalents remain strong at \$64.7 million, although balances reduced over the quarter as capital projects progressed and available funds were utilised.

- Operating income increased compared to the same quarter last year, primarily driven by higher operating grants, strong performance in fees and charges, and increased interest revenue supported by favourable cash balances.
- Operating expenditure increased, largely due to higher employee costs and materials and contracts expenditure associated with delivering the expanded capital works program and ongoing maintenance requirements.
- The operating profit margin decreased from 29% to 24%, reflecting that expenditure growth continues to outpace revenue growth, although the result remains positive.
- The asset sustainability ratio increased significantly from 1.03 to 4.22, reflecting substantial renewal and construction activity funded largely through external grants.
- The own source revenue ratio declined from 90% to 86%, reflecting a higher proportion of operating revenue derived from Financial Assistance Grants during the quarter due to the timing and level of funding.
- The rates coverage ratio decreased from 53% to 48% as total operating revenue, particularly grant income, grew at a faster rate than general rates revenue.

Overall, the Shire remains in a sound financial position, supported by strong liquidity, manageable debt levels, and continued delivery of grant-funded infrastructure projects. While operating pressures are evident, these have largely been absorbed within operations. Continued attention to cost management, revenue composition and capital delivery will support financial sustainability through the remainder of 2025–26.

STATUTORY IMPLICATIONS

[Regulation 34 of the *Local Government \(Financial Management\) Regulations 1996*](#)

[Regulation 16 of the *Local Government \(Audit\) Regulations 1996*](#)

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity, and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the disbursement of funds to meet the needs of the Shires forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

Control: Monthly, Quarterly and Annual finance reports. Department specific Budget to Actual reports. Emerging issues flagged in this quarter include advance grant receipt timing and the continued gap between asset depreciation and renewal expenditure.

FINANCIAL IMPLICATIONS

This report outlines preliminary third-quarter results, including an approximate \$8.2 million decrease in net assets. These figures are unaudited and remain subject to final audit adjustments.

Current and Future Asset Considerations

The asset sustainability ratio increased from 1.03 to 4.22 when contrasted with the same quarter 3 of the prior financial year. This was driven by significant grant-funded renewal and construction activity. While this reflects strong short-term investment in infrastructure, the elevated result is largely externally funded. Future budgets will need to maintain a focus on sustainable asset renewal funding to support long-term financial and asset sustainability.

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - Q3 Quarterly Financial Report

5.3. AUDIT - USE OF DELEGATED AUTHORITY

AUTHOR	Liam Moore, Manager Finance
RESPONSIBLE OFFICER:	Alexandra Bell, Director Corporate Services
FILE NO:	PL.02.05
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council notes the report relating to the exercise of Delegation 1.2.26 – Defer, Grant Discounts, Waive or Write Off Debts for the period 1 January 2026 to 30 April 2026.

PURPOSE

To inform the Audit Risk and Improvement Committee of the exercise of delegated authority under Delegation 1.2.26 – Defer, Grant Discounts, Waive or Write Off Debts for the period from 1 January 2026 to 30 April 2026.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

In accordance with section 6.12(1)(b) and 6.12(1)(c) of the *Local Government Act 1995*, the Chief Executive Officer, Director Corporate Services, and Manager Finance are delegates under Delegation 1.2.26. This delegation allows delegates to waive debts, grant concessions, and write off monies owed to the Shire. Fees and charges may be waived where necessary to rectify an error or to assist a not-for-profit community group or charitable entity in fulfilling a social, cultural or community service within the district.

Delegation 1.2.26 can be used to waive or write off a maximum of \$2,000 per individual debt or customer per year. The exercise of this delegation is required to be reported to the Audit Risk and Improvement Committee.

COMMENTS

In accordance with Delegation 1.2.26 of the Shire's Delegation Register, delegated authority was exercised during the period 1 January 2026 to 30 April 2026 in relation to the waiver of fees and charges and the write-off of minor amounts.

During the reporting period, the Chief Executive Officer approved the waiver of admission fees totalling \$325 for a not-for-profit organisation function and the Director Corporate Services, Acting Director Corporate Services, and the Manager Finance exercised delegated authority to write off minor rates-related amounts across rates assessments. The total value of waivers and write-offs approved during the period was \$377.39.

All waivers and write-offs were approved within the applicable delegated financial limits and in accordance with the conditions of Delegation 1.2.26.

The rates-related write-offs comprised minor amounts relating to rates, interest, instalment fees and administration fees. These write-offs were associated with ownership transfer adjustments, ESL interest reversal, instalment and administration fee reversals where properties were paid in full by the due date, interest reversal for a non-rateable property, and clerical correction.

STATUTORY IMPLICATIONS

[Local Government Act 1995 \(WA\)](#)

- Section 6.12(1)(b) and section 6.12(1)(c) of the provide that a local government may waive, grant concessions in relation to, or write off amounts of money owed to the local government, subject to section 6.12(2) and any other written law.
- Section 6.12(2) provides that section 6.12(1)(a) and section 6.12(1)(b) do not apply to an amount owing in respect of rates and service charges. Accordingly, rates and service charge amounts are treated as write-offs under section 6.12(1)(c).
- Section 5.44(1) allows the CEO to sub-delegate powers and duties to other employees.
- Section 5.46(3) requires delegates to keep records in accordance with the regulations when exercising delegated powers or duties.

[Local Government \(Administration\) Regulations 1996 \(WA\)](#)

- Regulation 19 prescribes the recordkeeping requirements for the exercise of delegated authority.

POLICY IMPLICATIONS

POL-2020 Waiver of Fees and Charges applies to the fee waiver recorded in Attachment 2 and provides the policy framework for the assessment, approval, documentation, recordkeeping and reporting of fee waivers and reductions.

POL-2016 Financial Hardship – Rates and Sundry Debtors and POL-2007 Rates and Charges Debt Collection are relevant to the broader rates, sundry debtor and debt recovery framework and are scheduled for review at the May 2026 Ordinary Council Meeting.

Any consequential updates arising from the May 2026 policy review should be reflected in future reporting under Delegation 1.2.26.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.3: Advocacy - Strong and consistent advocacy for local needs and priorities

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

Control: Delegated authority enables prompt and cost-effective resolution of minor debtor issues, preserving resources for larger recoveries and supporting fair community outcomes. Reporting the exercise of Delegation 1.2.26 to the Audit Risk and Improvement Committee provides oversight of compliance with delegation limits, policy requirements and recordkeeping obligations.

FINANCIAL IMPLICATIONS

A total of \$702.39 was waived or written-off under Delegation 1.2.26 during the period of 1 January 2026 to 30 April 2026. These were minor charges added during the year, such as interest and admission fee corrections.

Current and Future Asset Considerations

Nil

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - Use of Delegated Authority
2. Confidential - Use of Delegated Authority Debtors

5.4. RISK - SAFETY

AUTHOR:	Executive Manager Human Resources and Safety
RESPONSIBLE OFFICER:	Chief Executive Officer
FILE NO:	PL.17.33
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

- 1. Notes the workplace health and safety update; and**
- 2. Requests the Chief Executive Officer to continue reporting progress on identified workplace health and safety corrective actions through the Audit, Risk and Improvement Committee until the actions are closed.**

PURPOSE

To provide the Audit Risk and Improvement Committee with the current state of health and safety in the Shire workplace and to consider needed changes to realign the organisation with legislative responsibilities.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

In July 2024, LGIS carried out a workplace health and safety assessment as part of the 3 Steps to Safety program. The assessment identified areas for improvement and informed the development of a workplace health and safety action plan. – see Attachment One - 2024 SWEK Tier 3 Report. See Attachment Two - LGIS Report Action Plan from 2024 Assessment, for the progress of actions.

In October 2025 a series of internal safety reviews and workplace safety inspections were undertaken across Shire Operations. These reviews considered previous audit findings, insurer recommendations and internal safety observations. The review identified control weaknesses requiring corrective action. These matters have been considered by the Executive Management Team for prioritisation and management response. Four notices of non-conformance were issued to address areas of risk to the organisation that require immediate attention. These notices and associated findings were shared with members of the Executive Management Team (EMT) for discussion, prioritisation, and determination of appropriate corrective actions.

The notices of non-conformance highlighted areas of non-compliance with Western Australian workplace health and safety regulations in the following key areas:

- Plant, fleet, and maintenance systems

- Waste management systems
- Asbestos management
- Use of earthmoving equipment to lift loads

The Committee will be asked to monitor outcomes and may provide feedback on proposed control improvements.

COMMENTS

The MYOSH safety system will be used to record hazards, incidents, inspections, corrective actions and progress towards resolution. Reporting will be provided to each Audit, Risk and Improvement Committee meeting. See Attachment Three – Q1 2026 Safety Report

STATUTORY IMPLICATIONS

[Work Health and Safety Act 2020](#)

Section 19 requires the Shire to ensure, so far as is reasonably practicable, the health and safety of workers while at work.

Section 27 requires officers to exercise due diligence to ensure the Shire complies with its WHS duties and obligations.

[Work Health and Safety \(General\) Regulations 2022](#)

Regulations 34 to 38 require workplace hazards to be identified, risks to be managed, control measures to be maintained and control measures to be reviewed.

Regulations 203, 213, 214, 215 and 219 are relevant to the reported matters concerning plant, mobile plant, plant maintenance and plant used to lift or suspend loads.

Regulations 420, 422, 425, 426, 427 and 429 are relevant to the reported matters concerning asbestos exposure, asbestos identification, asbestos registers and asbestos management plans.

[Local Government \(Audit\) Regulations 1996 \(WA\)](#)

Regulation 16 is relevant to the Committee's role in reviewing reports and recommending improvements relating to risk management, internal control and legislative compliance.

POLICY IMPLICATIONS

Management to review relevant workplace health and safety policies, procedures and operational controls to confirm they adequately address the identified corrective actions. Council policy changes should only be proposed where Council-level policy direction is required.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Areas: Liveability & Connection

Goal 1: Safe communities - A community where we all feel safe

Goal Outcome 1.2: Safe Physical Environment - People feel safe on the streets and in public areas and can engage in healthy vibrant active lives

Strategy 1.1: The Shire will work to improve the distribution and awareness of information and resources on safety and crime prevention

RISK IMPLICATIONS

Risk: Failure to create and maintain an organisational culture which promotes a safe and positive work environment, fosters employee satisfaction, motivates employees to perform and increases organisational effectiveness.

Risk: Failure to manage and implement an effective, forward planned capital works program which meets the safety and functional requirements of the community.

Control: Control: Management review of identified control weaknesses, workplace health and safety action tracking, MYOSH reporting, corrective action close-out, Executive Management Team oversight and periodic reporting to the Audit, Risk and Improvement Committee.

FINANCIAL IMPLICATIONS

Financial implications will depend on the corrective actions required. Any additional expenditure will be considered through the annual budget, budget review process or a separate Council decision, as applicable.

Current and Future Asset Considerations

Plant, fleet and facility asset management processes will support inspection, servicing, maintenance, operational safety and provide reliable records. Any future plant or fleet decisions must consider workplace health and safety risk controls relevant to the intended use, operating environment, maintenance requirements, operator competency and manufacturer requirements.

COMMUNITY ENGAGEMENT

No community engagement required.

ATTACHMENTS

1. Confidential - 2024 SWEK Tier 3 Report
2. Confidential - LGIS Report Action Plan from 2024 Assessment
3. Confidential - Q1 2026 Safety Report

5.5. RISK - LEGAL MATTERS

AUTHOR:	Chief Executive Officer
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council note the report on legal fees expended to 30 April 2026.

PURPOSE

This report provides an overview of legal matters with potential or actual risk exposures relevant to the Shire's operations.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

Legal risks can impact financial, operational, and reputational outcomes. Monitoring legal risks supports the Shire's risk management framework. A verbal report will be provided.

COMMENTS

The report provides a summary of ongoing and concluded legal matters which may include:

- Active litigation and claims
- Potential legal disputes
- Governance-related legal risks

STATUTORY IMPLICATIONS

[Regulation 16 of the *Local Government \(Audit\) Regulations 1996*](#)

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage a governance framework which transparently embraces good governance practices.

Control: Monitoring of legal risks.

FINANCIAL IMPLICATIONS

Legal cost exposure managed through existing budgets.

Current and Future Asset Considerations

Potential financial liabilities.

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential Attachment 1 - ARIC - Legal Fees - April 2026

5.6. RISK - STRATEGIC RISK REVIEW: RISK AND OPPORTUNITY MANAGEMENT FRAMEWORK REVIEW

AUTHOR:	Strategic Performance Advisor
RESPONSIBLE OFFICER:	Alexandra Bell, Director Corporate Services
FILE NO:	RM.02.1
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Leader - plan and provide direction through policy and practices
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

1. **Receives the draft Risk and Opportunity Management Framework included at Attachment 1;**
2. **Notes that the Audit, Risk and Improvement Committee has reviewed the draft Framework, with specific consideration of the proposed approach to Risk Appetite and Risk Tolerance, and has provided advice and feedback on the draft content, including the proposed Council Risk Appetite Statement; and**
3. **Notes that the draft Framework will be further refined having regard to the Committee's feedback prior to being presented to Council for formal consideration.**

PURPOSE

The purpose of this report is to present the draft Risk and Opportunity Management Framework to the Audit, Risk and Improvement Committee for review and advice prior to further refinement and its consideration by Council.

The Framework has been developed to support implementation of Council's Risk Management Policy and to provide a consistent, structured approach to managing risk and opportunity across the Shire's strategic, corporate and operational tiers. A key element of the draft Framework is the introduction of a more explicit and articulated approach to Risk Appetite and Risk Tolerance, including the development of a proposed Council Risk Appetite Statement.

Given the governance importance of Council's risk appetite in shaping strategic decision making, prioritisation, and oversight, early engagement with the Audit, Risk and Improvement Committee is sought to ensure the proposed approach is robust, fit for purpose, and aligned with the Shire's legislative obligations and adopted risk management policy settings.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

At the April Ordinary Council Meeting, Council adopted an updated Risk and Opportunity Management Policy. The updated Policy reinforces the importance of a consistent, integrated and

proactive approach to managing risk and opportunity across the Shire and establishes clearer expectations around governance, accountability and oversight.

Following adoption of the updated Policy, the Shire is now required to ensure that the Risk and Opportunity Management Framework is aligned with, and gives practical effect to, the revised Policy settings. The Framework is the key document that translates policy intent into operational guidance, methodologies and governance arrangements across strategic, corporate and operational risk tiers.

The Shire's existing risk management arrangements provide a practical operational foundation and are established at the activity and service delivery level. However, these arrangements have historically relied on an implicit rather than explicit articulation of Council's risk appetite, resulting in potential variability in how risk acceptance, escalation and treatment decisions are applied across the organisation.

The draft Risk and Opportunity Management Framework has been developed to address this gap by introducing a clear and structured approach to Risk Appetite and Risk Tolerance, including the development of a proposed Council Risk Appetite Statement. The Framework is being presented to the Audit, Risk and Improvement Committee at this stage to seek governance advice and feedback prior to progression to Council.

COMMENTS

The draft Framework is attached for Committee consideration as Attachment 1. While Committee members may comment on any aspect of the draft, feedback is specifically sought on the following areas.

Risk Appetite and Tolerance Section

The draft Framework includes a dedicated section that:

- defines Risk Appetite and Risk Tolerance and clarifies their respective roles;
- proposes the use of risk appetite categories; and
- sets out how tolerance thresholds may trigger escalation, treatment or further reporting

Committee input is sought on whether this approach:

- provides sufficient clarity and practical guidance;
- supports effective escalation and assurance; and
- appropriately balances qualitative guidance with operational usability.

Council Risk Appetite Statement

The draft Framework includes a proposed Council Risk Appetite Statement, intended to articulate Council's overall risk posture in a single, accessible statement that can be publicly adopted and referenced.

Committee advice is requested on:

- the appropriateness of including a formal Council Risk Appetite Statement within the Framework;
- the proposed wording and emphasis areas;

- whether additional guidance or supporting material is required to assist Council in understanding and applying the statement; and
- whether the statement should be reviewed on a defined cycle for example, following each ordinary local government election or as part of the scheduled review of the Framework.

Governance and Oversight Implications

The Framework reinforces the role of the Audit, Risk and Improvement Committee as part of the Shire's broader assurance and oversight arrangements. Committee feedback is invited on whether:

- the governance roles and accountabilities are clearly articulated;
- the proposed reporting and escalation pathways support effective oversight; and
- the Framework appropriately positions ARIC within the Integrated Management System.

Attachment 1 is provided as a draft working document to assist with the Audit Risk and Improvement Committee's review.

STATUTORY IMPLICATIONS

The Framework supports compliance with relevant legislative and regulatory obligations by promoting a structured and consistent approach to risk identification, assessment and management.

- Section 3.1 of the *Local Government Act 1995 (WA)* provides that the general function of a local government is to provide for the good government of persons in its district. The Framework supports this function by embedding risk consideration into governance, planning and service delivery.
- Regulation 16 of the *Local Government (Audit) Regulations 1996 (WA)* sets out the functions of the Audit, Risk and Improvement Committee, including receiving and reviewing reports and recommending actions or improvements to Council in relation to risk management, legislative compliance and financial management systems and procedures.
- Regulation 17 of the *Local Government (Audit) Regulations 1996 (WA)* requires the CEO to review the appropriateness and effectiveness of the local government's systems and procedures in relation to financial management, legislative compliance and risk management, with each matter to be reviewed at least once every four financial years.
- Section 19 of the *Work Health and Safety Act 2020 (WA)* requires the Shire to ensure, so far as is reasonably practicable, the health and safety of workers and other persons affected by Shire work.
- Regulations 34, 35 and 36 of the *Work Health and Safety (General) Regulations 2022 (WA)* require hazard identification, elimination or minimisation of risks to health and safety, and application of the hierarchy of control where risks cannot be eliminated.

POLICY IMPLICATIONS

The draft Risk and Opportunity Management Framework gives effect to the Shire's Risk Management Policy. Committee feedback will inform refinement of the Framework prior to consideration by Council for endorsement.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to develop appropriate, meaningful policies and supporting frameworks that enable the administration to perform in an effective and efficient way.

Control: Adoption of the Risk and Opportunity Management Policy and development of the supporting Framework to establish clear governance, accountability, and alignment with legislative and strategic requirements.

Risk: Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

Control: Adoption of a formal risk management policy and Framework aligned with AS ISO 31000:2018 and relevant legislation to guide consistent practice across the organisation. Ongoing oversight and review of risk management, internal control, and compliance systems in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996 (WA)*, including reporting to the Audit, Risk and Improvement Committee.

FINANCIAL IMPLICATIONS

There are no direct financial impacts associated with consideration of this report. Effective risk appetite articulation supports improved financial decision-making by clarifying Council's tolerance for financial and service delivery risks.

Any future financial implications arising from implementation of the Framework, including system improvements, training, internal audit activity or additional assurance work, will be considered through the annual budget process or separate Council reports where required.

Current and Future Asset Considerations

There are no immediate asset considerations arising from this report.

The Framework supports longer term asset planning and investment decisions by embedding risk based thinking into project and asset lifecycle management.

COMMUNITY ENGAGEMENT

There is no requirement for community engagement in relation to this report. Internal consultation with key Shire Officers has informed the development of both the document and its content.

The Framework is primarily an internal governance and management document. If Council later adopts a Council Risk Appetite Statement, publishing that statement may assist transparency by explaining the level of risk Council is prepared to accept in different decision-making contexts.

ATTACHMENTS

Nil

5.7. RISK - BLACKSPOT SAFETY AUDIT, 5 YEAR PLAN

AUTHOR:	Director Infrastructure and Strategic Projects
RESPONSIBLE OFFICER:	Paul Webb, Director Infrastructure and Strategic Projects
FILE NO:	RD.16.2
DISCLOSURE OF INTERESTS:	RD.07.38
COUNCIL'S ROLE IN THE MATTER:	Advocator - advocate and support initiatives on behalf of the community
VOTING REQUIREMENT:	Simple majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council note the attached 5-year Blackspot Program, as a list of priority projects for Blackspot projects, with projects to be individually considered in annual budget subject to application and approval by Main Roads Department Western Australia.

PURPOSE

This item provides the Audit Risk and Improvement Committee with an overview of the Shire's approach to road safety audits and Blackspot funding applications, and outlines a forward planning framework to support the Long-Term Financial Plan and Asset Management Strategy.

The objective is to ensure the Shire maintains a pipeline of eligible projects that can be submitted to Main Roads Western Australia for funding consideration under the Blackspot Program.

Maintaining a structured program of safety audits allows the Shire to respond to emerging road safety risks while maximising opportunities to attract external funding.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

The Shire has previously undertaken and completed works subject to a series of road safety audits across the local road network, including locations such as:

- Kununurra Country Club entry
- Leichhardt Street
- St Joseph's School – Wyndham
- St Joseph's School – Kununurra
- Kabbarli Road intersections (Wyndham)
- Wyndham District High School
- Lakeview Drive – Kununurra
- Weaber Plains Road intersections
- Erythrina Street / River Fig Avenue

These audits identified a range of safety concerns requiring investigation or improvement works.

In addition to the locations previously assessed, Bastion Access Road and Kelly Road have also been identified as requiring further investigation through formal road safety audits.

COMMENTS

Road Safety Audit Requirements

Road safety audits are a key mechanism for identifying hazards and improving safety outcomes on the Shire's road network.

The cost of undertaking a typical road safety audit is generally between \$2,500 and \$3,000 per location.

Under Main Roads Western Australia guidelines, road safety audits remain valid for a period of three years when used to support a Blackspot funding application. Once an audit exceeds this timeframe, it must be reviewed or updated before it can support a funding submission.

To maintain eligibility for future funding opportunities, the Shire is required to maintain an ongoing program of safety audits for priority locations.

Current Safety Improvement Requirements

Based on the outcomes of previous safety audits, the estimated value of works currently identified across the road network is approximately \$987,000.

Two significant projects may substantially increase the value of future required works:

Lakeview Drive

Further investigation may be required in relation to edge drop-offs exceeding one metre and pedestrian interactions in low-light conditions.

Bastion Access Road

This location has been identified as requiring several potential safety improvements associated with inadequate seal widths, unprotected edge drop-offs and insufficient roadside protection. Collectively, these projects may add in excess of \$2 million in future road safety improvement works.

Funding Mechanism – Blackspot Program

The Main Roads Western Australia Blackspot Program generally operates on a funding model consisting of:

- approximately one-third local government contribution; and
- approximately two-thirds external funding.

Under this arrangement, a Shire contribution of approximately \$100,000 per annum may support approximately \$300,000 in road safety improvement works annually, subject to successful funding applications.

In addition to project co-contributions, the Shire is also responsible for costs associated with:

- safety audits;
- survey work; and
- preliminary concept design.

These costs are generally incurred prior to projects being submitted for funding consideration.

Proposed Annual Funding Structure

A practical annual funding allocation may include:

Activity	Annual Allocation
Safety audits and preliminary design	\$100,000
Blackspot project co-funding	\$200,000

This approach would support:

- ongoing identification of road safety risks;
- development of grant-ready projects;
- continued eligibility for Main Roads Western Australia funding opportunities; and
- timely responses to emerging funding opportunities.

Forward Planning Approach

Due to the competitive nature of Blackspot funding, it is not possible to establish a fixed five-year delivery schedule.

However, the Shire can maintain a structured forward program of investigations and project development.

The proposed approach includes:

- Maintaining a register of road safety concerns identified by staff and the community.
- Undertaking up to two road safety audits annually for priority locations.
- Progressing survey work and concept designs for high-priority sites.
- Submitting completed proposals to Main Roads Western Australia for funding consideration.

This approach assists the Shire to maintain a proactive and structured road safety improvement program.

Relationship to Strategic Asset Management

This program aligns with the Shire's Strategic Asset Management objectives through the identification and management of infrastructure-related risks.

Road safety improvements form an important component of the Shire's responsibility to manage its road network and minimise risk to the community.

Maintaining an ongoing road safety audit program supports the Shire's ability to:

- identify emerging risks;
- prioritise investment decisions; and
- leverage external funding opportunities.

STATUTORY IMPLICATIONS

[Local Government Act 1995 \(WA\)](#)

Road safety and infrastructure management responsibilities are undertaken in accordance with the Local Government Act 1995 and associated legislative responsibilities relating to the care, control and management of local government infrastructure assets.

POLICY IMPLICATIONS

Nil identified.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to identify and address emerging road safety issues may increase the risk of accidents, infrastructure deterioration and reputational impacts to the Shire.

Control: Implementation of a structured road safety audit and forward planning program assists the Shire to identify, prioritise and respond to road safety risks in a timely and coordinated manner.

FINANCIAL IMPLICATIONS

The proposed annual allocation to support road safety audits, preliminary investigations and Blackspot project co-funding is estimated at:

- \$100,000 for safety audits and preliminary design; and
- \$200,000 for Blackspot project co-funding.

Funding requirements will be subject to annual budget deliberations and successful external funding applications.

Current and Future Asset Considerations

The implementation of future road safety improvement works may result in additional infrastructure assets requiring ongoing maintenance and lifecycle management.

These implications will be considered through future budget and asset management planning processes.

COMMUNITY ENGAGEMENT

Community concerns and observations relating to road safety are considered as part of the identification and prioritisation process for future road safety audits and investigations.

ATTACHMENTS

1. 2020 Blackspot 5 year plan
2. 5 year plan of audits 2024 2029

5.8. RISK - POL-4017 CONSTRUCTION STANDARDS – SHIRE WORKS & SUBDIVISION DEVELOPMENT V1.0 - NEW POLICY

AUTHOR:	Executive Officer to the CEO
RESPONSIBLE OFFICER:	Paul Webb, Director Infrastructure and Strategic Projects
FILE NO:	CM.11.2
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Leader - plan and provide direction through policy and practices
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

1. Rescinds the existing Road Development Policy (Version 4.1); and
2. Adopts POL-4017 Construction Standards – Shire Works and Subdivision Developments (Version 1.0), as attached.

PURPOSE

The purpose of this report is for Council to consider the adoption of a new Council Policy titled POL-4017 Construction Standards – Shire Works and Subdivision Developments.

The proposed policy establishes a consistent engineering and construction standard for civil infrastructure works undertaken within the Shire of Wyndham East Kimberley and formalises the adoption of the IPWEA Subdivision Guidelines as the primary technical reference for infrastructure design and construction.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

The Shire currently utilises a range of engineering specifications, subdivision conditions and contract requirements to guide the delivery of infrastructure works across the municipality.

The existing Road Development Policy has historically provided direction regarding road construction standards associated with development works. However, the existing policy no longer adequately reflects contemporary infrastructure delivery practices, broader asset management principles or the range of civil infrastructure now routinely delivered by the Shire and external developers.

The proposed policy has therefore been developed to:

- replace the existing Road Development Policy;
- broaden the application of construction standards beyond roads alone;
- ensure consistency between internally delivered works, contractor works and subdivision infrastructure; and

- align infrastructure delivery with contemporary engineering and asset management practices.

The proposed policy adopts the IPWEA Subdivision Guidelines as the primary technical standard for infrastructure works intended to become Shire assets.

COMMENTS

The proposed policy provides a clear governance framework for the construction and delivery of civil infrastructure within the Shire of Wyndham East Kimberley.

The policy applies to:

- infrastructure delivered directly by the Shire through self-performing works;
- infrastructure delivered by contractors engaged by the Shire; and
- infrastructure constructed by developers for eventual handover to the Shire.

The policy establishes consistency in relation to:

- road construction;
- pavement design;
- drainage systems;
- earthworks;
- stormwater infrastructure;
- footpaths and shared paths; and
- associated civil infrastructure.

The policy also recognises the unique environmental and logistical challenges associated with the East Kimberley region and allows flexibility for regional adaptation where justified and approved by the Director Infrastructure and Strategic Projects.

Importantly, the policy supports improved whole-of-life asset management outcomes by ensuring infrastructure handed over to the Shire is constructed to a consistent and maintainable standard.

STATUTORY IMPLICATIONS

The proposed policy supports the Shire's responsibilities associated with infrastructure delivery, asset management and subdivision infrastructure acceptance under the *Local Government Act 1995*.

The policy does not replace or override statutory requirements imposed through subdivision approvals, development conditions, engineering approvals or contractual obligations.

POLICY IMPLICATIONS

This report recommends:

- rescinding the existing Road Development Policy; and
- adopting POL-4017 Construction Standards – Shire Works and Subdivision Developments.

The proposed policy has been developed in accordance with POL-1023 Document Management.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: LIVEABILITY

Goal 3: Access to housing - There are housing opportunities for everyone

Goal Outcome 3.2: Housing Design - Homes are designed for current and future climates, cultures, ages, incomes and circumstances

Strategy 3.2: The Shire will advocate for housing that is designed for our climate and considers the needs of those living in them

RISK IMPLICATIONS

Risk: Failure to implement consistent construction standards for civil infrastructure may result in reduced asset life, increased maintenance costs, infrastructure failure, increased safety risks and financial liabilities associated with asset renewal.

Control: The proposed policy establishes a consistent engineering standard for infrastructure delivery and asset handover requirements, reducing variability in construction quality and supporting long-term asset sustainability.

FINANCIAL IMPLICATIONS

The adoption of the policy is not anticipated to have any direct financial impact.

Implementation of consistent construction standards is expected to support improved long-term asset management outcomes and reduce future maintenance and lifecycle costs associated with infrastructure assets.

Current and Future Asset Considerations

The proposed policy directly supports the Shire's Strategic Asset Management objectives by ensuring infrastructure assets delivered through Shire works, contractor works and subdivision developments are constructed to consistent and maintainable standards.

This approach supports improved lifecycle management, asset durability and long-term serviceability.

COMMUNITY ENGAGEMENT

No external community consultation was undertaken as the proposed policy primarily relates to internal governance, engineering standards and technical infrastructure delivery requirements.

ATTACHMENTS

1. POL-4017 Construction Standards - Shire Works & Subdivision Development V1.0 - Draft New
2. POL-4006 Road Development V4.1 - To Be Rescinded

5.9. RISK - WASTEWATER AND POTABLE WATER SERVICING CONSTRAINTS

AUTHOR:	Director Infrastructure and Strategic Projects
RESPONSIBLE OFFICER:	Paul Webb, Director Infrastructure and Strategic Projects
FILE NO:	ED.11.1
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Advocator - advocate and support initiatives on behalf of the community
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

- 1. Note the sustained wastewater and potable water servicing constraints impacting development in Kununurra and Wyndham.**
- 2. Authorises the Chief Executive Officer to formally seek written clarification from the Water Corporation regarding current system capacity, upgrade triggers, capital allocation timing and servicing strategies for the East Kimberley region.**

PURPOSE

The purpose of this report is to inform the Audit Risk and Improvement Committee of ongoing wastewater and potable water servicing constraints impacting development within the Shire of Wyndham East Kimberley, and to seek direction regarding a structured engagement approach with Water Corporation.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

For a number of years, the Shire has experienced development limitations associated with wastewater servicing capacity in Kununurra.

Water Corporation has advised multiple agencies that there is no remaining sewer capacity within the existing wastewater treatment system servicing Kununurra. As a consequence, new property development has been constrained.

In Wyndham (Old Town), a legacy wastewater discharge arrangement exists whereby treated effluent is discharged to the West Arm of the Cambridge Gulf. Environmental constraints prevent additional connections under the current system configuration. No alternative servicing pathway has been articulated to enable expansion.

At the February 2026 Ordinary Council Meeting, Councillors raised concerns regarding:

- Wastewater capacity constraints in Kununurra;

- Legacy effluent discharge arrangements in Wyndham;
- Potable water network pressure management and potential implications for fire flow compliance; and
- The absence of publicly available forward infrastructure planning documents.

Water Corporation has confirmed that the Kununurra Wastewater Planning Review is expected to be completed in 2026 and that no high-level planning documents are currently available for the region.

COMMENTS

The matters raised represent structural servicing constraints rather than isolated operational issues.

Confirmed positions include:

- Kununurra wastewater treatment system capacity has been declared exhausted;
- No new connections are permitted under current capacity settings;
- Wyndham Old Town discharge arrangements cannot expand under environmental regulation;
- No published upgrade timeline or capital allocation pathway has been provided.

These constraints represent a material limitation on:

- Residential subdivision;
- Industrial land development;
- Housing supply;
- Economic growth; and
- Long-term regional planning.

In addition, potable water network pressure management practices, reportedly implemented as an asset management response to ageing infrastructure, may have implications for fire flow compliance standards applicable to new developments. This matter requires clarification.

The absence of forward infrastructure planning documentation limits the Shire's ability to:

- Align land release strategy;
- Coordinate capital works sequencing;
- Provide certainty to proponents;
- Advocate effectively for regional growth.

This report does not seek to attribute fault but rather to establish a structured, evidence-based engagement framework with Water Corporation.

STATUTORY IMPLICATIONS

Under the *Local Government Act 1995*, a local government is to provide for the good government of persons in its district.

Water and wastewater infrastructure provision falls under State jurisdiction through Water Corporation pursuant to the *Water Corporations Act 1995*.

The Shire's role is limited to advocacy, strategic planning alignment, and intergovernmental engagement.

POLICY IMPLICATIONS

This matter aligns with Council's advocacy role and regional development objectives. No direct policy amendments are proposed at this stage.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.3: Advocacy - Strong and consistent advocacy for local needs and priorities

Strategy 10.3: The Shire will influence decisions of others in a way that recognises and prioritises the needs of our local community

RISK IMPLICATIONS

Risk: Strategic Infrastructure Dependency Risk – sustained servicing constraints limiting development capacity and economic growth.

Control: Structured evidence collation, formal written clarification from Water Corporation, workshop briefing, and coordinated advocacy pathway if required.

FINANCIAL IMPLICATIONS

There are no immediate direct financial implications associated with this report. However, continued servicing constraints may indirectly impact:

- Land sales revenue;
- Rates growth;
- Development contribution opportunities; and
- Long-term economic expansion within the district.

Any future financial implications arising from advocacy, technical investigations or related project planning will be considered through the annual budget process or separate Council reports where required.

Current and Future Asset Considerations

The Shire does not own or control wastewater or potable water trunk infrastructure.

Future land release, subdivision planning and capital works coordination are dependent on State-owned servicing capacity.

Long-term infrastructure certainty is required to support integrated asset planning.

COMMUNITY ENGAGEMENT

No external engagement has occurred at this stage, in accordance with CEO direction.

Should the Shire resolve to formally engage Water Corporation, communication protocols will be determined following workshop consideration.

ATTACHMENTS

1. WC Advocacy Briefing Paper

5.10. RISK - RATES EXEMPTIONS

AUTHOR:	Manager Finance
RESPONSIBLE OFFICER:	Alexandra Bell, Director Corporate Services
ASSESSMENT NO:	As per recommendation 1
FILE NO:	FM.11.227
DISCLOSURE OF INTERESTS:	N/A
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

1. Approves the renewed rates exemption applications as listed at Attachment 1 for Assessment Nos A6004, A2048, A6002, A7771, A5209, A2047, A7698, A74, A798, A4990, A5101, A5685, A5697, A5732, A8044, A5102, A5725, A5726, A5744, A7090, A1100, A2793, A8071, A5211, A5312, A2547, A1815 and A6903.
2. Notes that the Chief Executive Officer will maintain and update the Shire's rate records to reflect Council's decision in accordance with section 6.39 of the *Local Government Act 1995 (WA)* and regulation 55 of the *Local Government (Financial Management) Regulations 1996 (WA)*.

PURPOSE

To seek Audit, Risk and Improvement Committee review and recommendation to Council for approval of renewed rates exemption applications for the assessments listed in the attachment.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

The Audit, Risk and Improvement Committee has previously received updates on the Shire's review of properties recorded as exempt or not rateable. This report relates only to renewed rates exemption applications where the previous approval period has expired, and the relevant ratepayer has reapplied. A separate report addresses the broader review of properties recorded as exempt or not rateable.

COMMENTS

The renewed rates exemption applications listed in the attachment have been assessed against section 6.26 of the *Local Government Act 1995 (WA)*.

The review process includes:

- verification of ownership, tenure and reserve classifications;

- review of current land use against the relevant section 6.26 category;
- assessment of supporting documentation, including Crown land records and organisational information;
- confirmation that each property continues to satisfy section 6.26 of the *Local Government Act 1995* (WA); and
- consolidation of records into an updated rates exemption register.

The applications relate to land used or held for public purposes, public utility purposes, emergency services, charitable purposes, Aboriginal community purposes and public worship. Based on the assessment undertaken, the properties listed in the attachment continue to meet the legislative requirements for land that is not rateable under section 6.26 of the *Local Government Act 1995* (WA).

If Council approves the renewed applications, applicants will be notified and the Shire's rate records will be updated to reflect Council's decision.

STATUTORY IMPLICATIONS

[Local Government Act 1995 \(WA\)](#)

- Section 6.26 of the provides that all land within a district is rateable unless it falls within a category of land that is not rateable under that section.
- The renewed applications have been assessed against the relevant categories in section 6.26(2), including land used or held for public purposes, public worship or charitable purposes.
- Section 6.39 requires the local government to maintain a rate record and amend it so that it remains current, correct and in accordance with the Act.

[Local Government \(Financial Management\) Regulations 1996 \(WA\)](#)

- Regulation 55 prescribes the form and content of the rate record.
- Sections 6.76 and 6.77 provide for objections to the rate record and review by the State Administrative Tribunal.
- Regulation 16(b) provides that an audit, risk and improvement committee is to receive and review reports on financial management, legislative compliance and risk management systems and procedures.

POLICY IMPLICATIONS

This matter relates to POL-2005 Rates Exemptions (s6.26).

A separate report proposing amendments to POL-2005 is also being presented to Council at the May 2026 Ordinary Council Meeting. The officer's recommendation is consistent with the proposed amended policy.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

Control: Assess each application against section 6.26, retain supporting evidence, record the applicable section 6.26 category and update the rate record where required.

FINANCIAL IMPLICATIONS

There are no immediate direct financial implications arising from the officer's recommendation to maintain the current exempt and non-rateable classifications.

Future reviews may identify properties that no longer satisfy exemption requirements, which may result in future rating revenue adjustments.

Accurate classification of exempt and non-rateable land supports revenue integrity, financial governance and compliance with statutory rating obligations.

All review activities have been undertaken within existing operational resources.

Current and Future Asset Considerations

There are no direct current or future asset implications arising from the officer's recommendation.

COMMUNITY ENGAGEMENT

Engagement will take place in accordance with the Community Engagement Guidelines and will include:

ATTACHMENTS

1. Confidential - Exempt Properties for Council Approval

5.11. IMPROVEMENT - INTERNAL REVIEW PROGRAM (INTERNAL CONTROLS & IMPROVEMENTS)

AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Alexandra Bell, Director Corporate Services
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator – Responsible for the enforcement of statutory requirements
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

1. Notes the progress update on the review of properties currently recorded as exempt or not rateable under section 6.26 of the *Local Government Act 1995 (WA)* as listed in Attachment 1.
2. Notes that relevant ratepayers have been contacted as part of the review process and that responses received will continue to be assessed against section 6.26 of the *Local Government Act 1995 (WA)*.

PURPOSE

To provide the Audit Risk and Improvement Committee with an update on the progress of the Shire's review of properties recorded as exempt or not rateable.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

Section 6.26 of the *Local Government Act 1995 (WA)* identifies categories of land that are not rateable, including land used exclusively for charitable purposes, Crown land held for public use, and land otherwise exempt under written law.

Over time, properties within the Shire have been recorded as exempt or not rateable. The Shire is reviewing these classifications to confirm that each property continues to satisfy section 6.26 of the *Local Government Act 1995 (WA)*. Renewed exemption applications arising from responses received are addressed through a separate item.

This review forms part of the Shire's broader financial governance framework and aligns with the requirements of Part 6 of the *Local Government Act 1995 (WA)* and the *Local Government (Financial Management) Regulations 1996 (WA)*.

COMMENTS

The review involves a systematic examination of all properties recorded as exempt or not rateable within the district. The process includes:

- Assessing each classification against statutory and policy provisions.
- Verifying supporting documentation such as land use statements and correspondence from government agencies or charitable organisations.
- Identifying records that require clarification, updated evidence or reassessment.
- Maintaining and progressively updating a centralised Rates Exemption and Not Rateable Properties Register to record outcomes and track compliance status.

Since commencement of the review, the register has been expanded to incorporate additional properties identified through internal records and data reconciliation.

The attachment is a progress update and includes properties at different stages of assessment. Further verification will continue as part of the ongoing review process.

Any amendments to the rate record arising from this review will be managed in accordance with section 6.39 of the *Local Government Act 1995 (WA)*.

STATUTORY IMPLICATIONS

[Local Government Act 1995 \(WA\)](#)

Section 6.26 provides that land within a district is rateable unless it falls within a category of land that is not rateable.

Section 6.39 requires the Shire to compile and maintain a rate record as soon as practicable after resolving to impose rates each financial year, including classifications of all rateable and not rateable land.

Section 6.40 sets out the effect of amending a rate record under section 6.39 where the amendment results from a change in the rateability of land. Where applicable, the local government is required to reassess the rates payable and give notice to the owner of any change in the amount of rates payable.

[Local Government \(Financial Management\) Regulations 1996 \(WA\)](#)

Regulation 55 requires the Shire to maintain accurate rate records, including land that is exempt or not rateable. The Shire is progressing a structured review of these classifications to ensure ongoing compliance.

POLICY IMPLICATIONS

This matter relates to POL-2005 Rates Exemptions (s6.26). A separate report proposing amendments to this policy is being presented to Council at the May 2026 Ordinary Council Meeting. The changes will include changing the policy title from "POL-2005 Rates Exemptions for Charitable Organisations (Non-Rateable Land)" to "POL-2005 Rates Exemptions (6.26)".

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the Strategic Community Plan 2023-2033:

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: The Shire's rate record may incorrectly classify land as exempt or not rateable where the land does not satisfy section 6.26 of the *Local Government Act 1995 (WA)*.

Control: Implementation of a structured review process, supporting evidence checks, legal or policy verification where required, and reporting to the Audit, Risk and Improvement Committee and Council.

FINANCIAL IMPLICATIONS

The review may identify properties that no longer meet exemption criteria, potentially resulting in additional rate revenue in future years. Any legal or administrative costs associated with verification will be managed within the existing budget allocation.

Current and Future Asset Considerations

Nil

COMMUNITY ENGAGEMENT

Targeted communication is underway as part of the review process.

ATTACHMENTS

1. Confidential - Exempt Property Review Progress Update

5.12. IMPROVEMENT - PROCUREMENT AND CONTRACT COMPLIANCE

AUTHOR:	Procurement Manager
RESPONSIBLE OFFICER:	Alexandra Bell, Director Corporate Services
FILE NO:	TBA
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council note the procurement and contract management compliance review for the period 1 December 2025 to 28 February 2026 and the control improvements implemented or underway.

PURPOSE

The purpose of this report is to inform the Audit Risk and Improvement Committee of procurement and contract management compliance outcomes, identified risks, and control improvements arising from the targeted procurement risk review undertaken for the period 1 December 2025 to 28 February 2026.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

Procurement and contract management activities carry inherent financial, compliance, and reputational risks. Oversight supports compliance with legislation, policy, and sound governance practice.

COMMENTS

A random sample of procurement activity from the review period was reviewed to assess compliance with the Shire's policy *POL-2004 Purchasing* and related legislative requirements.

The review confirmed that the majority of purchase orders were compliant with policy and delegation requirements. Overall, the review indicates that procurement controls are generally effective, with administrative improvements and other opportunities for improvement identified.

A detailed analysis and graphical summary of the review outcomes have been provided at Attachment 1.

Procurement Compliance and Improvement Overview

SWEK Procurement and Finance have commenced a structured improvement program to strengthen how purchasing, contracts, supplier setup and payment controls work across the Shire. The aim is to make the process simpler for staff, more consistent across departments, and easier

to monitor and report, while keeping it aligned with legislative requirements and good local government practice.

Recent internal reviews show that Procurement is now using regular monitoring to identify where controls need to improve and where stronger consistency is needed across the organisation. The review work has confirmed that the main areas requiring attention include retrospective purchasing, incomplete documentation, contract monitoring, supplier setup controls, and the quality of budget and commitment information. Procurement is not treating these as isolated issues; instead, it is building a monitoring framework so trends can be tracked and addressed over time.

To respond to this, SWEK has developed a staged improvement roadmap over the next 3, 6 and 9 months. The first phase focuses on stabilising core controls and creating a clear baseline. The second phase focuses on reviewing policy, procedures and the handoff between Procurement and Finance. The final phase focuses on embedding the new controls through training, reporting, registers and regular assurance reviews. The overall goal is to have clearer controls, better visibility, improved reporting and a simpler end-to-end process.

As part of this work, Procurement is building practical tools to support better decision-making and reduce confusion for staff. These include simpler guidance for managers, improved procedures, stronger contract and exemption registers, supplier master reviews, and more regular compliance reporting. The improvement program is designed not just to find problems, but to strengthen the Shire's ability to demonstrate fairness, accountability and value for money going forward.

In summary, Procurement is moving from reactive issue handling to a more planned and visible compliance model.

STATUTORY IMPLICATIONS

[Local Government \(Functions and General\) Regulations 1996 \(WA\)](#)

- Regulation 11A(1) requires a purchasing policy for purchases of \$250,000 or less. This is relevant to the review of POL-2004.
- Regulation 11A(3)(ba) requires the purchasing policy to address quotation requirements. This is relevant to the review of quotation evidence.
- Regulation 11A(3)(b) requires the purchasing policy to address record keeping for quotations and purchases. This is relevant to documentation and contract or panel references.
- Regulation 5(1)(e) requires proper authorisation for liabilities and payments. This is relevant to retrospective purchase orders and invoice variances.
- Regulation 5(2)(a) requires local government resources to be effectively and efficiently managed. This is relevant to unused purchase orders and commitment reporting.

[Local Government \(Audit\) Regulations 1996 \(WA\)](#)

- Regulation 16(b) allows the Audit, Risk and Improvement Committee to review reports on financial management, legislative compliance and risk management systems. This is relevant to the Committee's oversight of the review.

POLICY IMPLICATIONS

Compliance with the Shire's [POL-2004 Purchasing Policy](#).

The review identifies opportunities to improve supporting procedures, guidance, registers and staff education to support consistent application of POL-2004.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: Sustainability

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to maintain effective systems and procedures for procurement, contract management, internal control and legislative compliance.

Control: Procurement framework, purchasing policy, compliance monitoring, contract and supplier controls, targeted education and periodic reporting to the Audit Risk and Improvement Committee.

FINANCIAL IMPLICATIONS

No additional budget allocation is requested through this report. Improvements are being progressed through existing operational resources unless otherwise identified through future budget or resourcing processes.

Current and Future Asset Considerations

Procurement and contract management controls support asset-related expenditure by helping ensure goods, services and works are procured transparently, within budget and in line with approved requirements. Continued improvement in these controls will support project delivery, contractor performance, whole-of-life cost considerations and value for money.

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - Procurement and Contract Compliance May 2026

6. MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

7. CLOSURE