



SHIRE OF CARNARVON

AUDIT, RISK & IMPROVEMENT COMMITTEE MINUTES

TUESDAY 16 DECEMBER 2025

CONFIRMATION OF MINUTES

These minutes were confirmed by the Council on

as a true and accurate record

Shire Council Chambers
Stuart Street
Carnarvon, West
Australia
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.au

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes are not a transcript of the proceedings of the meetings.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)

11. Minutes, content of (Act s.5.25(1)(f))

The content of minutes of a meeting of a council or a committee is to include –

(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time **subject to the questions being asked only relating to the purpose of the Special Meeting** (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)

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1 ATTENDANCES AND APOLOGIES

The Presiding Member declared the meeting open at 10.37am

Ms LH Horton..... Independent Chair/Presiding Member
 Mr Eddie Smith Shire President
 Cr Paul Kelly Councillor, Town Ward
 Cr Mark Young Councillor, Coral Bay Ward
 Cr Luke Skender Councillor, Town Ward
 Mr Stephen Brown Independent Member

Mrs Amanda Dexter Chief Executive Officer
 Mrs Amanda Leighton Executive Manager, Corporate Strategy & Performance
 Mrs Sarah Driscoll..... Manager, Finance
 Mr Sachin Kumar Accountant
 Mr Jamie Bone Executive Business Manager
 Mr Stefan Louw Executive Manager, Planning & Sustainability
 Mrs Dannielle Hill Senior Executive Officer

Apologies

Nil

Leave of Absence

Nil

Press Nil

Observers Nil

2 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

Nil

3 DECLARATIONS OF INTEREST

(Elected Members and Officers are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

Ms Leah Horton (Impartiality) – 5.3 Overview Of Grant Funding 2024/2025

4 CONFIRMATION OF MINUTES

4.1 Minutes of the Audit and Risk Management Committee Meeting - 9 December 2025

COMMITTEE RESOLUTION ARICC 03/12/25

Moved: Cr Paul Kelly

Seconded: Cr Mark Young

That the minutes of Audit and Risk Management Committee Meetings held on 9 December 2025 be confirmed as true record of proceedings.

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

4.2 Minutes of the Audit and Risk Management Committee Meeting - 26 August 2025

COMMITTEE RESOLUTION ARICC 04/12/25

Moved: Mr Eddie Smith

Seconded: Cr Paul Kelly

That the minutes of the Audit & Risk Improvement Committee held on 26 August 2025 be confirmed as true record of proceedings.

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5 REPORTS

5.1 ENVIRONMENTAL HEALTH COMPLIANCE PROCESS AND ANNUAL REPORTING UNDER THE FOOD ACT 2008 AND PUBLIC HEALTH ACT 2016

File No:	ADM0180
Location/Address:	Shire of Carnarvon
Name of Applicant:	N/A
Name of Owner:	N/A
Author(s):	Stefan Louw, Executive Manager, Community Planning and Sustainability
Authoriser:	Amanda Dexter, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	<ol style="list-style-type: none"> 1. Environmental Health Services Outline 2. Reporting Food Act 2008

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input checked="" type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

The purpose of this report is to provide the Audit and Risk Committee with a comprehensive overview of the Shire of Carnarvon's Environmental Health service function, detailing the scope, nature, and status of its various responsibilities. In addition to scheduled inspections of food premises, Environmental Health Officers (EHOs) are now required to inspect horticultural properties growing melons or leafy greens, reflecting expanded obligations under the Food Act 2008.

The report also outlines ongoing mosquito control efforts, including targeted source reduction and larvicide in high-risk saltmarsh areas. These interventions have continued to reduce the risk of Ross River virus transmission, with additional land modification projects underway to address persistent breeding sites.

Staffing changes this year include replacing the outgoing Senior Environmental Health Officer. While this has helped maintain core functions, the increasing complexity of statutory reporting, inspections, and project management highlights the need for additional resourcing to ensure the Shire remains responsive to emerging public health and environmental challenges.

Background

Summary of Environmental Health service

Environmental Health services are designed to monitor the condition of the natural and built environment to protect public health and mitigate risks associated with environmental hazards. These services are delivered through a combination of statutory functions and locally relevant discretionary activities.

Key service areas include:

- **Mosquito management**, including source reduction, larvicide, and habitat modification to reduce disease risk;
- **Investigation of contaminated food**, including inspections of food premises and horticultural properties growing melons or leafy greens;
- **Assessment of unsanitary accommodation**, including inspections of overcrowded or poorly maintained dwellings;
- **Inspection and documentation of condemned buildings** deemed unfit for human habitation;
- **Testing of polluted drinking water** sources and responding to water quality complaints;
- **Testing of potential asbestos containing materials (ACMs)** at residential and commercial premises across the Shire;
- **Effluent management**, including oversight of septic systems and wastewater treatment; and
- **Maintenance of records and reporting** for licensed waste facilities, including annual and biennial compliance reports required by the Department of Water and Environmental Regulation (DWER).

The Environmental Health service also includes a wide range of operational activities such as responding to enquiries from the public, assessing applications, issuing approvals or registrations, issuing notices or orders (often under delegation), maintaining registration systems, negotiating complaint resolutions, and preparing responses to incidental requests from various State Government Departments. These services are supported by ongoing community engagement, inter-agency collaboration, and a commitment to continuous improvement in public health outcomes.

Many environmental health laws and standards are set by state legislation and may not always align with local community expectations. This can lead to complaints from residents or businesses who feel that regulations are either too strict or too lenient.

Environmental Health Officers must exercise sound judgement and discretion, balancing firmness with flexibility depending on the situation. Regulatory work is sometimes viewed critically, but community focused activities such as mosquito control and resolving complaints are more widely supported.

Stakeholder and Public Consultation

The primary stakeholders of the Environmental Health service are the residents of the Shire of Carnarvon. The Environmental Health services in this context are intended to keep our residents safe and ensure the

quality of food and amenities around the Shire is at an acceptable standard. EHOs also assist tourists who raise concerns about food safety or accommodation during their stay in our Shire.

The Environmental Health section of the Department of Health is the principal State Government agency EHOs liaise with, followed by the DWER, Department of Primary Industries and Regional Development, Department of Communities, and Department of Planning, Lands and Heritage.

Additional collaboration occurs with agencies and groups such as the Water Corporation, Gascoyne Water Cooperative, Carnarvon Growers Association, DrumMuster, and a wide range of local professionals including plumbers, builders, electricians, and growers.

EHOs work closely with DWER regarding the Shire's licensed waste facilities and effluent ponds, and with the Department of Health and Water Corporation in relation to the approved Recycled Water Scheme.

Statutory Environment

Environmental Health Officers (EHOs) operate under a broad framework of legislation, regulations, and local laws. Many of these are administered by the WA Department of Health and other state agencies, with EHOs acting as authorised officers or delegated decision-makers.

Key legislation includes:

- **Public Health Act 2016** – Provides overarching public health powers, including emergency response capabilities.
- **Health (Miscellaneous Provisions) Act 1911** – The primary legislation for traditional EHO functions.
- **Food Act 2008 and Food Regulations 2009** – Governs food safety, including recent requirements for inspecting horticultural properties growing melons or leafy greens.
- **Health (Aquatic Facilities) Regulations 2007**
- **Health (Asbestos) Regulations 1992**
- **Health (Pesticides) Regulations 2011**
- **Health (Public Buildings) Regulations 1992**
- **Health (Skin Penetration Procedure) Regulations 1998**
- **Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974**
- **Health (Notification of Lead Poisoning) Regulations 1985** – While unlikely to be applicable in Carnarvon, they may be relevant in isolated cases of occupational lead exposure or environmental

contamination. EHOs may assist with investigations into potential sources of exposure and support public health responses if a case arises.

- **Caravan Parks and Camping Grounds Act 1995**
- **Local Government Act 1995**
- **Health Local Laws 1997**
- **Waste Local Law 2021**
- **Public Places and Local Government Property Local Law**
- **Building Act 2011 – Health standards often refer to the Building Code of Australia.**
- **Environmental Protection Act 1986 and Environmental Protection (Noise) Regulations 1997**
- **Environmental Protection Act Amendment Bill 2024** – This is used to assist with alteration of mosquito habitat to prevent mosquito breeding.
- **Health Act (Underground Water Supply) Regulations 1959**

EHOs are also well-positioned to contribute to the development and review of local laws, particularly those relating to public health, waste, and environmental protection.

Relevant Plans and Policy

The Shire of Carnarvon has prepared a **Local Public Health Plan (2025-2029)** that was published and presented to Council on 26th August 2025. This plan integrates environmental health priorities with broader public health objectives and aligns with the Shire's roles as Advocate, Facilitate, Fund, Partner, Provide, and Regulate. It also supports compliance with State Public Health Plan objectives and strengthens the Shire's capacity to attract funding and deliver targeted health initiatives.

Financial Implications

Staffing costs: currently there is one Senior Environmental Health Officer. An advertisement has been placed for an additional EHO to provide additional support to improve the level of service available to the community.

Mosquito Control Funding "Contiguous Local Authorities Group (CLAG) Funding":

CLAG funding for this financial year is intended to be combined with previous years funds that were rolled over. For this reason, the 2025-26 financial year has a limited allocation of approximately \$3,000 supplied in addition to amounts rolled over from previous financial years.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood →						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Legal & Compliance	Risk of various environmental health hazards, insanitary situations, infectious disease, nuisance or environmental degradation in the district.	Medium	Routine inspections, mosquito control, water sampling, complaint response, and statutory reporting.
Staffing and resourcing	Limited staffing may impact the Shire's ability to meet inspection targets, respond to complaints, and manage reporting obligations.	Medium	Proposal to recruit an additional Environmental Health Officer; prioritisation of high-risk inspections.
Community Health	Risk of communicable disease spread, especially from mosquito-borne viruses or poor sanitation.	High	Larvicide, habitat modification, dry toilet guidelines, and public education.
Infrastructure & Assets	Risk of degraded public amenities, waste facility non-compliance, or unsafe housing.	Medium	Ongoing inspections, maintenance referrals, and collaboration with DWER and Housing providers.
Reputation & Engagement	Risk of community dissatisfaction due to perceived over- or under-regulation.	Low	Transparent complaint handling, community engagement, and flexible enforcement approaches.

The Environmental Health team continues to monitor emerging risks and adapt its approach to ensure public health protection remains responsive, proportionate, and community focused.

Community and Strategic Objectives

The Environmental Health service contributes directly to the Shire of Carnarvon's long-term strategic goals, particularly those outlined in the **Strategic Community Plan 2022–2032** and the **Public Health Plan 2025–2029**.

These objectives include:

- **Creating a safe and sustainable community** by protecting residents from environmental health risks, managing mosquito-borne disease threats, and ensuring food safety and sanitation.
- **Supporting liveable environments** through inspection of public buildings, waste facilities, and water systems, and by maintaining standards that promote health and wellbeing.
- **Improving access to services** by responding to complaints, supporting vulnerable populations, and collaborating with agencies to address housing, water, and waste-related health concerns.
- **Strengthening community resilience** through proactive engagement, education, and partnerships with local stakeholders and State Government agencies.

This guides us on how the Shire delivers health protection, responds to emerging risks, and supports community wellbeing.

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

Carnarvon, despite operating with limited staffing and increasing regulatory complexity. The scope of responsibilities has expanded to include inspections of horticultural properties growing melons and leafy greens, in addition to routine food safety, accommodation, and waste facility oversight.

Mosquito control

Mosquito management remains a high priority, with targeted larvicide and habitat modification projects underway to reduce the risk of Ross River virus transmission. The Shire's participation in the CLAG program has supported these efforts, although long-term solutions will require further investment in infrastructure and equipment.

The new Public Health Plan

The adoption of the Shire's Public Health Plan 2025–2029 provides a strategic framework for aligning environmental health activities with broader community wellbeing objectives. This includes improving liveability, enhancing access to services, and protecting residents from environmental health risks.

Staffing

To maintain service quality and meet statutory obligations, the recruitment of an additional Environmental Health Officer is proposed. This would enable the team to increase inspection coverage, improve response times, and support the implementation of key public health initiatives.

The Environmental Health team is responsible for preparing numerous reports, including:

Annual/Biennial Reports:

- *Food Act 2008 & Public Health Act 2016 Annual Report*
- *Mosquito Management Report* (to acquit annual CLAG funding)
- *Recycled Water Scheme Annual Report*
- *Brown Range Waste Facility Reports:*
 - Annual Audit Compliance Report
 - Biennial Environmental Report (to DWER)
- *Coral Bay Waste Facility Reports:*
 - Annual Audit Compliance Report
 - Biennial Environmental Report (to DWER)
- *Carnarvon Effluent Ponds Annual Audit Compliance Report* (to DWER)
- *Waste and Recycling Annual Return* (to DWER)
- *EH Service Annual Report* (for inclusion in the Shire's Annual Report)
- Reports to the Audit and Risk Committee, as required
- Project management reports, such as for mesquite control

Discretionary Reports:

- Recent examples include reports on boarded-up and damaged housing
- Litter, illegal dumping, and noise complaints report (annually to DWER)

Management Plans

The EH team is also tasked with developing and maintaining several management plans:

- *Recycled Water Quality Management Plan*: Documentation and mapping nearly complete.
- *Mosquito Management Plan*: Requires updating.

Key Liaison Activities

The EH team collaborates with multiple agencies and stakeholders:

- **Department of Health and Water Corp**: There will be an upcoming review of wastewater reuse around Carnarvon and a possibility of requesting a lower volume of recycled water if our re-use areas are reduced.
- **Department of Water and Environmental Regulation (DWER)**:
The Brown Range Licence Fee has now been amended to include burning of green waste and an additional volume of liquid waste can now be received.

Historically, inspections have been carried out on a rolling basis over several years to cover all premises.

With the reduction to one EHO, the number of routine inspections has decreased, with **Priority given to inspections** for:

- New business startups
- Businesses undergoing ownership changes
- Complaints indicating genuine potential health concerns

Specific Inspection Areas

1. Food Business Inspections

- **Registered Food Businesses**:
 - 33 total: 22 commercial and 8 small /home-based and 3 mobile food vendors
- **Inspection Frequency**:
 - Commercial businesses: Ideally inspected annually
 - Small/mobile/home-based businesses: Ideally inspected every 2-3 years
- **Ideal Annual Total**: ~60 inspections
- **Actual Performance**:
 - Current average: ~15 inspections/year (with one EHO)
 - Historical average: >35 inspections/year (with two EHOs)

2. Caravan Parks and Camping Grounds

- 13-14 licensed facilities
- Inspection Frequency:
 - Historical average: 2.5 inspections/year over the past 6 years

3. Public Building Inspections

- **Total Buildings**: 60 (excludes State Government buildings)
 - 24 very low risk: Minimal intervention needed (e.g., small clubhouses)
 - 25 low risks: Basic clubhouses with more than 100m²
 - 7 medium risks: Includes venues like Carnarvon Woolshed, Cinema, or small busy pubs
 - None classified as high risk
- Many public buildings are **overdue for inspection**, with the last cinema inspection completed 3 years ago, raising maintenance concerns.

4. Septic Applications and Wastewater Management

- **Application Trends**:
 - 2024 and 2025 have had a low volume of applications: Only 6 in 2025, matching the amount (6) recorded in 2024
- **Activity**:
 - Ongoing inquiries and assessments are frequent for various proposals.

- Strong working relationships with local installers (primarily plumbing contractors).
5. **Lodging house inspections** are overdue, although the number of lodging houses has been considerably reduced after revising the interpretation of what constitutes a lodging house to bring it back closer to the original meaning of involving shared facilities, which is in line with the direction of the environmental health industry.

6. **Non-Routine Inspections**

The Environmental Health team conducts numerous non-routine inspections in response to complaints or specific situations. Common issues include:

- Maintenance of houses (primarily Housing Commission properties)
- Vandalized and vacant housing
- Illegal waste dumping
- Nuisances

These inspections address a wide range of health and safety concerns in the community including noise complaints.

7. **Routine Sampling Programs**

Routine sampling programs are being consistently maintained. These include:

- **Monthly testing and sampling:**
 - Recycled water used for irrigation of public parks and spaces
 - Carnarvon aquatic facilities (and occasional testing of Coral Bay aquatic facilities)
 - Local surface waters (e.g., Fascine, Small Boat Harbour, Pelican Point, Chinaman Pool)

8. **Leafy greens applications and inspections**

The new leafy greens legislation requires local government to ensure compliance among primary producers of melons and leafy greens. Many larger producers in Carnarvon are already part of rigorous third-party auditing programs, which are costly and comprehensive. These businesses typically exceed our minimum compliance requirements, so our inspections confirm what is already well-documented through their certifications.

The greater compliance risk lies with smaller producers who do not participate in these external audits due to budget constraints. For these businesses, the Environmental Health team will conduct checklist-based inspections, document any non-compliance, and schedule follow-up visits. This process is similar to food premises inspections but introduces additional workload and record-keeping obligations.

Impact on the Environmental Health team:

- Increased inspection frequency for smaller producers
- Additional administrative tasks for applications and compliance tracking
- Opportunity to strengthen engagement with local growers and improve food safety outcomes

This approach ensures the Shire meets its statutory obligations, reduces public health risk, and supports smaller businesses in achieving compliance without imposing the high costs of private audits.

9. **Projects**

The Environmental Health Officer is currently managing this major project:

1. **Airport Perimeter Drain Project:**

- Completion of work to fill depressions in the airport perimeter drain to reduce mosquito breeding following heavy rainfall.
- Potential for additional land modification projects to permanently reduce or eliminate significant saltmarsh mosquito breeding habitats. These efforts may require specialized equipment, such as amphibious excavators, to create drainage channels (runnels) in muddy conditions, representing the only feasible long-term solution for Carnarvon's most severe mosquito breeding sites.

Annual Reporting

The Department of Health Western Australia mandates local government enforcement agencies to submit annual reports under:

- *Food Act 2008* (section 121)
- *Public Health Act 2016* (section 22)

These reports, primarily focused on the administration of the *Food Act*, follow a standard format prescribed by the Department. The Shire's latest report for 2023-24 is included in the schedule.

The Shire of Carnarvon's Environmental Health service plays a critical role in safeguarding public health, managing environmental risks, and maintaining community well-being. Despite a reduction in staffing levels and increasing complexity in statutory and non-statutory responsibilities, the team continues to deliver essential services, including routine and non-routine inspections, sampling programs, and project management.

However, the growing demands of reporting, management plans, and community engagement highlight the need for additional resources to sustain and enhance service delivery. Future staffing options, including the recruitment of an additional Environmental Health Officer, present opportunities to bolster capacity and address current challenges.

To ensure the Shire remains proactive and resilient in its approach to environmental health, strategic investment in staffing and infrastructure will be essential. This will enable the Shire to continue meeting its legislative requirements and deliver outcomes that align with the community's long-term strategic objectives.

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee:

- 1. Notes this report;***
- 2. Notes the Environmental Health service outline in Schedule 1; and***
- 3. Notes the Annual Report for 2024-25 given to the Department of Health Western Australia under the Food Act 2008 and Public Health Act 2016 in Schedule 2.***

COMMITTEE RESOLUTION ARICC 05/12/25

Moved: Mr Eddie Smith

Seconded: Cr Paul Kelly

That the Audit & Risk Improvement Committee:

- 1. Notes this report;***
- 2. Notes the Environmental Health service outline in Schedule 1; and***
- 3. Notes the Annual Report for 2024-25 given to the Department of Health Western Australia under the Food Act 2008 and Public Health Act 2016 in Schedule 2.***

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5.2 LEASE REGISTER - ANNUAL STATUS REPORT

File No:	ADM2258
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Proximity
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	Nil

Authority/Discretion:

- | | | |
|-------------------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input checked="" type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

The Shire has numerous leases – both Community and Commercial. In the interests of good governance, community transparency and strong business procedures an annual leases status report will be presented to Council.

This report provides this 12 monthly update on the Shires community and commercial leases portfolio.

Background

The Shire has several key parcels of land which it offers up for both community and commercial lease. Historically, lease activation and management has received varying levels of attention dependent on the availability of staffing resources.

The attached Spreadsheet is an internal control document used by the organisation to manage its leases (both community and commercial). Current leases require ongoing monitoring for consideration of renewal, with lease terms and due dates all varying. Submissions for new leases are also occasionally received, which require actioning and reporting to Council for its consideration.

The process for commercial leases must follow the requirements of the Local Government Act, in the main Section 3.58, and must reach mutual agreement on lease conditions. Commercial leases regularly take several months to finalise but can on occasion take more than a year to achieve a successful conclusion.

Stakeholder and Public Consultation

Nil.

Statutory Environment

Local Government Act S.2.7 (Role of Council) outlines that Councils are to govern the local government's affairs; take responsibility for the performance of their local government's functions and oversee the allocation of their local government's finances and resources.

Relevant Plans and Policy

Whilst there are policies that relate to the establishment of leases (CF018 Leasing of Shire Owned/Controlled Property) there are no policy implications relevant to this annual report.

Financial Implications

The financial implications of preparing this report are minimal and limited to officer time and resources consumed to research and prepare it.

There are currently 4 types of leases that we offer through policy CF018; the conditions are listed in the table below:

	Category 1 Not for Profit	Category 2 Not for Profit	Category 3 Government Agencies	Category 4 Commercial Entities
Definition	Incorporated not-for-profit community group. Limited ability to raise revenue. Significant community benefit.	Incorporated not-for-profit community group. Has ability to raise revenue through memberships, liquor sales or sales of merchandise.	Government Agency or Public Not for Profit.	Commercial entity.
Payments/Responsibilities of the Tenant Required Under Lease/Licence Agreement				
Lease/Rent	Yes - \$50	Yes - \$300	Yes – Market Value	Yes – Market Value
Market Valuation	No	No	Yes	Yes
Preparation of Lease	No	Yes	Yes	Yes
Utilities (Water, Gas, Electricity, etc)	Full responsibility for all utility costs.	Full responsibility for all utility costs.	Full responsibility for all utility costs.	Full responsibility for all utility costs.
Rates and ESL	Yes	Yes	Yes	Yes
Insurance	Public Liability	Public Liability	Public Liability and Building Insurance	Public Liability and Building Insurance
Building maintenance	Yes – non-structural	Yes – non-structural	Yes – non-structural	Yes – non-structural
Garden Maintenance	Yes	Yes	Yes	Yes

Any other items as stipulated in the lease agreement.

Any deviation from this table to be approved by Council.

Category 3 and 4 lease fees have been established via a commercial valuation of the site, with annual CPI applied or in the event of a lease renewal, a revaluation being completed. Annual CPI has also been applied to category 2 leases.

Cumulatively, \$181,185.38 (inclusive GST) is raised via lease payments per annum.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood →						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Reputation	Not gaining a suitable financial return from Shire owned assets may result in adverse community sentiment about asset commercialisation opportunities available	C2-Moderate	Ensure that resources are made available to enable adequate management of commercial leases.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our community is engaged, inclusive and supportive*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- *N/A*

Comments

This report provides an update on the Shire's community and commercial leases portfolio.

All Shire leases progress through Council in order that the requirements of *S.3.58 of the Local Government Act* can be met, this is the annual update information report (to be provided for Council).

Actively managing the Shire's lease portfolio ensures mutual benefits to all parties and the attention given to the Shire's several dozen leases has however, provided both good financial and social dividends.

Community groups have security of tenure of their area, providing confidence to invest time and effort into their site, and commercial tenants are enabled to pursue business activities, and pay rent/lease fees to Shire in exchange.

Leases require constant attention and even when diligently progressed, can take over a year to finalise on occasion, particularly when there are unusual complexities involved.

The Shire over the last few years has significantly improved the management of its entire lease portfolio, with particular attention paid towards ensuring that lease renewals and new leases are compliant with Shire policy to ensure consistency and transparency.

LESSEE	Details of Lease	Date Commenced	Term of Lease	LEASE Expiry Date	Lease Status	Review/Option Date
CARNARVON MOTORCYCLE CLUB	MOTORCYCLE TRACK - LOT 1296 SPEEDWAY ROAD	22/3/2025	5 years	21/03/2030	ACTIVE	no further terms available
ROYAL FLYING DOCTORS (RFDS) WESTERN OPERATIONS	LEASE CVN AIRPORT - COMMUNICATION TRANSMITTER	1/5/2025	10 years	30/04/2030	ACTIVE	further term of 5 years available
TELSTRA CORPORATION	DEED OF RENEWAL & VARIATION OF LEASE LOT 559 CARNARVON AIRPORT	1/5/2015	10 years	30/04/2025	Holding Over	Awaiting an easement over land for access to lease area
CARNARVON SPEEDWAY CLUB	LEASE OF PORTION LOT 1297 - NO 59 SPEEDWAY RD BROWN RANGE	1/7/2025	10 years	30/06/2035	ACTIVE	no further terms available
CARNARVON LIONS CLUB	LEASE OF CARNARVON AIRPORT BUILDING NUMBER 133	30/1/2021	5 years	29/01/2026	ACTIVE	Options for a New Lease now under review
CARNARVON GOLF CLUB	PORTION OF RESERVE 31811 - GOLF CLUB-AUTHORITY TO TAKE WATER FROM ARTESIAN BORE BIRDSONG	1/3/2016	10 years	28/02/2026	ACTIVE	further term of 10 years available:
CARNARVON SPACE & TECHNOLOGY MUSEUM	PORTION OF THE FORMER OTC SITE - LOT 2 (NO 35) MAHONY AVENUE BROWN RANGE	4/4/2016	10 years	3/04/2026	ACTIVE	N/A
CORAL COAST HELICOPTERS PTY LTD - HANGAR	LEASE OF LAND PORTION OF LOT 547 - CARNARVON AIRPORT - HANGER	19/5/2021	5 years	18/05/2026	ACTIVE	further term of 5 years available
CARNARVON HERITAGE GROUP INC	HISTORICAL MUSEUM SITE PT RESERVE 24101 ANNEAR ROAD	1/7/2017	10 years	30/06/2027	ACTIVE	N/A

SHINE AVIATION	LAND OF HANGAR 134 CARNARVON AIRPORT	1/7/2022	5 years	30/06/2027	ACTIVE	no further terms available
(NORWEST SEAFOODS PTY LTD) WESTRALIAN MARINE GROUP	LEASE OF LAND HANGER 138 CVN AIRPORT	1/12/2017	5 years	30/11/2027	ACTIVE	no further terms available
GASCOYNE AUTO SERVICE	LEASE OF PORTION OF LOT 421 ROBINSON STREET CARNARVON CAR PARKING & ACCESS	25/02/2025	3 years	24/02/2028	ACTIVE	N/A
BP AUSTRALIA (FUEL BOWSERS)	PORTION LOT 547 JAMES STREET (AIRPORT FUEL)	29/3/2023	5 years	28/03/2028	ACTIVE	no further terms available
BAKKER, KORNELIS HARM	LAND HANGAR SITE 139 - AIRPORT	1/7/2023	5 years	30/06/2028	ACTIVE	no further terms available
JECKS, PETER	Land HANGAR SITE 140 - AIRPORT - Lease of Land for Hangar No. 140	1/7/2023	5 years	30/06/2028	ACTIVE	no further terms available
PRIMEDIA PTY LTD (LICENCE FEE)	PORTION OF LOT 425 & 565 CVON ROAD	5/8/2023	5 years	4/08/2028	ACTIVE	further term of 5 years available
BP AUSTRALIA (OFFICE LEASE) - POWERHOUSE	LEASE PORTION OF POWERHOUSE - CARNARVON AIRPORT FOR OFFICE SPACE	28/11/2023	5 YEARS	27/11/2028	ACTIVE	no further terms available
BROWN, MCMILLAN & FRANCINE	GLADSTONE CAMPING GROUND YARINGA STATION	1/12/2021	7 years	30/11/2028	ACTIVE	further term of 5 years available
CORAL COAST HELICOPTERS PTY LTD - OFFICE	LEASE OF PORTION OF 103 OLD TERMINAL BUILDING	2/1/2024	5 years	31/01/2029	ACTIVE	further term of 5 years available
WORLD FUEL SERVICES (AUSTRALIA) PTY LTD	FUEL SITE - PORTION OF LOT 547 JAMES STREET - CVN AIRPORT	1/2/2024	5 years	31/01/2029	ACTIVE	no further terms available
DFES - (DEPARTMENT OF FIRE AND EMERGENCY SERVICES)	PORTION OF RESERVE 38888 - LOT 374 NORTHWEST COSTAL HWY - RADIO TOWER	04.04.2024	5 years	3/04/2029	ACTIVE	further term of 5 years available
SAMURAI KARATE CLUB	LEASE OF DON MCLEOD JUDO HALL - FESTIVAL GROUNDS	1/7/2024	5 years	30/06/2029	ACTIVE	no further terms available
GASCOYNE GYMNASTICS CLUB INC	RESERVE 39114 SHALLCROSS STREET	8/7/2024	5 years	7/07/2029	ACTIVE	further term of 5 years available
AXICOM / INDARA	PART OF LOT 559, CARNARVON AIRPORT FOR TELECOMMUNICATIONS TOWER	12/7/2019	10 years	11/07/2029	ACTIVE	further term of 10 years available:

BUDGET (CHALKWEST PTY LTD)	CARNARVON AIRPORT & CAR PARK	2/9/2024	5 years	1/09/2029	ACTIVE	no further terms available
AVIS (Norcoast Holdings Pty Ltd t/as Leahy's Car Hire)	CARNARVON AIRPORT & CAR PARK	2/9/2024	5 years	2/09/2029	ACTIVE	no further terms available
CARNARVON ARTS & CRAFTS WORKSHOP	JUBILEE HALL - FRANCIS STREET	1/7/2009	21 years	30/06/2030	ACTIVE	N/A
BREAKWAY HOLDINGS WA PTY LTD	lot 506 Robinson Street	21/8/1931	99 years	20/08/2030	ACTIVE	N/A
CARNARVON HORSE AND PONY CLUB	LEASE OF LOT 648 AIRPORT	12/1/2020	10 years	30/11/2030	ACTIVE	further term of 10 years available:
AIRSERVICES AUSTRALIA (NDB)	PART OF LOT 559 AERODROME AT CARNARVON AIRPORT; Non-directional beacon (NDB) site (radio transmitter)	1/2/2011	10 years	31/01/2031	ACTIVE	no further terms available
CARNARVON BOWLING CLUB (INC)	Lease of portion of Reserve 1856 / Lot 1164 EGAN STREET	12/3/2010	21 years	11/03/2031	ACTIVE	N/A
GEOSCIENCE AUSTRALIA -	Title(Volume) 2886-502 - Lot 559 on deposited plan 144299	1/6/2021	10 years	31/05/2031	Active	further term of 10 years available:
CARNARVON LOTTERIES HOUSE	LOTTERIES HOUSE LOT 10 (Land Lease)	1/7/2022	10 years	30/06/2032	ACTIVE	further term of 10 years available:
SENIOR CITIZENS	LEASE OF LOT 1 (NO. 3)GEORGE STREET BROCKMAN (A3096) - SENIOR CITIZENS COMMUNITY HALL	26/3/2016	20 years	25/03/2036	ACTIVE	N/A
CARNARVON DISTRICT SHOOTING SPORTS ASSOC.	SHOOTING RECREATING - RESERVE 37127	1/7/2017	20 years	30/06/2037	ACTIVE	N/A
CARNARVON PISTOL CLUB	PISTOL CLUB RESERVE 44008	1/7/2017	20 years	30/06/2037	ACTIVE	N/A
GASCOYNE OFF ROAD RACING CLUB INC	LEASE - PART RESERVE 37127, LOT 356 NORTH WEST COASTAL HIGHWAY	1/7/2019	20 years	30/06/2039	ACTIVE	N/A
THOTH (OTC DISH)	LEASE OF OTC DISH: LOT 2 (No. 35) MAHONY AVENUE, BROWNS RANGE	10/10/2022	20 years	10/10/2042	ACTIVE	no further terms available
BREAKWAY HOLDINGS WA PTY LTD	lots 507,508,509, 510 Robinson Street	28/4/1952	99 years	28/04/2051	ACTIVE	N/A
JEFF BENNETT	LOT 515, ROBINSON STREET	1/8/1957	99 years	1/07/2056	ACTIVE	N/A
BUREAU OF METEROLOGY	WEATHER SERVICE OFFICE	11/8/1998	99 years	10/08/2092	ACTIVE	N/A

AIRSERVICES (FORMER CIVIL AVIATION AUTHORITY	DEED OF LEASE OF ADDITIONAL PREMISES AND VARIATION OF LEASE - SATELLITE GROUND STATION (SGS) DISTANCE MEASURING EQUIP (DME) & VHF OMNI RANGE (VOR); AREA IS MONITOR ANTENNA LOT 547 & LOT 559	1/10/2015	99 years	30/09/2114	ACTIVE	N/A
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OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee recommends to Council that:

- 1. It notes the report; and***
- 2. Requires that the next annual leases report be provided to the Audit, Risk & Improvement Committee in December 2026.***

COMMITTEE RESOLUTION ARICC 06/12/25

Moved: Cr Luke Skender

Seconded: Cr Paul Kelly

That the Audit & Risk Improvement Committee recommends to Council that:

- 1. It notes the report; and***
- 2. Requires that the next annual leases report be provided to the Audit, Risk & Improvement Committee in December 2026.***

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5.3 OVERVIEW OF GRANT FUNDING 2024/2025

Mr SB Brown (Impartiality) – 5.3 Overview Of Grant Funding 2024/2025

File No:	ADM1737
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	N/A
Schedules:	Nil

Authority/Discretion:

- | | | |
|-------------------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input checked="" type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

An initial overview report to ARMC May 2025 provided a financial year-to-date (FYTD) overview of funding opportunities that have been investigated, applied for, and managed by Shire Officers. This report outlines the outcomes of grant applications submitted over a six-month period from 1 May 2025 to 31 October 2025.

The purpose of this report is to provide the Audit and Risk Improvement Committee with oversight of how external funding supports the delivery of Shire projects and services, and how associated funding risks are being monitored and managed by Officers. This includes assessment of dependencies on grant funding for key operational and capital programs, and measures in place to mitigate non-award or delayed award of grant income.

Annual and recurrent funding sources—such as the Financial Assistance Grants, Roads to Recovery, and Regional Road Group allocations—are tracked separately through the Shire's financial systems and are not included in this report.

Background

External funding plays a critical role in enabling the Shire of Carnarvon to deliver a wide range of infrastructure and community initiatives that may not otherwise be financially feasible within the constraints of municipal revenue alone. Grant funding is increasingly competitive and often subject to tight timeframes, co-contribution requirements, and performance-based reporting conditions.

As part of good financial governance, it is important that the Shire maintains clear oversight of its external funding activities, including applications made, funding secured, and obligations arising from grant agreements. This supports effective forward planning, ensures funding conditions are met, and assists in identifying and mitigating risks associated with grant dependency, project delays, or potential non-compliance.

The Audit and Risk Improvement Committee has an advisory role in overseeing the Shire's financial management practices and ensuring appropriate risk controls are in place. Providing a financial year-to-date report on funding applications and outcomes promotes transparency and enables the Committee to assess the extent to which grant funding activities align with the Shire's strategic objectives and risk appetite.

This report consolidates funding activity undertaken between 1 May 2025 and 31 October 2025 and includes details of:

- Applications submitted (including purpose, value, and funding body),
- Outcomes of applications (approved, unsuccessful, pending).

Stakeholder and Public Consultation

No formal public consultation has been undertaken in the preparation of this report.

Internal consultation has occurred with relevant Shire officers, cross-departmental collaboration ensures that funding opportunities are aligned with the Shire's Strategic Community Plan, Corporate Business Plan, and Long-Term Financial Plan.

The Strategic Community Plan serves as the guiding framework for identifying priority projects and services for the community. Grant applications are assessed for their alignment with the SCP objectives to ensure the Shire is pursuing external funding that directly supports the aspirations and outcomes identified by the community.

From time to time, ad hoc funding opportunities may arise that fall outside the scope of existing strategic documents. In such cases, Officers undertake a preliminary review of the opportunity to assess feasibility, risks, and potential community benefit. Where deemed suitable, these applications may proceed with the direction or endorsement of Council.

Where required under specific grant programs, stakeholder engagement has been or will be undertaken in accordance with funding body requirements. This may include letters of support, project partnerships, or community consultation to demonstrate need and local benefit.

Statutory Environment

-Local Government Act 1995 (WA) – Part 6: Financial Management

Provides the overarching legislative framework for the proper management of financial resources by local governments, including the responsibility to apply sound financial practices and pursue external funding to support operational and capital activities.

-Local Government (Financial Management) Regulations 1996 – Regulation 5

Requires local governments to establish and maintain financial management systems and procedures that ensure the proper recording, control and accountability of the Shire's financial operations, including grants received.

-Local Government (Audit) Regulations 1996 – Regulation 16

Outlines the role of the Audit and Risk Committee, including its function to review the effectiveness of the

Shire's risk management, internal control and legislative compliance — which encompasses risks associated with grant dependency and funding obligations.

-Integrated Planning and Reporting Framework (IPRF) – Department of Local Government, Sport and Cultural Industries (DLGSC)

Requires that all financial planning, including the pursuit of grant funding, is aligned with the Shire's Strategic Community Plan and Corporate Business Plan, ensuring resources are directed towards community-endorsed priorities.

-Individual Grant Funding Agreements

Operate as legally binding contracts that outline specific financial, governance and reporting obligations the Shire must meet. Failure to comply with these obligations may result in funding being withheld, recovered, or reputational damage to the Shire.

Relevant Plans and Policy

- Strategic Community Plan.
- Corporate Business Plan.
- Long Term Financial Plan.
- CD006 External Grants – Procurement and Grants.

Financial Implications

External grant funding forms a critical component of the Shire's overall funding strategy and significantly contributes to the delivery of key community, economic and infrastructure initiatives. While these funds support the expansion of services and capital projects beyond the capacity of municipal revenue alone, they also introduce financial considerations that require ongoing management.

Key financial implications include:

- **Budget Amendments**
Where successful grant applications are not included in the adopted Annual Budget; formal budget amendments are required in accordance with the Shire's Budget Amendment and Review Policy (FIN002). This ensures compliance with the *Local Government Act 1995* and *Financial Management Regulations 1996*.
- **Matching Contributions**
Some grant programs require a co-contribution from the Shire; these obligations are assessed at the application stage and considered in the context of available reserves, operational capacity, and alignment with the Long-Term Financial Plan.
- **Cash Flow and Timing Risk**
Delays in funding announcements or payments can affect project delivery schedules and cash flow forecasting. Officers monitor these closely and seek to mitigate impacts through appropriate phasing of expenditure and regular financial reporting.
- **Unsuccessful Applications**
Where funding is not awarded, projects reliant on external funding may be deferred, reduced in scope, or reprioritised. This has downstream implications for asset renewal programs, service delivery and strategic outcomes.
- **Grant Acquittals and Compliance**
Failure to meet reporting or acquittal obligations may result in grant funds being withheld or reclaimed. Financial and project staff work collaboratively to ensure all grant-related expenditures are documented and acquitted in accordance with funding agreements.
- **Audit and Financial Reporting**
Grant income and associated expenditure are captured in the Shire's financial records and subject to annual audit. Proper documentation and controls ensure accountability and reduce the risk of audit qualification.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood →						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Risk of funding shortfalls, delayed payments, or the need for unbudgeted co-contributions.	2-C Moderate	Applications are assessed for financial viability; budget amendments are submitted to Council; cash flow is monitored and matched to project milestones.
Health & Safety	Risk to officer health and safety when implementing grant-funded works or community programs.	2-D Low	Projects are planned in accordance with the Shire's WHS procedures; risk assessments are completed prior to project commencement.
Reputation	Risk of reputational damage if grant obligations are not met, or projects are not delivered.	2-C Moderate	Internal procedures ensure compliance with grant terms; project progress is reported to Council and funding bodies; communication with stakeholders is maintained.
Service disruption	Delays in funding decisions or acquittal processes may impact service delivery timelines.	3-D Moderate	Projects are sequenced and contingency plans developed; officers monitor grant timelines and maintain flexibility in delivery schedules.
Compliance	Risk of non-compliance with funding agreements or statutory reporting.	3-C High	CD006 External Grants Policy and internal controls guide grant management; regular reporting and acquittals are overseen by Finance and project teams.
Property	Potential damage to Shire assets if projects are not appropriately scoped or delivered.	2-D Low	Project scopes and risk assessments include asset impact considerations; works are supervised by technical officers.
Environment	Risk of environmental harm if infrastructure projects are poorly scoped or regulated.	2-D Low	Environmental approvals and assessments are undertaken where required; projects are aligned with applicable legislative and environmental standards.
Fraud	Misuse or misreporting of grant funds.	2-C Moderate	All financial transactions are subject to internal controls, dual authorisations, and audit review; grant acquittals require supporting documentation.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our equitable community is actively involved in and are responsible for developing innovative, local solutions that transcend our region for a safe and unified 6701*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*
- *N/A*

Comments

To support the delivery of its strategic objectives, the Shire of Carnarvon actively seeks funding from a range of sources including State and Federal government agencies, not-for-profit organisations, and philanthropic foundations. These funding arrangements are critical in enabling the Shire to deliver a combination of core community services and additional value-adding programs that respond to community expectations.

A significant portion of grant funding directly supports the Shire's essential operations—particularly in areas such as infrastructure, community development, and environmental management. Other grants enable the Shire to undertake enhanced or pilot initiatives that would not otherwise be financially viable. In many cases, the ability to proceed with a project or program is contingent upon securing external funding.

Officers apply a rigorous process to assess the suitability of each funding opportunity in terms of strategic alignment, financial implications, delivery capacity, and compliance obligations. Successful grants are incorporated into the budget through formal amendment processes, and all grant-funded activities are tracked to ensure conditions are met and acquittals are completed within required timeframes.

With the appointment of a dedicated Accountant and the establishment of a Special Projects Team, the Shire has strengthened its internal financial oversight and project delivery capacity. The Grants Register is actively maintained and regularly reviewed; funding milestones, project progress, and acquittal status checks will be added to the Attain Compliance calendar to enhance their tracking and ensure continued compliance.

A summary grant applications for the period 1 May 2025 to 31 October 2025 is provided in the table below:

NAME OF FUNDING BODY	NAME OF PROJECT	FUNDING PERIOD	AMOUNT APPLIED FOR	FUNDING RECEIVED
HEALTHWAY	CREATIVITY AND WELLBEING FOR YOUNG PEOPLE PROGRAM 2025-2026	\$50k in 25/26, \$25k in 26/27	\$ 75,000	\$ 75,000
DEPARTMENT OF COMMUNITIES	INTERNATIONAL VOLUNTEER DAY - POOL OPEN AFTERNOON	FY 25/26	\$ 1,000	\$ 1,000
DEPT OF CREATIVE INDUSTRIES, TOURISM & SPORT (DCITS)	RETB PUBLIC REGIONAL GALLERIES IMPROVEMENT FUND 2023 - 2027	FY 25/26	\$ 58,176	\$ 58,176
NORTH MIDLANDS PROJECT	YOUNITY	FY 25/26	\$ 2,140	\$ 2,140
LBW TRUST LIBRARY GRANT	LAPTOP COMPUTERS FOR LIBRARY PROGRAMMING	FY 25/26	\$ 5,000	\$ 5,000
DEPARTMENT OF FIRE & EMERGENCY SERVICES	MITIGATION ACTIVITY FUND GRANTS PROGRAM 2025/26 ROUND 1	FY 25/26	\$ 27,950	\$ 27,950

ALCOHOL & DRUG FOUNDATION	FRIDAY NIGHT ART CLUB & 16 DAYS IN WA PROJECT	FY 25/26	\$ 18,682	\$ 18,682
GOOD THINGS FOUNDATION	TARGETED BUILDING DIGITAL SKILLS 2024-2028 GRANT - ROUND 10	FY 25/26	\$ 3,000	\$ 3,000
DEPARTMENT OF COMMUNITIES	SENIORS IN THE SPOTLIGHT: CELEBRATING SENIORS WEEK	FY 25/26	\$ 3,000	\$ 3,000
AUSTRALIA DAY COUNCIL	REFLECT, RESPECT, CELEBRATE ON YINGGARDA COUNTRY	FY 25/26	\$ 15,000	\$ 15,000
DEVELOPMENTAL DISABILITY WA	CARNARVON ALL ABILITIES FESTIVAL	FY 25/26	\$ 1,000	\$ 1,000
MEERILINGA FOUNDATION	CHILDREN'S WEEK WA 2025	FY 25/26	\$ 3,000	\$ 3,000
NATIONAL INDIGENOUS AUSTRALIAN AGENCY	REMOTE JOBS AND ECONOMIC DEVELOPMENT PROGRAM	Funding over 3 years from 25/26	\$ 3,580,696	\$ 3,580,696
DEPARTMENT OF COMMUNITIES	AGE-FRIENDLY COMMUNITIES CONNECTIVITY GRANTS PROGRAM CARNARVON ACTIVE SENIORS	FY 25/26	\$ 15,000	\$ 15,000
DEPARTMENT OF INDUSTRY SCIENCE	SCIENCE WEEK 2025	FY 25/26	\$ 17,300	\$ 17,300
NORTHERN SUBURBS LEGAL CENTRE (DoC)	WORLD ELDER ABUSE AWARENESS WEEK	FY 25/26	\$ 5,000	\$ 5,000
DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT & ARTS	SAFER LOCAL ROADS AND INFRASTRUCTURE PROGRAM (SLRIP) TRANCHE 4C	Pending Outcome	\$ 5,000,000	PENDING
DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT	REGIONAL TRAINEESHIP PROGRAM GRANT 2025/26	Pending Outcome	\$ 50,000	PENDING
DEPARTMENT OF COMMUNITIES	WOMEN'S GRANTS FOR A STRONGER FUTURE GRANTS PROGRAM 2025-26	Pending Outcome	\$ 10,000	PENDING
TOWN TEAM MOVEMENT	STREETS ALIVE STREAM 2	Pending Outcome	\$ 50,000	PENDING
INJURY MATTERS: IMPROVE YOUR HEALTH	ACTIVE MINDS, ACTIVE LIVES	Pending Outcome	\$ 5,000	PENDING
ROAD SAFETY COMMISSION	BOLLARDS TO BELONGING: SAFER STREETS FO OUR PEOPLE	Pending Outcome	\$ 25,000	PENDING
DEPT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT & ARTS	CARNARVON AIRPORT - NORTHERN AND SOUTHERN APRON UPGRADE WORKS RAUP ROUND 11 2025/26	N/A	\$ 347,985	UNSUCCESSFUL
WA INSPIRING AUSTRALIA	LEARN, DISCOVER, PLAY VR	N/A	\$ 6,000	UNSUCCESSFUL
SUICIDE PREVENTION AUSTRALIA	WA SUICIDE PREVENTION GRANTS PROGRAM	N/A	\$ 65,000	UNSUCCESSFUL
INJURY MATTERS	MOVE YOUR BODY, FIND YOUR BALANCE	N/A	\$ 3,300	UNSUCCESSFUL

DEPARTMENT OF TRANSPORT	PEDAL GASCOYNE - RIDE FOR HEALTH FUN & COMMUNITY	N/A	\$ 5,000	UNSUCCESSFUL
DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION	CARNARVON GETS WASTESORTED REUSE, REINMAGINE, REDUCE	N/A	\$ 17,000	UNSUCCESSFUL

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee resolves to receive the summary of grant applications.

COMMITTEE RESOLUTION ARICC 07/12/25

Moved: Cr Paul Kelly

Seconded: Cr Luke Skender

That the Audit & Risk Improvement Committee resolves to receive the summary of grant applications.

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5.4 GOVERNANCE AND COMPLIANCE - INTERNAL CONTROLS

File No:	ADM0011
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	Shire of Carnarvon
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	ARMC 26.08.2025
Schedules:	1. Compliance Calendar Internal Controls - Nov 2025

Authority/Discretion:

- | | | |
|--------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

This report provides an update on the status and effectiveness of the Shire's internal control management; Compliance Calendar Internal Controls Nov 2025 (**Schedule 1**) in line with regulation 16 of the Local Government (Audit) Regulations 1996, to support Council's governance and risk oversight responsibilities.

Background

Local Government (Audit) Regulations 1996, outline the functions of a local government audit committee. Council at its meeting dated 28 November 2023 confirmed the purpose of the current Audit & Risk Improvement Committee, which included amongst others the following:

- Oversee compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal controls and legislative compliance; and
- Oversee the internal control functions in conjunction with the CEO.

Due to an increased focus on the accountability of local governments, a review of the effectiveness of all business processes is becoming best practice. Internal auditing is one way to reduce risk and identify improvements in internal controls. There are many benefits to conducting internal audits, such as:

- Improving the performance of the organisation;
- Making the organisation process dependent instead of person-dependent;
- Identifying redundancies in operational and control procedures and the provision of recommendations to improve the efficiency and effectiveness of procedures;

- Serving as an early warning system, enabling deficiencies to be identified and remediated on a timely basis (i.e. prior to external, regulatory or compliance audits); and
- Increasing accountability within the organisation.

Compliance Calendar

The Shire has a compliance Calendar software package – ATTAIn, which is used to track activities and action due dates to ensure compliance is met with critical legislative requirements, operational requirements and also reduce the risk of non-compliance. Data entered into this system throughout the year supports completion of the annual Compliance Audit Return (CAR). Completion of the CAR is a State Government requirement; it is initially reported to ARIC prior to being submitted for Council endorsement and then subsequent upload to the DLGIRS portal.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government Act 1995 – Section 2.7 (Role of Council)

This section sets out the role of council as the governing body responsible for the performance of the local government's functions. It confirms Council's responsibilities for strategic planning, policy setting, determining services and facilities, allocating resources, and appointing and reviewing the CEO. It also requires Council to make evidence based and lawful decisions, respect the separation between governance and administration, and foster a respectful organisational culture.

Local Government Act 1995 – Section 5.41 (Functions of CEO)

This section defines the role of the CEO as the head of the local governments administration, responsible for managing day-to-day operations, implementing Council decisions, and overseeing service delivery. The CEO is tasked with establishing administrative systems and procedures, managing employees, maintaining records and providing timely and informed advice to Council to support decision making.

Local Government Act 1995 – Section 7.1A (Audit Committee)

This section requires the establishment of an Audit Committee with at least three members, the majority being Council members. It specifies that the CEO and employees cannot be members or representatives on the Committee. The Audit Committee is to carry out the functions and responsibilities prescribed under the Act in relation to audit, risk and governance oversight.

Relevant Plans and Policy

Nil

Financial Implications

Nil

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood →						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	Adverse media and lack of community confidence	C2-Moderate	Continue to build and monitor internal procedures and to train/manage staff on the importance of legislative compliance
Service disruption	N/A	N/A	N/A
Compliance	Non-compliance with Legislation	C-2-Moderate	Continue to build and monitor internal procedures and to train/manage staff on the importance of legislative compliance
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A
Fraud	N/A	N/A	N/A

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

This report outlines the actions undertaken by the Chief Executive Officer to maintain legislative compliance, strengthen internal controls and minimise organisations risks. It also reinforces officers understanding of Council's strategic risk and compliance expectations, supporting informed decision making and community confidence.

OFFICER'S RECOMMENDATION

That the Audit and Risk Improvement Committee recommends that Council note the information contained in the Shire of Carnarvon Internal Controls – November 2025 report.

COMMITTEE RESOLUTION ARICC 08/12/25**Moved:** Mr Eddie Smith**Seconded:** Cr Mark Young

That the Audit and Risk Improvement Committee recommends that Council note the information contained in the Shire of Carnarvon Internal Controls – November 2025 report.

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5.5 WORK HEALTH & SAFETY

File No:	ADM0083
Location/Address:	Shire of Carnarvon
Name of Applicant:	N/A
Name of Owner:	N/A
Author(s):	Denika Sweetman, Manager People, Culture & Wellbeing
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	N/A
Previous Report:	N/A
Schedules:	<ol style="list-style-type: none"> 2022_3 Steps to Safety Report 2025_3 Steps to Safety Report WHS Action Plan MASTER

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input checked="" type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report provides a high-level comparison of the Shire's 2022 and 2025 LGIS 3 Steps to Safety Assessment Reports. The comparison outlines areas of improvement, items that have been resolved since the previous review, and new or ongoing risks requiring management attention. Overall WHS performance has improved from 59% (2022) to 70% (2025), with significant progress observed in consultation, reporting, and volunteer management. Key risk areas remain in WHS planning, contractor management, hazard management consistency, and legislative compliance relating to high-risk construction work. A 2025 WHS Management Improvement Plan has been initiated to address these items.

Background

LGIS undertakes periodic WHS assessments of local governments against the Tier 2 WHS Framework. The Shire underwent assessments in 2022 and 2025. The purpose of this report is to present the Audit, Risk and Improvement Committee (ARIC) with a high-level comparison of both assessments and to highlight systemic improvements, outstanding risks, and emerging issues. The findings also inform the Shire's WHS improvement priorities for 2025–2026.

Stakeholder and Public Consultation

Internal consultation occurred with Executive Leadership, managers, supervisors, health and safety representatives, and frontline workers as part of the 2025 LGIS assessment. No external or public consultation is required for this report.

Statutory Environment

- *Work Health and Safety Act 2020 (WA)*
- *Work Health and Safety (General) Regulations 2022 (WA)*
- Legislative obligations relating to high-risk construction work, duty of care, consultation, risk management, and contractor management apply.
- The ARIC's oversight role aligns with requirements under the *Local Government Act 1995 (WA)* and the *Local Government Amendment Act 2024 (WA)* relating to audit, risk and improvement functions.

Relevant Plans and Policy

CPM-008 WHS Policy

Financial Implications

There are no immediate financial implications arising from this report.

However, implementation of the 2025 WHS Management Improvement Plan may require future budget allocations for WHS training, contractor management tools and emergency management improvements will be presented to Council through normal budget processes as required.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Potential costs arising from WHS non-compliance, workers' compensation claims, litigation, and required remediation works (e.g., depot upgrades, contractor management systems).	C3 – High	Implement WHS Improvement Plan; introduce contractor management procedures; monitor corrective actions; resource WHS initiatives in the 2025/26 budget.
Health & Safety	Inconsistent hazard management	C3 – High	Strengthen WHS capability.
Reputation	Reputational risk if safety incidents occur due to identified gaps, or if corrective actions are not progressed.	D3 – Moderate	Maintain transparent reporting to ARIC; regular WHS updates to executive; ensure timely progress on Improvement Plan actions.
Service disruption	NA	NA	NA
Compliance	Non-compliance with WHS Act 2020 and WHS Regulations 2022 regarding high-risk construction work,	C3- High	Implement actions as outlined in improvement plan.

	contractor management obligations, and consultation requirements.		
Property	NA	NA	NA
Environment	Minor environmental risk from depot waste storage, chemical management, or inadequate disposal processes (noted in 2022; partially improved).	D2 Low	Maintain updated SDS registers; ensure compliant chemical storage; ongoing depot environmental checks.
Fraud	NA	NA	NA

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our sustainable livelihoods create a community that can flourish into the future*

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The Shire of Carnarvon undertook LGIS 3-Steps to Safety Tier 2 WHS Assessments in 2022 and 2025. This report provides a high-level comparison of both assessments, focusing on key areas of improvement, areas where risks remain, and emerging issues that require continued oversight and action. Overall WHS performance improved from 59% (2022) to 70% (2025), demonstrating a strengthening of WHS governance, consultation, and reporting. However, several systemic risk areas remain that require targeted improvement through the 2025 WHS Management Improvement Plan. A copy of the 2022 LGIS Assessment Report is attached as **Schedule 1**, and the 2025 Assessment Report is attached as **Schedule 2**.

Comparative Summary by Category

Management Commitment

Improvements since 2022:

- WHS responsibilities in position descriptions now tailored by role level (previously generic).
- WHS Committee re-established and functioning with senior management involvement.
- Improved allocation of WHS resourcing and increased utilisation of Safety Champion for monitoring.

Key areas requiring improvement:

- Health and safety policy communication to external stakeholders (contractors/visitors).
- Strengthening accountability of managers and supervisors beyond existing performance reviews.
- Establishing a WHS register of high-risk construction activities and ensuring compliance with legislative requirements.

Planning

Improvements since 2022:

- WHS performance summaries now consistently generated (via Safety Champion).
- Improved understanding of legislative requirements and hazard trends across teams.

Ongoing gaps:

- No formal, organisation-wide WHS Plan and measurable WHS objectives/targets.
- Contractor management framework still absent; engagement remains ad-hoc.
- Emergency management arrangements partially improved but lacking full consistency across sites.
- Inconsistent review of procedures and work instructions against updated WHS legislation.

Consultation & Reporting

Significant improvements since 2022:

- WHS Committee re-established with clear Terms of Reference.
- Improved consultation with workers via toolbox meetings, Safety Share, induction, and HSR engagement.
- Strong involvement of senior management in WHS discussions and decision-making.
- Workers confirm improved communication pathways and timely responses to WHS issues.

Remaining improvement areas:

- Formal review process for assessing consultation effectiveness is not in place.
- Managers and supervisors require clearer training on the Issue Resolution Procedure.
- Hazard management consultation is occurring but worker understanding remains variable—training required.

Hazard Management

Improvements since 2022:

- Centralised hazard/incident reporting and monitoring through Safety Champion.
- Increased visibility of corrective actions and improved reporting culture.
- More consistent use of Take 5s, JSAs and site-specific hazard controls.

Key risks that remain:

- Lack of standardised hazard identification and control procedures applied consistently across departments.
- SWP/SWMS/JSA documents not regularly reviewed; some lack version control.
- Limited process for reviewing the effectiveness of implemented risk controls.
- Need to establish a documented WorkSafe notification procedure for manager absence.

Training & Supervision

Improvements since 2022:

- Position descriptions now outline WHS training requirements clearly.
- Assessment of training providers has improved, with consistent use of RTOs where possible.
- Supervisors delivering on-the-job training possess appropriate knowledge and skills.

Areas requiring improvement:

- No documented training procedure across the organisation.
- Lack of structured training for customer-facing workers handling aggressive patrons.
- Managers and supervisors require strengthened WHS capability training.
- No systematic mechanism to track training renewals, licenses, and certifications.
- WHS training program not reviewed as a whole for suitability or relevance.

Volunteer Management (New area assessed in 2025)

Strengths:

- Comprehensive Bush Fire Brigade procedures and training aligned with DFES guidance.
- Good recordkeeping, PPE provision, communication pathways, and consultation mechanisms.
- Pre-event briefings and risk assessments consistently conducted.

Improvement opportunities:

- No structured competency verification or training matrix for non-bushfire volunteer groups.
- Need to formalise procedures to ensure consistent WHS management for all volunteer groups.

Key Improvements Achieved Since 2022

- Re-establishment of the WHS Committee and improved consultation pathways.
- Introduction of Safety Champion for WHS reporting, data tracking, and trend analysis.

- Enhanced emergency management practices (drills, wardens, diagrams).
- Improved clarity of health and safety responsibilities across staff levels.
- Strengthened volunteer management and compliance for brigade operations.
- Increased worker engagement in WHS discussions and hazard reporting.

WHS Action Plan

The Shire has developed a comprehensive WHS Management Improvement Action Plan for 2025, which is currently in the assignment phase to allocate responsibilities and sequencing for implementation throughout 2026. A copy of the Master Implementation Action Plan is provided as **Scheduled 3**.

During the 2025 assessment, LGIS was unable to meet with several key personnel due to availability constraints. As a result, some assessment findings reflect gaps in information rather than actual non-compliance. Several of these items have already been addressed or are currently being met in practice. These will be identified as “completed” when the WHS Management Improvement Action Plan becomes a live, monitored implementation document throughout 2026.

OFFICER’S RECOMMENDATION

That the Audit & Risk Improvement Committee:

- 1. Receives and notes the comparison of the Shire of Carnarvon’s 2022 and 2025 LGIS 3-Steps to Safety Tier 2 WHS Assessment Reports, including identified improvements, ongoing risks, and emerging issues.***
- 2. Notes that the Shire has developed a comprehensive WHS Management Improvement Action Plan for 2025, which is currently in the assignment phase ahead of implementation throughout 2026, as provided in Schedule 3.***

COMMITTEE RESOLUTION ARICC 09/12/25

Moved: Cr Paul Kelly

Seconded: Cr Luke Skender

That the Audit & Risk Improvement Committee:

- 1. Receives and notes the comparison of the Shire of Carnarvon’s 2022 and 2025 LGIS 3-Steps to Safety Tier 2 WHS Assessment Reports, including identified improvements, ongoing risks, and emerging issues.***
- 2. Notes that the Shire has developed a comprehensive WHS Management Improvement Action Plan for 2025, which is currently in the assignment phase ahead of implementation throughout 2026, as provided in Schedule 3.***

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5.6 OUTSTANDING DEBT REPORT DECEMBER 2025

File No:	ADM0127
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Vika Nafetalai, Finance Officer
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	N/A
Schedules:	Nil

Authority/Discretion:

- | | | |
|-------------------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input checked="" type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

The Audit and Risk Improvement Committee receive the outstanding rates and outstanding sundry debtors report to provide strategic direction as required.

Reportable Financial Year: 2025/2026

Reportable Month: December 2025

Background

The Audit and Risk Improvement Committee will ensure compliance with the Shire's financial reporting and will liaise with the Chief Executive Officer to ensure the effective and efficient management to meet statutory requirements.

Stakeholder and Public Consultation

- Finance Department
- Local Government Best Practices

Statutory Environment

Local Government Act 1995

Subdivision 4 – Payment of rates and service charges

6.43. Rates and service charges are a charge on a land

6.44. Liability for rates or service charges on land

6.50. Rates or service charges due and payable

6.53. Land becoming or ceasing to be rateable land

Subdivision 5 – Recovery of unpaid rates and service charges

6.55. Recovery of rates and service charges

6.56. Rates or service charges recoverable in court

6.16. imposition of fees and charges

Relevant Plans and Policy

Shire of Carnarvon Policy Manual

- CF007 Debt Collection
- CF011 Recovery of Rates
- CF006 Financial Hardship

Financial Implications

Outstanding debtors can negatively impact a shire's cash flow, limiting its ability to fund services and projects. They may lead to increased administrative costs, affect budget accuracy, and reduce the funds available for investment or emergencies. If not managed effectively, they can also result in higher bad debt write-offs and raise concerns in audits about financial governance.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood →						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Non-recovery or delayed recovery of outstanding rates and sundry debtors reduces cash flow, impacts the Shire's ability to fund services and projects, and may increase bad debt write-offs.	B3 – High	Maintain proactive debt recovery processes (notices, payment arrangements, legal recovery, sale of land where applicable); continue engagement of LG Best Practices for specialist rates and recovery support; regular monitoring and reporting to ELT, ARIC and Council.
Health & Safety	N/A	N/A	N/A
Reputation	Perception that the Shire is either not managing debts effectively (poor financial governance) or is acting unfairly towards vulnerable ratepayers if	C3 – Moderate	Apply Shire policies CF006 Financial Hardship, CF007 Debt Collection and CF011 Recovery of Rates consistently; ensure clear, respectful communication with debtors; regularly report debt recovery progress to ARIC

	recovery is not balanced with hardship considerations.		and Council to demonstrate oversight and transparency.
Service Disruption	Cash flow constraints from high outstanding debt may limit the Shire's capacity to sustain current service levels or deliver planned projects.	C3 – Moderate	Ongoing cash flow forecasting and budget review; prioritise essential services; align recovery activity with treasury management to support operational funding needs.
Compliance	Failure to comply with the Local Government Act 1995, Rates and Charges (Rebates and Deferments) Act 1992 and associated regulations in applying concessions, deferrals and recovery processes.	C3 – Moderate	Use specialist provider (LG Best Practices) for complex rating and recovery functions; provide training to finance staff; conduct periodic internal reviews and audits of rates and debt recovery processes; ensure decisions are documented and in line with adopted policies.
Property	Errors in initiating sale of land or other enforcement action for unpaid rates may expose the Shire to disputes or claims.	D2 – Low	Follow statutory timelines and notice requirements; obtain legal advice for sale of land and complex recovery matters; maintain clear records of actions taken.
Environment	N/A	N/A	N/A
Fraud	Inadequate segregation of duties or oversight in debtor management could enable misappropriation, unauthorised write-offs or manipulation of debtor balances.	D2 – Low	Maintain segregation of duties, delegated authority limits and documented approval processes; ensure regular reconciliations and management review; report material write-offs and variances through ARIC and Council as required.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon's physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

1. Rates and Service Charges

For the 2025/2026 financial year, the Shire levied \$9,614,793 in rates, services and charges. When added to the opening outstanding balance from prior years of \$2,085,877, the total collectible amount for the year was \$11,700,670.

As at 30 November 2025, receipts totalled \$7,679,241, leaving a closing outstanding balance of \$4,021,428 (34% of total collectible). This includes \$113,317 in Pensioner Deferred Rates, which are recoverable only upon sale of the property or change of ownership. Excluding these deferrals, the net recoverable outstanding balance is \$3,908,111. The collection rate for the year to date is 66%.

Table one – Summary of 2025/2026 Rates Position

Item	Amount	Notes
Opening Balance (Prior Years)	\$2,085,877	Outstanding at 1 July 2025
Rates levied 2025/2026	\$9,614,793	Current year billings
Total Collectible	\$11,700,670	Opening balance + Current Year
Receipts during the year	\$7,679,241	Payments received
Closing balance 30/11/2025	\$4,021,456	34% of total collectible
Less: Pensioner Deferred Rates	(113,317)	Recoverable only upon sale/ownership change
Net recoverable outstanding	\$3,908,111	

Table Two – Breakdown by Years

Reporting Period	Outstanding Rates Levied	Percentage
Current Year (2025/2026)	\$2,368,887	59%
One Year Overdue	\$786,665	20%
Two Years Overdue	\$404,971	10%
Three Years Overdue	\$460,905	11%
Total	\$4,021,428	100%

While the proportion of current year debt is encouraging, the level of aged debt remains a concern and will be addressed through targeted recovery action.

Recoverable VS Non-Recoverable Debt

Certain portions of the outstanding debt cannot be recovered immediately due to legislative restrictions, including:

- Pensioner deferrals and rebates under the *Rates and Charges (Rebates and Deferrals) Act 1992*
 - Eligible pensioners and seniors may legally defer payment of their rates, or receive a rebate, until the property is sold or ownership changes. The Shire cannot compel payment before that time.
- Hardship arrangements under the *Local Government Act 1995*
 - Allows payment arrangements for ratepayers experiencing genuine financial hardship. While an arrangement is in place and being met, recovery action is paused.
- Properties where sale procedures cannot yet be initiated due to legislative timelines
 - Prescribes specific timeframes and notice requirements before a property can be sold for unpaid rates. Until these are met, sale cannot proceed.

Non recoverable or legislatively restricted debt is not as a result of Shire inaction, but rather statutory requirements

Specific Areas of Concern

- Three-year debt: \$460,905 outstanding. A review is progressing to determine if recovery action can commence under *Local Government Act 1995*, s.6.64, which permits the sale of a property where rates have been unpaid for three or more years, following the required statutory process.
- Commercial waste charges: \$111,786 outstanding. A review is progressing to determine circumstances, with immediate payment demands to be issued where appropriate, along with a review of whether waste

collection services can be suspended for persistent non-payment, subject to legal and operational considerations.

- Domestic pensioner waste charges: \$8,655 outstanding. Follow-up letters will be issued immediately after 10 September for any unpaid balances. Approved payment arrangements can help maintain rebate eligibility.

Current Legislative Recovery Options

Under Western Australian legislation, the Shire's recovery options include:

- Issuing Final Notices and General Procedure Claims
- Entering payment arrangements
- Applying the three-year sale process for unpaid rates
- Engaging debt collection agencies for formal recovery steps

Limitations include mandatory acceptance of reasonable payment offers (if ordered by a Magistrate), and the inability to recover certain statutory concessions or deferred rate.

Rates Officer Context

Due to the inability to recruit a technically qualified Rates Officer, the service has been outsourced to LG Best Practices. This reflects increasing compliance obligations under the *Local Government Act 1995*, the *Rates and Charges (Rebates and Deferments) Act 1992*, and other subsidiary legislation.

The specialist nature of the role demands accuracy, up-to-date legislative knowledge, and consistent application of complex rating provisions, including exemptions, concessions, pensioner deferrals, minimum payments, and differential rates. Non-compliance in any of these areas can result in significant financial and reputational risk for the Shire.

The Shire will continue using LG Best Practices for specialist rates and debt recovery support, including:

- Staff training
- Monitoring recovery progress
- Assistance with reporting to this Committee and Council to maintain oversight

2. Sundry Debtors (Fees and Charges)

Fees and charges raised between 1 August 2025 and 30 November 2025 total \$2,032,266.00, with \$1,387,141.99 in payments and adjustments applied during the same period. This results in an outstanding balance of \$645,124.01 and does not include amounts raised prior to this reporting period.

The aged trial balance as at 30 November 2025 shows a total of \$645,072.71 in outstanding amounts, broken down as follows:

- Current (less than 14 days): \$30,104.12
- Greater than 30 days: \$111,593.36
- Greater than 60 days: \$38,600.82
- Greater than 90 days: \$431,312.78

A substantial portion of the over-90-day outstanding balance, totalling \$390,707, is associated with Regional Express (REX) Holdings, which is currently under administration, resulting in delays to the recovery process. Of the total outstanding amount, \$431,312.78 (approximately 70%) is attributable to REX. The administration period for REX Holdings has been extended until December 2025.

The Shire has lodged a claim for the outstanding debt and will continue to hold this amount on record. Pending the conclusion of the administration process, proactive measures will continue to be taken to recover outstanding fees where possible.

Additionally, \$6,000 is part of an ongoing payment plan, with fortnightly instalments of \$500.00, for a local business. The sum of \$17,735.72 represents the CESM contribution, which is currently on hold pending dispute. Lastly, a payment plan for \$13,750.00 is in negotiation for a supplier who was engaged to perform a service for the Shire as part of a grant funded initiative, however due to circumstances beyond the control of the Shire and Supplier the initiative was unable to occur, and as a result, the supplier is required to repay the deposit.

In addition, outstanding accounts totalling \$16,431.56 have been referred to legal for recovery. As at 30 November 2025, the balance remaining for these matters is \$2,963.61, relating to two debtors. The Shire will continue to pursue legal advice and appropriate enforcement pathways to recover all outstanding amounts.

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee:

1. ***Recommends that Council receive the information contained in the report detailing outstanding rates and sundry debtors as at 30 November 2025.***

COMMITTEE RESOLUTION ARICC 10/12/25

Moved: Cr Paul Kelly

Seconded: Mr Eddie Smith

That the Audit & Risk Improvement Committee recommends that Council receive the information contained in the report detailing outstanding rates and sundry debtors as at 30 November 2025.

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Ms Leah Horton, Mr Stephen Brown and Cr Luke Skender

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5.7 STRATEGIC RISK REGISTER REVIEW

File No:	
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Authoriser:	Amanda Dexter, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	<ol style="list-style-type: none"> 1. Strategic Risk Register 2025/2026 - 1. Audit 2023 2. Strategic Risk Register 2025/2026 - 2. Audit 2024 3. Strategic Risk Register 2025/2026 - 3. Audit 2025 4. Strategic Risk Register 2025/2026 - 4. Regulation 5 2023 5. Strategic Risk Register 2025/2026 - 5. Financial Department Review 2023

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

The Strategic Risk Register is presented for Council's information and noting. The Register has been reviewed and updated in alignment with the Shire's risk management framework and in accordance with statutory obligations under the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*. The document outlines the Shire's key strategic risks, current controls, residual risk ratings, and proposed mitigation actions to support sound governance and informed decision-making. Regular reporting of the Strategic Risk Register ensures compliance with Regulation 17 and strengthens Council's oversight of organisational and strategic risks that may impact the long-term achievement of the Shire's objectives.

Background

Council has an overarching responsibility under Section 2.7(2)(a) of the *Local Government Act 1995* to oversee the performance of the local government's functions, which includes ensuring appropriate systems are in place for the management and monitoring of risk. Regulation 17 of the *Local Government (Audit)*

Regulations 1996 further requires the CEO to implement and maintain adequate risk management, internal control, and legislative compliance systems, and to periodically review their effectiveness.

In alignment with these statutory requirements, the Shire maintains a Strategic Risk Register as a key component of its governance framework and Integrated Planning and Reporting (IPR) processes. The Register identifies strategic risks that may affect the Shire's financial sustainability, operational capability, service delivery, community outcomes, and long-term objectives. It also outlines existing controls and further actions required to reduce residual risk exposure.

Recent audit findings have also been incorporated into the updated Strategic Risk Register. These findings identified areas such as financial controls, ICT governance, procurement processes, asset verification, and compliance practices where improvements were required. Each matter has been assessed, rated, and integrated into the strategic risk profile to ensure visibility, accountability, and monitoring of corrective actions. This approach strengthens the relationship between audit outcomes and risk management, providing a clearer line of sight for Council and the Audit & Risk Committee.

Presenting the updated Register to Council enhances transparency and supports informed decision-making by ensuring that identified risks, audit outcomes, and statutory obligations are clearly documented and actively monitored.

Stakeholder and Public Consultation

Internal

- Chief Executive Officer
- Corporate Service Team
- Executive Leadership

Statutory Environment

Local Government Act 1995

- Section 2.7(2) (a) & (b) – Establishes Council's role in providing good governance and ensuring appropriate systems are in place to monitor the performance of the local government, which includes oversight of risk management practices
- Section 5.41(d) – Requires the CEO to manage the day-to-day operations of the local government, including the implementation and maintenance of systems for risk management.
- Section 5.56 – Requires local governments to plan for the future, with risk management forming a core component of the Integrated Planning and Reporting (IPR) framework.

Local Government (Financial Management) Regulations 1996

- Reg 5 - Requires the CEO to establish and maintain proper systems and procedures to ensure effective internal control, which includes risk identification and mitigation in financial management practices.
- Reg 19 – Requires internal controls that support accurate financial reporting and prudent financial risk management.

Local Government (Audit) Regulations 1996

- Regulation 16 - Identifies the Audit (or Audit & Risk) Committee's role in reviewing and reporting to Council on the adequacy of the local government's internal control, risk management, and legislative compliance systems.
- Regulation 17 - Requires the CEO to ensure that risk management, internal control, and legislative compliance systems and procedures are appropriate and effectively maintained. The review of these systems must be reported to the Audit Committee and Council at least once every three years.
- Regulation 7,10 & 13 - Provide for reporting, auditor communication, and monitoring functions relevant to the identification and treatment of risk.

The Audit, Risk & Improvement Committee is the correct governance body to recommend that Council adopt the Annual Financial Report.

Relevant Plans and Policy

Shire's Strategic Community Plan

Corporate Business Plan

Financial Implications

Key financial considerations arising from the Strategic Risk Register include:

- Potential cost exposures associated with untreated or emerging risks, including compliance failures, asset management deficiencies, workforce capacity constraints, procurement risks, and project delivery issues.
- Resourcing requirements for implementing identified mitigation actions, which may involve policy updates, system enhancements, staff training, consultant engagement, or changes to operational workflows.
- Impacts on future budgets and the Long-Term Financial Plan (LTFP), as certain risk treatments may require allocation of funding in subsequent budget cycles or incorporation into capital works planning, asset renewal programs, or strategic initiatives.
- Financial assurance and audit considerations, as sound risk management practices support accurate financial reporting, protect revenue streams, and minimise the likelihood of unexpected financial losses.
- The Strategic Risk Register supports improved financial decision-making by identifying areas of vulnerability and enabling early intervention, thereby reducing potential unbudgeted costs and strengthening the Shire's overall financial resilience.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood →						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Health & Safety	No direct impact on physical work or operational safety risk.	1D – Low	Administrative matter only – no further action required.
Financial	Risk of inadequate financial sustainability, reduced revenue streams, cost overruns, or ineffective financial management impacting the Shire's long-term ability to deliver services and infrastructure.	2C – Moderate	Long-term financial planning and annual budgeting. Regular financial reporting to Council and ARIC. Procurement framework and delegated authority structure. Cashflow monitoring and variance analysis.
Financial	Risk that inadequate financial controls, inaccurate accounting practices, poor oversight, or failure to follow financial policies leads to misstatement of financial information, unauthorised expenditure, inefficient use of resources, or loss of public funds. This risk can adversely affect audit outcomes, organisational credibility, and long-term financial sustainability.	2C – Moderate	Financial Management Regulations compliance and adherence to the Local Government Act 1995. Delegations framework governing expenditure and approval limits. Monthly and annual financial reporting to Council and ARIC. Internal audit program and regular reconciliation processes. Procurement policy, procedural guides, and contract management oversight. Segregation of duties in accounts payable, receivable, payroll, and banking. Budget review processes and variance monitoring.
Reputation	Risk of diminished public confidence or community dissatisfaction arising from poor communication, negative media coverage, or failure to meet stakeholder expectations.	2C – Moderate	Community engagement processes. Proactive communication and website updates. Executive oversight of public enquiries and complaints management.

Service Disruption	Risk of inability to deliver essential services due to system failures, workforce shortages, supplier disruption, or emergency events.	3C - Moderate	Cross-training to reduce single-point-of-failure risk. Emergency management planning.
Compliance	Risk of non-compliance with legislative, regulatory, and policy requirements, resulting in penalties, adverse audit findings, or reduced community trust.	2C – Moderate due to implemented controls	Compliance calendar and reporting obligations. Regular policy reviews. Internal audit schedule. Oversight through Audit & Risk Committee.
Property	Risk of damage to, or loss of, physical assets including buildings, plant, equipment, and infrastructure due to natural disaster, vandalism, fire, or asset mismanagement.	2D – Moderate / Low Consequence	Insurance coverage. Routine maintenance programs and asset management plans. Security systems and building access controls. Asset ownership verification processes.
Environment	Risk of adverse environmental impacts resulting from Shire operations, climate change, waste management failures, or non-compliance with environmental legislation.	1D – Low	Compliance with waste, water, and land management regulations. Emergency management arrangements for natural hazards.
Fraud	Risk of fraud, corruption, misappropriation of assets, or unethical behaviour by employees, contractors, or external parties.	2C – Moderate due to implemented controls	Code of conduct and fraud control policies. Segregation of duties and delegated financial authorities. Procurement and contract management controls. Internal and external audits.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our community is engaged, inclusive and supportive*

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The Shire's current Risk Management Framework, which informs the methodology for identifying and assessing risks, was last reviewed in 2019. As a result, some elements of the framework, including risk definitions, appetite statements, and treatment protocols, may no longer reflect contemporary best practice or the Shire's evolving operating environment. The update of the Strategic Risk Register has highlighted the need for a comprehensive review of the Framework to ensure continued alignment with ISO 31000:2018, organisational changes, and emerging risks in line with Local Government best practise and expectations.

To strengthen the Shire's governance, ensure compliance with Regulation 17 of the *Local Government (Audit) Regulations 1996*, and improve organisational risk maturity, the following actions are recommended. Commentary has been included to reflect current progress and ongoing initiatives.

Implement Risk Actions in ATTAIN (Governance Software)

All identified risk treatments, audit actions, and monitoring requirements should be recorded, assigned and tracked within the ATTAIN governance system to ensure structured follow-up, accountability and timely reporting to ARIC and Council.

Undertake a Comprehensive Review of the Risk Management Framework

The Shire's Risk Management Framework, last reviewed in 2019, should be comprehensively updated to align with ISO 31000:2018, clarify roles and responsibilities, define risk appetite, and ensure contemporary governance standards. This includes developing a Risk Appetite Statement and a comprehensive review of the current framework. Preliminary benchmarking has commenced using other local governments and industry guidance. A full review is planned for 2026, with ARIC to receive drafts for comment before adoption by Council.

Maintain Separate Registers for Strategic and Operational Risks

Maintain the Strategic Risk Register and a separate Operational Risk Register to distinguish high-level organisational risks from day-to-day operational risks. This will improve clarity of ownership, monitoring mechanisms and reporting.

These recommendations support improved governance, a clearer line of sight between operational and strategic risk, better audit readiness and more consistent risk management practice across the Shire. The actions currently underway demonstrate the organisation's commitment to addressing audit findings and strengthening its internal control environment.

Recommendation to ARIC

The Strategic Risk Register has been reviewed and updated in accordance with the Shire's risk management framework and the statutory obligations set out under the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*. The Register provides a structured assessment of the Shire's key strategic risks, outlines existing controls, and identifies further treatment actions to support effective governance, service delivery, and long-term sustainability.

Section 2.7(2)(a) of the *Local Government Act 1995* establishes the Council's responsibility for overseeing the Shire's affairs and the performance of its functions, which includes ensuring appropriate systems are in place to monitor and manage risk. Further, Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to implement and maintain appropriate systems and procedures to ensure the organisation has sound risk management, internal control, and legislative compliance practices.

Presentation of the Strategic Risk Register to Council supports these statutory requirements by providing visibility of high-level risks that may impact the achievement of the Shire's strategic objectives, including financial sustainability, asset management, community wellbeing, environmental management, and organisational capability. The updated Register reflects current operating conditions and emerging risks and includes recommended mitigation strategies for ongoing monitoring.

It is recommended that Council receive the Strategic Risk Register as presented and note the continued work undertaken by management to strengthen risk controls and align risk treatment actions with the Integrated Planning and Reporting Framework, and that a comprehensive review of the risk management framework be conducted and reviewed by ARIC annually.

These recommendations support improved governance, a clearer line of sight between operational and strategic risk, better audit readiness and more consistent risk management practice across the Shire. The actions currently underway demonstrate the organisation's commitment to addressing audit findings and strengthening its internal control environment.

OFFICER'S RECOMMENDATION

That the Audit, Risk & Improvement Committee recommends that Council under Section 2.7(2)(a) of the Local Government Act 1995 and the CEO's obligations under Regulation 17 of the Local Government (Audit) Regulations 1996 to maintain appropriate risk management, internal control, and legislative compliance systems;

- 1. Accept the updated Strategic Risk Register inclusive of recent audit findings and associated actions; and***
- 2. Recommend that the Shire's risk management framework be reviewed and presented to the Audit, Risk and Improvement Committee for consideration on an annual basis.***

COMMITTEE RESOLUTION ARICC 11/12/25

Moved: Cr Paul Kelly

Seconded: Mr Stephen Brown

That the Audit, Risk & Improvement Committee recommends that Council under Section 2.7(2)(a) of the Local Government Act 1995 and the CEO's obligations under Regulation 17 of the Local Government (Audit) Regulations 1996 to maintain appropriate risk management, internal control, and legislative compliance systems;

- 1. Accept the updated Strategic Risk Register inclusive of recent audit findings and associated actions; and***
- 2. Recommend that the Shire's risk management framework be reviewed and presented to the Audit, Risk and Improvement Committee for consideration on an annual basis.***

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

6 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 17 February 2026 at Shire Council Chambers, Stuart Street Carnarvon commencing at 1.30pm

7 CLOSE

The Presiding Member declared the meeting closed at 11.00am.