



**Shire of Derby /
West Kimberley**

UNCONFIRMED MINUTES

Audit, Risk and Improvement Committee Meeting

Thursday, 20 November 2025

Date: Thursday, 20 November 2025

Time: 4:00 PM

**Location: Council Chambers,
Clarendon Street, Derby**



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**MINUTES OF SHIRE OF DERBY/WEST KIMBERLEY
AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, CLARENDON STEET, DERBY
ON THURSDAY, 20 NOVEMBER 2025 AT 4:00 PM**

PRESENT: (In Person)	<i>Danielle Cornish (Independent Chair), Peter McCumstie (President), Cr Trish Gault, Cr Eliot Money, Jeffrey Porra (Independent Member) and Cr Leah Umbagai (Observer).</i>
PRESENT: (Remote)	<i>Cr Val Ross.</i>
IN ATTENDANCE: (In Person)	<i>Tamara Clarkson (Chief Executive Officer), Wayne Neate (Director Infrastructure), Luke Lawrence (Director Community Planning), Aaron Gloor (Acting Manager Corporate Services), Telia Reilly (Coordinator Governance and Risk), Maria O'Connell (Coordinator Communications and Media), Maria Sandoval (Administration Officer), Ryan Boldison (Executive Assistant).</i>
IN ATTENDANCE: (Remote)	<i>Christie Mildenhall (Strategic Development Advisor)</i>
VISITORS: (In Person)	<i>Nil.</i>
VISITORS: (Remote)	<i>Kellie Tonich (Office of the Auditor General), Amit Kabra (RSM), Krushna Hirani (RSM), Russell Barnes (Moore Australia).</i>
GALLERY:	<i>0.</i>
APOLOGIES:	<i>Nil.</i>
APPROVED LEAVE OF ABSENCE:	<i>Nil.</i>
ABSENT:	<i>Cr Kerrissa O'Meara.</i>

1 DECLARATION OF OPENING, ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 4:03pm.

2 ACKNOWLEDGEMENT OF COUNTRY

In the spirit of reconciliation, the Shire of Derby/West Kimberley acknowledges the traditional custodians of country throughout the Shire and their connection to land, sea and community.

The Shire of Derby/West Kimberley would like to pay respect to the past, present and future traditional custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

3 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS

A Council Member may attend council or committee meetings by electronic means if the member is authorised to do so by the President or the Council. Electronic means attendance can only be authorised for up to half of the Shire's in-person meetings they have attended in total, in any rolling 12 months prior period. Authorisation can only be provided if the location and the equipment to be used by the Council Member is suitable to enable effective, and where necessary confidential, engagement in the meeting's deliberations and communications.

At 4:04pm Cr Ross joined the meeting remotely via electronic means.

4 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Presiding Member Danielle Cornish welcomed all in attendance with thanks and noted the meeting to be her first since being appointed as Independent Chair of the Audit, Risk and Improvement Committee.

5 DISCLOSURE OF INTERESTS

5.1 Declaration of Financial Interests

Danielle Cornish declared a financial interest as the Audit, Risk and Improvement Committee Independent Chair, noting that she receives remuneration for her role and her spouse. Cr Adam Cornish is currently serving as a Shire of Derby/West Kimberley Council Member.

Cr Umbagai declared a financial interest in to Item 8.5, noting her involvement with Mowanjum Aboriginal Corporation.

5.2 Declaration of Proximity Interests

Nil.

5.3 Declaration of Impartiality Interests

Nil.

6 PETITIONS, DEPUTATIONS, PRESENTATIONS AND SUBMISSIONS

1. Office of the Auditor General representative and Audit Consultants – Annual Financial Report 2024/2025 - Kellie Tonich (Office of the Auditor General), Amit Kabra (RSM).

At 4:07pm, Kellie Tonich (Office of the Auditor General) delivered an introduction of the Annual Financial Report and auditing process to the Committee.

At 4:09pm, Amit Kabra (RSM) conducted a presentation summarising the Annual Financial Report 2024/2025 and results.

At 4:21pm, Kellie Tonich, Amit Kabra and Krushna Hirani (RSM) left the meeting and did not return.

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**COMMITTEE RESOLUTION AC16/25**

Moved: Mr Jeffrey Porra

Seconded: Mr Peter McCumstie

That the Minutes of the Audit, Risk and Improvement Committee Meeting held at the Council Chambers, Clarendon Street, Derby, on 21 August 2025 be CONFIRMED.

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil.

CARRIED 6/0

8 REPORTS

8.1 ANNUAL FINANCIAL REPORT - 2024/2025

File Number: 4105

Author: Jill Brazil, Director Corporate Services

Responsible Officer: Tamara Clarkson, Chief Executive Officer

Authority/Discretion: Legislative

SUMMARY

To consider and accept the audited Annual Financial Report and the Office of the Auditor General's (OAG) Independent Audit Report of the Shire of Derby / West Kimberley for the financial year ended the 30 June 2025.

DISCLOSURE OF ANY INTEREST

Nil by Author or Responsible Officer.

BACKGROUND

Each year, the Shire is required to produce its Annual Financial Report and send the report to the Shire's auditor by 30 September (Section 6.4 (3) of the *Local Government Act 1995*). The Office of Auditor General appointed RSM as the Shire's contract auditors to undertake the audit. RSM has now completed the audit and have provided their Independent Auditor Report and Management Report to the OAG.

Shire officers together with consultants, Moore Australia worked in collaboration to prepare the Annual Financial Report for the year ended 30 June 2025 that was provided to the Shire auditors.

STATUTORY ENVIRONMENT

The *Local Government Act 1995* sets out the requirements for the preparation of the annual financial report as follows:

Section 6.4 (1) and (2) requires the Shire to prepare an annual financial report for the preceding financial year which is to be presented in the manner and form prescribed.

Section 6.4 (3) requires the Shire to submit to its auditor the accounts balanced up to the last day of the preceding financial year and to submit the annual financial report by 30 September.

Section 5.53(2)(f) and 5.53(2)(h) requires the Shire to prepare an annual report that includes the financial report and auditor's report for the financial year.

Section 5.54 requires the Shire to accept the annual report for a financial year by no later than 31 December after that financial year; unless the auditor's report is not available in time, then it is to be accepted no later than two months after the auditor's report becomes available.

Regulation 10(1) of the *Local Government (Audit) Regulations 1996* requires the auditors to submit an audit report to the persons specified in section 7.9(1) of the LGA within 30 days of completing the audit.

Regulation 10(2) and 10(3) of the *Local Government (Audit) Regulations 1996* provides the details the required in the auditor's report. The report is to include the financial position of the local

government, the results of the operations of the local government and a report on the conduct of the audit.

Regulation 10(4) of the *Local Government (Audit) Regulations 1996* considers where appropriate, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) of the *Local Government Act 1995* with the auditor's report.

All statutory requirements related to the Annual Financial Report 2024/25 have been met.

POLICY IMPLICATIONS

The financial report of the Shire of Derby/West Kimberley comprises of general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations to the extent that they are not inconsistent with the Act, and the Australian Accounting Standards.

FINANCIAL IMPLICATIONS

The Annual Financial Report sets out the financial position of the Shire and the results of the operations of the Shire.

STRATEGIC IMPLICATIONS

GOAL	OUR PRIORITIES	WE WILL
1. Leadership and Governance	1.2 Capable, inclusive and effective organisation	1.2.2 Provide strong governance

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial: Failure to prepare and adopt the Annual Financial Report would result in non-compliance with its statutory responsibilities under the <i>Local Government Act 1995</i>	Rare	Moderate	Low	Accept Officer recommendation

CONSULTATION

Office of the Auditor General

RSM, contracted by OAG to conduct audit

Moore WA, the Shire's financial services provider

COMMENT

The independent audit report issued by OAG is an unqualified report.

RSM has completed their audit of the Shire's financial affairs for the financial year ended 30 June 2025. The primary financial statements which have been prepared as part of the Annual Financial Report are:

Statement of Comprehensive Income

The Statement of Comprehensive Income reflects a net result of -\$2,984,847 with depreciation of \$8,196,866 and Total Comprehensive Income of -\$3,161,791.

Statement of Financial Position

The Statement of Financial Position reflects a net asset position of \$340,670,069.

Statement of Cash Flows

The Statement of Cash Flows of the Financial Statement reflects a net increase in cash of \$554,079 with cash and cash equivalents of \$8,449,148 at the 30 June 2025.

Statement of Financial Activity

The Statement of Financial Activity of the Financial Statement show a total surplus to be carried forward at 30 June 2025 of \$4,364,313.

The Audit, Risk and Improvement Committee is to examine the report of the auditor and determine if any matters raised by the report require action to be taken and ensure appropriate action is taken in the future.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. Annual Financial Report 2024/25  
2. Draft Auditor's Report and Management Report - Confidential

COMMITTEE RESOLUTION AC17/25

Moved: Cr Eliot Money

Seconded: Cr Trish Gault

That the Audit, Risk and Improvement Committee recommend that Council ACCEPTS the:

1. Audited Annual Financial Report for the year ended 30 June 2025; and
2. Auditor's Report and Auditor's Management Report.

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0

SHIRE OF DERBY-WEST KIMBERLEY**FINANCIAL REPORT****FOR THE YEAR ENDED 30 JUNE 2025**

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The Shire of Derby-West Kimberley conducts the operations of a local government with the following community vision:

A place where people want to live, invest, visit and return to.

Principal place of business:

30 Loch Street

Derby WA 6728

SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),23	9,516,217	9,714,351	9,116,320
Grants, subsidies and contributions	2(a)	16,081,553	27,323,097	14,376,356
Fees and charges	2(a)	6,353,836	6,493,603	6,127,002
Interest revenue	2(a)	248,419	187,500	255,634
Other revenue	2(a)	6,176,394	1,915,600	1,869,985
		38,376,419	45,634,151	31,745,297
Expenses				
Employee costs	2(b)	(14,825,578)	(16,416,880)	(13,975,600)
Materials and contracts		(17,766,546)	(24,669,894)	(24,223,701)
Utility charges		(879,495)	(858,300)	(1,069,245)
Depreciation		(8,196,866)	(7,996,421)	(7,972,106)
Finance costs	2(b)	(577,227)	(229,272)	(419,062)
Insurance		(1,241,010)	(1,775,510)	(1,335,474)
Other expenditure	2(b)	(3,526,312)	(449,957)	(846,723)
		(47,013,034)	(52,396,234)	(49,841,911)
		(8,636,615)	(6,762,083)	(18,096,614)
Capital grants, subsidies and contributions	2(a)	5,455,824	29,562,057	15,346,711
Profit on asset disposals		195,944	209,546	18,342
Loss on asset disposals		0	0	(665,474)
		5,651,768	29,771,603	14,699,579
Net result for the period	22(b)	(2,984,847)	23,009,520	(3,397,035)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	2,349,167	0	(3,389,567)
Changes in asset revaluation surplus arising from a change in liabilities	15	(2,526,111)	0	0
Total other comprehensive income for the period	16	(176,944)	0	(3,389,567)
Total comprehensive income for the period		(3,161,791)	23,009,520	(6,786,602)

This statement is to be read in conjunction with the accompanying notes.

|:

SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	8,449,148	7,895,069
Trade and other receivables	5	2,424,836	3,585,642
Other financial assets	4(a)	975,801	975,801
Inventories	6	24,789	26,222
Other assets	7	135,982	57,207
TOTAL CURRENT ASSETS		12,010,556	12,539,941
NON-CURRENT ASSETS			
Trade and other receivables	5	130,611	124,147
Property, plant and equipment	8	48,578,807	48,148,506
Infrastructure	9	308,300,393	307,458,558
TOTAL NON-CURRENT ASSETS		357,009,811	355,731,211
TOTAL ASSETS		369,020,367	368,271,152
CURRENT LIABILITIES			
Trade and other payables	11	4,563,106	5,740,736
Contract liabilities	12	106,218	166,370
Capital grant/contributions liabilities	12	1,187,743	780,693
Borrowings	13	5,394,024	5,539,077
Employee related provisions	14	1,215,816	955,938
Other provisions	15	0	56,144
TOTAL CURRENT LIABILITIES		12,466,907	13,238,958
NON-CURRENT LIABILITIES			
Borrowings	13	1,514,354	1,908,378
Employee related provisions	14	214,776	129,936
Other provisions	15	14,154,261	9,162,020
TOTAL NON-CURRENT LIABILITIES		15,883,391	11,200,334
TOTAL LIABILITIES		28,350,298	24,439,292
NET ASSETS		340,670,069	343,831,860
EQUITY			
Retained surplus		60,425,322	63,410,169
Reserve accounts	26	975,801	975,801
Revaluation surplus	16	279,268,946	279,445,890
TOTAL EQUITY		340,670,069	343,831,860

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Retained surplus	Reserve accounts	Revaluation surplus	Total equity
		\$	\$	\$	\$
Balance as at 1 July 2023		66,807,204	975,801	282,835,457	350,618,462
Comprehensive income for the period					
Net result for the period		(3,397,035)	0	0	(3,397,035)
Other comprehensive income for the period	16	0	0	(3,389,567)	(3,389,567)
Total comprehensive income for the period		(3,397,035)	0	(3,389,567)	(6,786,602)
Balance as at 30 June 2024		63,410,169	975,801	279,445,890	343,831,860
Change in accounting policies		0	0	2,349,167	2,349,167
Restated balance at 1 July 2024		63,410,169	975,801	281,795,057	346,181,027
Comprehensive income for the period					
Net result for the period		(2,984,847)	0	0	(2,984,847)
Other comprehensive income for the period	16	0	0	(176,944)	(176,944)
Total comprehensive income for the period		(2,984,847)	0	(176,944)	(3,161,791)
Balance as at 30 June 2025		60,425,322	975,801	279,268,946	340,670,069

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		9,315,456	9,171,197
Grants, subsidies and contributions		16,148,713	13,375,732
Fees and charges		7,077,730	5,860,549
Interest revenue		248,419	255,634
Goods and services tax received		3,102,662	4,215,970
Other revenue		5,926,394	1,869,985
		41,819,374	34,749,067
Payments			
Employee costs		(14,577,951)	(13,828,513)
Materials and contracts		(18,839,910)	(23,401,208)
Utility charges		(879,495)	(1,069,245)
Finance costs		(232,587)	(194,697)
Insurance paid		(1,241,010)	(1,335,474)
Goods and services tax paid		(3,353,238)	(4,221,924)
Other expenditure		(541,010)	(846,723)
		(39,665,201)	(44,897,784)
Net cash provided by (used in) operating activities	17(b)	2,154,173	(10,148,717)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,831,710)	(2,881,709)
Payments for construction of infrastructure	9(a)	(5,329,734)	(9,753,162)
Proceeds from capital grants, subsidies and contributions		5,862,874	14,963,716
Proceeds from sale of property, plant & equipment		237,553	108,343
Net cash provided by (used in) investing activities		(1,061,017)	2,437,188
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a)	(12,539,077)	(2,237,288)
Proceeds from new borrowings	25(a)	12,000,000	7,000,000
Net cash provided by (used in) financing activities		(539,077)	4,762,712
Net increase (decrease) in cash held		554,079	(2,948,817)
Cash at beginning of year		7,895,069	10,843,886
Cash and cash equivalents at the end of the year	17(a)	8,449,148	7,895,069

This statement is to be read in conjunction with the accompanying notes.

MUNICIPALITY OF DERBY-WEST KIMBERLEY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	23	9,023,756	9,253,510	8,687,508
Rates excluding general rates	23	492,461	460,841	428,812
Grants, subsidies and contributions		16,081,553	27,323,097	14,376,356
Fees and charges		6,353,836	6,493,603	6,127,002
Interest revenue		248,419	187,500	255,634
Other revenue		6,176,394	1,915,600	1,869,985
Profit on asset disposals		195,944	209,546	18,342
		38,572,363	45,843,697	31,763,639
Expenditure from operating activities				
Employee costs		(14,825,578)	(16,416,880)	(13,975,600)
Materials and contracts		(17,766,546)	(24,669,894)	(24,223,701)
Utility charges		(879,495)	(858,300)	(1,069,245)
Depreciation		(8,196,866)	(7,996,421)	(7,972,106)
Finance costs		(577,227)	(229,272)	(419,062)
Insurance		(1,241,010)	(1,775,510)	(1,335,474)
Other expenditure		(3,526,312)	(449,957)	(846,723)
Loss on asset disposals		0	0	(665,474)
		(47,013,034)	(52,396,234)	(50,507,385)
Non-cash amounts excluded from operating activities	24(a)	10,545,428	7,786,875	8,814,497
Amount attributable to operating activities		2,104,757	1,234,338	(9,929,249)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		5,455,824	29,562,057	15,346,711
Proceeds from disposal of assets		237,553	215,850	108,343
		5,693,377	29,777,907	15,455,054
Outflows from investing activities				
Acquisition of property, plant and equipment	8(a)	(1,831,710)	(7,151,370)	(2,881,709)
Acquisition of infrastructure	9(a)	(5,329,734)	(29,360,885)	(9,753,162)
		(7,161,444)	(36,512,255)	(12,634,871)
Amount attributable to investing activities		(1,468,067)	(6,734,348)	2,820,183
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	25(a)	12,000,000	10,000,000	7,000,000
		12,000,000	10,000,000	7,000,000
Outflows from financing activities				
Repayment of borrowings	25(a)	(12,539,077)	(4,829,076)	(2,237,288)
		(12,539,077)	(4,829,076)	(2,237,288)
Amount attributable to financing activities		(539,077)	5,170,924	4,762,712
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(b)	4,266,700	329,086	6,613,054
Amount attributable to operating activities		2,104,757	1,234,338	(9,929,249)
Amount attributable to investing activities		(1,468,067)	(6,734,348)	2,820,183
Amount attributable to financing activities		(539,077)	5,170,924	4,762,712
Surplus or deficit after imposition of general rates	24(b)	4,364,313	0	4,266,700

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF DERBY-WEST KIMBERLEY
FOR THE YEAR ENDED 30 JUNE 2025
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**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

BASIS OF PREPARATION

The financial report of the Shire of Derby-West Kimberley which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 Leases which would have required the Shire to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
 - infrastructure; or
 - vested improvements that the local government controls;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - Note 8
 - Infrastructure - Note 9
- Expected credit losses on financial assets - Note 5
- Measurement of employee benefits - Note 14
- Measurement of provisions - Note 15

Fair value hierarchy information can be found in Note 21

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 of the financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
- AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
- AASB 2023-3 Amendments to Australian Accounting Standards
 - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2024-4b Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards
 - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
 - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 Amendments to Australian Accounting Standards
 - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards
 - Annual Improvements Volume 11

These amendments are not expected to have any material impact on the financial report on initial application.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue recognition

Rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	9,516,217	0	9,516,217
Grants, subsidies and contributions	1,512,398	0	0	14,569,155	16,081,553
Fees and charges	3,720,649	0	2,504,991	128,196	6,353,836
Interest revenue	0	0	181,525	66,894	248,419
Other revenue	3,235,680	0	0	2,940,714	6,176,394
Capital grants, subsidies and contributions	0	5,455,824	0	0	5,455,824
Total	8,468,727	5,455,824	12,202,733	17,704,959	43,832,243

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	9,116,320	0	9,116,320
Grants, subsidies and contributions	1,841,319	0	0	12,535,037	14,376,356
Fees and charges	3,872,773	0	2,169,808	84,421	6,127,002
Interest revenue	0	0	150,498	105,136	255,634
Other revenue	1,548,052	0	0	321,933	1,869,985
Capital grants, subsidies and contributions	0	15,346,711	0	0	15,346,711
Total	7,262,144	15,346,711	11,436,626	13,046,527	47,092,008

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Notes	2025 Actual \$	2024 Actual \$
Interest revenue		
Trade and other receivables overdue interest	191,502	168,697
Other interest revenue	56,917	86,937
	<u>248,419</u>	<u>255,634</u>

The 2025 original budget estimate in relation to:
Trade and other receivables overdue interest was \$127,500.

Fees and charges relating to rates receivable

Charges on instalment plan	15,881	15,080
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The 2025 original budget estimate in relation to:
Charges on instalment plan was \$15,080.

(b) Expenses

Auditors remuneration

- Audit of the annual financial report	116,430	92,588
	<u>116,430</u>	<u>92,588</u>

Employee Costs

Employee benefit costs	10,413,850	9,512,107
Other employee costs	4,411,728	4,463,493
	<u>14,825,578</u>	<u>13,975,600</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	232,587	194,697
Provisions: unwinding of discount	344,640	224,365
	<u>577,227</u>	<u>419,062</u>

Other expenditure

Increase in loss allowance on rates and statutory receivables	20(b)	213,734	0
Increase in loss allowance on trade receivables	20(b)	23,959	0
Increase in make good provision	16	2,961,343	0
Sundry expense relating to Flood damage		0	401,454
Members expenses		327,276	445,269
		<u>3,526,312</u>	<u>846,723</u>

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

3. CASH AND CASH EQUIVALENTS

	Note	2025 \$	2024 \$
Cash at bank and on hand		8,449,148	7,895,069
Total cash and cash equivalents	17(a)	8,449,148	7,895,069
Held as			
- Unrestricted cash and cash equivalents		7,155,187	6,948,006
- Restricted cash and cash equivalents	17(a)	1,293,961	947,063
		8,449,148	7,895,069

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Held as

- Restricted other financial assets at amortised cost

	Note	2025 \$	2024 \$
		975,801	975,801
		975,801	975,801
		975,801	975,801
		975,801	975,801
	17(a)	975,801	975,801
		975,801	975,801

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 21 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

5. TRADE AND OTHER RECEIVABLES

	Note	2025	2024
		\$	\$
Current			
Rates and statutory receivables		1,396,715	1,309,642
Trade receivables		1,132,605	2,405,399
GST receivable		382,816	132,240
Allowance for credit losses of rates and statutory receivables		(256,614)	(42,984)
Allowance for credit losses of trade receivables	20(b)	(230,686)	(218,655)
		2,424,836	3,585,642
Non-current			
Rates and statutory receivables		130,611	124,147
		130,611	124,147

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

	Note	30 June 2025 Actual	30 June 2024 Actual	1 July 2023 Actual
		\$	\$	\$
Trade and other receivables from contracts with customers		1,259,917	2,405,399	1,323,265
Allowance for credit losses of trade receivables	5	(230,686)	(218,655)	(374,162)
Total trade and other receivables from contracts with customers		1,029,231	2,186,744	949,103

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 20.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

6. INVENTORIES

Current

Fuel and materials
Visitor centre stock

2025	2024
\$	\$
8,856	9,251
15,933	16,971
24,789	26,222

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

26,222	50,780
(167,600)	(235,768)
166,167	211,210
24,789	26,222

MATERIAL ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

7. OTHER ASSETS

Other assets - current

Accrued income

2025	2024
\$	\$
135,982	57,207
135,982	57,207

MATERIAL ACCOUNTING POLICIES

Other current assets

Other non-financial assets include accrued income which represent income earned in the financial year ended 30 June 2025, and not received by that date.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

8. PROPERTY, PLANT AND EQUIPMENT

a) Movements in balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Total property				Plant and equipment		Total property, plant and equipment
Note	Land	Buildings	Work in progress	Total property	Plant and equipment	Work in progress	
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	4,213,000	41,097,844	0	45,310,844	1,994,158	8,723	47,313,725
Additions	0	1,787,688	0	1,787,688	1,094,021	0	2,881,709
Disposals	0	(618,905)	0	(618,905)	(136,570)	0	(755,475)
Depreciation	0	(983,568)	0	(983,568)	(307,885)	0	(1,291,453)
Transfers	0	0	0	0	8,723	(8,723)	0
Balance at 30 June 2024	4,213,000	41,283,059	0	45,496,059	2,652,447	0	48,148,506
Comprises:							
Gross balance amount at 30 June 2024	4,213,000	44,139,771	0	48,352,771	4,303,253	0	52,656,024
Accumulated depreciation at 30 June 2024	0	(2,856,712)	0	(2,856,712)	(1,650,806)	0	(4,507,518)
Balance at 30 June 2024	8(b) 4,213,000	41,283,059	0	45,496,059	2,652,447	0	48,148,506
Additions	0	520,515	15,425	535,940	1,295,770	0	1,831,710
Disposals	0	0	0	0	(41,609)	0	(41,609)
Depreciation	0	(964,597)	0	(964,597)	(395,203)	0	(1,359,800)
Balance at 30 June 2025	4,213,000	40,838,977	15,425	45,067,402	3,511,405	0	48,578,807
Comprises:							
Gross balance amount at 30 June 2025	4,213,000	44,660,286	15,425	48,888,711	5,270,219	0	54,158,930
Accumulated depreciation at 30 June 2025	0	(3,821,309)	0	(3,821,309)	(1,758,814)	0	(5,580,123)
Balance at 30 June 2025	8(b) 4,213,000	40,838,977	15,425	45,067,402	3,511,405	0	48,578,807

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date						
Land and buildings						
Land - market value	8(a)	2	Market approach using recent observable market data for similar properties / income approach using discounted cash flow methodology	Independent registered valuer	June 2021	Price per hectare / market borrowing rate
Buildings - non specialised	8(a)	2	Replacement cost method	Independent registered valuer	June 2021	Perth based construction rates with appropriate district allowance applied to each location

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

9. INFRASTRUCTURE

(a) Movements in balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Other infrastructure- drainage	Other infrastructure- footpaths	Other infrastructure - land & parks	Other infrastructure - wharf	Other infrastructure - airports	Other infrastructure - other structures	Other infrastructure - landfill assets	Other infrastructure- work in progress	Total infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	241,660,265	1,862,337	560,508	3,128,082	20,134,141	27,699,333	8,217,880	1,052,650	0	304,315,196
Additions	7,691,547	8,500	164,333	0	54,950	0	1,833,832	0	0	9,753,162
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	70,853	0	70,853
Depreciation	(4,693,910)	(37,465)	(23,767)	(157,516)	(635,960)	(603,829)	(459,663)	(68,543)	0	(6,680,653)
Balance at 30 June 2024	244,657,902	1,833,372	701,074	2,970,566	19,553,131	27,095,504	9,592,049	1,054,960	0	307,458,558
Comprises:										
Gross balance at 30 June 2024	307,759,826	3,318,786	1,377,555	3,443,072	21,459,005	28,906,994	10,926,957	4,906,236	0	382,098,431
Accumulated depreciation at 30 June 2024	(63,101,924)	(1,485,414)	(676,481)	(472,506)	(1,905,874)	(1,811,490)	(1,334,908)	(3,851,276)	0	(74,639,873)
Balance at 30 June 2024	244,657,902	1,833,372	701,074	2,970,566	19,553,131	27,095,504	9,592,049	1,054,960	0	307,458,558
Additions	3,829,766	519,982	0	232,846	0	0	672,716	0	74,424	5,329,734
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	2,349,167	0	2,349,167
Depreciation	(4,728,537)	(39,401)	(26,613)	(134,103)	(639,152)	(543,150)	(577,450)	(148,660)	0	(6,837,066)
Balance at 30 June 2025	243,759,131	2,313,953	674,461	3,069,309	18,913,979	26,552,354	9,687,315	3,255,467	74,424	308,300,393
Comprises:										
Gross balance at 30 June 2025	311,589,592	3,838,768	1,377,555	3,675,918	21,459,005	28,906,994	11,599,673	14,352,261	74,424	396,874,190
Accumulated depreciation at 30 June 2025	(67,830,461)	(1,524,815)	(703,094)	(606,609)	(2,545,026)	(2,354,640)	(1,912,358)	(11,096,794)	0	(88,573,797)
Balance at 30 June 2025	243,759,131	2,313,953	674,461	3,069,309	18,913,979	26,552,354	9,687,315	3,255,467	74,424	308,300,393

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

9. INFRASTRUCTURE (Continued)

b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure- drainage	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure- footpaths	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - land & parks	3	Cost approach using current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - wharf	3	Cost approach using current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - airports	3	Cost approach using current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - other structures	3	Cost approach using current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - landfill assets	3	Cost approach using depreciated replacement cost and using discounted cash flow methodology for make good estimates	Management valuation utilising independent estimates of future make good costs	June 2025	Construction costs including discounted future make good cost estimates and remaining useful life estimates

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset class	Useful life
Buildings	30 to 80 years
Plant and equipment	2 to 20 years
Infrastructure - roads	
- sealed road surface	14 to 22 years
- sealed road pavement	75 years
- concrete road pavement	85 years
- unsealed road pavement	25 years
- road formation	Infinite
- kerb and channel	80 years
Other infrastructure - drainage	100 years
Other infrastructure - footpaths	10 to 80 years
Other infrastructure - land & parks	10 to 100 years
Other infrastructure - wharf	35 years
Other infrastructure - airports	8 to 65 years
Other infrastructure - other structures	10 to 50 years
Other infrastructure - landfill assets	20 to 50 years

(b) Fully depreciated assets in use

The gross carrying amount of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2025	2024
	\$	\$
Plant and equipment	605,011	822,703
Other infrastructure - other structures	204,665	5,329
	809,676	828,032

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Accrued expenses
Other payables
Accrued interest on loans

2025	2024
\$	\$
3,454,203	3,132,029
161,796	246,313
302,408	399,499
341,765	1,497,775
264,306	397,351
38,628	67,769
4,563,106	5,740,736

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

**SHIRE OF DERBY-WEST KIMBERLEY
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12. OTHER LIABILITIES

	2025	2024
	\$	\$
Current		
Contract liabilities	106,218	166,370
Capital grant/contributions liabilities	1,187,743	780,693
	<u>1,293,961</u>	<u>947,063</u>
Reconciliation of changes in contract liabilities		
Opening balance	166,370	84,860
Additions	106,218	118,663
Revenue from contracts with customers included as a contract liability at the start of the period	(166,370)	(37,153)
	<u>106,218</u>	<u>166,370</u>
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	780,693	1,107,545
Additions	915,743	719,937
Revenue from capital grant/contributions held as a liability at the start of the period	(508,693)	(1,046,789)
	<u>1,187,743</u>	<u>780,693</u>

MATERIAL ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

**SHIRE OF DERBY-WEST KIMBERLEY
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13. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		5,394,024	1,514,354	6,908,378	5,539,077	1,908,378	7,447,455
Total secured borrowings	25(a)	5,394,024	1,514,354	6,908,378	5,539,077	1,908,378	7,447,455

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 25(a).

Information regarding exposure to risk can be found at Note 20.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2025	2024
	\$	\$
	853,893	620,098
	361,923	335,840
	1,215,816	955,938
	1,215,816	955,938
	214,776	129,936
	214,776	129,936
	214,776	129,936
	1,430,592	1,085,874

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	2025	2024
	\$	\$
	1,195,150	813,593
	235,442	272,281
	1,430,592	1,085,874

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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15. OTHER PROVISIONS

	Note	Make good provisions \$	Other provisions \$	Total \$
Opening balance at 1 July 2024				
Current provisions		0	56,144	56,144
Non-current provisions		8,322,167	839,853	9,162,020
		8,322,167	895,997	9,218,164
Increase in provision charged to the revaluation surplus	16	2,526,111	0	2,526,111
Increase in provision charged to profit or loss	2(b)	2,961,343	0	2,961,343
Amounts used		0	(645,997)	(645,997)
Unused amounts reversed		0	(250,000)	(250,000)
Charged to profit or loss - unwinding of discount		344,640	0	344,640
Balance at 30 June 2025		14,154,261	0	14,154,261
Comprises				
Non-current		14,154,261	0	14,154,261
		14,154,261	0	14,154,261

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions

Under the licence for the operation of the Shire of Derby-West Kimberley waste landfill sites, the Shire has a legal obligation to restore the sites.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the sites. During the year management received a landfill financial summary for the Derby and Fitzroy landfill sites resulting in an increase to the value of landfill assets of \$2,349,167 and an increase in the landfill provision of \$5,487,454. The increase in the provision has been allocated firstly against the revaluation surplus with the balance charged to profit and loss in accordance with *Interpretation 1*. The amount of \$2,961,343 charged to profit and loss was allocated to other expenditure. Refer Note 2(b).

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the remediation provision at each reporting date.

MATERIAL ACCOUNTING POLICIES

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. REVALUATION SURPLUS

	2025 Opening balance	2025 Movement of asset	2025 Movement of provision *	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	12,888,340	0	0	12,888,340	12,888,340	0	12,888,340
Revaluation surplus - Buildings	8,731,138	0	0	8,731,138	8,731,138	0	8,731,138
Revaluation surplus - Plant and equipment	748,903	0	0	748,903	748,903	0	748,903
Revaluation surplus - Computer equipment	18,880	0	0	18,880	18,880	0	18,880
Revaluation surplus - Infrastructure - roads	201,576,694	0	0	201,576,694	201,576,694	0	201,576,694
Revaluation surplus - Other infrastructure- drainage	2,294,725	0	0	2,294,725	2,294,725	0	2,294,725
Revaluation surplus - Other infrastructure - land & parks	4,451,496	0	0	4,451,496	4,451,496	0	4,451,496
Revaluation surplus - Other infrastructure - wharf	17,705,999	0	0	17,705,999	17,705,999	0	17,705,999
Revaluation surplus - Other infrastructure - airports	28,313,650	0	0	28,313,650	28,313,650	0	28,313,650
Revaluation surplus - Other infrastructure - other structures	2,539,121	0	0	2,539,121	2,539,121	0	2,539,121
Revaluation surplus - Other infrastructure - landfill assets	176,944	2,349,167	(2,526,111)	0	3,566,511	(3,389,567)	176,944
	279,445,890	2,349,167	(2,526,111)	279,268,946	282,835,457	(3,389,567)	279,445,890

* refer note 15

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	Note	2025 Actual	2024 Actual
Cash and cash equivalents	3	\$ 8,449,148	\$ 7,895,069

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	1,293,961	947,063
- Financial assets at amortised cost	4	975,801	975,801
		2,269,762	1,922,864

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	26	975,801	975,801
Contract liabilities	12	106,218	166,370
Capital grant liabilities	12	1,187,743	780,693
Total restricted financial assets		2,269,762	1,922,864

(b) Reconciliation of net result to net cash provided by operating activities

Net result		(2,984,847)	(3,397,035)
Non-cash items:			
Depreciation/amortisation		8,196,866	7,972,106
(Profit)/loss on sale of asset		(195,944)	647,132
Increase in make good provision through profit or loss		2,961,343	0
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		1,154,342	(1,383,755)
(Increase)/decrease in other assets		(78,775)	256,205
(Increase)/decrease in inventories		1,433	24,558
Increase/(decrease) in trade and other payables		(1,177,630)	747,704
Increase/(decrease) in employee related provisions		344,718	25,204
Increase/(decrease) in other provisions		(551,357)	168,222
Increase/(decrease) in other liabilities		346,898	(245,342)
Capital grants, subsidies and contributions		(5,862,874)	(14,963,716)
Net cash provided by/(used in) operating activities		2,154,173	(10,148,717)

(d) Undrawn borrowing facilities

Credit standby arrangements

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(21,926)	(24,320)
Total amount of credit unused	28,074	25,680

Loan facilities

Loan facilities - current	5,394,024	5,539,077
Loan facilities - non-current	1,514,354	1,908,378
Total facilities in use at balance date	6,908,378	7,447,455

Unused loan facilities at balance date	NIL	NIL
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**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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18. CONTINGENT LIABILITIES

Potential Contaminated Sites

In compliance with the Contaminated Sites Act 2003, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

Derby Airport
Myalls Bore
Fitzroy Crossing Works Depot
Derby Works Depot
Derby Landfill Site
Derby Cemetery
Fitzroy Crossing Landfill Site
Fitzroy Crossing Cemetery
Camballin Cemetery
Camballin Landfill Sites

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environment Regulation the need and criteria for remediation using on a risk based approach, the amount of the contingent liability is unknown. This approach is consistent with the Department of Water and Environment Regulation Guidelines.

**SHIRE OF DERBY-WEST KIMBERLEY
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19. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.

Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
President's annual allowance	41,094	51,414	54,069
President's meeting attendance fees	20,205	25,280	23,231
President's annual allowance for ICT expenses	1,199	1,500	1,334
President's annual allowance for travel and accommodation expenses	2,675	0	12,464
	65,173	78,194	91,098
Deputy President's annual allowance	11,425	12,854	15,682
Deputy President's meeting attendance fees	12,569	18,853	17,325
Deputy President's annual allowance for ICT expenses	1,000	1,500	1,334
Deputy President's annual allowance for travel and accommodation expenses	0	0	9,072
	24,994	33,207	43,413
All other council member's meeting attendance fees	149,027	131,971	115,951
All other council member's annual allowance for ICT expenses	22,987	10,500	8,922
All other council member's annual allowance for travel and accommodation expenses	0	0	4,325
	172,014	142,471	129,198
19(b)	262,181	253,872	263,709

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	1,266,789	1,486,200
Post-employment benefits	165,841	180,305
Employee - other long-term benefits	84,958	107,260
Employee - termination benefits	30,962	0
Council member costs	262,181	263,709
19(a)	1,810,731	2,037,474

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF DERBY-WEST KIMBERLEY
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19. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2025 Actual \$	2024 Actual \$
Sale of goods and services	6,750	9,781
Purchase of goods and services	1,332,137	218,998
Amounts outstanding from related parties:		
Trade and other receivables	1,695	937
Amounts payable to related parties:		
Trade and other payables	136,596	0

(d) Related parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

**SHIRE OF DERBY-WEST KIMBERLEY
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20. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non interest bearing
	%	\$	\$	\$	\$
2025					
Cash and cash equivalents	2.53%	8,449,148	0	8,448,248	900
Financial assets at amortised cost - term deposits	5.02%	975,801	975,801	0	0
2024					
Cash and cash equivalents	0.15%	7,895,069	0	7,893,519	1,550
Financial assets at amortised cost - term deposits	4.88%	975,801	975,801	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2025	2024
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	84,482	78,935

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 25(a).

**SHIRE OF DERBY-WEST KIMBERLEY
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20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and other receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2025					
Trade receivables					
Expected credit loss	5.37%	4.61%	8.22%	57.75%	
Gross carrying amount	727,539	285,381	40,629	303,266	1,356,815
Loss allowance	39,053	13,153	3,339	175,141	230,686
30 June 2024					
Trade receivables					
Expected credit loss	4.71%	4.71%	9.87%	23.91%	
Gross carrying amount	1,455,876	705,155	48,156	468,879	2,678,066
Loss allowance	68,564	33,214	4,753	112,124	218,655

**SHIRE OF DERBY-WEST KIMBERLEY
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20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The loss allowances for trade, other receivables and rates and statutory receivables as at 30 June reconcile to the opening loss allowances as follows:

	Note	Trade receivables		Rates and statutory receivables	
		2025 Actual	2024 Actual	2025 Actual	2024 Actual
Opening loss allowance as at 1 July		\$ 218,655	\$ 374,162	\$ 42,984	\$ 42,984
Increase in loss allowance recognised in profit or loss during the year	2(b)	23,959	0	213,734	0
Receivables written off during the year as uncollectible		(11,928)	(119,689)	(104)	0
Unused amount reversed		0	(35,818)	0	0
Closing loss allowance at 30 June		230,686	218,655	256,614	42,984

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

**SHIRE OF DERBY-WEST KIMBERLEY
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20. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
2025	\$	\$	\$	\$	\$
Trade and other payables	4,127,685	0	0	0	4,127,685
Borrowings	5,394,024	1,447,938	68,660	7,099,335	6,908,378
	9,521,709	1,447,938	68,660	7,099,335	11,036,063
2024					
Trade and other payables	5,740,736	0	0	5,740,736	5,740,736
Borrowings	5,643,349	1,700,731	398,604	7,742,684	7,447,455
	11,384,085	1,700,731	398,604	13,483,420	13,188,191

**SHIRE OF DERBY-WEST KIMBERLEY
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11. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

22. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council. Other costs that relate to the tasks of assisting elected members and ratepayers on the matters which do not concern specific council services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
Health To provide an operational framework for environmental and community health.	Food quality and pest control, inspection of abattoir and operation of child health clinic, analytical testing and environmental health administration.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Year round care, housing for the aged and educational services.
Housing Help ensure adequate housing.	Management and maintenance of staff and rental housing.
Community amenities To provide services required by the community.	Rubbish collections, recycling, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities, sewerage and protection of the environment.
Recreation and culture To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance and operation of the Town Hall, the aquatic centre, recreation centre, library, community arts program, cultural activities and various services.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths, street lighting, traffic management and airport. Purchase and disposal of Council's road plant, parking control and police licensing.
Economic services To help promote the Shire and its economic well being.	Building control, saleyards, tourism and area promotion, standpipes and pest control.
Other property and services To monitor and control the Shire's overheads operating accounts.	Private works operations, plant repairs and operation costs, stock and materials, property leases and rental, salaries and wages for council employees.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

22. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2025 Actual \$	2024 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	3,260	7,172
General purpose funding	9,812,769	9,429,235
Law, order, public safety	58,271	78,972
Health	48,755	54,350
Education and welfare	27,138	153,517
Housing	1,140,304	140,781
Community amenities	3,244,011	3,187,825
Recreation and culture	541,782	687,503
Transport	3,298,516	7,951,823
Economic services	104,408	65,019
Other property and services	4,211,596	747,123
	22,490,810	22,503,320
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	44,071	8,444
General purpose funding	5,947,356	7,361,554
Law, order, public safety	71,067	240,671
Health	893,811	618,265
Education and welfare	683,567	923,751
Community amenities	94,238	0
Recreation and culture	844,167	1,104,508
Transport	4,480,668	10,956,544
Economic services	343,465	0
Other property and services	8,134,967	3,393,293
	21,537,377	24,607,030
Total income	44,028,187	47,110,350
Expenses		
Governance	(1,593,572)	(2,296,303)
General purpose funding	(580,240)	(410,504)
Law, order, public safety	(998,632)	(1,204,082)
Health	(1,213,574)	(1,788,482)
Education and welfare	(2,101,174)	(1,958,443)
Housing	(1,267,123)	(724,071)
Community amenities	(7,562,584)	(4,784,347)
Recreation and culture	(8,140,541)	(8,660,669)
Transport	(14,045,933)	(12,804,064)
Economic services	(1,218,734)	(1,671,141)
Other property and services	(8,290,927)	(14,205,279)
Total expenses	(47,013,034)	(50,507,385)
Net result for the period	(2,984,847)	(3,397,035)
(c) Assets		
Governance	300,660	242,403
General purpose funding	1,173,979	1,415,037
Law, order, public safety	636,572	850,799
Health	534,338	518,793
Education and welfare	3,045,115	2,801,336
Housing	9,928,989	10,124,970
Community amenities	7,133,162	4,544,085
Recreation and culture	21,837,046	22,291,869
Transport	305,202,870	307,711,021
Economic services	3,367,714	3,323,293
Other property and services	4,548,792	3,837,281
Unallocated	11,311,130	10,610,265
Total assets	369,020,367	368,271,152

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

23. RATING INFORMATION

(a) General rates

RATE TYPE				2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2023/24
Rate description	Basis of valuation	Rate in \$	Number of properties	Actual rateable value*	Actual rate revenue	Actual interim rates	Actual total revenue	Budget rate revenue	Budget interim rate	Budget total revenue	Actual total revenue
GRV General	Gross rental valuation	0.144896	1,402	39,820,185	5,769,786	0	5,769,786	5,769,786	3,000	5,772,786	5,537,684
UV General	Unimproved valuation	0.090954	145	38,236,074	3,477,724	(223,754)	3,253,970	3,477,724	3,000	3,480,724	3,129,909
Total general rates			1,547	78,056,259	9,247,510	(223,754)	9,023,756	9,247,510	6,000	9,253,510	8,667,593
Minimum payment											
GRV General	Gross rental valuation	1,643	273	1,270,970	448,539	0	448,539	448,539	0	448,539	435,708
UV General	Unimproved valuation	638	130	280,003	82,940	0	82,940	82,302	0	82,302	84,940
Total minimum payments			403	1,550,973	531,479	0	531,479	530,841	0	530,841	520,648
Total general rates and minimum payments			1,950	79,607,232	9,778,989	(223,754)	9,555,235	9,778,351	6,000	9,784,351	9,188,241
Discounts							(39,018)			(70,000)	(71,921)
Total rates							9,516,217			9,714,351	9,116,320
(b) Rates related information											
Rates instalment interest							25,953			25,000	19,235
Rates instalment plan charges							15,881			15,080	15,080
Rates overdue interest							155,571			102,500	131,264

*Rateable Value at time of raising of rate.

**SHIRE OF DERBY-WEST KIMBERLEY
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24. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
	Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(195,944)	(209,546)	(18,342)
Add: Loss on disposal of assets		0	0	665,474
Add: Depreciation	10(a)	8,196,866	7,996,421	7,972,106
Add: Increase in make good provision through profit or loss		0		
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(6,464)	0	(5,349)
Employee benefit provisions		84,840	0	32,386
Other provisions		2,466,130	0	168,222
Non-cash amounts excluded from operating activities		10,545,428	7,786,875	8,814,497
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	26	(975,801)	(975,801)	(975,801)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	5,394,024	10,062,639	5,539,077
- Employee benefit provisions		402,441	402,441	402,441
Total adjustments to net current assets		4,820,664	9,489,279	4,965,717
Net current assets used in the Statement of financial activity				
Total current assets		12,010,556	3,660,365	12,539,941
Less: Total current liabilities		(12,466,907)	(13,149,644)	(13,238,958)
Less: Total adjustments to net current assets		4,820,664	9,489,279	4,965,717
Surplus or deficit after imposition of general rates		4,364,313	0	4,266,700

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Actual							Budget			
	Principal at	New loans	Principal	Principal at 30	New loans	Principal	Principal at	Principal at 1	New loans	Principal	Principal at
	1 July 2023	during 2023-24	repayments during 2023-24	June 2024	during 2024-25	repayments during 2024-25	30 June 2025	July 2024	during 2024-25	repayments during 2024-25	30 June 2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff housing	26,728	0	(26,728)	0	0	0	0	0	0	0	0
Staff housing	465,197	0	(54,699)	410,498	0	(58,216)	352,282	410,499	0	(58,216)	352,283
Staff housing	223,894	0	(10,231)	213,663	0	(32,093)	181,570	213,663	0	(32,093)	181,570
Staff housing	0	0	0	0	0	0	0	0	5,000,000	0	5,000,000
Wharf fenders, boat ramp	137,417	0	(15,216)	122,201	0	(48,859)	73,342	122,200	0	(48,858)	73,342
Derby wharf infrastructure	212,810	0	(19,875)	192,935	0	(61,443)	131,492	192,935	0	(61,443)	131,492
Derby Airport Infrastructure & wharf	1,338,829	0	(97,749)	1,241,080	0	(298,350)	942,730	1,241,080	0	(298,350)	942,730
Derby Visitors Centre	279,868	0	(12,790)	267,078	0	(40,116)	226,962	267,079	0	(40,116)	226,963
WATC short term loan	0	2,000,000	(2,000,000)	0	0	0	0	0	0	0	0
WATC short term loan	0	2,000,000	0	2,000,000	0	(2,000,000)	0	5,000,000	0	(4,290,000)	710,000
WATC short term loan	0	1,000,000	0	1,000,000	0	(1,000,000)	0	0	5,000,000	0	5,000,000
WATC short term loan	0	2,000,000	0	2,000,000	0	(2,000,000)	0	0	0	0	0
WATC short term loan	0	0	0	0	3,000,000	(3,000,000)	0	0	0	0	0
WATC short term loan	0	0	0	0	2,000,000	(2,000,000)	0	0	0	0	0
WATC short term loan	0	0	0	0	2,000,000	(2,000,000)	0	0	0	0	0
WATC short term loan	0	0	0	0	2,000,000	0	2,000,000	0	0	0	0
WATC short term loan	0	0	0	0	1,000,000	0	1,000,000	0	0	0	0
WATC short term loan	0	0	0	0	2,000,000	0	2,000,000	0	0	0	0
Total	2,684,743	7,000,000	(2,237,288)	7,447,455	12,000,000	(12,539,077)	6,908,378	7,447,456	10,000,000	(4,829,076)	12,618,380

**SHIRE OF DERBY-WEST KIMBERLEY
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25. BORROWING AND LEASE LIABILITIES (Continued)

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					\$	\$	\$
Staff housing	136	WATC	6.46%	28/05/2024	0	0	(1,142)
Staff housing	146	WATC	6.33%	28/03/2030	(24,127)	(25,078)	(27,701)
Staff housing	148	WATC	4.49%	29/06/2032	(8,878)	(13,680)	(9,818)
Staff housing	N/A	WATC	TBA	N/A	0	0	0
Wharf fenders, boat ramp	145	WATC	6.87%	30/06/2027	(6,749)	(10,952)	(8,912)
Derby wharf infrastructure	151	WATC	3.02%	29/09/2028	(4,901)	(7,821)	(6,120)
Derby Airport Infrastructure & wharf	152	WATC	1.73%	30/12/2029	(18,895)	(29,640)	(22,307)
Derby Visitors Centre	149	WATC	4.49%	29/06/2023	(11,098)	(17,101)	(12,272)
WATC short term loan	DREWA	WATC	4.7 - 5.01%	31/12/2024	0	0	(106,425)
WATC short term loan	258089	WATC	4.87%	11/07/2024	(1,650)	(40,000)	0
WATC short term loan	259216	WATC	4.92%	11/07/2024	(1,135)	0	0
WATC short term loan	259705	WATC	5.01%	31/12/2024	(50,203)	0	0
WATC short term loan	363502	WATC	4.72%	31/10/2024	(29,489)	0	0
WATC short term loan	271551	WATC	4.78%	28/02/2025	(15,453)	0	0
WATC short term loan	274853	WATC	4.45%	20/06/2025	(27,318)	0	0
WATC short term loan	276042	WATC	4.49%	21/08/2025	(23,861)	0	0
WATC short term loan	278403	WATC	4.21%	31/10/2025	(6,335)	0	0
WATC short term loan	281211	WATC	4.23%	20/11/2025	(2,495)	0	0
Total finance cost payments					(232,587)	(144,272)	(194,697)

* WA Treasury Corporation

(b) New borrowings - 2024/25

Particulars/purpose	Institution	Loan type	Term years	Interest rate	Amount borrowed		Amount (used)		Total interest and charges	Actual balance unspent
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
				%	\$	\$	\$	\$	\$	\$
Staff housing	WATC	Short Term	3	TBA	0	5,000,000	0	(5,000,000)	0	0
WATC short term loan	WATC	Short Term	3	TBA	12,000,000	5,000,000	12,000,000	(5,000,000)	(104,951)	12,000,000
					12,000,000	10,000,000	12,000,000	(10,000,000)	(104,951)	12,000,000

* WA Treasury Corporation

**SHIRE OF DERBY-WEST KIMBERLEY
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26. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	402,441	0	0	402,441	402,441	0	0	402,441	402,441	0	0	402,441
(b) Office Building Reserve	314,511	0	0	314,511	314,511	0	0	314,511	314,511	0	0	314,511
(c) Airport Reserve	28,456	0	0	28,456	28,456	0	0	28,456	28,456	0	0	28,456
(d) Derby Wharf Maintenance Reserve	3,721	0	0	3,721	3,721	0	0	3,721	3,721	0	0	3,721
(e) Economic Development Reserve	19,936	0	0	19,936	19,936	0	0	19,936	19,936	0	0	19,936
(f) Fitzroy Crossing Recreation Hall Reserve	46,771	0	0	46,771	46,771	0	0	46,771	46,771	0	0	46,771
(g) Staff Housing Reserve	159,965	0	0	159,965	159,965	0	0	159,965	159,965	0	0	159,965
	975,801	0	0	975,801	975,801	0	0	975,801	975,801	0	0	975,801

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave Reserve	To be used to fund annual and long service leave requirements.
(b) Office Building Reserve	To be used to fund the new Derby administration building.
(c) Airport Reserve	To be used to fund airport capital works, primarily bitumen resealing.
(d) Derby Wharf Maintenance Reserve	To be used to carry out wharf maintenance.
(e) Economic Development Reserve	To promote economic development within the Shire.
(f) Fitzroy Crossing Recreation Hall Reserve	To be used to quarantine funds received from the lease of the FX Recreation Hall to be utilised for any upgrade works.
(g) Staff Housing Reserve	To be used for the construction of staff housing.

8.2 COUNCIL POLICY MANAGEMENT - POLICY REVIEW**File Number:** 4160**Author:** Telia Reilly, Governance and Risk Coordinator**Responsible Officer:** Jill Brazil, Director Corporate Services**Authority/Discretion:** Legislative**SUMMARY**

Council is committed to ensuring that its policies address a clearly identified issue in a proportionate and considered manner, remain relevant, and do not impose unnecessary burdens on external stakeholders or generate internal inefficiencies.

Policies are intended to provide for the efficient and effective use of the Shire's resources and enable Council to make decisions based on the principles of equity, fairness, natural justice, transparency and accountability, as well as meeting statutory requirements.

Shire officers have conducted a comprehensive review of the Shire's Council policies and made recommendations for retention, amendment, renewal and repeal.

DISCLOSURE OF ANY INTEREST

Nil by Author or responsible Officer

BACKGROUND

A comprehensive review of all Council policies has been completed, including evaluation assessment and recommendations provided by an independent external advisor, under a guiding principle of ensuring that all policies meet relevant statutory requirements and remain fit for purpose. Policies were also compared to relevant independent advice and templates provided by the West Australian Local Government Association and the Department of Local Government.

STATUTORY ENVIRONMENT

Local Government Act 1995, s.2.7 (2) (b) - The council's governing role includes the following — (b) determining the local government's policies.

POLICY IMPLICATIONS

As set out in this report.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUR PRIORITIES	WE WILL
1. Leadership and Governance	1.2 Capable, inclusive and effective organisation	1.2.2 Provide strong governance

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure is authorised in advance by an absolute majority of Council	Rare	Minor	Low	Expenditure to only be incurred in accordance with budget parameters, which have been structured on financial viability and sustainability principles

CONSULTATION

Internal and external consultancy.

COMMENT

Compulsory policy provisions are set out the *Local Government Act 1995*, which requires that local governments must adopt a policy in specified statutory circumstances. This review ensures that policies are appropriate to the following statutory provisions:

- Section 5.39C: Temporary Employment or Appointment of Acting CEO*
- Section 5.50: Payments to employees in addition to contract or award
- Section 5.90A: Attendance at Events Policy*
- Section 5.128: Council Member Continuing Professional Development*
- r.11A, Functions and General Regulations: Purchasing Policy for goods and services under \$250,000

** require absolute majority resolution*

Additionally, a local government may adopt a policy under section 5.129 of the Act relating to paying fees or reimbursing expenses to attend training or professional development. Council Policy C2 - Council Member Training and Professional Development includes provision for reimbursement of travel expenses for approved use of a private motor vehicle. Council Policy C12 – Elected Member Fees and President’s Allowances does not provide additional provisions for fees to be paid relative to training or professional development.

A future policy requirement will be introduced through the *Local Government Amendment Act 2024* Section 5.56AA ‘Rates and Revenue Policy’ however this is pending commencement to coincide with the 2026/27 Annual Budget.

Numerous Council policies are subject to recommendations to repeal, replace or retain with amendment. The complete suite of policies can be found attached to the report, and it recommended they be adopted as proposed.

The following comments are provided as a guide to those policies that have been substantially reviewed, recommended to be replaced or recommend for repeal.

Council Policy	Comment
C3 Caretaker Policy	Recommend Rescind - No longer required due to commencement of Section 3.73 of the Act.
C4 Violence and Aggression	Recommend Rescind - Shire could potentially consider a more substantial policy approach in future.
C5 Council Meetings – Date, Time and Venue	Recommend Rescind - In report to Council Annually for their endorsement.
C6 Use of Council Chambers	Recommend Rescind – Internal booking process in place.
C8 Public Statements by President	Recommend Rescind - Replicates much of Policy C14, which is a suitable approach.
C9 Temporary Appointment of CEO	Recommend Rescind - Current policy not fully compliant with s.5.39C of Act, new Policy aligns with compliant WALGA template.
C11 Electronic Council Meetings	Recommend Rescind – Policy updated to ensure compliance with <i>Local Government (Administration) Regulations</i> .
C15 Child Safeguarding	Recommend Replace - version sourced from recommended Department of Local Government template.
ES3 Fraud, Misconduct Control	Recommend Rescind – Recommendation from Office of Auditor General is to adopt Fraud Control Action Plan as an internal CEO workplace directive, not a Council Policy.
ES4 Local Publications	Recommend Rescind – No requirement for policy to give local notice, this is mandated in <i>Local Government (Administration) Regulations</i> .
F10 Forward Planning	Recommend Rescind – This policy cross-references other policies and is not required.
F11 Budget Issues	Recommend Rescind - Policy principal will be incorporated in new annual Rates and Revenue Policy (section 5.56AA) when it commences in 2026.
F12 Rates Admin. Charges	Recommend Rescind – This subject matter is provided for under s.6.45(3) of the Act.
F13 Reserve Accounts	Recommend Rescind – Consideration of reserve accounts determined by Council in annual budget preparation.
F14 Loan Borrowings	Recommend Rescind - Consideration of reserve accounts determined by Council in annual budget preparation.
F15 Provisions	Recommend Rescind - Consideration of reserve accounts determined by Council in annual budget preparation.
F16 Cash Flow Management	Recommend Rescind – Current policy reads as a statement rather than policy guidance.

F18 Portable and Attractive Items	Recommend Rescind – Current policy is guided by FM Reg 17B which is a responsibility of the CEO. Principles will be converted to internal procedure.
PC5 GPS Fleet Tracking	Recommend Rescind – Current internal procedure is adequate.
R1 Fire Control Officers Authorities	Recommend Rescind - Only Shire employees can be authorised to purchase goods and services.

VOTING REQUIREMENT

Absolute majority

ATTACHMENTS

Nil

COMMITTEE RESOLUTION AC18/25

Moved: Mr Jeffrey Porra

Seconded: Cr Val Ross

That the Audit, Risk and Improvement Committee recommend that Council by **ABSOLUTE MAJORITY** resolves to:

1. ADOPT the below Council Policies:

C1: Elected Member and Chief Executive Officer attendance at events and functions

C2: Council Member Training and Professional Development

C9: Temporary employment or appointment of Acting CEO

2. APPROVES the Chief Executive Officer to make any relevant amendments, formatting, or other minor wording changes to the policies.

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0

COMMITTEE RESOLUTION AC19/25

Moved: Cr Eliot Money

Seconded: Mr Peter McCumstie

That the Audit, Risk and Improvement Committee recommend that Council **RESCINDS** the following policies:

C3: Caretaker Electoral Period

C4: Violence and Aggression

C5: Council Meetings – Date, Time and Venue

C6: Use of Council Chambers

C8: Public Statements by President, Councillors and Chief Executive Officer

C15: Child Safeguarding

ES4: Local Publications

F10: Forward Planning

F11: Budget Issues

F12: Rates – Administration, Interims and Interest Charges

F13: Reserve Accounts

F14: Loan Borrowings

F16: Cash Flow Management

F18: Portable and Attractive Items

PPC5: GPS Fleet Tracking

R1: Fire Control Officers Authorities

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0

COMMITTEE RESOLUTION AC20/25

Moved: Mr Peter McCumstie

Seconded: Mr Jeffrey Porra

That the Audit, Risk and Improvement Committee recommend that Council:

1. ADOPTS the below Council Policies:

C7: Presentations on Completion of Service Objective

C10: Code of Conduct Behaviour Complaints Management

C19: Electronic Attendance at Meetings

C12: Council Members Fees and President's Allowances

C14: Media and Communications

C16: Use of Common Seal and Execution of Documents

C17: Council Policy Management Framework

C18: Child Safety Awareness

ES1: Legal Representation Costs Indemnification

ES2: Establishment of Commercial Leases

ES3: Fraud, Misconduct and Resilience

ES5: Community Leases and License Agreements of Shire Assets (Facilities, Buildings and Land)

F1: Procurement of Goods and Services

F2: Asset Management

F3: Significant Accounting

F4: Sundry Debtors Collection

F5: Outstanding Rates Collection

F6: Financial Hardship

F7: Regional Price Preference

F8: Transaction Cards
F9: Rating Administration
F17: Investments
F19: Community Funding Scheme
F20: Related Party Disclosure
F22: Damages Claims
H21: Traders and Stall Holders Permits
PC1: Risk and Opportunity Management
PC2: Work, Health and Safety
PC3: Injury Management and Rehabilitation
PC6: Volunteer Emergency Service / Defence Reservist Leave
PC7: Generative Artificial Intelligence (AI)
TP1: Light Industrial Area – Caretakers Residence
TP2: Radio Masts
TP4: Town Centre Development
TP5: Transportable / Relocated Dwellings
TPG1: Town Planning Guideline Minimum Floor Level for New Buildings Fitzroy Crossing and Camballin
W1: Crossovers
W4: Memorials in Public Parks and Reserves
W5: Public Art
W7: Closed Circuit Television (CCTV)
W3: Underground Public Utilities Services that cross Council Controlled Thoroughfares

2. AUTHORISES the Chief Executive Officer to make any relevant amendments, formatting, or other minor wording changes to the policies.

In Favour: *Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.*

Against: *Nil*

CARRIED 6/0

8.3 GOVERNANCE AND COMPLIANCE - RISK MANAGEMENT

File Number: 5476

Author: Telia Reilly, Governance and Risk Coordinator

Responsible Officer: Jill Brazil, Director Corporate Services

Authority/Discretion: Executive

SUMMARY

This report presents an update on controls developed and implemented in ensuring effective risk management.

DISCLOSURE OF ANY INTEREST

Nil by Author or Responsible Officer

BACKGROUND

The Audit, Risk and Improvement Committee provides guidance and assistance to Council. The Committee assumes a key role in assisting the Shire fulfil its governance and oversight obligations related to financial reporting, internal controls, risk management systems, legislative compliance, ethical accountability and internal and external functions.

There are a number of audits that local governments are required to complete to address these obligations, and the reports from these audits are presented for endorsement at the time. Managing risk requires all Council Members and officers to use an interactive process consisting of steps that, when undertaken in sequence, enable a sound basis for decision-making and facilitates continuous improvement in performance.

STATUTORY ENVIRONMENT

Local Government Act 1995 - Section 7.1A requires a local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

Local Government (Audit) Regulations 1996 – Regulation 17 requires the Chief Executive Officer to review certain systems and procedures.

Local Government (Financial Management) Regulations 1996 - Part 2 s.6.10 provides requirements for general financial management of the local government.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUR PRIORITIES	WE WILL
1. Leadership and Governance	1.2 Capable, inclusive and effective organisation	1.2.2 Provide strong governance

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: Non-compliance with legislation	Possible	Moderate	Medium	Continue to build and monitor internal procedures and to educate employees on legislative compliance
Reputation: Adverse media and lack of community confidence	Possible	Moderate	Medium	Continue to build and monitor internal procedures and to ensure legislative compliance

CONSULTATION

Internal

COMMENT

The below table highlights the current status of the Shire's Risk Register.

STATUS	NUMBER
Identified risk items at beginning of reporting	94
Risk Items added to register since inception	40
Completed (Since 23 May 2024)	80
TOTAL OUTSTANDING	54

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

- Governance and Compliance - Risk Register** [!\[\]\(9f838ef7a2a770df25722ec20fd3a1da_img.jpg\)](#) 

COMMITTEE RESOLUTION AC21/25**Moved: Mr Peter McCumstie****Seconded: Cr Trish Gault**

That the Audit, Risk and Improvement Committee recommend that Council RECEIVE and NOTE the information contained in the attached Risk Register – October 2025.

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
egulation 17 Review - December 2022									
1	Claims and Litigation	5.1 Dealing with claims and litigation (Risk Management)	The Shire does not have a formal internal process for dealing with claims and litigation. However, we understand from officers that it is well understood that engagement of legal advisors requires approval of the CEO.	Draft a CEO directive to provide guidelines for how to manage a claim in a manner that minimises risk. This should include consulting with the Shire's insurers and guidance on how to appropriately communicate to the claimant (if at all).		Medium	Ongoing	31/10/25 There is a draft CEO Directive (D-CP5) Criminal Investigations and Prosecutions that continues to be reviewed to include claims and litigation against the Shire. Liaison is ongoing with LGIS	Progressing
2	Environmental Management Plan	5.1 Environmental risk management (Risk Management)	The Shire does not maintain a Shire-wide environmental risk management plan. The Shire does maintain a Derby Port Environmental Policy which sets out high-level goals regarding the environmental management of the port and surrounding waters. Specific mitigation strategies are not identified. The Derby Waste Disposal Site is nearing the end of its capacity.	Develop environmental management plans for high-risk areas of the Shire. All plans must comply with relevant legislation vesting/management orders, and head leases. High-risk areas may include waste management sites, the Derby Port, and the Derby and Fitzroy Crossing depots and their respective airports. If not done so already, ensure all contaminated sites are being managed in accordance with their waste site licence requirements and other relevant statutory requirements. Plan for the future of the Shire's (and its community's) waste disposal requirements. Consider developing a Shire-wide Environmental Risk Management plan to address the Shire's environmental targets. This may include factors such as responsible disposal of chemicals, waste reduction targets, water consumption and electrical consumption. Ensure the Derby Port Environmental Policy is dated and includes review details.	FA 2022 3. Rehabilitation Provision Assessment FA 2023 3. Rehabilitation Provision Assessment	Medium	Ongoing	31/10/25 Consultant has been engaged and project plan developed. Included in budget review 2025/26. Included in budget review 25/26	Progressing
3	Procurement	5.1 Controls for unusual types of transactions or high-risk transactions (Risk Management)	We understand from officers that business cases have historically been presented to council in relation to proposed projects requiring significant investment. This practice has not been used in recent times. We understand from officers that large projects are generally discussed in corporate planning sessions and are addressed to the Corporate Business Plan. The Shire regularly uses the WALGA and the local Derby Vendor Panel system to seek suppliers to ensure a suitable level probity and transparency.	Consider developing a CEO's directive regarding the practice of drafting business cases and risk assessments for unusual, expensive or high-risk activities or projects. This will assist the Shire to assess risk, ensure costings are accurate and consider whether a project manager is needed.			Ongoing	31/10/25 The continuous reviewing of processes is occurring, and the development and implementation of templates has occurred. The reviewing of processes and randomly auditing purchase orders started in late March 2025. A process change for purchase orders was implemented on the 1 July 2025	Progressing
4	IT Management	5.1 IT management plan and data recovery procedure (Risk Management)	The Shire has engaged an external contractor to manage its IT requirements. The officers identified that the contractual documents between the Shire and its external contractor address service details including backup service agreements and products. We understand from the Shire's IT contractor that the Shire's data is stored at multiple backup points. Backups of the Shire's data are replicated both onsite and offsite (Perth). Officer emails are also backed-up. Shire officers are able to send a service request to the external contractor to restore a document or other lost information. If restoring the information may result in loss of new information, the contractor will contact the Manager ICT & Customer Service for approval. This process appears to be well understood but is not captured in a written procedure.	Ensure the IT contract and the associated tender requirements are managed and upheld. This could be achieved through the regular joint meetings between the Shire and Managed IT. Maintain a status sheet to monitor whether the managed services tender requirements are being met. Ensure the Shire is satisfied that the external contractor has in place the necessary practices and procedures to satisfy terms and conditions of the contract and tender requirements. Especially in relation to protecting the Shire's IT systems from cyber security risks. Capture the procedure for requesting and approving the restoration of a document in a written procedure.	ISA 2022 3. IT Governance - Standards, Policies and Procedures ISA 2023 3. IT Governance - Standards, Policies and Procedures ISA 2022 4. IT Governance and Strategy Reg 5 Back-Up Procedures		Ongoing	05/11/2025 Manager ICT and Customer Services meets with Managed IT bi monthly. An ongoing review of cyber risks, together with improvements to Essential 8. Budget 2025/26 includes provision for additional risk controls Managed IT to provide policy documentation around backup and restore process for SDWK. Adding a field in Managed Portal for test restores of specific files will be added, which then will allow the request to be actioned, and documented for further audits	Progressing

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
egulation 17 Review - December 2022									
5	Agendas	5.2 Drafting reports to council (Internal Control)	The Shire has a template document for drafting reports to council and a Report Writing Guide (April 2020). The Report Writing Guide is not specific to council reports but can be used as a guide for drafting reports to council. There are no formalised supporting guidance documents to assist those officers who are new or unfamiliar with drafting reports to council. Officers are required to confer with other officers and consider previous reports to council.	Review the Report Writing Guide and provide review details at the base of the document, including a review deadline.			Ongoing	31/10/25 Review is finalised	Completed
6	Legal advice	5.2 Liaising with legal advisors	The Shire regularly engages with various legal advisors, all of whom are in the WALGA Preferred Supplier Directory. Some of those advisors have been supporting the Shire for a number of years. We understand from officers that the advisor is often selected based on the type of matter being dealt with. Executive staff or the CEO will determine when legal advice is required. We understand from officers that the CEO encourages advice to be sought if there is doubt.	Create a register of advice received, including a brief matter description and reference numbers to the relevant documents. This will enable employees to use (but not necessarily apply) as a reference material advice received in the past. A guideline must accompany the register to ensure that employees seek an updated version of advice, to cater for changes in law and application to circumstances different from those prevailing at the time of the original advice. Draft a CEO directive for seeking legal advice. This may include how to request legal advice, what needs to be considered before seeking legal advice, who can seek advice from lawyers, and contacts for lawyers who specialise in certain areas.			Ongoing	31/10/25 Work is progressing on developing a register	Progressing
7	Procurement	5.2 Separation of roles and functions (Internal Control)	The procurement process requires multiple employees to review and/or sign off on the required documentation. For example, the invoice ought not to be signed off by the officer procuring the good or service.	Conduct periodic internal reviews to ensure that the various components of the purchasing process include a separation of roles and functions.			Ongoing	31/10/25 Implemented key seperations in the procurement cycle. Ongoing procurement training and development occuring	Progressing
8	Assets and Records	5.2 Restricting access to physical assets and records (Internal Control)	Physical archived documents are restricted by key access. Only three officers have keys to access the strong room and safe which stores leases, contracts and other important items. Property records in Coleman Centre can be accessed by anyone in the building. The records are not permitted to leave the building. A member of the public may access property records by submitting an application and fee. The Records Officer or administrative officers will access records on their behalf. The IT server room is only accessible by key. Executive officers and the Manager Administration have a key to access this room. There is a sign-in sheet for all external visitors to the IT server room. Mobile phones, laptops and other assets are also kept in the IT server room. The Manager Administration can distribute these items at the request of the People and Culture business unit or a director. This procedure is not captured in a written document. Officers are issued with keys to the administration building during their induction. People and Culture records indicate which officers have been issued with certain keys. Alarm codes for the administration building are issued to employees during their induction. Alarm codes are also provided to access the Council Chamber. These codes are limited to allow access within set access times. Keys to access Shire buildings can be issued to officers and contractors. This must be recorded on the Key Register. The Shire maintains procedural documents to support the hiring of facilities and the dispersion of keys accordingly. These documents include procedures to be followed should keys not be returned.	Implement a written procedure for accessing records in Coleman Centre to ensure documents are suitably protected. This may include using lockable compactors or relocating the records to a room that can be locked. Draft a written procedure for the issuing of phones, laptops and other assets stored in the server room. Ensure that the Server Room Access Log is located in the vicinity of the server room. Implement a written procedure for the management of the Key Register. Noting that both of the above could be included in the ProMapp initiative. Ensure procedural documents are dated and include review periods, including the Facility Hire Procedure. Review the Employee Exit Checklist to ensure it captures the need to return access keys and other shire equipment like phones, computers, and vehicles, etc. on departure from the Shire.			Ongoing	31/10/25 The server room in the Administration Office is locked by key and is only accessible by the CEO and Manager ICT and Customer Service. Record keeping in the Coleman Centre is being investigated Asset Management has completed a full review of key register in 2023. Process map being developed for key register. The Employee Exit Checklist is completed and a CEO Directive is currently being developed	Progressing
9	IT Management	5.2 Authorising changes to data files and systems (Internal Control)	The Shire currently lacks significant control in relation to authorising changes to data files as the Shire currently does not have an administrator for its IT software. The Shire significantly relies on its external IT contractor to assist with these matters.	Introduce an authorisation procedure for occasions when changes to data files are proposed.	ISA 2022 3. IT Governance - Standards, Policies and Procedures ISA 2023 3. IT Governance - Standards, Policies and Procedures ISA 2022 4. IT Governance and Strategy Reg 5 Back-up Procedures		Ongoing	05/11/2025 This has been completed	Completed

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
egulation 17 Review - December 2022									
10	Record Management	5.2 Records management procedures (Internal Control)	The Shire's Recordkeeping Procedure is given to new employees during their induction. This addresses information such as what needs to be recorded, what file numbers to allocate, the authorisation of officers, how long records must be kept and the disposal of records. The officers recognise that a significant number of records are currently not being filled correctly. For example, many files are not being saved into Synergy and are instead accessed via the X-Drive. This issue is also hindered when external email information is received by individual offers rather than the customer service inbox.	Conduct a comprehensive review of the Shire's record systems to identify and address issues such as consistency of filing. Implement a centralised and consistent filling system supported by staff training and written procedures. This will require a managed transition from the use of the x-Drive and personal drives to Synergy Records or a dedicated digital records management system. Consider if additional support/resourcing is needed to assist with records management. Ensure records of individual officers are effectively managed. For example, by addressing these requirements in job descriptions and discussing records management during performance reviews.			Ongoing	10/11/2025 Ongoing process development. Training has occurred and training manual developed. This will be included in the new employee induction program. The record keeping manual is near completion. 5/11/25 Training has been developed and is being refined through the seessions held	Progressing
11	Assets	5.2 Asset management plan (Internal Control)	The Shire has drafted Asset Management Plans for buildings, roads, the plant, land and other assets. The Shire also has an Asset Management Policy (June 2021). The Asset Management Plan is a part of the Integrated Planning Process and identifies when replacements, refurbishments and maintenance are required. Reference is made to the draft Asset Management Plans when formulating the annual budget. Expenditure outside of the draft Asset Management Plans requires justification. A gap may at times exist between what is required in the draft Asset Management Plan and the expenditure provided in the budget. We understand from officers that the Shire maintains a working document of assets and an Assets Register. The Assets Register does not include any items valued under \$5,000, in accordance with relevant accounting standards. Physical inspections of large assets are undertaken for insurance purposes. We understand from officers that smaller items such as phones and laptops may not be captured on the Assets Register or the Asset Management Plans. Similarly, crew gear are mostly unaccounted items. These items are managed using a Small Plant Register and are replaced at end of their useful life. We understand from the officers that the Shire's IT service provider keeps track of the Shire's IT equipment needs and will contact the Shire when items require updates or replacing.	Prioritise endorsing the draft Asset Management Plans. Ensure relevant budgeting reports to council identify the long-term consequences of not meeting the requirements of the Asset Management Plan. Asset management training may also be appropriate if this is a concern of the Shire.	FA 2022 1. Impairment Assessment of Roads FA 2022 4. Fixed Asset Depreciation Rates FA 2023 7. Fixed Asset Depreciation Rates FA 2022 5. Fixed Asset Additions FA 2023 8. GST Capitalised on Fixed Asset Additions FA 2022 7. Fixed Asset Management Policy FA 2023 4. Fixed Asset Management Policy FA 2022 8. Fixed Asset Capitalisation Policy FA 2023 5. Fixed Asset Captilisation Policy FA 2022 10. Fixed Asset Capitalisation Dates FA 2023 1. Impairment Assessment of Roads		Ongoing	31/10/25 This work is ongoing, in consultation with Corporate Services	Progressing
12	Local Laws	5.3 Local Laws	A task is set in the Compliance Calendar to remind the relevant officers to conduct a review of all local laws in accordance with statutory requirements. The Shire's procedure for reviewing local laws will follow the guidelines issued by the Department of Local Government, Sport and Cultural Industries. The local law review (for all local laws) is currently overdue.	Prioritise the review of the local laws (currently overdue). CEO to review the reasons for the Shire's failure to undertake the reviews of local laws in a timely manner and address those issues in a report to the Audit Committee.		Extreme		31/10/25 Consultant has been engaged and at the Ordinary Council Meeting dated 30 October 2025, Council approved the initiation of the public consultation period	Progressing

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
Information Systems Audit - 22/23 Financial Year									
13	IT Management	4. IT Governance and Strategy	Finding: Appropriate and defined IT governance structures and processes enable alignment with business strategies and help to efficiently manage/monitor outsourced IT systems. We identified that the Shire does not have an up-to-date IT strategic plan which aligns to the overall business strategy in place. This finding was first identified in 2021-22. Implication: Without appropriate and defined IT strategic plan, the Shire may not be able to effectively align IT with business strategies, increasing the risk of sub-optimal achievement in relation to business plans and initiatives.	Recommendation: The Shire should develop an IT strategic plan to ensure alignment of IT strategy to overall business strategy. Management Comment: Progress on the development of a strategy has occurred and will continue in 2024. Rating: Moderate (2021-22) Moderate	Reg 17 5.2 Updating computer applications and information systems ISA 2022 4. IT Governance and Strategy	High	30/06/2024	5/11/2025 Staff are currently in consultation with Managed IT	Progressing
14	Long Term Financial Plan	5.2 Audit Finding Long Term Financial Plan	Finding: There is no current Long Term Financial Plan (LTFP) in place for the Shire. This document provides a framework to help assess the short, medium and long term impact of funding decisions on the Shire's financial sustainability and is a required element of the Integrated Planning & Reporting Framework. Management are aware of this and we understand that development has commenced but is in its preliminary stages. Implication: The absence of an LTFP may expose the Shire to financial sustainability risks due to lack of financial forecasting information to assess the impact of decisions	Recommendation: The LTFP should be developed and annually reviewed as part of the budgeting process to ensure it remains relevant to inform financial decision making. Management Comment and Action: The LTFP will be developed and implemented in 2024. Risk Rating: High Risk		High	30/06/2024	5/11/2025 This has been adopted 3.9.25 The draft plan is currently under review	Completed
Information Systems Audit - Year End 2024									
15	Financial Application – User Access Management	IT General Controls Audit	Finding The following previous year finding remains unresolved in this audit period: • There is no formal periodic review process verifying whether generic or system accounts are still appropriate. • There were no user access reviews conducted during the audit period. • There is no process to periodically review the segregation of duties matrix. In addition, we identified several deficiencies in the access management of the SynergySoft financial application: • 1 out of 131 user accounts belonged to terminated employees. The identified user did not log in after termination date. We acknowledge that the account was disabled on 28 June 2024. • 8 out of 131 user accounts were not found in the HR active employee list. We acknowledge that the identified accounts were disabled on 28 June 2024. • 2 out of 23 system or generic accounts' purposes and their use could not be substantiated by the Shire. • 6 out of 12 active administrator level accounts were not required. We acknowledge that these accounts were disabled on 28 June 2024. This finding was first raised in 2021-22. Rating: Significant (2022-23: Significant) • Without effective user access management processes, there is an increased risk of unauthorised access to the finance application. This could impact the confidentiality, integrity, and availability of the Shire's information. • Without an effective review of user access and segregation of duties controls, there is an increased risk of making unauthorised changes and approvals to application transactions. This could impact the integrity of the data in the SynergySoft application and lead to inappropriate segregation controls, unauthorised and fraudulent transactions.	Recommendation • Ensure terminated users are disabled in a timely manner. • Regularly review and monitor all SynergySoft accounts to ensure they are still appropriate and required. Appropriate records of these reviews should be retained, and accounts not needed should be disabled in a timely manner. User access reviews should include a review over: - o Generic and system accounts and verify their purposes. - o Administrator level accounts to verify if they are still required. • Document and implement a segregation of duties review procedure, including frequency of review.		Extreme	30/06/2025	31/10/25 This is addressed through a monthly report	Completed
16	Risk Management	IT General Controls Audit	Finding: the Shire had not established an IT risk register according to the agreed Information Security Risk Assessment Policy. This finding was first raised in 2021-22. Rating: Moderate (2022-23: Moderate)	Recommendation: The Shire should develop and maintain a risk register, ensuring the mitigation actions have been properly defined and actioned. This finding was first raised in 2021-22. Rating: Moderate (2022-23: Moderate)		Medium	30/06/2025	31/10/25 IT risks are identified through audit and added to this register	Completed

Shire of Derby / West Kimberley Risk Register
31 October 2025

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
Regulation 5 Review - November 2023									
17	Procurement & Purchasing Process Compliance	5.3 Audit Finding Procurement & Purchasing Process Compliance	Finding: Paxon performed testing of a sample of procurement transaction and noted the following points: - The Shire does not require evaluation panel members to sign the evaluation to evidence participation or to complete conflict of interest forms. - PO73158's procurement threshold is between \$50,001 to \$250,000 (exclusive of GST), therefore at least three written quotations were required. Only two quotations were received and there is no evidence as to how many were sought, as this is not documented. - There is no documented justification for the exemption of procurement processes relating to PO79201. Paxon also noted findings in relation to the three way matching of purchase order, goods and service receipting and invoices, which is a key financial control. - There is no invoice payment approval noted for PO75908. - Total invoice amount is more than the original purchase order amount for PO77065 and no approval of the was provided for the approximate \$600,000 variance noted. - For PO79201 the purchase order and invoice, but they contain different descriptions for the service provided. The PO description relates to the supply of security to look after machinery and materials and the invoice description relates to supply of fuel trailer. - Purchase order date does not precede invoice date on 3/10 of the procurement samples for PO75129, PO77126, and PO74550.	Implication: Non-compliance with procurement and three way matching processes may result in a lack of appropriately authorised transactions and potentially misappropriation. Recommendation: 5.3.1 Evaluation forms should be signed as evidence of outcome and participation and conflicts of interest should be included to record evidence of their consideration. 5.3.2 All steps of review and authorisation through procurement and three way matching processes should be evidenced and any deviations from process documented, authorised and recorded. 5.5.3 A report should be run monthly to assess the volume and value of invoices being received before purchase orders are raised. These should be reviewed and investigated with officers not following process receiving training to increase process compliance. Management Comment and Action: Management agrees with the recommendations and will develop appropriate evaluation forms and declarations. Risk Rating: High Risk	Reg 17 5.1 Procurement Framework (Risk Management) Reg 17 5.3 Monitoring compliance legislation and regulations in regard to tendering and procurement (Legislative Compliance)	High	Ongoing	31/10/25 A full review of procurement is currently occurring. Evaluation documents have been developed and are in use.	Progressing
18	Financial Risk	5.6 Audit Finding - Financial Risk	Finding: The financial risks identified and assessed by the Shire were requested, but only the risk management framework was received, not specific documented risks. A financial task calendar to identify required activity during the financial year is kept, however there are no responsible employees for the tasks and there is also an absence of deadlines recorded. Implication: - Financial risks may not be appropriately identified, assessed and managed. - Financial processes may not be performed completely and timely.	Recommendation: 5.6.1 A plan should be developed to make the risk management framework operational. 5.7.2 Within the task calendar it should clearly define responsibility and the timeframe. Management Comment and Action: Management agrees with this recommendation and a full review of the Risk Framework is scheduled for 2024 Risk Rating: Medium Risk		High	1/12/2024	31/10/25 Risk Management review is occurring in 2025. 3.9.25 This action is progressing	Progressing
Financial Audit									
19	ARGN	AGRN Claims	AGRN Claims may not be fully paid to the Shire. Current claim response success is approx 65%.	The Shire will continue to work with DFES to progress claims		High	30/06/2025	31/10/25 Claims are progressing. \$395,309.45 is currently under review with the Disaster Recovery Funding Arrangements	Progressing
WHS 2025 Audit									
20	Management Commitment	Element 1.2	CEO and Council endorsed WHS Policy in Council meeting minutes, but CEO's signature is not present in the document. Policy is reviewed annually; previous versions maintained. Included in health and safety induction training and referenced in Employee H&S Handbook. Included in health and safety induction training and referenced in Employee H&S Handbook. Displayed on workplace noticeboards.	Insufficient: - CEO to formally endorse/sign the WHS Policy. - Review contractor H&S documentation to ensure policy is communicated effectively.		Medium	1/11/2025	13/11/2025 70% completed. Edits to the WHS Policy have been completed to include the CEO's signature, and will be presented to the Audit, Risk and Improvement Committee and Council in November 2025 for adoption	Progressing
21	Management Commitment	Element 1.3	Senior WHS Officer monitors relevant H&S legislation and standards via WorkSafe WA, LGIS, etc. Legislation referenced in policy/procedure templates. Legislation referenced in policy/procedure templates.	Insufficient: - Develop process to ensure SWMS, SWPs, and related documents identify relevant legislative requirements. - Ensure this information is clearly understood by management and workers.		Medium	1/06/2026	13/11/2025 All WHS documents have been reviewed and aligned with relevant legislative requirements. Only SWMS and JSAs now require updates and further review to ensure full compliance	Progressing

Shire of Derby / West Kimberley Risk Register
31 October 2025

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
22	Management Commitment	Element 1.7	Time is allocated for toolbox/pre-start meetings and training. Time is allocated for toolbox/pre-start meetings and training. Workplace inspections are mainly completed by Senior WHS Officer and HSR every 6 months.	Insufficient: - Review workplace inspection process to include managers and supervisors. - Increase inspection frequency to promote involvement and a strong safety culture.		Medium	1/11/2025	13/11/2025 75% completed. Toolbox meeting template to include WHS as an agenda item was created and shared with all the teams.The Workplace Inspection schedule is created and completed monthly by Health and Safety Representatives. Managers/Supervisors are to be included for quarterly inspections	Progressing

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
VHS 2025 Audit									
23	Planning	Element 2.2	No health and safety objectives or measurable targets have been developed.	Unsatisfactory: - Develop health, safety, and psychosocial objectives and measurable targets. - Include both lead and lag indicators. - Review and document performance indicators at least annually.		High	1/03/2026	13/11/2025 Development of the draft WHS targets and objectives is currently in progress. The aim is to establish clear, measurable goals that align with the Shire's overall safety strategy and support continuous improvement across all departments. Once completed, it will be reviewed in the WHS committee meeting to finalise	Progressing
24	Planning	Element 2.3	Use plans or records to ensure relevant parties are informed and supportive. Training tailored for literacy concerns. Ergonomic assessments and fitness-for-work policy applied. Management of special needs workers not formally documented unless via workers compensation.	Insufficient: - Develop a documented process for managing workers with special needs. - Use plans or records to ensure relevant parties are informed and supportive.		Medium	1/03/2026	13/11/2025 Work is progressing to create a documented process for managing workers with special needs	Progressing
25	Planning	Element 2.4	Draft WHS Contractor Management Procedure exists. Tender/RFQ processes for large projects in place. Contractor inductions are inconsistent. Accountability for contractor WHS performance is not defined.	Unsatisfactory: - Finalise WHS Contractor Management Procedure. - Develop contractor induction (organisational + onsite). - Define WHS performance accountability for contractors. - Use LGIS Contractor Management Toolkit.		Extreme	1/03/2026	13/11/2025 Contractor management procedure draft is completed and currently under review by the Manager Assets and Works. Changes were made to the PC2 WHS Policy to include contractor management aspects	Progressing
26	Planning	Element 2.5	Contractor info (insurance, training) is collected. Other records (consultations, inspections) not clearly maintained.	Insufficient: - Develop process for maintaining contractor management records (consultation, assessment, inspections, reviews). - Use LGIS Contractor Management Toolkit.		Extreme	1/06/2026	13/11/2025 A draft has been developed and is currently under review	Progressing
27	Planning	Element 2.6	Emergency procedures in place at all workplaces. First aiders and wardens trained and identified. Equipment regularly maintained. Evacuation drills occur at least annually.	Satisfactory: - Include photos of first aiders/wardens on noticeboards. - Expand emergency drill schedule to include varied emergency types.		Low	1/11/2025	13/11/2025 Completed. All the information is updated and emergency drills are conducted on a 6 monthly schedule	Completed
28	Planning	Element 2.7	Templates include legislative reference section. Work instructions and SWMS/SWPs do not reference current legislation or standards.	Insufficient: - Review tasks to determine if SWMS is legally required. - Update SWMS/SWPs to include legislative requirements.		Medium	1/09/2026	13/11/2025 SWMS and JSA will be reviewed with the Manager Assets and Works, and Works Supervisor	Progressing
29	Planning	Element 2.8	Workers know to approach WHS team or supervisors for information. Legislative references stored in SharePoint. SDS and other documents available in hard/soft copy.	Satisfactory: Promote HSR (Health and Safety Representative) roles so workers know they are a resource for WHS support.		Low	1/11/2025	13/11/2025 Completed. Staff are aware of the contact details of Health and Safety Representatives. This information is present on all workplace noticeboards	Completed
30	Planning	Element 2.9	Licences and training info stored in personnel files and ELMO. Equipment is inspected/maintained regularly. Asbestos registers and training in place. No noise surveys have been conducted.	Insufficient: - Identify equipment requiring noise surveys. - Conduct risk assessments, evaluate PPE effectiveness, and document controls.		High	1/12/2025	13/11/2025 A list of plant/equipment was sent to the contractors. The quotes have been received to conduct the noise survey in early December	Progressing

Shire of Derby / West Kimberley Risk Register
31 October 2025

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
31	Planning	Element 3.1	WHS Handbook (2023) outlines communication methods for health and safety. WHS is an agenda item in DMT, OMT, and WHS Committee meetings. Toolbox and pre-start meetings occur, but minutes are not consistently maintained. WHS Committee has a Terms of Reference.	Insufficient: - Finalise updated WHS Handbook. - Ensure health and safety is included in all staff meeting agendas and minutes are kept. - Train team leaders on conducting and recording toolbox/pre-start meetings.		Medium	1/03/2026	13/11/2025 WHS Handbook is to be finalised after Contractor Management Procedure is completed.The toolbox meeting template was created and circulated to all the departments to use to include WHS as an agenda item	Progressing
32	Consultation and Reporting	Element 3.3	WHS, DMT, and OMT meetings involve worker input. Training opportunities discussed annually and as needed. Contractors' involvement in hazard management is unclear.	Insufficient: Train and involve contractors in consultation and hazard management processes.		Medium	1/06/2026	13/11/2025 The procedure is currently under development and is being reviewed by the Manager Assets and Works. Revisions will be made following feedback	Progressing
33	Consultation and Reporting	Element 3.4	Workers are verbally consulted on changes and purchases, but it is not documented. WHS Committee includes mechanisms for consulting on certain issues.	Insufficient: Develop and document a formal process for consulting workers/representatives on workplace changes and purchasing decisions.		Medium	1/06/2026	13/11/2025 Consultation currently occurs verbally; however, a formalised process will be developed. Discussions have commenced to establish a documented procedure for consulting workers and their representatives on workplace changes and purchasing decisions	Progressing
VHS 2025 Audit									
34	Consultation and Reporting	Element 3.6	Managers assess staff understanding of consultation requirements via team meetings. Gaps lead to targeted awareness actions.	Satisfactory: Document any amendments or actions taken (e.g., in meeting minutes or procedure reviews).		Low	1/11/2026	13/11/2025 Completed. The WHS Officer conducts regularly reviews meeting minutes and procedure reviews as provided by area managers	Completed
35	Consultation and Reporting	Element 3.8	Managers/supervisors are aware of the Issue Resolution Process, but it is not actively used.	Insufficient: Review and reinforce use of the documented Issue Resolution Process. Ensure WHS reps are involved in the resolution process.		Medium	1/03/2026	13/11/2025 The issue resolution process is included in the new WHS Handbook. It will be circulated in the WHS Committee meeting for HSRs' review	Progressing

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
36	Hazard Management	Element 4.1	WHS Handbook (2023) includes a hazard reporting procedure. Workers use SWMS, SWP, Take 5s, but not in compliance with WHS legislative requirements.	Insufficient: Review SWMS and SWP templates to ensure legislative compliance.		High	1/12/2026	13/11/2025 The template has been reviewed to ensure legislative requirements	Progressing
37	Hazard Management	Element 4.2	Control measures are in place and monitored through a hazard action register. Reports are increasing. Workers are not fully completing controls section in documents.	Insufficient: Train workers on using SWMS/JSA/SWP and the importance of recording appropriate controls.		Medium	1/12/2026	13/11/2025 The Manager Assets and Works and the Works Supervisor have also discussed the review and development of Safe Work Procedures. The aim is to update existing procedures and create any that are missing, ensuring they align with current work practices. Implementation will be phased in through regular pre-start discussions and toolbox meetings	Progressing
38	Hazard Management	Element 4.3	SWMS/SWP developed but not fully compliant with WHS legislation Legislative references are missing.	Insufficient: Identify high-risk tasks and ensure SWMS comply with WHS legislation. Create JSAs/SWPs for other regular tasks. Add legislative references section to SWMS templates.		High	1/12/2026	13/11/2025 Discussions have been held with the Manager Assets and Works and the Works Supervisor to develop new SWMS and JSAs and to review the existing documents. These will be progressively integrated into the daily pre-start meetings	Progressing
39	Hazard Management	Element 4.4	SWMS are rewritten before each task in consultation with workers.	Satisfactory: Consider reviewing existing SWMS for recurring tasks instead of rewriting each time.		Low	1/06/2026	13/11/2025 SWMS and JSA are to be reviewed by the Manager Assets and Works, and Works Supervisor	Progressing
40	Hazard Management	Element 4.5	Control effectiveness is discussed but not documented.	Unsatisfactory: Implement a documented process for reviewing effectiveness of control measures.		Medium	1/06/2026	13/11/2025 Completed. WHS Officer review the effectiveness in consultation with the asset team and area manager/HSR	Completed
41	Hazard Management	Element 4.6	Reporting procedure is outlined in WHS Handbook and reinforced during induction and staff meetings. Investigations are documented in forms, registers, and stored in ELMO.	Satisfactory: Ensure HSRs are engaged in all investigation processes.		Low	1/11/2025	13/11/2025 Completed. Health and Safety Reps are involved in all WHS-related issues and investigations	Completed
42	Training and Supervision	Element 5.4	Position descriptions include required WHS knowledge, skills, and experience. Managers and supervisors have completed WHS roles/responsibilities training, but a refresher may be useful.	Satisfactory: Provide refresher WHS training for leadership roles on a regular basis.		Low	1/11/2025	13/11/2025 Completed. People and Culture conducts regular refresher training	Completed
43	Training and Supervision	Element 5.6	Training is evaluated individually through performance reviews, but not against program objectives.	Insufficient: Develop a formal review process involving senior management/WHs Committee to evaluate the training program against objectives. Maintain records.		Medium	1/12/2026	13/11/2025 Training is the agenda of discussion for the WHS Committee. training objectives and relevance are discussed during these meetings	Progressing
44	Training and Supervision	Element 5.7	Most training is provided by RTOs. Non-RTO trainer materials are collected. Job observations are conducted but not recorded.	Insufficient: Develop a process to document job observations to confirm learning transfer.		Medium	1/12/2026	13/11/2025 During discussions with the Works Supervisor, it was noted that job observations are currently conducted visually but are not formally recorded. A process for documenting these observations will be developed	Progressing

	Category	System or Procedure	Description	Suggested Actions	Other Audit Reference	Risk Rating	Date Due	Progress Update	Status
45	Training and Supervision	Element 5.8	Training records, certificates, and competencies are maintained. Job observation records are not kept.	Insufficient: Implement job observation recording in personnel files or ELMO.		Medium	1/12/2026	13/11/2025 With the Manager Assets and Works now commenced, this matter will progress further to establish an appropriate recording procedure	Progressing
46	Volunteer Management	Element 6.1	Develop a process to document job observations to confirm learning transfer. Bushfire volunteers managed solely by DFES. Inductions only conducted for non-bushfire volunteers.	Unsatisfactory: Develop a Volunteer Management Policy and Procedure. Engage with and induct bushfire volunteers directly.		Extreme	1/06/2027	13/11/2025 Volunteer management is covered under the Shire's existing WHS Policy, and no separate policy has been developed. Volunteer information from DFES has been requested and the Shire is awaiting for this information An MOU between the Shire and DFES states that DFES will assist the Shire in managing volunteers. Nonetheless, this arrangement does not remove the Shire's responsibilities or obligations towards the volunteers	Progressing
47	Volunteer Management	Element 6.2	Bushfire volunteer records held by DFES, not accessible to the organisation. Records for other volunteers are maintained in ELMO.	Unsatisfactory: Establish data sharing with DFES for bushfire volunteer records (e.g. personal data, assessments, consultations).		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
48	Volunteer Management	Element 6.3	Other volunteers use paid staff work instructions. Unclear if bushfire volunteers get compliant work instructions.	Unsatisfactory: Confirm DFES-issued instructions align with current legislation, standards, and codes of practice.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
49	Volunteer Management	Element 6.4	Cannot confirm whether bushfire volunteers have proper training or licences to operate equipment.	Unsatisfactory: Develop processes to confirm and record licences, training, and qualifications of bushfire volunteers.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
50	Volunteer Management	Element 6.5	Unclear if ongoing training and VOCs for bushfire volunteers are conducted.	Unsatisfactory: Establish processes for ongoing training and verification of competency (VOC) for all volunteers.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
51	Volunteer Management	Element 6.6	Cannot confirm if PPE is provided to bushfire volunteers or if equipment maintenance responsibilities are defined.	Unsatisfactory: Provide suitable PPE and training. Define responsibilities and keep maintenance records for all volunteer equipment.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
52	Volunteer Management	Element 6.7	No formal consultation/communication with bushfire volunteers. Communication with other volunteers is informal and undocumented.	Unsatisfactory: Create a documented consultation and communication process for all volunteers.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
53	Volunteer Management	Element 6.8	No evidence that bushfire volunteers are involved in planning or risk assessments.	Unsatisfactory: Include bushfire volunteers in task planning and risk assessment processes.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing
54	Volunteer Management	Element 6.9	Draft Fitness to Work Policy includes volunteers, but fatigue management isn't confirmed.	Unsatisfactory: Implement a fatigue management process specifically for bushfire volunteers.		Extreme	1/06/2027	13/11/2025 Awaiting information from DFES	Progressing

8.4 GOVERNANCE AND COMPLIANCE - INTERNAL CONTROLS

File Number: 5476

Author: Telia Reilly, Governance and Risk Coordinator

Responsible Officer: Jill Brazil, Director Corporate Services

Authority/Discretion: Executive

SUMMARY

The Audit, Risk and Improvement Committee assists Council in fulfilling its responsibilities regarding the oversight of internal and external audits at the Shire, ensuring due care, diligence, and skill are applied.

The purpose of this report is to provide Council with the status of internal control management matters within the Shire.

DISCLOSURE OF ANY INTEREST

Nil by Author or Responsible Officer

BACKGROUND

Local Government (Audit) Regulations 1996 outline the functions of a local government audit committee. Council at its meeting dated 26 October 2023 confirmed the purpose of the current Audit Committee, which included amongst others the following:

- Review the CEO's systems and procedures and progress its implementation

Due to an increased focus on the accountability and transparency of local governments, a review of the effectiveness of all business processes is considered 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 and supports strategic objectives.

Compliance Calendar

The Shire has a Compliance Calendar (Attain) which is used to track activities and action due dates to ensure compliance is met with critical legislative compliance requirements, operational requirements and also to reduce risk of non-compliance. Data entered in to this system throughout the year supports completion of the annual Compliance Audit Return. This is an annual legislative requirement and is reported to the Audit, Risk and Improvement Committee meeting, prior to being submitted for Council endorsement.

STATUTORY ENVIRONMENT*Local Government Act 1995*

Section 2.7 outlines the role of local government including overseeing the allocation of the local government's finances and resources

Section 5.41 outlines the role of the Chief Executive Officer as responsible for managing the local government's administration and operations

Section 7.1A A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUR PRIORITIES	WE WILL
1. Leadership and Governance	1.2 Capable, inclusive and effective organisation	1.2.2 Provide strong governance

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: Non-compliance with legislation.	Possible	Moderate	Medium	Continue to build and monitor internal procedures and to train/manage employees on legislative compliance
Reputation: Adverse media and lack of community confidence.	Possible	Moderate	Medium	Continue to build and monitor internal procedures and to train/manage employees on legislative compliance

CONSULTATION

Nil

COMMENT

This report highlights to Council the actions taken by the Chief Executive Officer to ensure compliance and minimise risk. It also promotes an improved understanding by officers, of the strategic risk/compliance expectations of Council. Administration is continuing to build best practice in this area using staff training, information sessions and the provision of support.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS**1. Governance and Compliance - Internal Controls** **COMMITTEE RESOLUTION AC22/25**

Moved: Cr Eliot Money

Seconded: Mr Jeffrey Porra

That the Audit, Risk and Improvement Committee recommend that Council RECEIVE and NOTE the information contained in the attached Internal Controls – October 2025 report.

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0

Shire of Derby / West Kimberley Compliance Calendar
As at October 2025

Task Number	Calendar task	Category	Legislation	Due	Comment	Status
C42-8 Asset Management Plan	Update the Asset Management Plan to be included in the outcomes of the Corporate Business Plan Review	Legislative Requirement	Local Government Act 1995 Local Government (Administration) Regulations 1996	Annual Task - Due on the 1 January	20% Progress Status - Review is underway - confirming consultant to undertake plan	Progressing
C245 Satellite Phone Serviceability	Task to complete a stock take and serviceability check of all satellite phones in the possession of SDWK	Compliance Requirement		Annual Task - Due every six months	20% Progress Status - This continues to be a priority and will occur as part of a larger check of all Shire ICT assets. All phone numbers associated with the phones are still active	Ongoing Action Item
C360 Six monthly progress report - Recreational Boating Facilities Scheme (Round 29)	The Shire has received funding from the Department of Transport to undertake works to upgrade and make safe the two existing recreational boat ramps at Derby	Compliance Requirement		15/05/2025	70% Progress Status - Staff are in the process of finalising the grant as reporting requirements have changed	Ongoing Action Item
C364 Six monthly progress report - Recreational Boating Facilities Scheme (Round 28)	The Shire has received funding from the Department of Transport to undertake project planning to facilitate an upgrade to the two existing recreational boat ramps at Derby	Compliance Requirement		28/05/2025	70% Progress Status - Staff are in the process of reviewing the grant	Grant - In Progress
C204 Lease Renewals / Extensions	To ensure that commercial and community lease expiry dates are monitored, so that renewals (or extensions) can be considered and progressed prior to their interim/fin al expiry date	Legislative Requirement	Local Government Act 1995	30/06/2025	50% Progress Status - All leases are currently being reviewed	Progressing
C226 Community Strategic Plan - Collection of key performance Indicators	The Community Strategic Plan incorporates a range of Key Performance Indicators for the Shire to meet	Legislative Requirement	Local Government Act 1995	30/06/2025	50% Progress Status - Workshops to obtain community feedback are currently occurring in Derby and Fitzroy Crossing	Progressing
C338 Acquital Local Government Heritage Consultation Grants	Acquittal of funding to engage a consultant to undertake a Local Heritage Survey	Legislative Requirement	Heritage Act 2018	30/06/2025	70% Progress Status - The Draft Heritage Survey and List are awaiting Council endorsement to go out for community consultation. Extension to due date, and possibly beyond	Grant - In Progress
C334 Annual audited financial report Youth at Risk Funding – Derby Youth Service	Audited financial report for funding for the Derby Youth Drop -in Service (Monday to Friday, 2pm to 6pm)	Compliance Requirement		31/08/2025	70% Progress Status - Extension received for the submission of the audited financials. These are now due 10 January 2026	Progressing
C373 National Disaster Risk Reduction (NDRR) Program 2022-23 Final acquittal report	The Shire auspiced a funding application by the Fitzroy Fires Forum to the NDRR Program. The funding agreement requires the submission of the acquittal report at the completion of the project	Compliance Requirement		31/08/2025	70% Progress Status - Acquittal report provided to organisation auspiced for this project (Land Alliance). Payment of invoice has been approved and is in progress.	Progressing
C357 Regional Airport Development Scheme (RADS) 2023 - 2025	The Shire received funding from the Department of Transport to undertake a flood study and engineering design works at the Fitzroy Crossing Airport	Compliance Requirement		7/08/2025	10% Progress Status - Project has been completed. Awaiting outstanding invoice before processing the acquittal	Grant - In Progress
C232 LGA 1995 Statutory Obligation - Authorised Persons Identifying Cards	All employees for the Shire of Derby / West Kimberley who are appointed as Authorised Persons under the relevant legislative authority, must be provided by the CEO, an identifying card	Legislative Requirement	Local Government Act 1995	1/09/2025	10% Progress Status - Staff are in the process of reviewing which staff require cards and issuing them	Progressing
C16 Annual Report - Record Keeping Statement	The Annual report is to include a section addressing - efficiency and effectiveness of record keeping systems	Legislative Requirement	Local Government Act 1995	4/09/2025	50% Progress Status - Staff are in the process of finalising the statement	Progressing
C166 Aerodrome Manual Review (Derby and Fitzroy Crossing)	Derby and Fitzroy Crossing Aerodrome Manuals to be reviewed annually	Compliance Requirement		Annual task - Due on the 15 September	40% Progress Status	Progressing

Task Number	Calendar task	Category	Legislation	Due	Comment	Status
C233 Bi- annual Review of CEO Directives	Review of CEO Directives	Legislative Requirement	Local Government (Financial Management) Regulations 1996	30/09/2025	20% Progress Status - The directives are currently being reviewed. Review and finalisation is anticipated by March 2026	Progressing
C91 Fines Enforcement - Designated Prosecuting Officers	Review Designated Prosecuting Officers and provide written advice to Fines Enforcement Registry of changes	Legislative Requirement	Fines, Penalties and Infringement Notices Enforcement	30/09/2025	60% Progress Status - This is in progress in consultation with Governance	Progressing
C223 Managed Services Contract Management – IT Management Meetings and Site Visits	Ensure that Managed IT leads, coordinates, and suitably records a two-monthly ICT Management meeting	Compliance Requirement		Annual Task - Due every February	Meetings occur with Managers Meetings	Ongoing Action Item
C312 Derby and Fitzroy Crossing Airports Framework Agreements - Biennial Review	To undertake the two- yearly review of the Derby and the Fitzroy Crossing Framework Agreements			Annual task - Due on the 30 September	20% Progress Status - Agreement under review	Progressing
C346 Annual Report - Kimberley Development Commission - Financial Assistance Grant	Funding has been received to develop an Economic Development Strategy for the Shire. The Shire is required to provide an annual financial report to KDC of the progress of the funded project	Compliance Requirement		30/09/2025	Delays due to the development of Council Plan and community engagement	Grant - In Progress
C282 Annual Lease Report to be provided to Audit Committee	Provide an annual report to the Audit Committee, updating it on the current status of the Shire's leases	Compliance Requirement		1/10/2025	50% Progress Status - Report to be presented in the first half of 2026	Progressing
C382 Quarterly Activity Report - Aboriginal Environmental Health Services to Remote And Rural Communities Service Agreement (Department of Health WA)	The Shire has a Service Agreement with the Department of Health (WA) to provide Aboriginal Health Services to Remote and Rural Communities	Compliance Requirement		14/10/2025 (3 months on the 14th day of the commencing month)	30% Progress Status - Development of the report is in progress. Staff are in communication with the Department of Health	Progressing
C39 Official Conduct Complaints Register - Internal Audit	Review complaints register for compliance	Legislative Requirement	Local Government Act 1995	31/20/2025	Staff are in the process of reviewing the register	Progressing
C126 Primary Returns - Newly Elected Members	Ensure newly elected Council Members submit a Primary Return within 3 months of start date	Legislative Requirement	Local Government Act 1995	30/10/2025 (Forms due by 31/01/2026)	20% Progress Status - Staff are in the process of obtaining the form from President and Councillors	Progressing
C143 Roads to Recovery - Online Submission	Online submission expenditure report and forecast for the next quarter	Compliance Requirement		31/10/25 (Due every 3 months)	Completed	Completed
C255 Councillors Service Register and Honour Board Update – Bi-ennial Review	Update the Councillors Service Register and Honour Board following annually	Compliance Requirement		Annual task - Due on the 31 October	This is due following elections. This task is in progress	Progressing
C336 Rio Tinto Graduate Traineeship Program Progress Meeting	6 monthly meeting with Rio Tinto regarding the Graduate Traineeship Program	Compliance Requirement		31/20/25	50% Progress Status	Progressing

At 4:33pm Cr Umbagai left the meeting.

8.5 OUTSTANDING DEBT - OCTOBER 2025

File Number: 5174 & 5112

Author: Aaron Gloor, Senior Finance Officer

Responsible Officer: Jill Brazil, Director Corporate Services

Authority/Discretion: Information

SUMMARY

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

DISCLOSURE OF ANY INTEREST

Nil by Author and Responsible Officer.

BACKGROUND

The Audit, Risk and 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.

STATUTORY ENVIRONMENT

Local Government Act 1995

Subdivision 4 — Payment of rates and service charges

6.43. Rates and service charges are a charge on land

6.44. Liability for rates or service charges

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

POLICY IMPLICATIONS

Policy F4 – Sundry Debtors Collection

Policy F5 – Outstanding Rates Collection

Policy F6 – Financial Hardship

FINANCIAL IMPLICATIONS

Outstanding Rates and Service Charges totalling \$3,684,279.91.

Outstanding Sundry Debtors (non rates) totalling \$911,820.78.

STRATEGIC IMPLICATIONS

GOAL	OUR PRIORITIES	WE WILL
1. Leadership and Governance	4.3 Sustainability	1.2.2 Provide strong governance

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial: Non-recovery of debts will impact the type and level of services provided to the town.	Almost Certain	Severe	Extreme	Continue to proactively approach collection process and recovering outstanding debt

CONSULTATION

Internal

CS Legal

COMMENT

Attached to this report is an aged breakdown of outstanding rates and service charges by rating category as well a depiction of rates debt by month. The report also contains a breakdown of outstanding sundry debtor (non rates) charges by age as well as the movement of this debt over a rolling five-month period.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS**1. Outstanding Debt Report October 2025** **COMMITTEE RESOLUTION AC23/25****Moved:** Cr Trish Gault**Seconded:** Cr Eliot Money

That the Audit, Risk and Improvement Committee recommends that Council RECEIVE the information contained in the report detailing outstanding rates and sundry debtors as at 31 October 2025.

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0



Rates Debt Summary Report - 2025/2026

Total Rates & Service Charges in arrears at rates levy date 25/26	\$1,230,911.44
Total Rates & Service Charges Levied for FY 2025/26	\$12,994,407.29
Total Collected YTD From Outstanding Rates & Service charges	\$10,541,038.82
Total Rates & Service Charges Outstanding as at 31 October 2025	\$3,684,279.91

Total Outstanding Balance from Instalment Payers
\$1,023,618.56

Total Balance of Debt Currently Referred to CS Legal (148 Debtors)
\$1,461,204.27

	Total Debt					Debt Movement July - October
	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	
GRV (Residential, Commercial & Industrial)	\$ 1,075,657.10	\$ 8,997,350.14	\$ 3,709,954.32	\$ 3,110,850.84	\$ 2,637,870.20	\$ (6,359,479.94)
Mining UV (Mining Tenements)	\$ 14,967.16	\$ 667,791.06	\$ 391,004.22	\$ 329,686.06	\$ 294,606.80	\$ (373,184.26)
Rural UV (Pastoral properties)	\$ 274,062.81	\$ 3,045,183.59	\$ 1,400,299.27	\$ 882,326.16	\$ 631,820.51	\$ (2,413,363.08)
Non-Rateable	\$ 3,128.04	\$ (1,786.12)	\$ (1,309.55)	\$ (1,749.26)	\$ (1,730.51)	\$ 55.61
Non-Rateable UV Exempt	\$ (8,532.52)	\$ 36,380.50	\$ (3,619.73)	\$ (4,272.04)	\$ (1,703.24)	\$ (38,083.74)
Non-Rateable GRV Exempt (Waste & ESL Charges)	\$ 50,016.27	\$ 390,033.13	\$ 79,576.66	\$ 76,570.65	\$ 123,416.15	\$ (266,616.98)
Total	\$ 1,409,298.86	\$ 13,134,952.30	\$ 5,575,905.19	\$ 4,393,412.41	\$ 3,684,279.91	\$ (9,450,672.39)

Comments
Rate payments on trend with previous financial year
Majority of work now in the debt collection space, working with CS Legal to clear outstanding debt.
Two Local Government Act (LGA) sales due to take place in November which will resolve 180k of longstanding rates arrears. The team is looking to bring more LGA sale matters to Council with a view to clear further long-term rates debt.

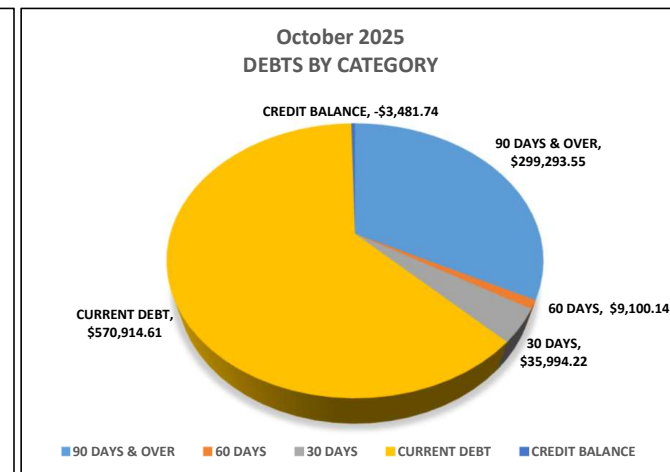
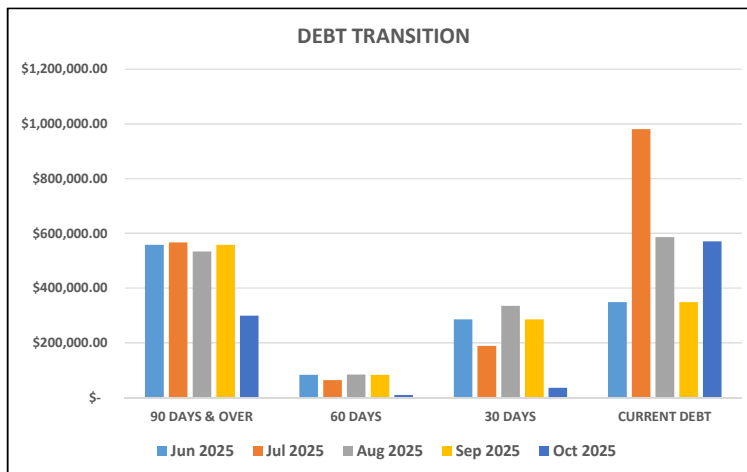
	Debt Older Than Three Years	23/24	24/25	25/26	Credit Balances	Total Outstanding
COMMERCIAL - GRV	\$ -	\$ 21,502.97	\$ 67,626.00	\$ 598,507.54	-\$ 1,338.65	\$ 686,297.86
INDUSTRIAL - GRV	\$ 4,608.92	\$ 11,250.19	\$ 23,370.06	\$ 106,337.77	-\$ 23,052.85	\$ 122,514.09
MINING - UV	\$ -	\$ -	\$ 13,843.35	\$ 281,568.16	-\$ 804.71	\$ 294,606.80
NON-RATEABLE	\$ 5,787.57	\$ 1,098.13	\$ 468.54	-\$ 4,824.72	-\$ 4,260.03	-\$ 1,730.51
NON-RATEABLE/EXEMPT - GRV	\$ 33,476.10	\$ 10,856.41	\$ 12,619.68	\$ 67,609.28	-\$ 1,145.32	\$ 123,416.15
NON-RATEABLE/EXEMPT - UV	\$ -	\$ -	\$ 860.01	-\$ 579.63	-\$ 1,983.62	-\$ 1,703.24
OTHER LOCATIONS - GRV	\$ -	\$ -	\$ -	\$ 256.26	\$ -	\$ 256.26
RESIDENTIAL - GRV	\$ 343,166.37	\$ 157,897.99	\$ 264,517.10	\$ 1,089,166.15	-\$ 51,367.29	\$ 1,803,380.32
RURAL - UV	\$ 29,418.08	\$ 38,041.93	\$ 113,515.47	\$ 595,123.66	-\$ 144,278.63	\$ 631,820.51
URBAN FARMLAND - GRV	\$ 3,839.53	\$ 5,624.99	\$ 6,207.85	\$ 9,749.30	\$ -	\$ 25,421.67
Total	\$ 420,296.57	\$ 246,272.61	\$ 503,028.06	\$ 2,742,913.77	\$ (228,231.10)	\$ 3,684,279.91

Comparison of Current FY to Previous FY		
	2024/25	2025/26
Total rates and charges outstanding and levied at commencement of rating year	\$13,318,609.54	\$14,225,318.73
Unpaid rates and charges 31 October	\$5,303,752.80	\$3,684,279.91
Percentage Outstanding	39.82%	25.90%



NON-RATES DEBT SUMMARY REPORT - 2025/2026

	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Changes (July - October)
90 DAYS & OVER	\$ 557,884.55	\$ 567,598.55	\$ 534,333.42	\$ 557,884.55	\$ 299,293.55	-\$ 268,305.00
60 DAYS	\$ 82,896.34	\$ 63,530.97	\$ 83,980.66	\$ 82,896.34	\$ 9,100.14	-\$ 54,430.83
30 DAYS	\$ 285,701.16	\$ 188,982.90	\$ 335,081.33	\$ 285,701.16	\$ 35,994.22	-\$ 152,988.68
CURRENT DEBT	\$ 348,505.91	\$ 981,047.85	\$ 586,335.01	\$ 348,505.91	\$ 570,914.61	-\$ 410,133.24
CREDIT BALANCE	-\$ 5,376.01	-\$ 2,882.08	-\$ 2,095.82	-\$ 5,376.01	-\$ 3,481.74	-\$ 599.66
TOTAL	\$ 1,269,611.95	\$ 1,798,278.19	\$ 1,537,634.60	\$ 1,269,611.95	\$ 911,820.78	-\$ 886,457.41



90+ Days Debt Comparison by Year						
Oct-19	Oct-20	Oct-21	Oct-22	Oct-23	Oct-24	Oct-25
\$361,478.58	\$472,488.19	\$580,877.99	\$250,049.92	\$480,850.52	\$138,973.02	\$299,293.55

90+ Days Outstanding Debt over \$1000 31/10/2025			
DEBTOR	TOTAL	COMMENTS	DEBTOR CODE
Employee - 872	\$ 2,182.46	Relocation cost reimbursement invoice for previous employee that did not complete 12 months of employment. The former employee had entered into a payment arrangement for \$500 per month however this is not being adhered too. Several emails have been sent without response. Due to age of debt and the unlikelihood of receiving payment this will be considered for write-off.	MS
Tristans Lawnmowing	\$ 1,751.95	Multiple waste charges from 31/01/2023 to present. Statements and follow-up requests have been issued to this debtor without response. Due to the age of the debt and the continued operation of the business we may look to recommended revoking access to the waste site until these charges are cleared.	TLW
Department of Communities	\$ 1,478.86	Completion of Firebreaks 2023 - emails and statements have been sent to debtor without successfully securing payment. The accounts team have escalated this matter within the Department.	DOR
Boab Festival Derby Inc	\$ 131,625.65	Invoice raised on the 3rd of December for reimbursement of Long Table Dinner expenses incurred by the Shire.	BFE
Act Eco Homer	\$ 58,429.76	Multiple waste charges from 14/06/2024 to present. Debtor originally emailed requesting the Shire remove these invoices stating that they should be charged to other companies that Act Eco Homer was completing work on behalf of. The debtor did not supply sufficient detail to support this request and therefore this matter was referred to the Manager of Infrastructure to work towards a resolution. Recently the debtor made contact indicating that they are now going to clear this debt and a payment of 15K was made. The debtor has continued making intermittent payments towards the debt. Contact received on the 3rd of November indicates that they now wish to dispute some of the charges and would like a formal meeting with the Shire. This request has been escalated for review.	AEH
Unreel Adventure Safaris	\$ 4,413.74	May 2025 wharf usage charge and annual rent charge for Area 1 of the Derby Wharf. Finance and previous ports manager made several attempts via phone and email to secure payment for these outstanding invoices without success. Given the operator is likely to continue operation at the commencement of the next tourist season we will recommend that future wharf bookings are not granted until this debt is cleared.	UNR
ACA Northern Enterprises	\$ 2,076.35	Waste charges back dating to June 2025, statements and direct communication have been sent without a response. The Shire may look to remove the business's access to the waste facility pending payment of these charges as the business remains active in Derby	ACANE
Broomecrete	\$ 7,391.02	Waste charges back dating May 2025 & interest, The Shire has made direct enquiries with the business's administration team and are awaiting a response	CRET
Mowanjum Aboriginal Corporation - Mowanjum Station & Knowsley Agricultural	\$ 104,792.08	Mowanjum is currently responsible for the payment of rates on two pastoral properties in the Shire with the combined total of rates outstanding at \$104,792.08. This debt is an accumulation of current debt as well as arrears back to 23/24. Mowanjum has previously communicated with the Shire and made payments towards the debt via an arrangement without ever achieving full clearance of the balance. In the 25/26 FY the Shire has not yet received communication from Mowanjum with regards to these assessments and the matter has now been referred to CS Legal.	MJU

Mowanjum Aboriginal Corporation	\$ 53,200.44	Waste charges that were raised in 2020. These charges relate to Mowanjum's use of the Debry waste facility for residential waste from 2016 through to 2020. The total payable in the original invoice was \$158,371.30, these charges were disputed by Mowanjum at the time and subsequently reduced by 50% to \$79,185.65 in October 2020 via Council Resolution 170/20. On the 18th of June 2021 Mowanjum made a payment of \$26,395.21 via a payment arrangement. From this point no further payments were made by Mowanjum who then proceeded to take the matter to the Ombudsmen in 2022. The Ombudsmen made no ruling in Mowanjum's favour and at this point Mowanjum indicated they would be seeking legal advice. There has been no further communication from Mowanjum with regards to this debt nor has the Shire received any communication from Mowanjum's legal representatives. The Shire now believes that these charges may be recovered after expected administrative changes at Mowanjum.	MJU
Burrinunga Aboriginal Corporation	\$ 68,013.18	This debt relates to residential bin charges dating back to 2018 for the group of houses at 18-32 Panton Street Derby. The matter has previously progressed through CS Legal who concluded that due to the nature of the houses, the enforcement of the debt through legal proceedings is difficult as the Shire does not realistically have the ability to exercise our power of sale. The director of the corporation has also previously stated they have no income and no ability to repay this debt. Following this conclusion the Shire wrote to the minister for Local Government's office but a response was not received. The Shire has also attempted to secure payment through the Department of Housing and Works, Aboriginal Housing and the section of the Department of Housing and works that deals specifically with remote area housing. All of these avenues have been unsuccessful to date with each area advising they were not responsible for the payment of these charges. The Shire has most recently been advised to communicate with the Derby office of the Department of Housing and Works however these contact attempts have not been responded to. At this stage the Shire may need to engage directly again with the minister's office or potentially cease collection of waste at this location. The latter option is problematic given the implications this would have from a health/waste recovery point of view.	PRN

At 4:34pm Cr Val Ross re-joined the meeting.

8.6 UPDATE ON EXTERNAL GRANTS AND FUNDING - AUGUST TO OCTOBER 2025

File Number: GS/010/1

Author: Christie Mildenhall, Community Planning Advisor

Responsible Officer: Tamara Clarkson, Chief Executive Officer

Authority/Discretion: Information

SUMMARY

This report provides a regular update of the funding opportunities investigated and sought by Officers and seeks support for the proposed projects. It covers grant activity from the period 1 August to 31 October 2025.

The purpose of this report is to inform Council about the funding support the Shire receives for many of our community services and infrastructure projects and how the funding risk is being managed by Shire Officers.

DISCLOSURE OF ANY INTEREST

Nil by Author or Responsible Officer.

BACKGROUND

The Shire relies heavily on grant and other funding opportunities to support the delivery of projects, programs, services, and events. This report provides an overview of the funding which has been applied for (pending outcome), confirmed or acquitted during the period 1 August to 31 October 2025.

STATUTORY ENVIRONMENT

Part 6 – Financial Management of the *Local Government Act 1995* provides for the financial management of local governments, including provisions around the development of an annual budget which grant funding must be incorporated into.

POLICY IMPLICATIONS

Policy PC1 – Risk and Opportunity Management

Policy F3 – Significant Accounting

FINANCIAL IMPLICATIONS

This report outlines funding which is being sought, has been obtained or has been acquitted, to support the delivery of projects, programs, services and events of the Shire. At the time of developing the 2025/26 financial year budget, grants were only included if the funding had been confirmed and an agreement had been executed. Where grants have been obtained post the endorsement of the annual budget these will be incorporated as part of the budget review process.

The funding received from grants must be used for the express purpose outlined in the grant application and subsequent agreement. Some grants will cover the full cost of the related project, while others require a co-contribution from the Shire. The co-contributions are either in the form

of in-kind or cash. Projects which require cash contributions from the Shire that cannot be met within the operational budget and have not previously been identified in the budget will be brought to Council for budget allocations to be endorsed.

STRATEGIC IMPLICATIONS

GOAL	OUR PRIORITIES	WE WILL
1. Leadership and Governance	1.2 Capable, inclusive and effective organisation	1.2.4 Attract and effectively use resources to meet community needs
2. Community	2.4 Sustainable Communities	2.4.2 Collaborate with key agencies, groups and service providers to improve community services, programs and facilities

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Business Interruption: Lack of funding may result in the non-performance of functions.	Likely	Moderate	High	Ensure Shire activities are conducted efficiently to allow spread of funding. Apply for grants wherever possible to support Shire's activities. Delay commencement of activities until funding is confirmed.
Financial: Poor management of grant funding may impact the Shire's ability to get funding in the future.	Likely	Moderate	High	Ensure a process is established and implemented to allow good governance and compliance of grant funding.
Organisation's Operations: Lack of processes relating to grant management may result in failure to meet grant requirements and deliver funded programs.	Likely	Moderate	High	Ensure a process is established and implemented to allow good governance and compliance of grant funding.

CONSULTATION

Generally, only internal consultation has been undertaken in relation to the grants applied for. However, some specific projects may involve or have been informed by community consultation

with relevant stakeholders and community groups to gauge projects and seek external support for the project. This occurs on a case-by-case basis depending on the nature of the project and the grant.

COMMENT

To support the projects, programs and services of the Shire a number of funding arrangements are entered into with a variety of Government (State and Federal) agencies, not for profit organisations and philanthropic foundations. Funding received enables the Shire to deliver necessary community services and community engagement support programs as part of ongoing operations. Other funding is used for 'add on' activities for which the community expects the Shire to provide. In many cases, if the Shire does not receive this funding the projects will not go ahead and the Shire will not be able to meet community expectations.

Below is a summary of the grants which have been applied for during this reporting period, the outcome of submitted funding applications and grants which have been acquitted.

Grants of larger sums often result in issuing bodies seeking confirmation that projects have been approved by Council prior to executing the funding agreements. Council is requested to provide their support for these projects.

Funding received during the period 1 August to 31 October 2025

Grant Program and Funder	Project Description	Funding Received (Ex GST)	Funding Period
COMMUNITY SERVICES AND EVENTS			
Advocare WA – Seniors Week Grants 2025	Community morning teas at Derby HACC and Juniper Numbla Nunga as part of Seniors Week 2025	\$3,000.00	28 October to 16 November 2025
Children's Book Council WA – Children's Book Week 2025	Children's Book Week activities in Derby and Fitzroy Crossing	\$2,000.00	30 June to 31 October 2025
Department of Communities – International Volunteer Day 2025	Volunteer recognition event held on International Volunteers Day (5 December)	\$1,000.00	18 September to 5 December 2025
Department of Creative Industries, Tourism and Sport – Community Place Based Grant	Contribution towards the cost of delivering youth school holiday programs in Derby.	\$150,000.00	1 July 2025 to 30 June 2028
Department of Health – Contiguous Local Authorities Group (CLAG)	Contribution towards the Shire's mosquito management program.	\$3,900.11	1 July 2025 to 30 June 2026
Developmental Disability WA – International Day of People with Disability Grant 2025	Contribution toward the International Day of People with Disability event held at Derby Airport on 3 December.	\$1,000.00	6 October 2025 to 3 December 2025
TOTAL AMOUNT – COMMUNITY SERVICES AND EVENTS		\$160,900.11	

INFRASTRUCTURE / CAPITAL PROJECTS			
Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts – Local Roads and Community Infrastructure Phase 2	Variation to existing agreement – CCTV System repairs, safety works on Derby Memorial Swimming Pool fence, electrical works at Derby Civic Centre, automated doors at Derby Library / Council Chambers, road drainage improvements.	\$605,500.00	31 December 2025
* Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts – Regional Precincts and Partnerships Program (Stream 1)	Development of a master plan and other facility plans for the Derby Recreational Precinct.	\$669,448.00	TBA
* Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts – Remote Airstrip Upgrade Program – Round 11	Reseal of runway and line marking at Derby Airport.	\$750,000.00	
Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts – Roads to Recovery 2024-2029	Road Projects - Claredon Street, Rowan Street, Johnston Street, Jetty Road, Gnh-Gee Gully Road, Calwynyardah-Noonkanbah Road, Fossil Downs Road, Camballin-Myroodah Road, Gieke Gorge Road. Drainage Projects - Waycott Street, Sutherland street, Flynn Drive, Henwood close, Ord street.	\$6,203,991.00	1 June 2024 to 30 June 2029
* Department of Transport – Regional Airports Development Scheme (RADS) 2025-27	Reseal of runway and line marking at Derby Airport.	\$650,000.00	TBA
Main Roads WA – State Roads fund	Funding for road projects - Cherrabun Road, Camballin Myroodah Road, Fossil Downs Road, Gee Gully Road, Jetty Road, Fairbarn Street.	\$1,728,731.00	1 July 2025 to 30 June 2026
TOTAL AMOUNT – Infrastructure Projects		\$10,607,590.00	
TOTAL FUNDING RECEIVED		\$10,768,490.11	

* Advised that application has been successful, however funding agreement have not yet been executed.

Applications pending outcome

A number of funding applications have been submitted and are still progressing through the relevant organisation's assessment process. The expected notification of outcome date is calculated based on information provided in program guidelines and is a rough estimate. The list below highlights all applications, not just those submitted during the reporting period.

Grant Program and Funder	Project Description	Funding Requested (Ex GST)	Funding Period	Expected Notification of Outcome
Tourism WA – Regional Events Scheme	Kimberley Art and Photographic Prize Roadshow to remote community arts centres.	\$20,000	April to June 2027	19 February 2026
State Library WA – Better Beginnings	Library outreach projects in remote communities	\$9,500	12 months	31 December 2025
Department of Primary Industries and Regional Development – Animal Welfare Grants Round 5	Animal de-sexing, preventive health and vet services in remote communities for domestic animals	\$47,626.59	12 months	22 December 2025
TOTAL AMOUNTS		\$77,126.59		

Unsuccessful applications

During the reporting period no grant applications were deemed unsuccessful.

Funding Acquitted

During the reporting period the following grant funded project were completed and successfully acquitted with all reporting requirements met. The Shire no longer has any liabilities in relation to these grants.

Grant Program and Funder	Project Description	Amount Acquitted (ex GST)
Children's Book Council WA – Children's Book Week 2025	Children's Book Week 2025 activities in Derby and Fitzroy Crossing.	\$2,000
Creative Industries, Tourism and Sport – Community Place Based Grant 2022/23 - 2024/25	Youth School holiday programs and after school sporting activities in Derby and Fitzroy Crossing.	\$300,000
Department of Primary Industries and Regional Development – Grant Agreement	Funding towards the assessment and design of the Derby Recreation and Emergency Rescue Boat Ramps (co-funding for Dept of Transport Project).	\$62,500
Main Roads WA – Direct Grants	Certificate of Completion for various roads projects across the Shire funded in 2024/25.	\$407,758
Main Roads WA – Road Project Grant	Certificate of Completion for Jetty Roads pavement correction and reseal.	\$197,186.80
Rio Tinto – Community Giving Grants	Kimberley Art and Photographic Prize event sponsorship.	\$5,000
Tourism WA – Regional Events Scheme 2025-2027	Acquittal report for Year 1 funding towards Kimberley Art and Photographic Prize.	\$15,000
TOTAL AMOUNTS		\$989,444.80

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

Nil

COMMITTEE RESOLUTION AC24/25

Moved: Mr Jeffrey Porra

Seconded: Cr Trish Gault

That the Audit, Risk and Improvement Committee recommend that Council:

- 1. NOTES the summary of grant and funding applications which have been submitted by Officers; and**
- 2. PROVIDES in principle support for the outlined projects for which funding is being sought.**

In Favour: Mrs Danielle Cornish, Mr Peter McCumstie, Cr Trish Gault, Cr Eliot Money, Cr Val Ross and Mr Jeffrey Porra.

Against: Nil

CARRIED 6/0

9 NEW BUSINESS OF AN URGENT NATURE

Nil.

10 DATE OF NEXT MEETING

The next meeting of Audit, Risk and Improvement Committee will be held 4:00pm, Thursday 4 December 2025 in the Council Chambers, Clarendon Street, Derby.

11 CLOSURE OF MEETING

The Presiding Member closed the meeting at 4:36pm.

These minutes were confirmed at a meeting on

.....

Signed:

Presiding Person at the meeting at which these minutes were confirmed.

Date: