Shire of Bruce Rock

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Minutes

Audit Risk and Improvement Committee

Held in Council Chambers
54 Johnson Street, Bruce Rock
Wednesday 22 April 2026

MINUTES - AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING 22 APRIL 2026

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SHIRE OF BRUCE ROCK
MINUTES - AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING 22 APRIL 2026

Disclaimer
The recommendations in the Agenda are subject to confirmation by Council. The Shire of Bruce Rock warns that anyone who has any application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Bruce Rock for any act, omission or statement or intimation occurring during a Council Committee meeting.

1. Declaration of Opening
The Chair Mr Phillip Negri welcomed everyone and opened the meeting at 9.32 am

2. Record of Attendance

Mr P Negri	Chairperson
Cr R Rajagopalan	Shire President
Cr S Strange	Councillor
Mr M Furr	Chief Executive Officer
Mr M Darby	Executive Manager Corporate Services
Mrs V Ward	Executive Services Manager (Minutes)

Apologies

Cr AR Crooks	Deputy President

Leave of Absence (Previously Approved)
Nil

3. Response to Previous Public Questions Taken on Notice
Nil

4. Declarations of Interest
In accordance with section 5.65 of the Local Government Act 1995, the following disclosures of **Financial (Both Direct and Indirect)** interest were made at the Council meeting.

Date	Name	Item No	Reason

In accordance with section 5.65 of the Local Government Act 1995, the following disclosures of **Closely Associated Person and Impartiality** interest were made at the Council meeting.

Date	Name	Item No	Reason

In accordance with sections 5.60B and 5.65 of the Local Government Act 1995, the following disclosures of **Proximity** interest were made at the Council meeting.

Date	Name	Item No	Reason

5. Public Question Time

Nil

6. Petitions / Deputations / Presentations / Submissions

Nil

7. Confirmation of Previous Meeting Minutes

COMMITTEE RESOLUTION

Moved: Cr Strange **Seconded: Cr Rajagopalan**

That the minutes of the Audit and Risk Committee Meeting held on 18 December 2025 be confirmed as an accurate record of the proceedings.

CARRIED 3/0

For: **Mr Negri, Cr Rajagopalan, Cr Strange**
Against: **Nil**

8. Business Arising from Previous Meeting

Nil

9. Financial and Audit Matters

9.1 OAG Annual Audit, FMR and Reg 17 Review Audit Recommendations Status

Verbal Update to be provided - (See Attachment 1)

9.2 Other Finance Matters

9.2.1 Interim / Final Audit

Verbal Update to be provided

- Interim Audit 15-17 June
- Final Audit 19-21 October

9.2.2 WALGA Economic Briefing – Q1

Verbal Update to be provided - (See Attachment 2)

9.2.3 Budget 26/27

Verbal Update to be provided

9.2.4 Monthly Financial Performance Overview

Verbal Update to be provided

ATTACHMENT 1

SHIRE OF BRUCE ROCK - CONSOLIDATED AUDIT FINDINGS REGISTER

As April 2026

Item	Audit	Year	Finding	Risk	Date for Completion	Status	Comment
1	FMR	2024/25	Procurement Policy Compliance: Instances of non-compliance with procurement thresholds and documentation requirements.	Medium	Feb-26	Completed	Management will continue training, implement monthly supplier spend reports, and review the procurement policy. 24/02/26 - Procurement policy and PO thresholds reviewed and resolved by Council 18 dec 25.
2	FMR	2024/25	Contract Management: Lack of formal procedures and a centralised register.	Low	May-26	Ongoing	Management will develop formal procedures and establish a register.
3	FMR	2024/25	System Access Controls: Review required to restrict edit access to relevant roles.	Low	May-26	Ongoing	24/02/26 - Liaison with ReadyTech to confirm process completed. EMCS to complet by May.
4	FMR	2024/25	Cash Handling: New procedures implemented; CCTV and duress alarm options to be explored as funding allows.	Low	Feb-26	Completed	24/02/26 - CCTV recordings and duress alarm for consideration in 2026/27 budget. Cash handling procedures implemented and meets requirements.
5	FMR	2024/25	Investment Management: Implementation of cashflow forecasting and investment register.	Low	Jun-26	Ongoing	24/02/26 - Investment register to be initiated in May 2026.
6	FMR	2024/25	Asset Management: Policy to be updated to include asset capitalisation, stocktaking, and write-off procedures	Low	Jun-26	Not started	24/02/26 - Asset management Plans to be updated from 2013 to include FMR requirements.
7	Reg 17	2024/25	Lack of Ongoing Risk Identification, Monitoring, and Reporting Processes.	Medium	Jun-26	Ongoing	The Shire has established strategic and operational risk registers but lacks a formalised process for continual risk review or reporting to the Audit and Risk Committee. Management will embed a structured process for risk identification, assessment, and reporting, and ensure the Audit and Risk Committee reviews risk registers regularly. 24/02/26 - Operational Risk Register to be completed in May 26.
8	Reg 17	2024/25	Lack of Business Continuity Plan (BCP).	Low	Apr-26	Completed	The Shire will consolidate and develop a comprehensive Business Continuity Plan that is tested and regularly updated. 24/02/26 - Working with DGoV and to be completed by April 2026.
9	Reg 17	2024/25	Induction Program for Audit and Risk Committee Members.	Low	Feb-26	Completed	Management will develop and implement a formal induction program. 24/02/26 - To be implemented at first ARIC meeting 22/4/26.
10	Reg 17	2024/25	Absence of Legislative Compliance Framework.	Low	Jun-26	Ongoing	The Shire will develop a legislative compliance policy and framework to integrate with ATTAIN software and reference legislative obligations in policies. 24/02/26 - Shire management moving from Attain to Smartsheet, and will complete Reg17 requirements by June 26.
11	Reg 17	2024/25	Gifts Policy to be developed.	Low	Feb-26	Completed	The Shire will develop a Gifts Policy for staff and elected members. 24/02/26 - To be completed by Mar 26. 17/04/26 - Draft Policy for review by ARIC.

12	Interim - Finance	2024/25	Legislative non- compliance	Significant	Mar-25	Completed	In accordance with Regulation 33A(4) of the Regulations, a copy of the budget review is to be submitted to the Departmental CEO within 14 days after Council adoption. 24/02/26 - Note to ARIC that this has been also completed for 2025/26 Budget Review.
13	Interim - Finance	2024/25	Cyber security management response plan	Moderate	Jun-26	Completed	The Shire entered into an agreement with the Office of Digital Government's (DGov) Cyber Security Unit for the period from 23 October 2024 to 30 June 2026 to participate in the Local Government Cyber Security Uplift Pilot Project, through which the matters outlined above will be addressed. 24/02/26 - Ontrack for completion in Apr 26.
14	Interim - Finance	2024/25	Review of IT policies and procedures	Moderate	Jun-26	Completed	The Shire entered into an agreement with the Office of Digital Government's (DGov) Cyber Security Unit for the period from 23 October 2024 to 30 June 2026 to participate in the Local Government Cyber Security Uplift Pilot Project, through which the matters outlined above will be addressed. 24/02/26 - Ontrack for completion in Apr 26.
15	Interim - Finance	2024/25	The operational risk register and the strategic risk register were last reviewed and updated in August 2023.	Moderate	May-26	Ongoing	This area was identified by the CEO upon commencing tenure and is scheduled to be completed Feb 26. 24/02/26 - Ontrack for completion in May 26.
16	Interim - Finance	2024/25	Independent review of fixed asset reconciliation	Moderate	Feb-26	Completed	Management will ensure there is documented evidence of this review process. 24/02/26 -EMCS undertakes monthly review after cosolidation of monthly financial by BW associates.
17	Interim - Finance	2024/25	Review of related party policy	Moderate	Oct-25	Completed	The Council Policy Manual has been reviewed and updated. 24/02/26 - Additional review completed in 2026.
18	Final - Finance	2024/25	Management should ensure that all joint arrangements are accurately recorded, and all relevant disclosures are appropriately included in the financial statements. A list of all joint venture and lease arrangements should be maintained and monitored on a regular basis to ensure that appropriate accounting treatment can be applied as required.	Significant	Dec-25	Completed	24/02/24 - No further action required, regarding joint Ventures, however lease register to be updated and maintained.
19	Final - Finance	2024/25	The Shire should continue to manage and monitor the excessive leave balances to reduce the liability, risk of business interruption and potential fraud.	Minor	Jun-26	Ongoing	Management accepts this recommendation and will ensure this matter will be addressed by the 30 June 2026. 24/02/26 - Individuals concerned have been advised of requirement to reduce leave balances. Shire will be able to evidence management of this minor finding to the Auditor.

20	Final - Finance	2024/25	Recommend a comprehensive risk identification, evaluation and mitigation process be undertaken to ensure all potential risks associated with Information technology, specifically Cyber Security are considered and documented. Subsequently we recommend the risk register be updated to include specific Information Technology and Cyber Security risks such as Ransomware breaches, data breaches due to phishing emails, general data breaches, reputational damage and related media which may be required in the event of a Cyber Security breach etc.	Minor	Jun-26	Ongoing	Management accepts this recommendation and will ensure this matter will be addressed by the 30 June 2026. 24/02/26 - Ontrack for completion in Jun 26.
21	Final - Finance	2024/25	Recommend that management implement timely renewal or renegotiation of lease agreements. Updated lease documentation should be maintained to accurately reflect the occupancy terms and minimise financial and operational risks.	Minor	Jun-26	Ongoing	Management accepts this recommendation and will ensure this matter will be addressed by the 30 June 2026. 24/02/26 - Progress made and currently expecting completion in June 26.

ATTACHMENT 2

Economic Briefing Q1 2026

WALGA

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Overview

The break out of conflict in the Middle East in March has led to a strong reaction in financial and commodity markets, in particular through the rise of the oil price linked to the closure of the Strait of Hormuz and other disruptions to critical energy infrastructure across the oil-rich Middle East.

Given the critical role that oil plays in the global economy, there are growing expectations of a downgrade in global growth forecasts if oil prices remain elevated at the $US120-$US150 range over a sustained period. Not only would high oil prices curtail global economic growth, but it would create inflationary pressures that could require central banks to prioritise inflation risks. The pressure to raise interest rates are likely to be most acute in countries already facing 'sticky' inflation challenges over the second half of 2025, such as Australia.

At a local level, the impacts of the conflict in the Middle East are already being felt to the extent that the supply of fuel to Australia has been curtailed, bringing with it acute supply shortages around Australia, and sharp increases in the price of fuel, with the impacts most pronounced in regional areas. Fuel supply shortages – particularly the supply of diesel fuel – are particularly impacting on the resources and agricultural industries where diesel is a key input into production processes.

In the Perth metropolitan area, the average ULP price increased from approximately $1.60 per litre in late February to approximately $2.55 per litre as of late March (Fuel Watch – daily average fuel price). The uplift in the diesel price has been even more pronounced, increasing from approximately $1.80 per litre in late February to over $3 per litre as of late March.

Within regional areas of the state, the uplift in the diesel price has been even sharper, approaching $3.20 per litre in the Gascoyne and Kimberley regions as of late March. Supply shortages have complemented concerns about the sharp uplift in prices. Over the second half of March, cases have emerged of petrol stations across several regional areas of the state where supplies of unleaded petrol or diesel have run out.

Prior to the break out of conflict in the Middle East, inflationary pressures re-emerged across the national economy over the second half of 2025 resulting in back-to-back 25 basis point increases to the cash rate at the Reserve Bank of Australia's February and March 2026 meetings. The cash rate now stands at 4.1%, the highest level since February 2025 and just 25 basis points shy of the post-COVID high of 4.35%.

Capacity constraints across key markets, including the labour market, as well as supply chains which are yet to fully normalise following the post-COVID upheaval, are conspiring to place upward pressure on inflation and prices.

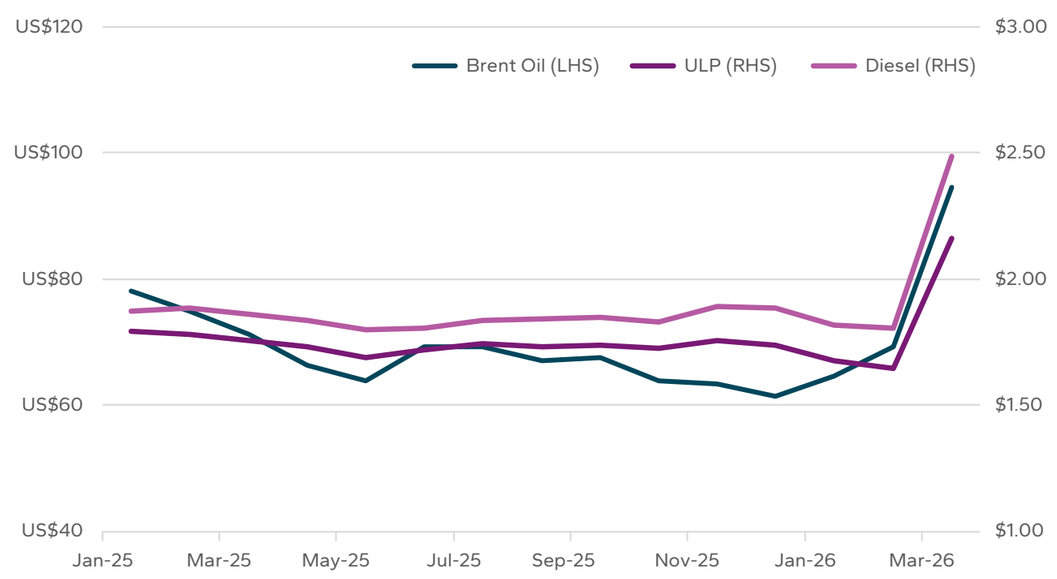
Notwithstanding, economic activity in Western Australia remains strong, and continues to be fuelled by sustained high levels of business and public investment. Strong population growth – which continues to outpace the rest of the country – is also contributing to broader economic activity through higher growth rates in household consumption and dwelling investment.

Overseas migration levels to Western Australia continue to normalise following a period of particularly strong inflows, with the Department of Treasury and Finance (DTF) forecasting population growth to stabilise at around 1.7% per year over the medium term.

Substantial rises in property prices across Western Australia have boosted wealth and household consumption, although the rate of house price growth has brought with it housing affordability challenges as a key concern across the broader community.

Oil Price and Fuel Price

SOURCE: INTERCONTINENTAL EXCHANGE, FUEL WATCH



Increasing inflation: Inflationary pressures picked up in the second half of 2025, with inflation results greater than market expectations.

Population growth: Western Australia recorded the strongest growth in total population across all states and territories over the twelve months to June 2025 at 2.2%.

Interest rate outlook: The cash rate was increased at consecutive RBA meetings in February and March, with market expectations for a further two cash rate increases in 2026.

Wage growth: The Wage Price Index for Western Australia rose by 4.1% in the year to December, which was the highest increase across all Australian states and territories.

Implications of Middle East conflict: The conflict in the Middle East is already being felt locally through rising fuel prices, and fuel supply shortages. If the conflict is sustained over a longer period, this will place pressure on inflation and interest rates, and the broader economy.

Domestic Economy

Key points

- **The Australian economy is continuing to grow above expectations, with GDP growth at the highest rate in almost three years.**
- **WA's economy remains strong, recording the second fastest rate of State Final Demand growth of the States and Territories.**
- **The local growth outlook remains heavily influenced by major project development, and interstate and overseas migration which is driving household consumption and dwelling investment.**

Notwithstanding the evolving conflict in the Middle East, the Australian economy continued to grow above expectations in the second half of 2025.

The Australian economy grew by 0.8% in the December quarter, bringing year-on-year growth to 2.6%, up from 2.1% in the previous quarter. It is the highest level of annual economic growth recorded since early 2023, and above the expectations of the RBA who had forecast annual growth of 2.3% in the Statement of Monetary Policy released in February 2026.

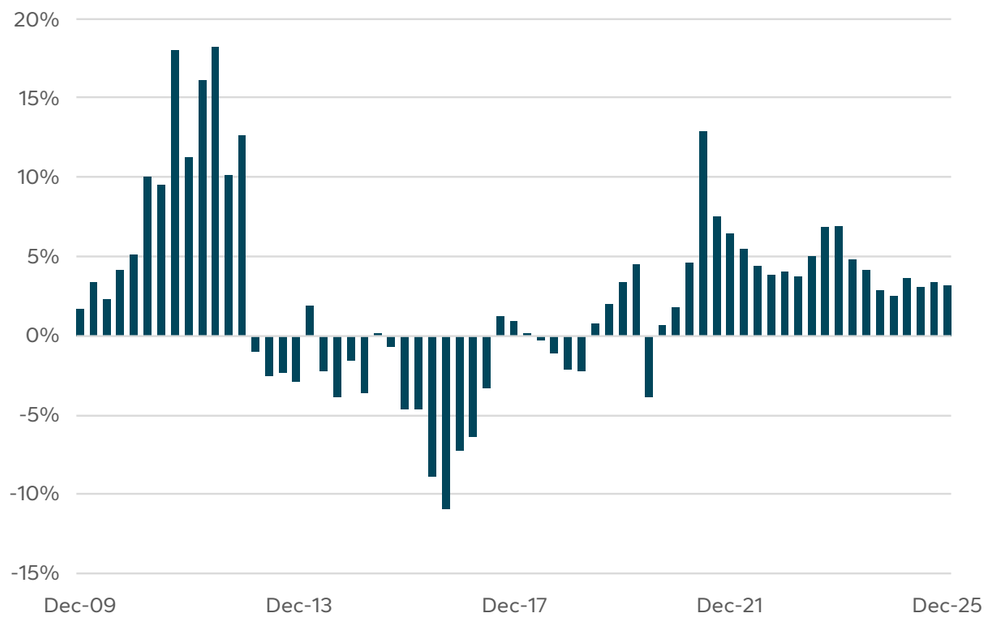
Economic growth at a national level was broad-based and observed across almost all industries, with Construction (-0.5%) and Arts and Recreation Services (-1%) the only two industries to record quarterly declines in their gross value added contribution in the December 2025 quarter. The highest level of quarterly growth was recorded by Mining (2.6%) and Agriculture, Forestry and Fishing (2.5%).

The Western Australian domestic economy, measured by State Final Demand, grew by 0.5% in December, bringing year-on-year growth to 3.2%, which was the second highest level across all Australian states, after South Australia (5%), and tracking above WA Treasury's forecast for State Final Demand growth of 3% for the 2025-26 financial year.

Public investment in Western Australia decreased by 17.3% over the year to December, while public consumption increased by 5.1% over the same period, following the highest quarterly growth (2.2%) since the September 2024 quarter. As a reflection of this, the WA Government's Asset Investment Program totalled $5.9 billion for the six months to December 2025, which was $1.1 billion lower than the same period in 2024-25, according to the December 2025 Quarterly Financial Results Report.

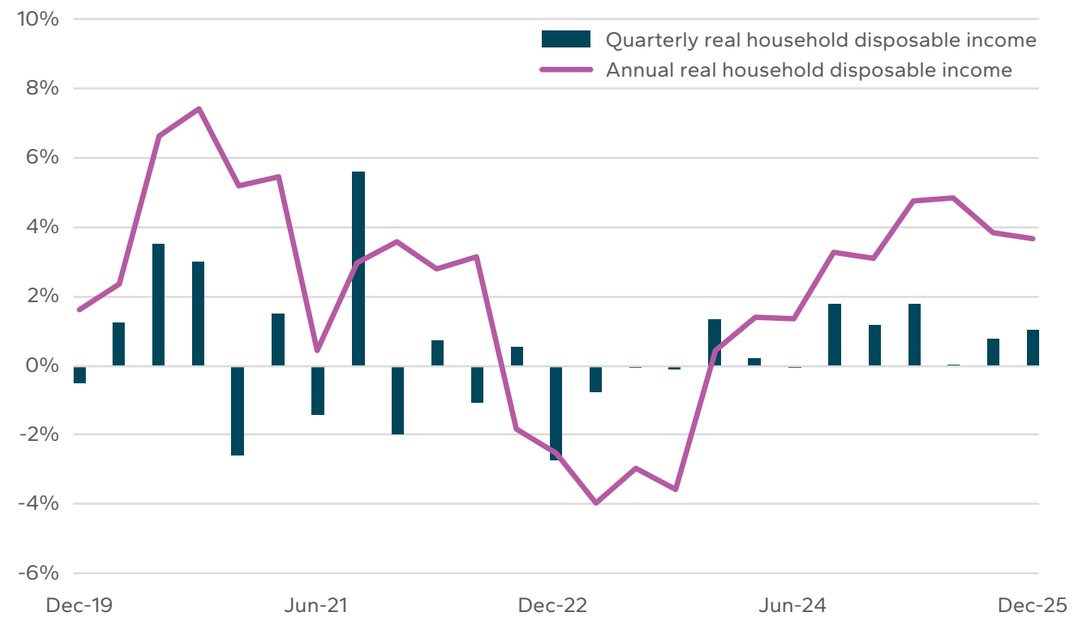
State Final Demand, WA, Annual % Change

SOURCE: ABS; WALGA



Real Household Disposable Income, Australia, Annual v Quarterly % Change

SOURCE: ABS; WALGA



The decline in public fixed capital formation is a reflection of the completion of a number of large capital investment projects in the Perth Metropolitan Area over the course of 2025, including the final stage of the Western Australian Government's METRONET Project.

Over the short to medium term, the composition of public investment is shifting away from public transport infrastructure, with the balance projected to shift towards roads and ports. The State Government's recent commitments to redevelop and expand a range of primary health facilities will also result in public investment remaining high relative to historic averages in the coming 3-4 years.

Household consumption in Western Australia grew by 2.5% over the year to December, while business investment grew by 7.6% over the same period, which is the highest level of annual growth since December 2023.

Strong business investment has been supported by a range of major projects across the state, including several iron ore backfill projects and decarbonisation projects in the mining and resources sector. Commodity prices over the second half of 2025 were also supportive of business investment, in particular in the gold industry, where the average price over the six months to December 2025 was $US3,805/oz which was an uplift on the average price of $US2,570/oz recorded over the six months to December 2024.

The WA Government's Mid-Year Financial Projections Statement indicates that business investment is expected to be supported by a solid pipeline of sustaining capital expenditure across the resources sector, reaching around $68 billion by 2028-29, the highest level in over a decade.

Western Australia's major project pipeline is characterised by projects spanning the full spectrum of the State Government's target industries and identified priorities. This is headlined in the immediate term by various Defence and Defence industries initiatives centred on the AUKUS initiative at HMAS Stirling, complemented by investments in a new Defence Shipbuilding Precinct at the Australian Marine Complex in Henderson. The pipeline of new renewable energy projects in the southern half of the State remains strong, although challenges in building the transmission network capacity to connect projects to the main electricity grid may stretch out the timeline for development.

Household disposable income, an indicator of living standards, increased by 1% in the December quarter at a national level, bringing year-on-year growth down marginally from the previous quarter to 3.6%.

WA Treasury Economic Forecasts

Budget 2025-26	2024-25 % Actual	2025-26 % Forecast	2026-27 % Forecast	2027-28 % Forecast	2028-29 % Forecast
Gross State Product	1.3	2.25	3	2.5	2
Household Consumption	2.3	3	3	2.75	2.75
Business Investment	-0.9	2.25	2.75	3.25	3.25
Dwelling Investment	5.8	9.25	2.75	3.5	3
Goods Exports	-4.4	1.25	3	1.5	1
Goods Imports	-0.5	1.75	2	1.75	1.75
Employment Growth	3.1	1.25	1.5	1.5	1.5
Unemployment Rate	3.7	4.25	4.25	4.25	4.5
Wage Price Index	3.7	3.5	3	3	3
Population	2.2	1.9	1.7	1.7	1.6

Inflation and Interest Rates

Key points

- **The Reserve Bank of Australia has increased the overnight cash rate target to 4.1% in March, marking the second consecutive 25 basis point rise.**
- **Inflationary pressures are yet to abate due to capacity constraints across the Australian economy. This is the principal reason cited by the RBA in its recent Monetary Policy Decisions.**
- **Turmoil in the Middle East is impacting a range of commodity prices and supply chains, with impacts yet to be felt in official inflation gauges.**

Over the year to the December 2025 quarter, underlying inflation (as measured by the Trimmed Mean) rose to 3.4 per cent, which was greater than market expectations and substantially higher than expected by the RBA in the Statement on Monetary Policy in August 2025. The pick up in inflation over the second half of 2025 was broad-based, and included services, retail goods, and the cost of building new homes.

At its February 2026 meeting, the Board decided to increase the cash rate target by 25 basis points to 3.85 per cent.

"A wide range of data over recent months have confirmed that inflationary pressures picked up materially in the second half of 2025. While part of the pick-up in inflation is assessed to reflect temporary factors, it is evident that private demand is growing more quickly than expected, capacity pressures are greater than previously assessed and labour market conditions are a little tight. The Board judged that inflation is likely to remain above target for some time and it was appropriate to increase the cash rate target."

Statement by the Reserve Bank Board: Monetary Policy Decision, February 2026

The Board decided to increase the cash rate target a further 25 basis points to 4.1 per cent at the March 2026 meeting. While a split decision (5 voted increase, 4 voted hold), the RBA Governor said the split decision was a matter of timing (the next rates decision is due in May 2026), not whether there was a need to tighten.

In Western Australia, the Perth CPI increased by 0.2% for the December quarter, which was below the 0.6% increase for national CPI and the lowest CPI increase across all Australian capital cities. However, in annual terms, the Perth CPI of 3.8% was above national CPI of 3.7%, and the equal second highest across all Australian capital cities after Brisbane (5.2%). Perth CPI sitting above national CPI, in annual terms, has been the case since the June 2024 quarter, albeit the gap has now narrowed to its smallest margin as of the most recent data release.

The fastest annual increases at an individual sub-category level were recorded in Housing (5.7%) and Education (5.6%), which was consistent with the national CPI over the same period.

Inflation excluding food and energy (being the two most volatile items in the CPI basket historically) also remains elevated and above the RBA's target band of 2-3%, sitting at 3.8% in Perth and 3.3% nationally.

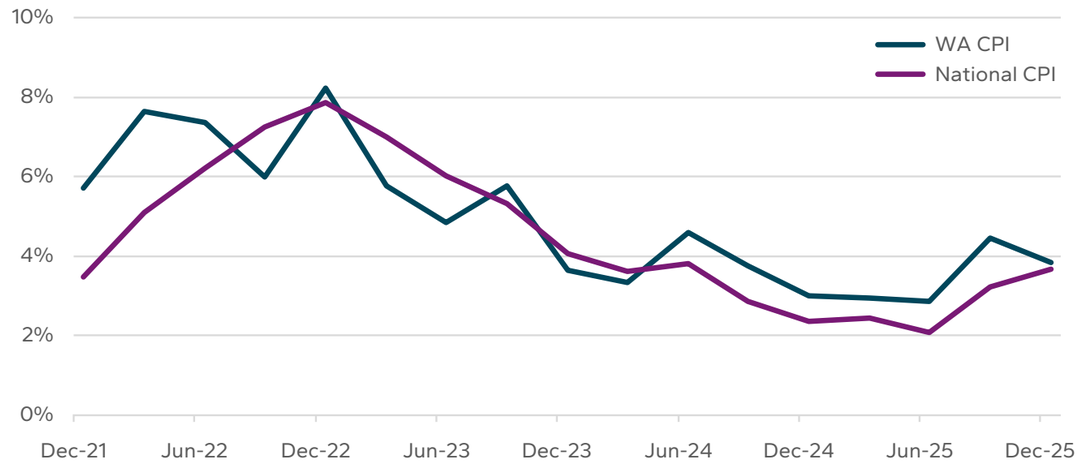
Uncertain Inflationary Outlook

The RBA has commenced an interest rate tightening cycle due to persistently higher than target inflation outcomes across the Australian economy. More pressures may be building in the short term due to a bout of turmoil in the Middle East.

The impact of escalating conflict in the Middle East has already caused global energy prices to spike as the Strait of Hormuz one of the world's key oil transit points which typically carries about one-fifth of global oil and LNG, is blockaded and critical infrastructure is impacted by military activities throughout the region. By the end of March 2026, the brent crude price had increased by approximately 70% to US$115 a barrel compared to an average of US$68 a barrel throughout the 2025 calendar year. An increase in the oil price has a direct impact on fuel prices and in turn transportation costs, including deliveries, freight, trade services, and air travel. Second order impacts are then often felt throughout a wide range of industries, including grocery prices, due to increase in freight and distribution costs. The balancing factor for this inflationary risk is that while higher oil prices can lift some prices, they can also leave households with less discretionary money to spend elsewhere, which can soften demand in other parts of the economy.

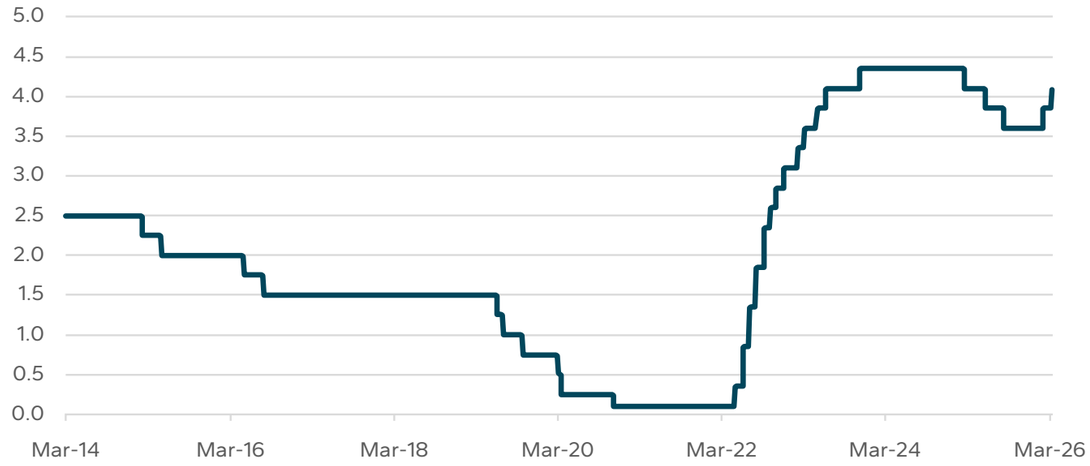
Perth CPI vs National CPI, Annual % Change

SOURCE: ABS; WALGA



RBA Cash Rate Target, Australia, %

SOURCE: ABS; WALGA



Other commodity products such as petrochemicals and fertilisers are also being impacted, which may have longer term implications for industrial production, the agriculture sector, and in turn the broader macroeconomy. Some of these impacts are already being felt domestically with the Western Australian Government working with industry to prioritise delivery and transport of critical fuel and fertiliser inputs to regional locations throughout March.

The impact of the surge in oil and other commodity prices, and challenges to supply chains for these products, would be expected to place further direct and indirect pressure on inflation in the Western Australian and Australian economies in the months ahead. The medium to long term effects of the turmoil are harder to forecast.

Labour Market and Wages

Key points

- **Western Australia's labour market remains tight with relatively low unemployment, continued employment growth, and strong wages growth outcomes.**
- **Public sector wages growth in Western Australia has significantly outpaced private sector wages growth, reflecting a relaxation of the State Wages Policy and drive to increase public sector employment to meet the needs of a growing State.**
- **Notwithstanding the above, employment growth has slowed and is now outpaced by population growth which may suggest an easing of tight conditions in the year ahead.**

Western Australia continues to benefit from a strong labour market, underpinned by a participation rate persistently higher than the national level.

The Wage Price Index (WPI) for Western Australia rose by 4.1% in the year to December, which was the highest increase across all Australian states and territories. Over the past quarter, WA's WPI increased by 0.8%, marginally outpacing the national rise of 0.7%.

Public sector wages in WA increased by 1.1% in the December quarter, bringing annual growth up to 7% which was driven in large part by the 1.9% increase recorded in the September quarter as pay increases took effect at the start of the financial year linked to the implementation of State Government wage agreements.

By contrast, private sector wages growth has remains slower, with the WPI growing by around 3.5% in the year to December – effectively half the rate of the public sector. The difference between public and private sectors is likely to reflect a relaxation of the State Government's long-standing policy of wages restraint, and the impact of measures to attract people into the public sector to fill the rising demand across portfolio areas.

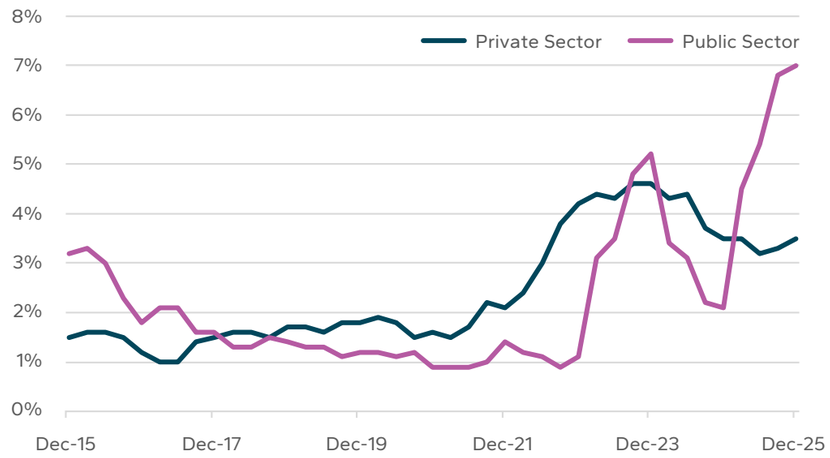
As at September 2025, the WA public sector employed a total of 145,413 FTE employees, according to the Public Sector Commission's latest Western Australian Public Sector Workforce Report. Over the five-year period to September 2025, the number of FTE jobs in the WA public sector increased by 23.5%, equating to a total of approximately 28,000 FTE.

Strong wages growth in Western Australia continues to be supported by the tightness of the labour market. As of January 2026, Western Australia has the lowest unemployment rate across all states and territories in Australia at 3.4%. This is the lowest level the unemployment rate has reached since November 2024 when the unemployment rate in the state was recorded at 3.2%. Over the period in between the unemployment rate in Western Australia reached as high as 4.5% in November 2025, which was the highest level since July 2021.

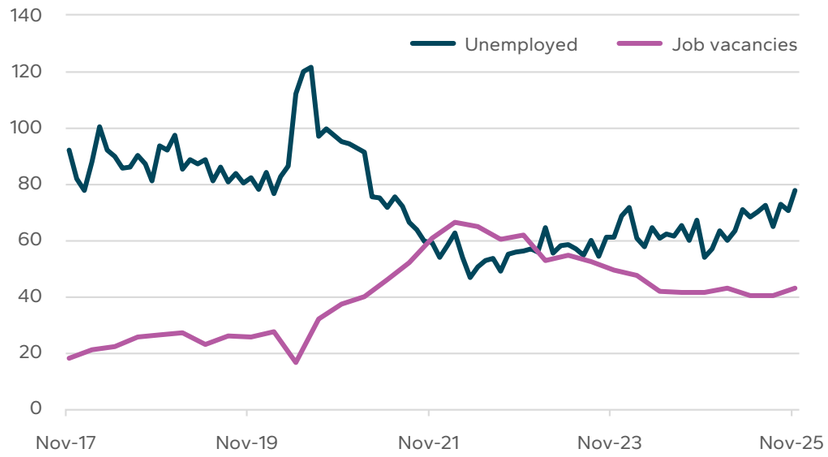
While employment growth in Western Australia, measured by the total number of employed persons, moderated over the second half of 2025, it remained stronger than the national labour market. Over the year to December 2025, the total number of employed people in Western Australia increased by 1.8%, outpacing the increase of 1.1% recorded at a national level.

The total number of job vacancies across Western Australia displayed a high degree of stability throughout the 2025 calendar year, sitting within a range of approximately 40,400 to 43,200 job vacancies over this period. Interestingly, Western Australia recorded a total of approximately 77,800 unemployed persons in November 2025, which was the highest level recorded since February 2021, although this has declined down to approximately 58,500 people as of January 2026. A growing gap in the number of unemployed persons and job vacancies is an indicator persistent skill gaps in the state's economy.

Wage Price Index Private vs Public, WA, Annual % Change
SOURCE: ABS; WALGA



Job Vacancies vs Unemployed Persons, WA, '000s
SOURCE: ABS; WALGA



Population and Housing

Key points

- **House prices in Western Australia have continued to rise faster than the rest of Australia in the final months of 2025 and early 2026, due to historically low supply conditions.**
- **Population growth in Western Australia remains the strongest in the country, although the rate has moderated according to recent data.**
- **Price growth relief may be on the horizon, with dwelling commencement rising.**

Western Australia recorded the strongest growth in total population across all states and territories over the twelve months to June 2025 at 2.2%, with Victoria and Queensland next in line at 1.8%.

Despite strong population growth relative to other states and territories, net overseas migration to Western Australia has continued to decline. The net overseas migration to Western Australia of 2,238 people in the June 2025 quarter was the lowest level recorded in five years.

Strong population growth has continued to be a factor driving the high level of demand in the housing market. The Perth housing market recorded a 2.3% rise in February 2026, bringing the annual increase in dwelling values to 22% and the median value to just below $1 million at $989,211, according to the Cotality Home Value Index.

Stock on market in the Perth metropolitan area sits around historic lows, with only 2,753 properties (houses, units and land) for sale as of the end of February 2026, based on REIWA data. The tightness of the market is reflected by total sales across the Perth metropolitan area each week consistently sitting at just under one third of the total number of properties listed for sale.

Demand in the first home owner market, in particular for units, has been stimulated by the expansion of the Home Guarantee Scheme from 1 October 2025, which removed limits to the number of Government guarantees available and increased property price caps ($850,000 in Perth Metropolitan Area and $600,000 across the rest of the state). The expanded Home Guarantee Scheme gives first home buyers the chance to enter the market with a deposit of as little as 5% and avoid Lenders Mortgage Insurance.

Property prices in Regional WA have also continued their upward swing, recording a 1.6% rise in February 2026, bring the annual increase in dwelling values to 18.6%, according to the Cotality Home Value Index.

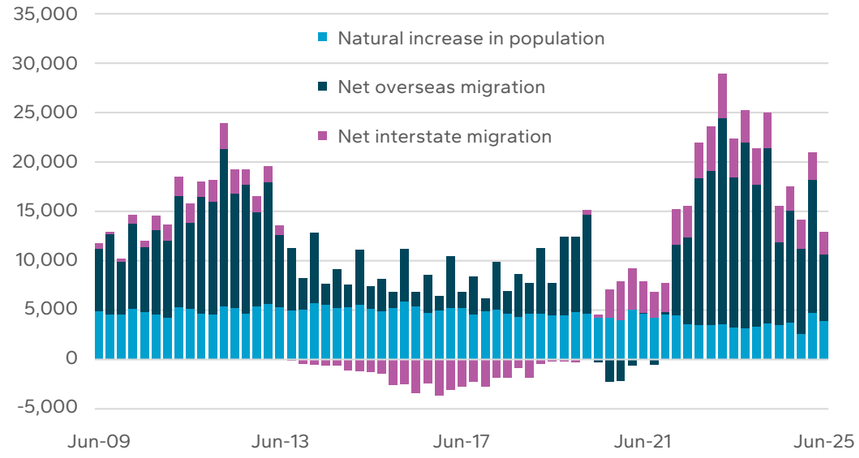
Despite the significant rise in house prices, Western Australia remains Australia's most affordable state, according to the PropTrack Housing Affordability Index. Mortgage costs for a typical home, at just 26% of average household income, remain low compared to the rest of the country. However, the gap between Western Australia and other states has narrowed significantly.

While bringing supply to market continues to be a challenge, a range of indicators reveal sustained, growing construction activity in Western Australia.

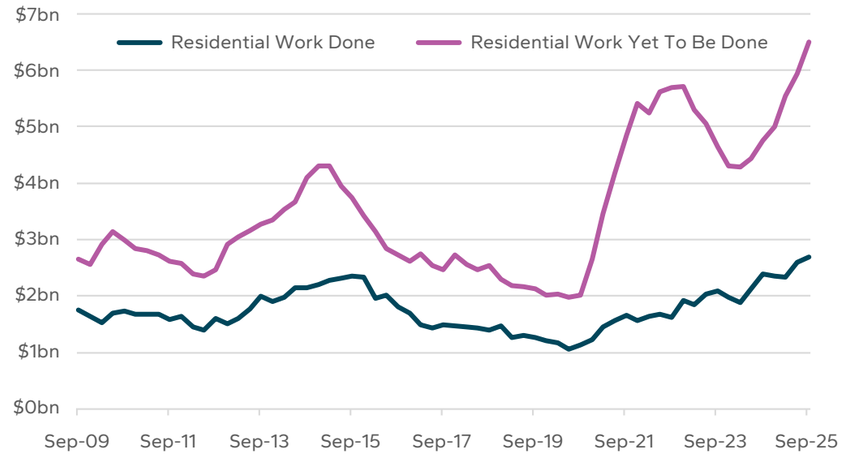
Over the year to September 2025, there were a total of 22,608 dwelling commencements across Western Australia, which is the highest 12-month total since March 2022 and 30.2% higher than the 12-month period to September 2024. Dwelling completions remain just below dwelling commencements, recorded at 22,123 over the year to September 2025, which is 15.9% higher than the 12-month period to September 2024.

Although the demand for housing in Western Australia remains unmet, the narrow gap between dwelling commencements and dwelling completions is a reflective of greater stability within the local construction sector relative to three to four years ago.

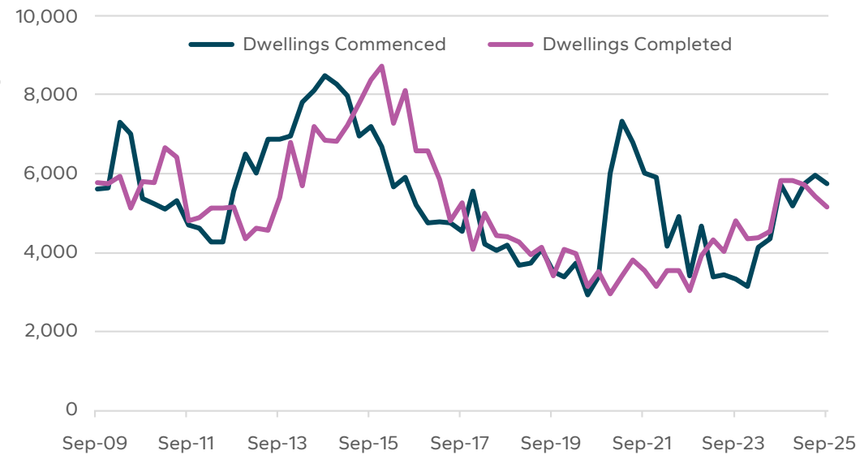
Components of Population Change, WA
SOURCE: ABS; WALGA



Residential Building, Work Done v Work Yet to be Done, WA
SOURCE: ABS; WALGA



Residential Activity, Dwellings Commenced v Dwellings Completed, WA, Number
SOURCE: ABS; WALGA



Local Government Cost Index

Key points

- **Based on available data to Q1 2026, and untilising the same methodology as previous editions WALGA's Local Government Cost Index (LGCI), forecasts suggest an easing of future cost growth relative to recent history.**
- **The current LGCI does not account for any potential cost or price impacts flowing from the recent oil and other commodity price spike and associated impacts on supply chains.**
- **WALGA commissioned ACIL Allen to undertake addional scenario modelling to illustrate potential flow-on impacts of the current oil shock to the LGCI.**

Local Governments have keenly felt the impact of inflation in recent years with the LGCI increasing 4.4% in 2022-23, 3.6% in 2023-24, and 3.8% in 2024-25. Over the year to December, the LGCI increased by 4.8%, however it has started to slow with the 0.9% increase recorded in the December quarter the smallest quarterly increase since the equivalent quarter 12 months earlier.

The main driver of LGCI growth remains wages costs, which make up around a third of the index. Growth in construction costs, which comprise around a quarter of the index, have continued to stabilise primarily driven by the construction market moving closer to a balance between supply and demand, linked to a range of factors including a moderation in supply chain challenges and the completion of major public infrastructure projects, in particular the Metronet program.

Macromonitor forecast annual construction cost growth in Western Australia for Non-Residential Building, Non-Road Infrastructure, and Road and Bridge Construction to sit within a range of 2-3.5% over the three-year period between 2026-27 and 2028-29.

The LGCI is forecast to end 2025-26 up 3.1%, and remain at this level in 2026-27. Subsequently, annual growth of the LGCI is forecast to decline marginally to 3% in 2027-28 and to 2.8% in 2028-29.

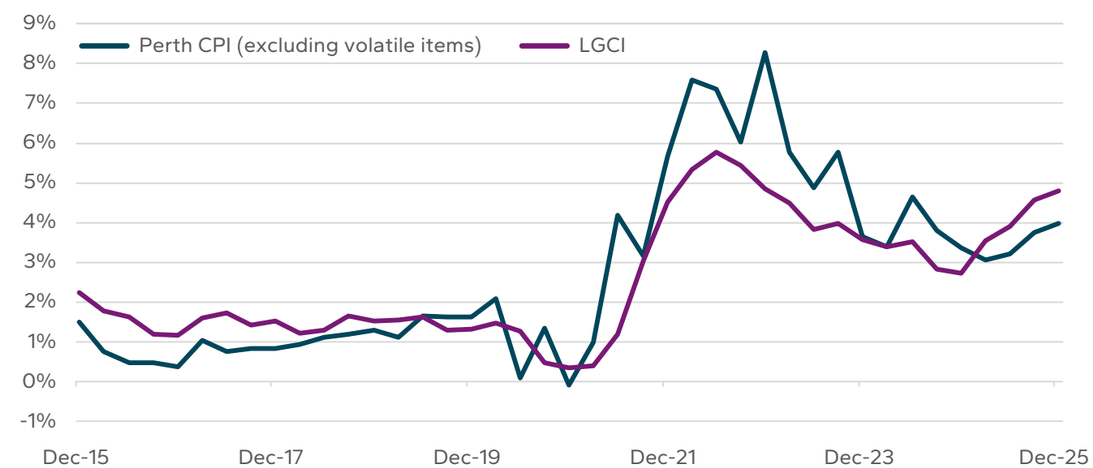
Given current conditions, Local Governments should adopt flexible budgeting strategies, incorporate contingencies, and use adaptive procurement approaches to manage volatility. Although the Local Government Cost Index provides a useful reference point, it does not make provision for regional variations. Local Governments are encouraged to engage directly with suppliers to understand market constraints to inform decision-making around timelines and cost management into local market conditions and constraints. This proactive engagement will support more accurate project timing and cost management.

Local Government Cost Index Table

Component	Weighting	2024-25 (actual)	2025-26 (forecast)	2026-27 (forecast)	2027-28 (forecast)	2028-29 (forecast)
Employee Costs	35%	5.4	4.0	3.5	3.5	3.5
Materials and Contracts	28%	2.4	2.8	2.8	2.7	2.7
Furniture	1%	5.6	7.2	1.3	1.3	1.3
Non-Residential Building	5%	4.9	2.8	3.2	2.8	2.3
Machinery and Equipment	5%	4.5	0.5	1.2	1.2	1.2
Non-Road Infrastructure	9%	3.3	2.3	3.2	2.9	2.4
Road and Bridge Construction	10%	2.2	2.6	3.4	3.2	2.4
Utilities	3%	3.2	3.0	3.0	3.0	3.0
Insurance	1%	4.1	1.9	1.5	1.5	1.5
Other	3%	2.9	3.8	3.3	3.0	3.0
LGCI	**100%**	**3.8**	**3.1**	**3.1**	**3.0**	**2.8**

Perth CPI (ex volatile items) v LGCI, Annual % Change

SOURCE: ABS; WALGA



Note

LGCI will be subject to revision

The significant challenges of forecasting in the current economic environment, mean the LGCI should be used with caution. The LGCI will be subject to revisions in the coming months, as the impact of major economic shocks such as escalating conflict in the Middle East and the impact of recent cash rate rises become clearer.

It is important that Local Governments take into account their own local issues and experiences when considering cost pressures. It would also be prudent for Local Governments to prepare for multiple scenarios for cost increases in coming years.

Scenario Analysis: Oil Price Impacts on LGCI

Key Points

- **To provide guidance on the potential impact of the continuation of fuel supply issues on the local government sector, ACIL Allen has developed an indicative scenario that shows an alternative forecast for selected categories of the LGCI.**
- **This scenario analysis is designed to demonstrate how movements in some key input prices can result in changes to the LGCI forecast.**
- **Specifically, the scenario analysis has revised price forecasts for selected sub-components presented by Macromonitor within the Non-Residential Building, Non-Road Infrastructure and Road and Bridge Construction categories, which collectively account for approximately one quarter of the LGCI.**

Fuel supply has emerged as an area of significant concern for the local government sector in Western Australia and across the nation. To this point in time, the impacts have been most acute in regional and remote areas.

There are a wide range of services provided by local government which rely on fuel and are subject to the pressure of increased prices, including urgent road repair, waste services, and water and sewerage operations.

As a specific example, diesel is critical for all stages of road construction and maintenance, from aggregate heating and drying at asphalt plants, to the operation of pavers, rollers, and bitumen sprayers, to material haulage from quarry to site.

The impact of price movements in the oil price extends beyond diesel prices, and flows through to other critical inputs used widely throughout the WA economy, a number of which are critical to local government sector, such as bitumen.

Australia imports the majority of its bitumen supply for asphalt and bitumen spray seal applications, primarily from Asian refineries in South Korea, Singapore, and Thailand, which depend on Middle Eastern crude oil as feedstock. It is understood a number of those suppliers may have cancelled supply commitments or invoked force majeure provisions in response to current conditions. The relationship between movements in the global oil price (in Australian dollar terms), the diesel fuel price (based on the average Perth terminal gate price of diesel fuel) and Macromonitor's bitumen cost index is presented below.

This is one example of what are clear and observable relationships between movements in the price of oil, the price of fuel, and associated input and output prices which impact on the costs faced by the Local Government sector in Western Australia.

ACIL Allen developed and applied the following shocks to selected sub-components for calendar year 2026 (on a quarterly basis) within the Macromonitor forecasts:

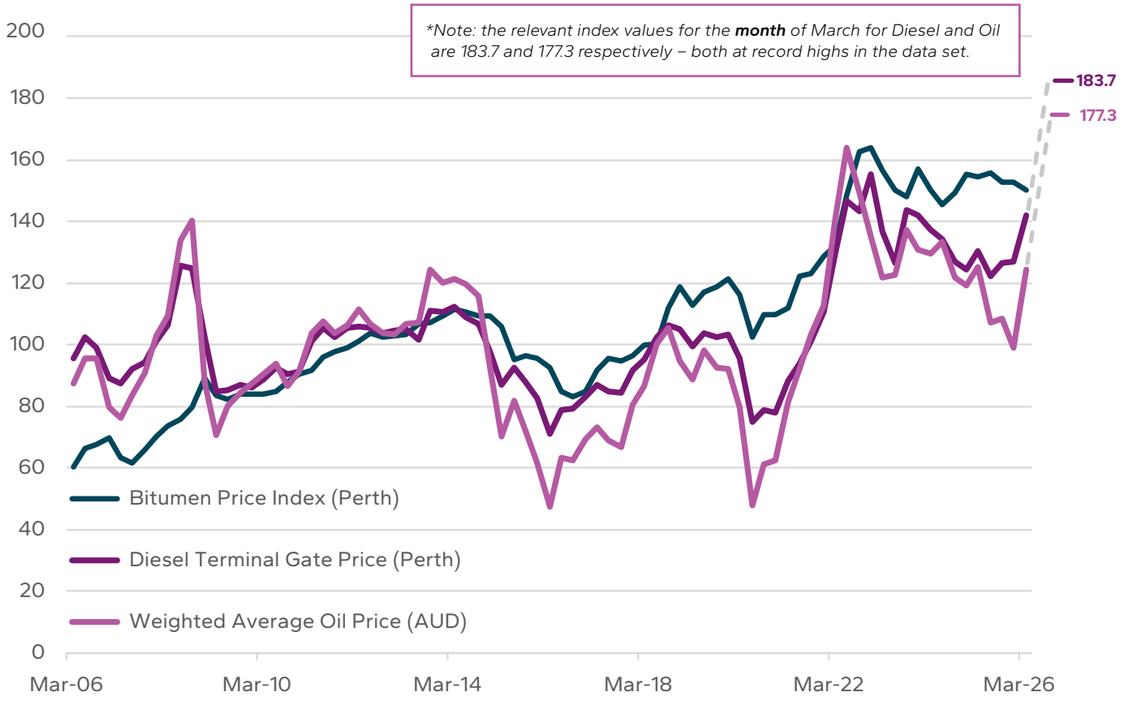
- **Material costs: 12%**
  (6% in the March quarter of 2026, then 2% in each subsequent quarter)
- **New Construction Equipment: 20%**
  (5% in each quarter of 2026)
- **Plant Hire: 8%**
  (2% in each quarter of 2026)
- **Fuel: 80%**
  (quarterly changes of 75%, 25%, -10%, -10%)
- **Freight: 15%**
  (quarterly changes of 5%, 10%, 0%, 0%)

The scale of the shocks applied by ACIL Allen to the Macromonitor forecasts have been derived based on price increases recorded in Australia during previous periods of upswings in the oil price, specifically December 2007 to December 2008, December 2016 to December 2019, and June 2020 to June 2022. They are not indicative or a forecast of actual or expected price increases, and cannot be used to determine or set price increases for these products or services.

The application of the shocks to the selected sub-components results in a 4.8% increase in the LGCI in 2025-26 (compared to 3.1%) and to 3.3% in 2026-27 (compared 3.1%).

Quarterly* Price Movement Trends in Bitumen, Diesel and Oil (Index Values, 2010-2015 = 100)

SOURCE: ACIL ALLEN, FROM VARIOUS SOURCES (MACROMONITOR, WORLD BANK, RBA)



Scenario Analysis – Local Government Cost Index

Component	Weighting	2024-25 (actual)	2025-26 (forecast)	2026-27 (forecast)	2027-28 (forecast)	2028-29 (forecast)
Employee Costs	35%	5.4	4.0	3.5	3.5	3.5
Materials and Contracts	28%	2.4	2.8	2.8	2.7	2.7
Furniture	1%	5.6	7.2	1.3	1.3	1.3
Non-Residential Building	5%	4.9	9.0	4.6	2.8	2.3
Machinery and Equipment	5%	4.5	0.5	1.2	1.2	1.2
Non-Road Infrastructure	9%	3.3	7.4	4.0	2.9	2.4
Road and Bridge Construction	10%	2.2	11.9	4.3	3.2	2.4
Utilities	3%	3.2	3.0	3.0	3.0	3.0
Insurance	1%	4.1	1.9	1.5	1.5	1.5
Other	3%	2.9	3.8	3.3	3.0	3.0
LGCI	**100%**	**3.8**	**4.8**	**3.3**	**3**	**2.8**

In reality, there are likely to be shocks and impacts across all components of the LGCI, such as utilities, which would be impacted by a sustained period of fuel supply issues. These cannot be accounted for within the forecast based on current information.

It is considered likely that the actual LGCI forecast (described in the previous section) will be revised higher over time as more information becomes available.

WALGA acknowledges the assistance provided by ACIL Allen in the preparation and completion of the Q1 2026 Economic Briefing.

Nicole Matthews
Executive Manager, Policy

nmatthews@walga.asn.au
(08) 9213 2039

Saul Cresswell
Principal Policy Advisor, Economic Development

scresswell@walga.asn.au
(08) 9213 2026

WALGA

Influence. Support. Expertise.

10. Risk Management

10.1 Strategic and Operational Risk Registers

Verbal Update to be provided (Attachment 3 Under Separate Cover)

10.2 Business Continuity Planning

10.2.1 Business Continuity Plan 2026

Verbal Update to be provided – (Attachment4 Under Separate Cover)

10.2.2 Cyber Incident Response Plan 2026

Verbal Update to be provided – (Attachment 5 Under Separate Cover)

10.2.3 IT Disaster Recovery Plan 2026

Verbal Update to be provided – (Attachment 6 Under Separate Cover)

11. Governance and Compliance

11.1 Statutory Compliance Items

11.1.1 Compliance Audit Report Update

Verbal Update to be provided

11.1.2 New Model Code of Conduct for Council Members, Committee Members and Candidates (Information Only)

File Reference	2.3.1.7
Disclosure of Interest	Neither the Author nor Authorising Officer have any Impartiality, Financial or Proximity Interest that requires disclosure.
Applicant	Nil
Previous Item Numbers	Nil
Date	13 April 2026
Author	Vanessa Ward – Executive Services Manager
Authorising Officer	Mark Furr – Chief Executive Officer
Attachments: Draft Code of Conduct for Council Members, Committee Members and Candidates (Attachment Number 7)	

Summary

Following amendments to the Regulations that commenced on 1 January 2026, the Shire of Bruce Rock is now required to adopt an updated Code of Conduct to align with the new complaints handling framework and updated Model Code wording.

The report recommends that Council adopt the Model Code of Conduct without additional behavioural requirements at this stage.

Background

The Local Government (Model Code of Conduct) Regulations 2021 came into effect on 3 February 2021 and introduced a Model Code of Conduct that applies to every local government in Western Australia. In response to the introduction of the Model Code, the Shire adopted its Code of Conduct for Council Members, Committee Members and Candidates at its Ordinary Council Meeting held on 18 September 2025. This code was based on the then current Model Code framework.

Section 5.104 of the Local Government Act 1995 requires every local government to prepare and adopt a code of conduct to be observed by council members, committee members and candidates. The code of conduct must include the Model Code prescribed in the Local Government (Model Code of Conduct) Regulations 2021 (the Regulations). Under section 5.104(2), when regulations amending the Model Code come into operation, local governments must prepare and adopt an updated code within three months.

The Regulations were substantially amended by the Local Government Legislation Amendment Regulations 2025 and came into effect on 1 January 2026, triggering the requirement for local governments to adopt an updated Code of Conduct by April 2026.

<u>New Complaints Framework</u>

From 1 January 2026, the previous breach system has been replaced by a new, more graduated system overseen by the Local Government Inspector and adjudicators, with stronger available sanctions and a three-strikes disqualification rule for elected members.

New oversight and decision makers

- The Local Government Inspector and Inspectorate now sit at the centre of the system, with broad powers to investigate breaches and recommend suspension or dismissal of individual councillors or whole councils to the Minister.
- Minor breach complaints made before 1 January 2026 continue with the Standards Panel, but new breach matters now go through the Inspector and appointed Local Government Adjudicators rather than the previous Local Government Standards Panel process.

New breach categories and escalation

- Breaches of Division 3 (Behaviour) are classified as "behavioural breaches" and continue to be dealt with by the local government.
- The former "minor breach" label has been replaced with "conduct breach", to emphasise that these matters can be more serious than the old terminology implied. A council member commits a conduct breach if they contravene a rule of conduct (Division 4) or violate a local law made under the Act relating to conduct at council or committee meetings. Conduct breaches are dealt with by the Local Government Inspector.
- Breaches of the specified offences list in Schedule 8A.1 of the Local Government Act 1995 are classified as "specified breaches" and are also dealt with by the Local Government Inspector. The Inspector may progress relevant allegations of these breaches to the State Administrative Tribunal (SAT).
- New regulations introduce an escalation process: after two (2) prior behavioural breaches are found, a further behavioural breach can be treated as a conduct breach, effectively tightening consequences for repeated lower-level misconduct.

Stronger penalties and three strikes rule

- There are increased penalties for councillor conduct breaches, including: withholding or suspending payment of fees and allowances for up to three (3) months, suspension from a committee, or suspension from council for up to three (3) months.
- A three (3) strikes rule has commenced: if a council member is suspended three (3) times for a breach, they are disqualified from holding office in local government for 10 years.
- For some misconduct offences, maximum fines have been almost doubled, with certain offences now attracting penalties of up to $24,000 and potential imprisonment for up to two (2) years.

Changed complaints handling and transparency

- Any person can now lodge a complaint of a conduct breach with the Inspector, who can use investigative powers (for example, obtaining meeting video) and filter out complaints that are frivolous, vexatious, trivial, misconceived or without substance.
- Adjudicators can order a range of penalties including public censure, apology, counselling or training, withholding of fees and allowances for up to three months and suspension for up to three (3) months. Information about censures and SAT orders is required to be published on the Inspector's website for 12 years to give electors better visibility of councillor histories. Appeals of a decision of an adjudicator can be made through SAT.

Updated Model Code and local requirements

- By April 2026, all local governments should have adopted an updated Model Code of Conduct for council members, candidates and committee members aligned to the new breach and complaints framework, which will change how elected member behaviour issues are classified and processed at the local level.

- Local governments must update their internal documentation (complaints handling processes, governance procedures, website disclosures) so that behavioural, conduct and serious breach pathways reflect the new legislative structure.

Consultation

Nil

Statutory Environment

Local Government Act 1995 - Division 9; and
Code of Conduct Local Government (Model Code of Conduct) Regulations 2021.

Policy Implications

The current Councillor Code of Conduct will require amendment to ensure full alignment with the updated Model Code provisions, including revised complaint handling procedures, and references to the new complaints framework.

Financial Implications

Nil

Strategic Implications

Shire of Bruce Rock Strategic Community Plan 2022-2032	
Outcome:	4.3 Proactive and well governed Shire
Strategy:	• External audits and reviews confirm compliance • Councillors attend training and feel supported in their role • There is improved understanding of each other's role in the organisation

Risk Implications

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Failure to comply with Statutory requirements.	Unlikely (2)	Moderate (3)	Medium (5-9)	Compliance Requirements	Accept Officer Recommendation
Councillor conduct outside of prescribed code.	Unlikely (2)	Moderate (3)	High (10-16)	Business & Community Disruption	Accept Officer Recommendation

Risk Matrix

Consequence / Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and risk ratings of six (6) for both has been determined for this item. Any items with a risk rating of 10 or greater (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating of 16 or greater will require a specific risk treatment plan to be developed.

Comment/Conclusion

Structure of the Model Code

The Model Code set out in Schedule 1 of the Regulations is structured in four divisions:

- Division 1 – Preliminary provisions: citation and interpretation;
- Division 2 – General principles: high-level principles to guide behaviour (personal integrity, relationship with others, accountability);
- Division 3 – Behaviour: specific behavioural requirements, including for conduct at meetings; and
- Division 4 – Rules of conduct: statutory rules relating to misuse of resources, conflicts of interest, relationships with employees, and disclosure obligations.

Mandatory and Discretionary Elements

Divisions 1, 2 and 4 of the Model Code are prescribed and must be adopted without amendment.

Division 3 (Behaviour) sets out mandatory minimum behavioural requirements but allows local governments to include additional behavioural requirements, provided they are not inconsistent with the Model Code. Additional behavioural requirements might cover matters such as:

- Use of social media and technology;
- Dress standards;
- Media engagement protocols; and
- Other locally relevant standards.

This report recommends Council adopt the Model Code without additional behavioural requirements in Division 3 at this stage, for the following reasons:

Model Code covers core behaviours - The Model Code sets comprehensive behavioural standards, including personal integrity, relationships with others, conduct at council and committee meetings, and media and communications expectations. These standards are sufficiently robust to address most conduct and behavioural matters that may arise.

Existing policies - The Shire's existing policies, including the Social Media Policy and Media and Communications Policy, already set expectations for elected members' conduct. Elevating any of these expectations into Division 3 would benefit from a dedicated workshop so Council can review examples from other local governments, consider risk appetite and ensure any additional requirements reflect Council's values and operating environment.

Ability to amend the Code later - Council may amend its Code of Conduct at any time by absolute majority. A staged approach—adopt the Model Code now, workshop possible additions, then amend the Code later if desired.

The proposed Councillor Code of Conduct (Attachment 1) incorporates the Model Code text from Schedule 1 of the Regulations, with the amendments being highlighted in blue.

Voting Requirements

Absolute Majority – Part 1

Simple Majority – Part 2

OFFICER RECOMMENDATION (PART 1 OF 2)

That Council adopts the Code of Conduct for Council Members, Committee Members and Candidates as per Attachment 1, incorporating the Model Code of Conduct as prescribed in Schedule 1 of the Local Government (Model Code of Conduct) Regulations 2021.

OFFICER RECOMMENDATION (PART 2 OF 2)

Requests that the Chief Executive Officer publish the adopted Code of Conduct on the Shire's website in accordance with S5.104(7) of the Local Government Act 1995.

ATTACHMENT 7

Western Australia

Local Government (Model Code of Conduct) Regulations 2021

Compare between:

[17 Dec 2025, 00-b0-00] and [01 Jan 2026, 00-c0-00]

Local Government Act 1995

Local Government (Model Code of Conduct) Regulations 2021

Part 1 — Preliminary

1. Citation

These regulations are the *Local Government (Model Code of Conduct) Regulations 2021*.

2. Commencement

These regulations come into operation as follows —

(a) Part 1 — on the day on which these regulations are published in the *Gazette*;

(b) the rest of the regulations — on the day on which the *Local Government Legislation Amendment Act 2019* sections 48 to 51 come into operation.

Part 2 — Model code of conduct

3. Model code of conduct (Act s. 5.103(1))

The model code of conduct for council members, committee members and candidates is set out in Schedule 1.

3A. Referral of complaint to Inspector (Act s. 5.105(3))

For the purposes of section 5.105(3) of the Act, a complaint must be referred to the Inspector if the person who is the subject of the complaint has, on at least 2 previous occasions, been found under a local government's adopted code of conduct (as defined in section 8A.2(1) of the Act) to have committed, on or after 1 January 2026, a behavioural breach.

[Regulation 3A inserted: SL 2025/208 r. 42.]

Part 3 — Repeal and consequential amendments

Division 1 — Repeal

4. *Local Government (Rules of Conduct) Regulations 2007* repealed

The *Local Government (Rules of Conduct) Regulations 2007* are repealed.

Division 2 — Other regulations amended

5. *Local Government (Administration) Regulations 1996* amended

(1) This regulation amends the *Local Government (Administration) Regulations 1996*.

(2) After regulation 34C insert:

Part 9A — Minor breaches by council members

34D. Contravention of local law as to conduct (Act s. 5.105(1)(b))

(1) In this regulation —

local law as to conduct means a local law relating to the conduct of people at council or committee meetings.

(2) The contravention of a local law as to conduct is a minor breach for the purposes of section 5.105(1)(b) of the Act.

6. *Local Government (Audit) Regulations 1996* amended

(1) This regulation amends the *Local Government (Audit) Regulations 1996*.

(2) In regulation 13 in the Table:

(a) under the heading "***Local Government Act 1995***" delete "s. 5.103" and insert:

s. 5.104

(b) delete:

Local Government (Rules of Conduct) Regulations 2007		
r. 11		

7. *Local Government (Constitution) Regulations 1998* amended

(1) This regulation amends the *Local Government (Constitution) Regulations 1998*.

(2) In Schedule 1 Form 7 delete "*Local Government (Rules of Conduct) Regulations 2007*." and insert:

code of conduct adopted by the [3] ..... under section 5.104 of the *Local Government Act 1995*.

Schedule 1 — Model code of conduct

[r. 3]

Division 1 — Preliminary provisions

1. Citation

This is the *[insert name of local government] Code of Conduct for Council Members, Committee Members and Candidates*.

2. Terms used

(1) In this code —

Act means the *Local Government Act 1995*;

candidate means a candidate for election as a council member;

complaint means a complaint made under clause 11(1);

publish includes to publish on a social media platform.

(2) Other terms used in this code that are also used in the Act have the same meaning as they have in the Act, unless the contrary intention appears.

Division 2 — General principles

3. Overview of Division

This Division sets out general principles to guide the behaviour of council members, committee members and candidates.

4. Personal integrity

(1) A council member, committee member or candidate should —

(a) act with reasonable care and diligence; and

(b) act with honesty and integrity; and

(c) act lawfully; and

(d) identify and appropriately manage any conflict of interest; and

(e) avoid damage to the reputation of the local government.

(2) A council member or committee member should —

(a) act in accordance with the trust placed in council members and committee members; and

(b) participate in decision-making in an honest, fair, impartial and timely manner; and

(c) actively seek out and engage in training and development opportunities to improve the performance of their role; and

(d) attend and participate in briefings, workshops and training sessions provided or arranged by the local government in relation to the performance of their role.

5. Relationship with others

(1) A council member, committee member or candidate should —

(a) treat others with respect, courtesy and fairness; and

(b) respect and value diversity in the community.

(2) A council member or committee member should maintain and contribute to a harmonious, safe and productive work environment.

6. Accountability

A council member or committee member should —

(a) base decisions on relevant and factually correct information; and

(b) make decisions on merit, in the public interest and in accordance with statutory obligations and principles of good governance and procedural fairness; and

(c) read all agenda papers given to them in relation to council or committee meetings; and

(d) be open and accountable to, and represent, the community in the district.

Division 3 — Behaviour

7. Overview of Division

This Division sets out —

(a) requirements relating to the behaviour of council members, committee members and candidates; and

(b) the mechanism for dealing with alleged breaches of those requirements.

8. Personal integrity

(1) A council member, committee member or candidate —

(a) must ensure that their use of social media and other forms of communication complies with this code; and

(b) must only publish material that is factually correct.

(2) A council member or committee member —

(a) must not be impaired by alcohol or drugs in the performance of their official duties; and

(b) must comply with all policies, procedures and resolutions of the local government.

9. Relationship with others

A council member, committee member or candidate —

(a) must not bully or harass another person in any way; and

(b) must deal with the media in a positive and appropriate manner and in accordance with any relevant policy of the local government; and

(c) must not use offensive or derogatory language when referring to another person; and

(d) must not disparage the character of another council member, committee member or candidate or a local government employee in connection with the performance of their official duties; and

(e) must not impute dishonest or unethical motives to another council member, committee member or candidate or a local

government employee in connection with the performance of their official duties.

10. Council or committee meetings

When attending a council or committee meeting, a council member, committee member or candidate —

(a) must not act in an abusive or threatening manner towards another person; and

(b) must not make a statement that the member or candidate knows, or could reasonably be expected to know, is false or misleading; and

(c) must not repeatedly disrupt the meeting; and

(d) must comply with any requirements of a local law of the local government relating to the procedures and conduct of council or committee meetings; and

(e) must comply with any direction given by the person presiding at the meeting; and

(f) must immediately cease to engage in any conduct that has been ruled out of order by the person presiding at the meeting.

11. Complaint about alleged breach

(1) A person may make a complaint, in accordance with subclause (2), alleging a breach of a requirement set out in this Division.

(2) A complaint must be made —

(a) in writing in the form approved by the local government; and

(b) to a person authorised under subclause (3); and

(c) within 1 month after the occurrence of the alleged breach.

(3) The local government must, in writing, authorise 1 or more persons to receive complaints and withdrawals of complaints.

(4) A complaint must be dealt with under clauses 12 to 15 unless —

(a) the complaint is referred to the Inspector in accordance with subclause (5); and

(b) the Inspector refers the complaint to be dealt with under Part 8A Division 5 of the Act.

Note for this subclause:

See section 5.105(1) of the Act.

(5) If the *Local Government (Model Code of Conduct) Regulations 2021* regulation 3A applies to a complaint, a person authorised under subclause (3) must refer the complaint to the Inspector under section 5.105(3) of the Act.

(6) A complaint must also be dealt with under clauses 12 to 15 if the Inspector refers the complaint to the local government under the *Local Government (Local Government Inspector) Regulations 2025* regulation 6.

[Clause 11 amended: SL 2025/208 r. 43.]

12. Dealing with complaint

(1) After considering a complaint, the local government must, unless it dismisses the complaint under clause 13 or the complaint is withdrawn under clause 14(1), make a finding as to whether the alleged breach the subject of the complaint has occurred.

Note for this subclause:

See also clause 14A in relation to the appointment of a monitor to assist the local government to deal with matters raised by a complaint.

(2) Before making a finding in relation to the complaint, the local government must give the person to whom the complaint relates a reasonable opportunity to be heard.

(3) A finding that the alleged breach has occurred must be based on evidence from which it may be concluded that it is more likely that the breach occurred than that it did not occur.

(4) If the local government makes a finding that the alleged breach has occurred, the local government may —

(a) take no further action; or

(b) prepare and implement a plan to address the behaviour of the person to whom the complaint relates.

(5) When preparing a plan under subclause (4)(b), the local government must consult with the person to whom the complaint relates.

(6) A plan under subclause (4)(b) may include a requirement for the person to whom the complaint relates to do 1 or more of the following —

(a) engage in mediation;

(b) undertake counselling;

(c) undertake training;

(d) take other action the local government considers appropriate.

(7) If the local government makes a finding in relation to the complaint, the local government must give the complainant, and the person to whom the complaint relates, written notice of —

(a) its finding and the reasons for its finding; and

(b) if its finding is that the alleged breach has occurred — its decision under subclause (4).

[Clause 12 amended: SL 2025/208 r. 44.]

13. Dismissal of complaint

(1) The local government must dismiss a complaint if it is satisfied that —

(a) the behaviour to which the complaint relates occurred at a council or committee meeting; and

(b) either —

(i) the behaviour was dealt with by the person presiding at the meeting; or

(ii) the person responsible for the behaviour has taken remedial action in accordance with a local law of the local government that deals with meeting procedures.

(2) If the local government dismisses a complaint, the local government must give the complainant, and the person to whom the complaint relates, written notice of its decision and the reasons for its decision.

14. Withdrawal of complaint

(1) A complainant may withdraw their complaint at any time before the local government makes a finding in relation to the complaint.

(2) The withdrawal of a complaint must be —

(a) in writing; and

(b) given to a person authorised under clause 11(3).

14A. Appointment of monitor

(1) The Inspector may appoint a monitor for the local government to assist the local government to deal with matters raised by a complaint.

(2) If the Inspector appoints a monitor —

(a) the Inspector may direct the local government to defer further dealing with the complaint until the monitor reports to the Inspector on the outcome of the monitoring assignment; and

(b) the local government must comply with the direction.

[Clause 14A inserted: SL 2025/208 r. 45.]

14B. Performance of local government's functions under cl. 12 and 13

(1) The local government's functions under clauses 12 and 13 must be performed by the council.

(2) Despite subclause (1), the council may, by resolution carried with an absolute majority of the council, authorise a committee of the council comprising council members only to perform a function for and on behalf of the local government.

(3) Despite subclause (1), the council may, by resolution carried with an absolute majority of the council, authorise a person who is none of the following to perform a function for and on behalf of the local government —

(a) a member of the council of any local government;

(b) a member of the governing body of any regional subsidiary;

(c) an employee of any local government or regional subsidiary;

(d) an employee of WALGA or the Local Government Professionals Australia (WA);

(e) a member of the governing body of, or an employee of, a body corporate the activities of which are, wholly or partly, advocating or otherwise acting for, or on behalf of, 1 or more of the following —

(i) local governments;

(ii) members of councils;

(iii) employees of local governments.

(4) A resolution made under subclause (3) must include the following —

(a) a statement to the effect that the council is satisfied that the person being authorised is suitably qualified and experienced to perform the function;

(b) an explanation as to why the council is satisfied as referred to in paragraph (a);

(c) a statement to the effect that the council is satisfied that the person being authorised is impartial and has no close association with any member of the council or any employee of the local government.

(5) Nothing in this clause prevents an employee of the local government from providing, in relation to the performance of a function, any advice or other assistance to the council, a committee authorised under subclause (2) or a person authorised under subclause (3).

[Clause 14B inserted: SL 2025/208 r. 45.]

15. Other provisions about complaints

(1) A complaint about an alleged breach by a candidate cannot be dealt with by the local government unless the candidate has been elected as a council member.

(2) The procedure for dealing with complaints may be determined by the local government to the extent that it is not provided for in this Division.

(3) Clauses 14A and 14B do not apply in relation to a complaint made before 1 January 2026.

Note for this clause:

See also section 5.105(4) and (5) of the Act for restrictions on the activities of a person who makes a complaint or who is alleged to have breached a requirement set out in this Division.

[Clause 15 amended: SL 2025/208 r. 46.]

Division 4 — Rules of conduct

Notes for this Division:

1. Under section ~~5.105~~8A.3(1) of the Act, a council member commits a ~~minor~~conduct breach if the council member contravenes a rule of conduct. ~~This~~Section 8A.3(2) of the Act extends this to the contravention of a rule of conduct that occurred when the council member was a candidate.
2. A ~~minor~~conduct breach is dealt with ~~by a standards panel~~ under ~~section~~Part 8A Division 5~~.110~~ of the Act.

[Notes inserted: SL 2025/208 r. 47.]

16. Overview of Division

(1) This Division sets out rules of conduct for council members and candidates.

(2) A reference in this Division to a council member includes a council member when acting as a committee member.

17. Misuse of local government resources

(1) In this clause —

electoral purpose means the purpose of persuading electors to vote in a particular way at an election, referendum or other poll held under the Act, the *Electoral Act 1907* or the *Commonwealth Electoral Act 1918*;

resources of a local government includes —

(a) local government property; and

(b) services provided, or paid for, by a local government.

(2) A council member must not, directly or indirectly, use the resources of a local government for an electoral purpose or other purpose unless authorised under the Act, or by the local government or the CEO, to use the resources for that purpose.

18. Securing personal advantage or disadvantaging others

(1) A council member must not make improper use of their office —

(a) to gain, directly or indirectly, an advantage for the council member or any other person; or

(b) to cause detriment to the local government or any other person.

(2) Subclause (1) does not apply to conduct that contravenes section 5.93 of the Act or *The Criminal Code* section 83.

19. Prohibition against involvement in administration

(1) A council member must not undertake a task that contributes to the administration of the local government unless authorised by the local government or the CEO to undertake that task.

(2) Subclause (1) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.

20. Relationship with local government employees

(1) In this clause —

local government employee means a person —

(a) employed by a local government under section 5.36(1) of the Act; or

(b) engaged by a local government under a contract for services.

(2) A council member or candidate must not —

(a) direct or attempt to direct a local government employee to do or not to do anything in their capacity as a local government employee; or

(b) attempt to influence, by means of a threat or the promise of a reward, the conduct of a local government employee in their capacity as a local government employee; or

(c) act in an abusive or threatening manner towards a local government employee.

(3) Subclause (2)(a) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.

(4) If a council member or candidate, in their capacity as a council member or candidate, is attending a council or committee meeting or other organised event (for example, a briefing or workshop), the council member or candidate must not orally, in writing or by any other means —

(a) make a statement that a local government employee is incompetent or dishonest; or

(b) use an offensive or objectionable expression when referring to a local government employee.

(5) Subclause (4)(a) does not apply to conduct that is unlawful under *The Criminal Code* Chapter XXXV.

21. Disclosure of information

(1) In this clause —

closed meeting —

(a) means a ~~council or committee meeting, or a~~ part of a council or committee meeting~~,~~ that is closed to members of the public under section 5.23(2), (3) or (4) of the Act; and

(b) includes a council or committee meeting held before 1 January 2026, or a part of a council or committee meeting held before 1 January 2026, that was closed to members of the public under section 5.23(2) of the Act as in force before 1 January 2026;

confidential document means a document marked by the CEO, or by a person authorised by the CEO, to clearly show that the information in the document is not to be disclosed;

document includes a part of a document;

non-confidential document means a document that is not a confidential document.

(2) A council member must not disclose information that the council member —

(a) derived from a confidential document; or

(b) acquired at a closed meeting other than information derived from a non-confidential document.

(3) Subclause (2) does not prevent a council member from disclosing information —

(a) at a closed meeting; or

(b) to the extent specified by the council and subject to such other conditions as the council determines; or

(c) that is already in the public domain; or

(d) to an officer of the Department; or

(e) to the Minister; or

(f) to a legal practitioner for the purpose of obtaining legal advice; or

(g) if the disclosure is required or permitted by law.

[Clause 21 amended: SL 2025/208 r. 48.]

22. Disclosure of interests

(1) In this clause —

interest —

(a) means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest; and

(b) includes an interest arising from kinship, friendship or membership of an association.

(2) A council member who has an interest in any matter to be discussed at a council or committee meeting attended by the council member must disclose the nature of the interest —

(a) in a written notice given to the CEO before the meeting; or

(b) at the meeting immediately before the matter is discussed.

(3) Subclause (2) does not apply to an interest referred to in section 5.60 of the Act.

(4) Subclause (2) does not apply if a council member fails to disclose an interest because the council member did not know —

(a) that they had an interest in the matter; or

(b) that the matter in which they had an interest would be discussed at the meeting and the council member disclosed the interest as soon as possible after the discussion began.

(5) If, under subclause (2)(a), a council member discloses an interest in a written notice given to the CEO before a meeting, then —

(a) before the meeting the CEO must cause the notice to be given to the person who is to preside at the meeting; and

(b) at the meeting the person presiding must bring the notice and its contents to the attention of the persons present immediately before any matter to which the disclosure relates is discussed.

(6) Subclause (7) applies in relation to an interest if —

(a) under subclause (2)(b) or (4)(b) the interest is disclosed at a meeting; or

(b) under subclause (5)(b) notice of the interest is brought to the attention of the persons present at a meeting.

(7) The nature of the interest must be recorded in the minutes of the meeting.

23. Compliance with plan requirement

If a plan under clause 12(4)(b) in relation to a council member includes a requirement referred to in clause 12(6), the council member must comply with the requirement.

Notes

This is a compilation of the *Local Government (Model Code of Conduct) Regulations 2021*~~.~~ and includes amendments made by other written laws. For provisions that have come into operation see the compilation~~ table. For provisions that have not yet come into operation see the uncommenced provisions~~ table.

Compilation table

Citation	Published	Commencement
Local Government (Model Code of Conduct) Regulations 2021	SL 2021/15 2 Feb 2021	Pt. 1: 2 Feb 2021 (see r. 2(a)); Regulations other than Pt. 1: 3 Feb 2021 (see r. 2(b) and SL 2021/13 cl. 2)

~~Uncommenced provisions table~~

~~To view the text of the uncommenced provisions see *Subsidiary legislation as made* on the WA Legislation website.~~

~~Citation~~	~~Published~~	~~Commencement~~
Local Government Regulations Amendment (Local Government Amendment Act~~-~~ 2024) Regulations~~-~~ 2025 Pt. 6	SL 2025/208 17 Dec 2025	1 Jan 2026 (see r. 2(c))

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11.1.3 Local Laws Review Update

Verbal Update to be provided

11.1.4 Town Planning Scheme Review Update

Verbal Update to be provided

11.1.5 Draft Council Policy – Gifts, Benefits And Hospitality

File Reference	3.00071
Disclosure of Interest	Neither the Author nor Authorising Officer have any Impartiality, Financial or Proximity Interest that requires disclosure.
Applicant	Nil
Previous Item Numbers	Nil
Date	17 April 2026
Author	Mark Furr - Chief Executive Officer
Authorising Officer	Mark Furr - Chief Executive Officer
Attachments Draft Council Policy – Gifts, Benefits and Hospitality (Attachment No 8)	

Summary

The purpose of this report is to present a draft Gifts, Benefits and Hospitality Policy for Council consideration. The policy has been developed to provide clear governance guidance regarding the acceptance and disclosure of gifts by Council Members, Committee Members and employees, and to ensure compliance with legislative requirements under the Local Government Act 1995 (WA).

Background

The integrity framework governing Western Australian local governments requires transparency regarding gifts that may influence decision-making. Recent amendments to the Local Government Amendment Act 2023 (WA) further strengthened expectations around governance and ethical conduct within local governments.

While the legislation prescribes disclosure requirements for council members and candidates, it is considered best practice for local governments to adopt a formal policy that:

- Clarifies expectations for elected members and employees;
- Outlines procedures for declaring gifts;
- Establishes a gifts register; and
- Promotes transparency and public confidence.

The attached draft policy has therefore been prepared for the Audit Risk and Improvement Committee and subsequently, for recommendation to Council.

Consultation

Internal consultation has occurred with the administration to ensure alignment with governance obligations and existing codes of conduct.

Statutory Environment

Relevant legislation includes:

- Local Government Act 1995 (WA);
- Local Government (Administration) Regulations 1996 (WA); and
- Local Government Amendment Act 2023 (WA).

- Reg 19af of the Local Government Administration Regulations.

These legislative provisions require disclosure of gifts that may influence decision-making or that are received from persons with an interest in matters before Council.

Policy Implications

Adoption of this policy will strengthen governance arrangements and provide clear guidance to Council Members and employees regarding the management of gifts and hospitality.

Financial Implications

Nil.

Strategic Implications

Shire of Bruce Rock Strategic Community Plan 2022-2032	
Outcome:	4.0 Governance Priorities
Strategy:	4.1 Our organisation is well positioned and has capacity for the future.

Risk Implications

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Without a formal Gifts Policy, the Shire is exposed to risks of inconsistent practices, non-compliance with the Local Government Act 1995 (WA), and reputational damage.	Unlikely (2)	Moderate (3)	Low (1-4)	Compliance Requirements	Accept Officer Recommendation

Risk Matrix

Consequence / Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of six (6) has been determined for this item. Any items with a risk rating over 10 or greater (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating of 16 or greater will require a specific risk treatment plan to be developed.

Comment/Conclusion

The development of the Gifts, Benefits and Hospitality Policy is a direct outcome of findings identified in the Shire's 2025 Regulation 17 audit. Adoption of this policy will address the audit recommendation and strengthen the Shire's governance framework by providing clear guidance to both elected members and staff on the management and disclosure of gifts.

Voting Requirements

Simple Majority.

COMMITTEE RECOMMENDATION

Moved: Cr Rajagapalan **Seconded: Cr Strange**

That the Audit Risk and Improvement Committee recommend that Council:

1. **Adopt the Shire of Bruce Rock Gifts, Benefits and Hospitality Policy as attached to this report;**
2. **Include the policy within the Shire of Bruce Rock Council Policy Manual; and**
3. **That the Gifts Register maintained by the Chief Executive Officer be periodically reviewed by the Audit, Risk and Improvement Committee as part of its governance oversight responsibilities.**

AMENDMENT TO COMMITTEE RECOMMENDATION

Moved: Cr Strange **Seconded: Cr Rajagopalan**

That the Audit Risk and Improvement Committee recommend that Council:

1. **Adopt the Shire of Bruce Rock Gifts, Benefits and Hospitality Policy as attached to this report, noting that changes will be made and circulated prior to be presented to Council for adoption;**
2. **Include the policy within the Shire of Bruce Rock Council Policy Manual; and**
3. **That the Gifts Register maintained by the Chief Executive Officer be periodically reviewed by the Audit, Risk and Improvement Committee as part of its governance oversight responsibilities.**

SUBSTANTIVE COMMITTEE RECOMMENDATION (AS AMENDED) & COMMITTEE RESOLUTION

Moved: Cr Strange **Seconded: Cr Rajagopalan**

That the Audit Risk and Improvement Committee recommend that Council:

1. **Adopt the Shire of Bruce Rock Gifts, Benefits and Hospitality Policy as attached to this report, noting that changes will be made and circulated prior to be presented to Council for adoption;**
2. **Include the policy within the Shire of Bruce Rock Council Policy Manual; and**
3. **That the Gifts Register maintained by the Chief Executive Officer be periodically reviewed by the Audit, Risk and Improvement Committee as part of its governance oversight responsibilities.**

CARRIED 3/0

For: **Mr Negri, Cr Rajagopalan, Cr Strange**
Against: **Nil**

Gifts, Benefits and Hospitality

Statutory Context: Local Government Act 1995

Corporate Context: None

Date Adopted:

1. Policy Objective

For the purpose of this policy, gifts, benefits or hospitality may include (but are not limited to) items such as meals, refreshments, event tickets, travel, accommodation, discounts, services, promotional items, or any other personal advantage offered in connection with a person's official role.
The objective of this policy is to:

- Maintain transparency, integrity and accountability in decision making;
- Ensure compliance with the gift disclosure requirements under the Local Government Act 1995 (WA) and associated regulations;
- Provide clear guidance to Elected Members, Committee Members and Employees regarding the acceptance, refusal and disclosure of gifts, benefits or hospitality; and
- Protect the Shire of Bruce Rock from perceived or actual conflicts of interest.

2. Scope

This policy applies to:

- Elected Members,
- Committee Members;
- Candidates for Council;
- Employees of the Shire of Bruce Rock; and
- Contractors and volunteers acting on behalf of the Shire where relevant

3. Legislative Framework

This policy supports compliance with:

- Local Government Act 1995 (WA);
- Local Government (Administration) Regulations 1996 (WA);
- Local Government Amendment Act 2023 (WA); and
- Applicable standards of conduct for council members and employees

This policy should be read in conjunction with legislative provisions relating to financial interest and proximity interest disclosures.

4. Policy Principles

The Shire of Bruce Rock is committed to the following principles:

- **Integrity** – decisions must be made impartially and in the public interest;
- **Transparency** – gifts must be openly declared where required;
- **Accountability** – gifts must not influence official duties; and
- **Public confidence** – Elected Members and employees must avoid situations that could give rise to perceptions of undue influence.

5. Definitions

Gift - A gift includes any gratuity, favour, hospitality, entertainment, travel, discount, service or other benefit of monetary or non-monetary value.
Value - Council members and chief executive officers (CEOs) to declare any gift received in their capacity as a council member or CEO valued at $300 or above (or the cumulative value of gifts from one donor if they exceed $300 in a 12-month period) within 10 days of receipt.
Prohibited Gift - A gift that may compromise, or be perceived to compromise, the impartiality of an Elected Member or employee.

6. General Requirements

Elected Members and employees must not solicit or encourage the offering of gifts in connection with their official duties.
Gifts must not be accepted where:

- The gift could influence decision making;
- The donor has business with the Shire;
- The gift is offered during a procurement, tender or contractual process; and
- The gift could reasonably be perceived as a bribe or inducement.

Under no circumstances are gifts to be accepted from any person or organisation involved in a current or proposed procurement, tender or contractual process with the Shire.
Gifts must not be accepted for personal benefit where they arise from official duties.
Where there is doubt, the gift must be declined or referred to the Chief Executive Officer for determination.

7. Acceptable Gifts

The following may be accepted where the value is nominal and the circumstances are appropriate:

- Modest hospitality at official functions;
- Promotional items of minimal value; and
- Civic gifts received during official delegations or ceremonial events.

Where possible, civic gifts should be retained by the Shire rather than the individual.

8. Disclosure Requirements

Under the Local Government Act 1995 (WA), certain gifts must be disclosed.
Council Members and Candidates must disclose:
council members and chief executive officers (CEOs) to declare any gift received in their capacity as a council member or CEO valued at $300 or above (or the cumulative value of gifts from one donor if they exceed $300 in a 12-month period) within 10 days of receipt.
Disclosure must be made:

- In writing to the Chief Executive Officer;
- Within the timeframes prescribed under legislation; and
- Prior to participating in the relevant decision.

In addition to legislative requirements, all gifts received by Shire employees, with the exception of the CEO, with an estimated value of $100 or greater must be recorded in the Shire's Gifts Register.

9. Gifts Register

The Shire will maintain a Gifts Register which records:

- Name of recipient;
- Description of the gift;
- Estimated value;

- Name of donor;
- Date received;
- Reason for gift; and
- Action taken (retained, declined, surrendered to Shire etc.).

The register will be maintained by the Chief Executive Officer and made publicly available where required. The Gifts Register will be periodically reviewed by the Audit, Risk and Improvement Committee as part of its governance oversight responsibilities.

10. Declining Gifts

Where a gift is inappropriate, the recipient must politely decline and explain that Council policy restricts the acceptance of gifts.
Where refusal would cause offence (for example in diplomatic or ceremonial situations), the gift should be:

- Accepted on behalf of the Shire;
- Declared; and
- Transferred to the Shire.

11. Breaches

Failure to comply with this policy may constitute:

- A breach of the applicable Code of Conduct; and
- A potential breach of legislation

Such matters may be subject to investigation and disciplinary action.

12. Policy Review

This policy will be reviewed:

- Every four (4) years; and
- Earlier if legislative requirements change.

Version Control:

	Policy adopted on

12. Confidential Items

OFFICERS' RECOMMENDATION AND COMMITTEE RESOLUTION

Moved: Cr Rajagapalan **Seconded: Cr Strange**

That, in accordance with section 5.23(2) of the Local Government Act 1995, the meeting is closed to the members of the public for this item, as if disclosed, the matter to be discussed would reveal information that has a commercial value to a person, and information about the business, professional, commercial or financial affairs of a person.

CARRIED 3/0

For: **Mr Negri, Cr Rajagopalan, Cr Strange**
Against: **Nil**

12.1. Organisational Health Check

Verbal Update to be provided (See Attachment 9)

OFFICER RECOMMENDATION AND COMMITTEE RESOLTION

Moved: Cr Rajagapalan **Seconded: Cr Strange**

That, in accordance with section 5.23(2) of the Local Government Act 1995, Council reopens the meeting to the members of the public.

CARRIED 3/0

For: **Mr Negri, Cr Rajagopalan, Cr Strange**
Against: **Nil**

13. Officers Report

13.1 Audit, Risk And Improvement Committee – Consolidated Officer's Report

File Reference	3.00071
Disclosure of Interest	Neither the Author nor Authorising Officer have any Impartiality, Financial or Proximity Interest that requires disclosure.
Applicant	Nil
Previous Item Numbers	Nil
Date	17 April 2026
Author	Mark Furr - Chief Executive Officer
Authorising Officer	Mark Furr - Chief Executive Officer
Attachments Nil	

Summary

This report provides Council with a consolidated overview of the matters considered by the Audit, Risk and Improvement Committee at its meeting, including audit and financial management matters, risk management, governance and compliance activities, and other relevant oversight matters within the Committee's terms of reference. The report is intended to support Council in its governance and oversight role by summarising the key matters reviewed by the Committee, the progress of audit recommendations, and the status of current governance and compliance actions.

Purpose

The purpose of this report is to provide Council with a consolidated update arising from the Audit, Risk and Improvement Committee meeting and to outline the key matters considered by the Committee in relation to audit, financial management, risk management, governance and legislative compliance.

Background

The Audit, Risk and Improvement Committee is a standing committee of Council established under the Local Government Act 1995 and the Local Government (Audit) Regulations 1996. From 1 January 2026, the regulatory framework for audit committees in Western Australia was amended to provide for Audit, Risk and Improvement Committees, with broadened functions relating to audit, financial management, legislative compliance, risk management and continuous improvement. The regulations require the Committee to meet at least once every four months and prescribe functions including the review of audit reports, compliance audit matters and the appropriateness and effectiveness of the local government's systems and procedures in relation to financial management, legislative compliance and risk management.

The Shire's Committee is chaired by an independent presiding member and includes three elected members. The Chief Executive Officer and Executive Manager Corporate Services attend the meeting in an advisory capacity, with governance and minute support provided by the Executive Services Manager. This report is presented in a consolidated format to provide Council with a clear overview of the key matters considered by the Committee and the progress of related governance and improvement actions.

Consultation

Internal consultation has occurred with the administration to ensure alignment with governance obligations and existing codes of conduct.

Statutory Environment

This report relates to the functions of the Audit, Risk and Improvement Committee under the Local Government (Audit) Regulations 1996, including the review of audit reports, compliance audit matters and regulation 17 review matters, and the consideration of the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management, legislative compliance and risk management. The regulations require the Committee to meet at least once every four months. The report also references governance actions being undertaken under the Local Government Act 1995, including the local laws review process.

Policy Implications

There are no direct policy implications arising from this report itself. However, the report notes the progression and consideration of governance-related policy matters, including the Council Code of Conduct and the Gifts, Benefits and Hospitality Policy.

Financial Implications

There are no direct financial implications arising from this report. The report does, however, note matters relating to the audit timetable, monthly financial performance and progression of the 2026–27 Budget.

Strategic Implications

Shire of Bruce Rock Strategic Community Plan 2022-2032	
Outcome:	4.0 Governance Priorities
Strategy:	4.1 Our organisation is well positioned and has capacity for the future.

Risk Implications

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
If audit findings, compliance matters, business continuity arrangements, cyber preparedness and governance actions are not actively monitored and progressed, the Shire may be exposed to governance, financial, legislative, operational and reputational risk.	Unlikely (2)	Moderate (3)	Low (1-4)	Compliance Requirements	Accept Officer Recommendation

Risk Matrix

Consequence / Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following

objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of six (6) has been determined for this item. Any items with a risk rating over 10 or greater (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating of 16 or greater will require a specific risk treatment plan to be developed.

Comment/Conclusion

1. Audit, Financial Management and Audit Recommendation Oversight

The Committee considered standing agenda items relating to the Office of the Auditor General annual audit, financial management review matters, and the status of recommendations arising from the regulation 17 review and other audit processes. A consolidated audit findings register was presented to the Committee. The register brings together audit actions arising from the annual audit, financial management review and regulation 17 review into a single monitoring document to support oversight and progress tracking.

At the time of the meeting, the consolidated register identified a total of 21 audit actions. Of these, 10 had been completed, 10 were in progress and on track to be completed within the current financial year, and one had not yet commenced. The Committee reviewed the register and was satisfied that progress against the outstanding actions is being actively monitored and advanced.

The Committee also noted progress in relation to the development of the Gifts, Benefits and Hospitality Policy, which addresses a governance gap identified through the audit process and is referred to further in this report.

In relation to the 2025–26 audit program, the Committee noted that the interim audit is now scheduled to commence on 11 May 2026, having been deferred from the final week of April at the request of the Shire's auditors. The final audit is scheduled to commence in late October 2026.

The Committee was also provided with a copy of the Western Australian Economic Briefing for Quarter 1. Key matters noted included the ongoing implications of conflict in the Middle East, rising fuel prices and fuel supply shortages, and the potential for those issues to sustain pressure on inflation and interest rates if prolonged. Other key observations included continued inflationary pressure in the second half of 2025, market expectations of further cash rate increases in 2026, Western Australia recording annual population growth of 2.2 per cent, and the State recording annual wage price index growth of 4.1 per cent to December, the highest of all Australian jurisdictions.

A budget update was also provided, with the Committee noting that the 2026–27 Budget remains on track for presentation to Council for adoption on 23 July 2026. A brief verbal update was also provided regarding monthly financial performance, with the Shire presently tracking satisfactorily, noting that the detailed monthly financial report was to be presented separately to the Ordinary Council Meeting later that day.

2. Risk Management and Organisational Assurance

The Committee was presented with the Shire's current strategic and operational risk registers. The strategic risk register was noted as having been reviewed and consolidated in 2025, resulting in a refined register of eight strategic risks. This was noted as a positive step in sharpening the Shire's strategic risk focus and supporting clearer risk oversight at a governance level.

The operational risk register currently contains 15 operational risks. These are under active review and are expected to be further refined for presentation to the Committee at its next meeting. It is anticipated that the number and form of these risks may change as they are aligned with the development of the Integrated Council Plan, which is intended to bring together the Strategic Community Plan and Corporate Business Plan into a more integrated planning framework.

The Committee also considered the draft Business Continuity Plan, Cyber Incident Response Plan and IT Disaster Recovery Plan. These documents have been reviewed and updated during 2026 as part of the Shire's broader governance and resilience work, including engagement with the Department of Digital Government. The Committee noted that these draft documents are nearing completion, with final amendments and refinements being undertaken following a review meeting held on 20 April 2026. Once finalised, these documents will strengthen the Shire's organisational preparedness, continuity capability and ICT resilience.

3. Governance and Legislative Compliance

The Committee considered a number of governance and compliance matters as part of its standing oversight role. An update was provided regarding the 2025 Compliance Audit Return. The Committee noted that, while the return would ordinarily be submitted by 31 March, changes associated with the Inspectorate and amendments to the compliance audit template and portal arrangements have resulted in the submission

deadline being extended to the end of September 2026. Further updates will be provided once additional guidance and access arrangements are issued.

The Committee also noted that the Council Code of Conduct was being presented to the Ordinary Council Meeting of 22 April 2026. The Shire has reviewed its councillor induction package, including the Code of Conduct, and further amendments have been required to ensure the document reflects changes commencing from 1 January 2026. Liaison with the Inspector's Office has been undertaken in that regard.
The Committee was advised that the Shire's local laws review is underway and is expected to continue through to September 2026. This work is being progressed with assistance from the consultant previously engaged by the Shire and in accordance with the relevant requirements of the Local Government Act 1995. Public advertising has commenced as part of that process.
The Committee also noted that the Shire's external town planning consultant has commenced the Town Planning Scheme review and that public notices have also been issued in relation to that review.
The Gifts, Benefits and Hospitality Policy was noted as being presented to the Ordinary Council Meeting as a late item. The policy applies to elected members, employees, election candidates and contractors acting on behalf of the Shire. The Committee noted that this policy is an important governance control and responds directly to a regulation 17 audit finding.

4. General Business

Under general business, the Committee resolved that its next meeting be held on Thursday, 23 July 2026. It was noted that the next meeting is expected to focus primarily on the 2026–27 Budget, together with the Committee's other standing audit, financial management, governance, compliance and risk matters.

5. Confidential Matter

A separate confidential Organisational Health Check was also considered by the Committee and is provided to Council separately as part of the ordinary monthly reporting framework, together with a verbal update where required. As this matter is already reported to Council on a regular basis, it is not reproduced in detail within this consolidated report.

Voting Requirements

Simple Majority.

COMMITTEE RECOMMENDATION

Moved: Cr Strange **Seconded: Cr Rajagopalan**

That the Audit Risk and Improvement Committee recommend that Council:

1. **Receives the Consolidated Officer's Report arising from the Audit, Risk and Improvement Committee meeting;**
2. **Notes the matters considered by the Committee in relation to audit, financial management, risk management, governance and legislative compliance;**
3. **Notes the progress of audit recommendations as outlined in the consolidated audit findings register; and**
4. **Notes that the next meeting of the Audit, Risk and Improvement Committee is scheduled to be held on Thursday, 23 July 2026.**

CARRIED 3/0

For: **Mr Negri, Cr Rajagopalan, Cr Strange**
Against: **Nil**

14. General Business

15. Next Meeting

The next meeting of the Audit Risk and Improvement Committee will be held on Thursday 23 July 2026.

16. Closure of Meeting

Being no further business the Chairperson declared the meeting closed at 10.48 am.

These minutes were confirmed at the meeting held on Thursday 23 July 2026

Mr P Negri
Chair