



AGENDA

FOR THE

SPECIAL MEETING OF COUNCIL

26 MAY 2026

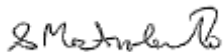
NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of Council will be held on Tuesday, 26 May 2026 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 3:00 PM for the purpose of considering:

- COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON INTENTION TO IMPOSE DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2026/27 ANNUAL BUDGET
- AUDIT RISK AND IMPROVEMENT COMMITTEE - ADOPTION OF TERMS OF REFERENCE AND APPOINTMENT OF INDEPENDENT MEMBERS

Regards,



S MASTROLEMO
Chief Executive Officer

22/05/2026

Our Mission

"To deliver affordable and quality Local Government services."

DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions in section 5.25 of the *Local Government Act 1995* establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

Should you require this document in an alternative format please contact us.

SHIRE OF BROOME
SPECIAL MEETING OF COUNCIL
TUESDAY 26 MAY 2026
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1. OFFICIAL OPENING

2. ATTENDANCE AND APOLOGIES

Attendance:

Leave of Absence: Cr S Cooper
Cr J Lewis

Apologies:

Officers:

Public Gallery:

3. DECLARATIONS OF FINANCIAL INTEREST / IMPARTIALITY

4. PUBLIC QUESTION TIME

5. REPORTS FROM OFFICERS

5.1 PEOPLE

5.1.1 COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON INTENTION TO IMPOSE DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2026/27 ANNUAL BUDGET

LOCATION/ADDRESS:	Nil
APPLICANT:	Nil
FILE:	ARA01; ARA12
AUTHOR:	Finance Officer - Rates
CONTRIBUTOR/S:	Manager Financial Services
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF INTEREST:	Nil

SUMMARY:
 This report presents to Council the outcome of the statutory local public notice period, advertising the intention to raise differential rates, ahead of adopting the 2026/27 Annual Budget. Council is requested to consider any submissions received during this period and to request the Chief Executive Officer to apply to the Minister for Local Government to approve the differential rates that require exemption under section 6.33(3) of the *Local Government Act 1995*.

BACKGROUND

Previous Considerations

SMC 28 April 2026

Item 5.2.1

The “Notice of Intention to Impose 2026/2027 Differential Rates” report presented to Council at the 28 April 2026 Special Meeting of Council (SMC) summarised the following matters:

- The 2026/27 budget process to date including revenue required to be raised from rates as per the 2026/27 draft budget.
- The proposed Rate in the Dollar (RID) for each rating category, including an average RID increase for GRV Residential properties of 5.97%, which is equivalent to \$3.63 per week.
- The proposed minimum payments for each rating category.
- An illustration of the proposed differential rates and minimum payments required to be raised to balance the 2026/27 budget.
- The statutory requirement to advertise certain rating information through public notice.
- The statutory requirement to consider submissions received concerning the proposed rates.

Through this report, Council resolved the following:

COUNCIL RESOLUTION:

(REPORT RECOMMENDATION)

Minute No. C/0426/006

Moved: Cr E Smith

Seconded: Cr P Taylor

That Council:

1. ***Publishes a local public notice proposing the 2026/27 differential general rates and minimum payments set out in the table below and invites electors or ratepayers to lodge submissions about this proposal within 21 days from the date of notice:***

DIFFERENTIAL RATE CATEGORY	MINIMUM PAYMENT	RATE IN THE DOLLAR
Residential (GRV)	\$1,485	0.072642
Vacant (GRV)	\$1,450	0.197422
Commercial (GRV)	\$1,485	0.129027
Tourism (GRV)	\$1,485	0.147839
Commercial Rural (UV)	\$1,485	0.050823
Mining (UV)	\$1,161	0.181993
Rural (UV)	\$1,485	0.009590

2. ***Adopts the Objects and Reasons presented in Attachment 2 for each of the proposed differential general rates and minimum payments in point 1 above; and***
3. ***Following the close of the public submission period, requests the Chief Executive Officer to report back to Council, presenting any submissions for formal consideration, before seeking Ministerial Approval under section 6.33(3) of the Local Government Act 1995 to impose differential rates which are more than twice the lowest differential rate in the GRV Vacant, GRV Tourism, UV Mining and UV Commercial Rural differential rating categories.***

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 8/0

Following the 28 April 2026 SMC, a public notice inviting submissions on proposed differential rates was advertised in the 1 May 2026 edition of The West Australian Newspaper, with the 21-day submission period ending 5pm, Friday, 22 May 2026. Public notices were also placed on noticeboards located at the Shire of Broome Administration Centre and Library. A digital public notice was published on the Shire of Broome's website and social media account, with a link to the Objects and Reasons for the Differential Rates and Minimum Payments for the 2026/27 Financial Year. All statutory local public notice requirements under section 6.36 of the *Local Government Act 1995* (the Act) were met.

The Shire also wrote to all 24 properties in the UV Commercial Rural differential rating category, inviting public comment on the proposed differential rates in accordance with the Department of Local Government, Industry and Regulatory Services (DLGIRS) requirement for rating categories with less than 30 ratepayers.

Under section 6.33 of the Act, Ministerial approval is required if a differential rate is more than twice the lowest differential rate in either UV or GRV rating property categories. Approval is required to be sought for the GRV Vacant and GRV Tourism categories which are more than twice the base GRV Residential rate, and the UV Commercial Rural and UV Mining categories which are both more than twice the base UV Rural rate.

The Minister requires Council to consider any submissions received prior to assessing the Shire's application for exemption from section 6.33 of the Act.

COMMENT

Submissions

During the 21 day submission period, there were six (6) submissions received.

The submissions received primarily related to broader concerns regarding rates increases, cost of living pressures, affordability, Shire expenditure and governance matters. No submissions raised specific concerns regarding the methodology for applying differential rating categories, minimum payments or the Statement of Objects and Reasons for the proposed Differential Rates.

Contained within **Attachment 3** are details of the submissions received and the proposed response to each submission. Responses will be sent after the SMC to be held Tuesday 26 May 2026.

Property and Valuation Changes

The "Notice of Intention to Impose 2026/2027 Differential Rates" report presented to Council at the 28 April 2026 SMC modelled differential rates based on all property valuation information current at the time.

GRV properties are revalued every three (3) years, with all GRV properties last revalued in 2024/25, taking effect 1 July 2025. These valuations and any interim changes to GRV valuations are utilised in the 2026/27 rates modelling.

UV properties are revalued annually by the Valuer-General, however new valuations had not been received at the time of the 28 April 2026 SMC. Officers considered that any variances which would significantly affect the outcome of the proposed rates model would be presented to Council and treated in accordance with the Act.

The UV Valuations schedules have subsequently been received and processed by the Shire during the advertising period. Treatment of the change of valuations is detailed below.

Other minor interim schedule changes were also processed to ensure the most up to date rates ledger for both GRV and UV properties is included as part of budget deliberations and rates billing. Again, these adjustments are detailed below.

GRV Properties

During the advertising period minor updates to property valuations were made in accordance with interim valuation schedules provided by Landgate, as well as the completion of a review by the Shire's planning department to ensure any properties with an approved change in property use were appropriately re-categorised in the final rates model. The review identified a small change resulting in a net increase of GRV rates levies modelled totalling \$22,793. The average change in non-minimum general rates remains consistent with the advertised model being 5.97% for all GRV rate categories except GRV Commercial being 4.99%. Minimum payments also remain unchanged from the advertised model being \$1,485 for all GRV rate categories except for GRV Vacant, being \$1,450.

UV Properties

The Valuer-General, through Landgate, completed the rural assessments for all properties as of the Date of Valuation, 1 August 2025. These valuations were received 23 April 2026 and become effective on 30 June 2026, so are necessary to include in the proposed 2026/27 rates model. The changes applied by the Valuer General in the assessed values for the 2026/27 period resulted in an average overall valuation increase of 16.68% across all UV properties.

Landgate provided that:

- the analysis of comparable sales at and around the date of valuation supports a lift in Unimproved Values for land around Broome.
- as a result of changes in pastoral lease rents, the Unimproved Values for these properties have also changed. These changes have generally resulted in slight increases in Unimproved Value for this type of property.
- some variations to individual assessments may have occurred either as a product of the valuation process and/or inclusion of updated information.

Total UV valuations have increased by \$5,149,652, in comparison to the valuations included in the rates model presented at the 28 April 2026 SMC. If the updated valuations are applied to the advertised rate-in-the-dollar and minimum payments for UV rated categories, the following average change in rates (%) would have resulted:

- UV Commercial Rural - 16.13%;
- UV Mining - 7.06%;
- UV Rural - 27.63%.

This is compared to the advertised average change in rates (%) of 5.97% for each of the UV rated categories. Additionally due to the valuation changes, should the level of minimum payments not be amended, the UV mining rate categories would be non-compliant with the Act as more than 50% of properties in the category would be levied at the minimum payment.

To ensure a consistent methodology is taken to that modelled and presented at the 28 April 2026 SMC and to achieve the average change in rates for these rate categories of 5.97% and a compliant minimum payment for UV Mining, it is proposed that Council consider a modified rate in the dollar and minimum payment for each rating category as follows, noting there are no changes to GRV rating categories:

Differential Rate Category	28 April 2026 SMC Rate in the Dollar	28 April 2026 SMC Minimum Payment	Proposed Rate in the Dollar	Proposed Minimum Payment
GRV Residential	0.072642	\$1,485	0.072642	\$1,485
GRV Vacant	0.197422	\$1,450	0.197422	\$1,450
GRV Commercial	0.129027	\$1,485	0.129027	\$1,485
GRV Tourism	0.147839	\$1,485	0.147839	\$1,485
UV Commercial Rural	0.050823	\$1,485	0.046245	\$1,485
UV Mining	0.181993	\$1,161	0.180084	\$1,124
UV Rural	0.009590	\$1,485	0.007962	\$1,485

Applying the updated UV valuations to the consistent methodology that was advertised has resulted in a small decrease in UV property rates levies modelled of \$3,423. All current UV valuations have now been received and incorporated into the 2026/27 rates model presented in this report.

With both the GRV and UV valuations finalised, the resulting overall change in proposed general rates levied compared to the advertised model is \$19,370 higher than the previously modelled results presented at the 28 April 2026 SCM.

Ministerial Approval

Ministerial approval must be sought under section 6.33 of the Act for the proposed GRV Vacant and GRV Tourism rating categories, as the rate in the dollar for these categories is more than twice the GRV Residential rate.

A separate application for approval under section 6.33 of the Act must also be sought for UV Mining and UV Commercial differential rating categories which are more than twice the lowest UV Rural general rate. This has been the case for UV Mining and UV Commercial categories for some years, and recognises the higher costs associated with maintaining infrastructure and the rural road network (including, extreme weather conditions, heavier transport utilising roads and higher traffic volumes).

Applications for both GRV and UV is consistent with prior years and officers recommend that Council request the Chief Executive Officer (CEO) to apply to the Minister seeking approval under section 6.33 of the Act for the proposed rate in the dollar for the GRV Vacant, GRV Tourism, UV Mining and UV Commercial differential rating categories.

Conclusion

The statutory advertising and consultation requirements for the proposed 2026/27 Differential Rates and minimum payments have been completed in accordance with the Act. Following consideration of submissions received and incorporation of updated UV valuation data provided by the Valuer-General, it is recommended that Council adopt the proposed differential rates and minimum payments, as modified within this report, and request the Chief Executive Officer to seek the necessary Ministerial approvals under section 6.33(3) of the Act.

CONSULTATION

Local public notice was provided and direct correspondence issued to property owners as required under section 6.36 of the Act.

6 submissions were received during the 21-day statutory notice period however it is noted that the submissions primarily related to broader concerns regarding rates increases, cost of living pressures, affordability, Shire expenditure and governance matters. No submissions raised specific concerns regarding the methodology for applying differential rating categories, minimum payments or the Statement of Objects and Reasons for the proposed Differential Rates.

Contained within **Attachment 3** are details of the submissions received and the proposed response to each submission. Responses will be sent after the SMC to be held Tuesday 26 May 2026.

The Valuer-General and Landgate provided the current property valuations in the proposed 2026/27 rates model via the valuation rolls and interim valuation schedules.

STATUTORY ENVIRONMENT

Local Government Act 1995

s6.26	Rateable land
s6.28	Basis of Rates
s6.32	Rates and service charges
s6.33	Differential general rates
s6.34	Limit on revenue or income from general rates
s6.35	Minimum payment

The rate in the dollar and minimum payments applicable to each differential rating category proposed for the 2026/27 annual budget have been developed with full consideration for the Act, specifically the sections referenced above.

s1.7	Local public notice
s6.36	Local government to give notice of certain rates

The Shire has complied with the statutory requirement to give public notice in at least four ways (state-wide newspaper, Shire Administration and Library notice boards, Shire website, and Shire social media account) from 1 May, for at least 21 days, stating the proposed differential rates and minimum payments for each rating category, providing suitable access to the Objectives and Reasons, and considering all submissions to Council through this report.

POLICY IMPLICATIONS

Rating Policy

The Rating Policy outlines the Council's principles and methodology when exercising the Council's discretionary powers to determine the level and structure of rates levied under the Act.

FINANCIAL IMPLICATIONS

The proposed differential rates and minimum payments for the 2026/27 financial year will raise an estimated total rates revenue of \$32.3M, including expected exemptions, concessions and interim rates. A modified proposed detailed draft rates model is in **Attachment 2**, featuring the rate in the dollar and minimum payment for all rating, and

valuations received from the Valuer-General for all properties within the Shire of Broome applying from 1 July 2026.

RISK

Risks associated with the consideration of submissions received and the general endorsement of the proposed rates model include:

- Rejection of the proposed differential rates, minimum payment and/or associated statement of objectives and reasons by the DLGSC, which could result in delays in adopting the 2026/27 annual budget.
- Delays to the 2026/27 annual budget adoption could affect cash flow and delay the commencement of significant capital projects.
- Delay in the timing of issuance of the annual rates notices, leaving less time for ratepayers to pay rates by 30 June 2027.

These risks are assessed as extreme. The treatment and mitigation of these risks have been identified through controls including analysis and review of the rate-setting strategy, compliance with all related legislation and DLGSC guidelines, and consultation with DLGSC and ratepayers.

STRATEGIC ASPIRATIONS

Performance - We will deliver excellent governance, service & value for everyone.

Outcome 13 - Value for money from rates and long term financial sustainability

Objective 13.1 Plan effectively for short- and long-term financial sustainability

STRATEGIC ASPIRATIONS

Performance - We will deliver excellent governance, service & value for everyone.

Outcome 9 - Effective leadership, advocacy and governance

Objective 9.2 Deliver cost effective, fit-for-purpose assets, facilities and equipment.

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION:

That Council:

1. *Notes the submissions received during the 21 day public submission period advertising Council's intention to impose the 2026/27 differential rates and minimum payments under section 6.36(4) of the Local Government Act 1995;*
2. *Endorses the following proposed Differential General Rates and Minimum Payments for 2026/27:*

Differential Rate Category	Proposed Rate in the Dollar	Proposed Minimum Payment
GRV Residential	0.072642	\$1,485
GRV Vacant	0.197422	\$1,450
GRV Commercial	0.129027	\$1,485
GRV Tourism	0.147839	\$1,485
UV Commercial Rural	0.046245	\$1,485
UV Mining	0.180084	\$1,124
UV Rural	0.007962	\$1,485

3. *Adopts the 2026/27 Statement of Objects and Reasons for each of the proposed differential general rates and minimum payments in point 2 above as contained in Attachment 1; and*
4. *Requests the Chief Executive Officer to seek the Minister for Local Government's approval under section 6.33(3) of the Local Government Act 1995 to impose differential rates for the:*
 - (a) GRV Vacant and GRV Tourism differential rating categories, which are proposed to be more than twice the lowest GRV Residential differential rate; and*
 - (b) UV Commercial Rural and UV Mining differential rating categories, which are proposed to be more than twice the lowest UV Rural differential rate.*

Attachments

1. 2026-27 Statement of Objects and Reasons for the Differential Rates and Minimum Payments (updated)
2. 2026-27 Proposed Rates Model (updated)
3. Attachment 3 - Table of submissions and proposed responses to the Notice of Intention to Impose Differential



Statement of Objects and Reasons

2026/27 Differential Rates and Minimum Payments

Under section 6.36 of the *Local Government Act 1995*, the Objects and Reasons for implementing Differential Rates must be published by the Shire of Broome.

Overall Objective

The purpose of the levying of rates is to meet the Shire's budget requirements each financial year to deliver services and community infrastructure. The Valuer-General provides the property valuations as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning or land use as determined by the Shire of Broome. Properties are grouped according to town planning zonings or predominant land use. Each rating category has a separately calculated rate in the dollar to achieve equity across all sectors.

Council has considered the key values contained within the Rating Policy: Differential Rates (s.6.33) released by the Department of Local Government, Sport and Cultural Industries, being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and Administrative Efficiency

A copy of this policy can be obtained from this link:

<https://www.dlgsc.wa.gov.au/department/publications/publication/rating-policy-differential-rates>.

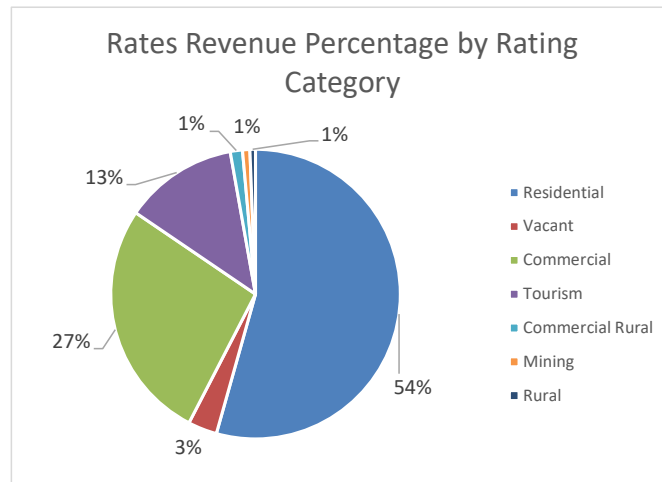
Council determines the required rates yield by reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations, and for the 2026/27 financial year a budget deficiency of \$32.3M has been identified. To achieve a balanced budget an average rate-in-the dollar increase of 5.97% has been applied to all categories, with the GRV Commercial category adjusted to reflect the reduced inter regional flight network funding, resulting in an average 4.99% rate-in-the dollar increase for this category.

Below is a summary of the proposed Minimum Payments and Rates in the Dollar for 2026/27:

Differential Rate Category	Minimum Payment	Rate in the Dollar
GRV – Residential	\$1,485	0.072642
GRV – Vacant	\$1,450	0.197422
GRV – Commercial	\$1,485	0.129027
GRV – Tourism	\$1,485	0.147839
UV – Commercial Rural	\$1,485	0.046245
UV – Mining	\$1,124	0.180084
UV – Rural	\$1,485	0.007962

Rates Contribution Based by Rating Category:

The following chart details the rates contribution as a percentage of total rates revenue for each rating category:



Gross Rental Value (GRV)

The *Local Government Act 1995* determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer-General determines the GRV for all properties within the Shire of Broome. Under section 22 of the *Valuation of Land Act 1978*, the Valuer-General also determines the frequency of general valuations.

The Valuer-General undertakes a GRV revaluation every three to five years, with the most recent valuation recently occurring with a valuation date being 1 August 2024 and effective from 1 July 2025. Factors such as age, construction, size, car shelters, pools and location influence the rental value for a house or other GRV property. Interim valuations are provided fortnightly to the Shire by the Valuer-General for properties where changes have occurred (i.e. subdivisions or strata title of a property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances, the Shire recalculates the rates for the affected properties and issues interim rates notices.

GRV properties contribute about 97.19% of the total rates as the properties make up over 98% of total properties, and therefore have the highest demand for Shire resources

GRV – Residential (The Base Rate for Gross Rental Value)

This rating category consists of properties that have a predominant residential use. This rating category is the base GRV rate by which all other GRV rated properties are assessed. The reason for the rate in the dollar for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas.

Council is focused on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads, replacement and development of footpath networks, refurbishing public ablutions and other building maintenance programs. The rates from this category are expected to meet the community needs and service levels for properties under this category within the Shire of Broome.

This category contains 73.56% of all properties within the Shire, accounting for 64.21% of total property value, and generating 54.33% of the rates revenue raised in 2026/27.

An average increase of 5.97% is proposed for the GRV Residential rate category.

GRV – Vacant

This rating category consists of vacant properties zoned Residential, Tourist, Commercial or Industrial under the Shire's Local Planning Scheme. The object of the rate for this category is to signify the Council's preference for land to be developed rather than left vacant. Development is encouraged due to its importance and positive effect on local employment and economic diversity. Further community returns are also expected from population-linked investment in the region by both State and Federal funding bodies. The rate is also higher than the base rate to distribute the rates burden equitably considering the different method used for the valuation of vacant land as compared to other GRV properties. The rate is also intended to discourage land investors from land banking and discourage excessive vacant land leaving subdivisions barren and aesthetically unappealing which may provide prospects for potential antisocial behaviour.

The rate in the dollar for this category is 172% higher than the GRV – Residential base rate. This category contains 4.60% of all properties within the Shire, accounting for 1.33% of total property value, and is expected to contribute 3.23% of the total rates to be raised for 2026/27.

GRV – Commercial

This rating category covers the town centre, commercial business, shopping centres, telecom tower sites and the airport. All properties rated under this category are zoned Commercial under the Town Planning Scheme, excluding properties with tourism use. This rating category recognises the impact of commercial properties on infrastructure and the environment within the Shire. This category recognises the more significant share of costs associated with providing additional services like economic development, maintaining car park infrastructure, landscaping, environmental health, light industrial area infrastructure, inter regional flight network costs and other amenities.

The rate in the dollar for this category is 78% higher than the GRV – Residential base rate. This category contains 8.16% of all properties within the Shire, accounting for 17.91% of total property value, and is expected to contribute 26.91% of the total rates to be raised for 2026/27.

GRV – Tourism

This rating category consists of properties with operations related to tourism inclusive of un-hosted Holiday Homes. This category recognises the impact of such properties on infrastructure and the environment within the Shire. This rating category recognises the more significant share of costs associated with the provision of tourism specific services in addition to the services provided in the GRV Commercial category. The increased GRV-Tourism rate in the dollar provides for additional funding to contribute to economic development, tourism promotion and marketing activities, environmental health, public safety and law enforcement.

The rate in the dollar for this category is 104% higher than the GRV – Residential base rate. This category contains 11.84% of all properties within the Shire, accounting for 6.98% of total property value, and is expected to contribute 12.72% of the total rates to be raised for 2026/27.

Unimproved Value (UV)

Properties that are predominantly used for rural purposes are assigned an Unimproved Value supplied and updated by the Valuer-General on an annual basis. The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates.

UV properties contribute about 1.84% of the total rates as the number of properties in these categories is low and they generally have a much lower demand on Shire resources.

UV - Rural (The Base Rate for Unimproved Value)

This rating category consists of properties that are exclusively for rural use. This category is the base UV rate by which all other UV rated properties are assessed. Other UV rating categories have a higher demand for Shire resources than properties in the UV - Rural rating category.

This category contains 0.82% of all properties within the Shire, accounting for 6.68% of total property value, and is expected to contribute 0.63% of the total rates to be raised for 2026/27.

UV - Commercial Rural

This rating category consists of properties with a commercial use outside of the townsite and inclusive of pearling leases, pastoral leases or other properties with pastoral use.

This category recognises the increased rates required to operate efficiently and provide for rural infrastructure and services. The above services are in addition to the urban services, programs, and infrastructure available to the properties in this category. The Shire incurs higher costs of infrastructure maintenance and renewal of the rural road network due to its vulnerability to extreme weather conditions, further increasing due to extra vehicle movements and activities associated with these properties.

The rate in the dollar for this category is 480% higher than the UV–Rural base rate. This category contains 0.33% of all properties within the Shire, accounting for 2.54% of total property value, and is expected to contribute 1.37% of the total rates to be raised for 2026/27.

UV – Mining

This rating category consists of properties for mining, exploration or prospecting purposes. The object of the rate for this category is to reflect the impact on utilisation of rural infrastructure (compared to pastoral) by heavy transport and associated higher traffic volumes. Also, these properties have access to all other services and facilities provided by the Shire. This category is rated higher than UV-Commercial due to the higher road infrastructure maintenance costs to the Shire from frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

The rate in the dollar for this category is 2,161% higher than the UV–Rural base rate. This category contains 0.68% of all properties within the Shire, accounting for 0.36% of total property value, and is expected to contribute 0.80% of the total rates to be raised for 2026/27.

Minimum Payments

Every property, regardless of size, value, and use, receives some minimum level of benefit from the Shire's works and services. Minimum rates ensure that all ratepayers make a reasonable contribution to essential services and infrastructure.

A minimum payment of \$1,485 is proposed for all categories except the GRV – Vacant category, for which a minimum payment of \$1,450 is proposed and the UV – Mining category, for which a minimum payment of \$1,124 is proposed.

The unimproved value of mining properties ranges from \$205 to over \$663,000, with an average of \$27,503.

The \$1,124 minimum rate for the UV-Mining category is set at a lower level than the other rating categories to ensure compliance with section 6.35 of the *Local Government Act 1995* which requires that less than 50% of the properties in any category are on the minimum rate. Given the lower valuation figure assigned to small mining tenements, a lower minimum payment will also ensure that the rate burden is distributed equitably between all other property owners paying the minimum amount.

Proposed Differential General Rates 2026/27							
Rate Category	% of Properties	No. of Properties	Rateable Value (\$)	Rate in \$	Minimum Payment	% of Total Rates Revenue	Rate Revenue (\$)
Residential	73.56%	5,275	\$ 241,152,372	0.072642	\$ 1,485	54.33%	\$ 17,542,000
Vacant	4.60%	330	\$ 4,979,676	0.197422	\$ 1,450	3.23%	\$ 1,044,452
Commercial	8.16%	585	\$ 67,249,862	0.129027	\$ 1,485	26.91%	\$ 8,687,447
Tourism	11.84%	849	\$ 26,222,129	0.147839	\$ 1,485	12.72%	\$ 4,105,826
Commercial Rural	0.33%	24	\$ 9,550,846	0.046245	\$ 1,485	1.37%	\$ 443,077
Mining	0.68%	49	\$ 1,347,672	0.180084	\$ 1,124	0.80%	\$ 258,571
Rural	0.82%	59	\$ 25,079,500	0.007962	\$ 1,485	0.63%	\$ 204,684
Sub-Total	100.00%	7,171	\$ 375,582,057			100.00%	\$ 32,286,056
Interim Rates & Concessions							\$ 13,464
Total							\$ 32,299,520

Yours Faithfully,

Sam Mastrolemba
Chief Executive Officer

Item 5.1.1 - COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON INTENTION TO IMPOSE DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2026/27 ANNUAL BUDGET

Attachment 2 - 2026-27 Proposed Differential Rates Model (Updated)

		2026-27 ADVERTISED DIFFERENTIAL RATES				2026-27 PROPOSED DIFFERENTIAL RATES (UPDATED)										Change in Rate Revenue Advertised vs Updated Proposed Differential Rates (\$)			
Rate Description	Basis of Valuation	Rate in \$	No. Properties	Rateable Value (\$)	Rate Revenue (\$)	Rate in \$	No. Properties	Rateable Value (\$)	Rate Revenue (\$)	Average Rates (\$)	Highest Rates (\$)	Lowest Rates (\$)	Highest Change (\$)	Lowest Change (\$)	Average Change %		Average Change (\$)	Average Change Per Week (\$)	
Differential General Rates																			
Residential	GRV	0.072642	5,192	239,771,912	17,417,510	0.072642	5,192	239,788,912	17,418,745	3,355	46,764	1,492	2,634	84	5.97%	188.99	3.63	1,235	
Vacant	GRV	0.197422	166	4,085,928	806,652	0.197422	166	4,085,928	806,652	4,859	72,059	1,457	4,060	82	5.97%	273.76	5.26	0	
Commercial	GRV	0.129027	566	67,079,542	8,655,072	0.129027	567	67,123,291	8,660,717	15,275	613,721	1,497	29,191	71	4.99%	726.52	13.97	5,645	
Tourism	GRV	0.147839	619	25,384,491	3,752,818	0.147839	622	25,492,131	3,768,731	6,059	503,059	1,616	28,341	91	5.97%	341.36	6.56	15,913	
Commercial Rural	UV	0.050823	22	8,674,826	440,881	0.046245	22	9,516,846	440,107	20,005	63,818	5,772	8,664	(938)	5.97%	1,093.72	21.03	(774)	
Mining	UV	0.181993	26	1,284,280	233,730	0.180084	25	1,286,038	231,595	9,264	119,512	1,128	8,260	(519)	5.97%	597.52	11.49	(2,135)	
Rural	UV	0.009590	54	20,530,000	196,883	0.007962	54	24,775,000	197,259	3,653	9,077	2,428	910	122	5.97%	212.26	4.08	376	
Sub-Total			6,645	366,810,979	31,503,545		6,648	372,068,146	31,523,805									20,260	
Minimum Payment																			
		Min (\$)				Min (\$)													
Residential	GRV	1,485	83	1,363,460	123,255	1,485	83	1,363,460	123,255	1,485	1,485	1,485	84	84	6.00%	84.00	1.62	0	
Vacant	GRV	1,450	164	893,748	237,800	1,450	164	893,748	237,800	1,450	1,450	1,450	132	86	9.97%	131.49	2.53	0	
Commercial	GRV	1,485	18	126,571	26,730	1,485	18	126,571	26,730	1,485	1,485	1,485	84	84	6.00%	84.00	1.62	0	
Tourism	GRV	1,485	227	729,998	337,095	1,485	227	729,998	337,095	1,485	1,485	1,485	84	84	6.00%	84.00	1.62	0	
Commercial Rural	UV	1,485	2	28,300	2,970	1,485	2	34,000	2,970	1,485	1,485	1,485	84	84	6.00%	84.00	1.62	0	
Mining	UV	1,161	24	64,660	27,864	1,124	24	61,634	26,976	1,124	1,124	1,124	195	(1,236)	17.78%	134.19	2.58	(888)	
Rural	UV	1,485	5	246,300	7,425	1,485	5	304,500	7,425	1,485	1,485	1,485	84	84	6.00%	84.00	1.62	0	
Sub-Total			523	3,453,037	763,139		523	3,513,911	762,251									(888)	
Total General Rates			7,168	370,264,016	32,266,684		7,171	375,582,057	32,286,056									19,372	
				Add Interims	263,366			Add Interims	263,366									0	
				Less Concessions	(81,564)			Less Concessions	(81,532)									32	
				Less Charitable Exemptions	(168,366)			Less Charitable Exemptions	(168,366)									0	
Total Rates Revenue					32,280,120				32,299,524									19,404	

Attachment 3 - Table of submissions and proposed responses to the Notice of Intention to Impose Differential Rates

Submission No. : 1.

Assessment No. : A114535

Submission Text (Personal Information Removed):

Sent: Saturday, 2 May 2026 4:08 PM

To: Shire of Broome <Shire@broome.wa.gov.au>

Subject: I260502-281322 - Submission 2026/27 differential rates

Hi CEO,

1. I am a rate payer and home owner in Broome for well over 20 years, why do you not add as a courtesy to us that have no idea on how to work out what the differential formula you use to work out what our rates are going to increase. i.e CPI and 3% up etc.
2. Also, we as home owners need a separate category to gross rental value- I know this is a government thing but you need to stand up and separate rental values from home ownership values, as this will continue to keep us long term rate payers able to afford to live in town and the people who are owning rental properties, that mainly don't live here, pay more as they are charging rent. Do you agree this is fair?
3. I have no idea what 0.072642 means to me owning a house in town.

Shire Response:

Thank you for your submission regarding the proposed 2026/27 Differential Rates.

Your submissions was considered by Council at the Special Meeting of Council held on 26 May 2026.

The submission process typically involved ratepayers providing feedback to the relevant rating category information contained within the Objects and Reasons. Your response appears to be more generic however I have provided responses below. Please get in touch if you require further information or if you would like to provide feedback to the proposed Objects and Reasons.

1. Council provided notice of its intention to impose rates for the 2026/27 financial year at a Special Meeting held Tuesday last week. The accompanying agenda report provided detail as to the considerations of Council regarding the setting of rates. The agenda report including Council's proposed Objects and Reasons can be accessed here: [Agenda of Special Meeting - Tuesday, 28 April 2026](#)
2. The setting of rates is legislated through the Local Government Act 1995 which is State Government legislation. Council has no control and little influence over legislative reform and is not aware of any move to adjust the rating framework by

removing Gross Rental Value. The Valuer General undertook a rental revaluation in 2024/25 with revised valuations taking effect from 1 July 2025. There were significant impacts to Gross Rental Value property valuations due to ongoing housing shortages in Broome. In response Council reduced the corresponding Rate in the Dollar to minimise the impact of increased GRV valuations.

3. The figure which you refer to is the Rate in the Dollar. This is the amount that is multiplied by a properties valuation to arrive at the rates raised. As an example, to determine the rates payable on a residential property with a Gross Rental Value (the amount of rent that the property could generate as determined by the Valuer General) of \$33,280, the Shire would multiply that value by 0.072642c ($\$33,280 \times \$0.072642 = \$2,417.53$). The GRV for your property will be listed on your previous rate notice.

Council is acutely aware of the impact that housing costs and inflation particularly are having on cost of living within the community. As such there has been a continued focus on limiting the impact of rates when considering the rates decision, despite significant increases to the costs of operating in the Kimberley region, which the Shire is not immune to.

Further information on Shire Rates is available via the Shire website: Rates, Fees and Charges Shire of Broome.

Submission No. : 2.

Assessment No. : A305753

Submission Text (Personal Information Removed):

Sent: Sunday, 3 May 2026 3:01 PM

To: Shire of Broome <Shire@broome.wa.gov.au>

Subject: I260503-281362 - Notice of Intention to Impose Differential Rates 26/27

Hi

Have the shire financial team figured out that money does not grow on trees ?

CUT THE SPENDING, FIGURE OUT THE WAY TO REDUCE RATES AND DO YOUR JOB YOU HAVE BEEN SELECTED FOR.

This rate notice is just another way of increasing rates.

Shame on all of you.

A further submission from this ratepayer was received stating:

Hi

Explain to me please how is it possible not to avoid a 6% raise in shire rates? How on earth from 32 min dollars you need you can not find 6% to reduce this budget?

Explain to me please.

Shire Response:

Thank you for your submission regarding the proposed 2026/27 Differential Rates.

Your submissions was considered by Council at the Special Meeting of Council held on 26 May 2026.

Council acknowledges the concerns raised regarding rates increases, Council expenditure and current cost of living pressures within the community.

It is important to note that the “budget deficiency” referred to in the Special Council Meeting, held on 28 April 2026, considering the intention to impose 2026/27 differential rates, does not represent a financial loss or deficit carried forward or an unplanned shortfall. In accordance with the *Local Government Act 1995*, the Shire adopts a balanced budget each financial year. The “budget deficiency” is the statutory term used to describe the amount of revenue required to be raised from rates after accounting for all other forecast revenue sources, including fees and charges, grants, contributions and other income.

Council notes that your submission relates primarily to broader concerns regarding rates increases and expenditure, rather than the specific differential rating categories and minimum payments outlined within the Statement of Objects and Reasons.

Council will convene at the Ordinary Council Meeting to be held on 25 June 2026 to consider adoption of the 2026/27 Annual Budget, including the proposed Differential Rates and minimum payments.

Submission No. : 3.

Assessment No. : A105620

Submission Text (Personal Information Removed):

Sent: Wednesday, 6 May 2026 2:12 PM

To: Shire of Broome <Shire@broome.wa.gov.au>

Subject: I260506-281522 - Submission 2026/27 Differential Rates

To the Chief Executive Officer,

I write as a ratepayer and concerned community member regarding the proposed 2026/27 differential rates and minimum payments currently under public consultation.

I acknowledge that local government faces genuine financial pressures and must ensure the delivery of essential services, infrastructure and long-term asset management. However, I am concerned about the broader social and financial impact of increasing rates during a period where many local residents, families, Elders, renters, small businesses and community organisations are already experiencing significant cost-of-living pressures and housing affordability challenges in Broome.

While the proposal outlines the financial rationale for the increases, I believe there must also be greater consideration given to the cumulative impact these decisions have on community wellbeing, affordability and liveability. Broome is increasingly becoming a place where economic growth, tourism expansion and rising property values are occurring alongside growing hardship for many local people. A community can appear economically successful on paper while underneath many residents are struggling to remain connected to place, community and stability.

I am particularly concerned about:

- the increasing financial burden placed on residential ratepayers;
- the long-term affordability of Broome for local families and workers;
- the growing pressure on community organisations already responding to social and economic hardship;
- and whether current growth and development models are delivering equitable benefits across the broader community.

As a ratepayer, I also question why significant spending commitments and projects have proceeded where the long-term financial impacts now appear to be transferring back onto the community through increased rates and charges. Many households are having to make difficult budgeting decisions every day, and I believe local government should be held to the same standard of financial discipline, accountability and sustainable planning.

I also believe there needs to be clear accountability to the community regarding the significant budget deficiency and resulting financial shortfall. As ratepayers, the community deserves transparency about how these decisions occurred, what level of Council oversight and approval existed throughout the process, what governance and

financial oversight mechanisms were in place, and what measures are now being implemented to prevent similar situations in the future.

Given the scale of the reported budget deficiency, I believe it is reasonable for ratepayers to ask whether there are broader governance, financial oversight and long-term planning issues that need to be examined. Strong governance requires transparent decision-making, effective financial controls, careful risk assessment and accountability to the community. Where significant financial shortfalls emerge, the community deserves confidence that lessons are being identified and stronger safeguards are being implemented moving forward.

I respectfully encourage Council to ensure that future decision-making gives equal weight to social wellbeing, affordability, inclusion and community sustainability — not solely economic growth and infrastructure expansion.

Strong communities are built not only through development, but through fairness, participation, cultural strength, belonging and ensuring local people can continue to live and thrive in the town they call home.

Thank you for the opportunity to provide feedback.

Shire Response:

Thank you for your detailed submission regarding the proposed 2026/27 Differential Rates and minimum payments.

Your submissions was considered by Council at the Special Meeting of Council held on 26 May 2026.

Council acknowledges the concerns raised regarding affordability, cost of living pressures and the broader social and economic challenges currently being experienced within the Broome community. Council also recognises the importance of balancing the ongoing delivery of services and infrastructure with the financial capacity of residents, businesses and community organisations.

The proposed Differential Rates and minimum payments have been developed as part of the draft 2026/27 budget process and are intended to support Council's consideration of the operating, infrastructure maintenance and asset renewal requirements of the Shire.

It is important to note that the "budget deficiency" referred to in the Special Council Meeting, held on 28 April 2026, considering the intention to impose 2026/27 differential rates, does not represent a financial loss or deficit carried forward or an unplanned shortfall. In accordance with the *Local Government Act 1995*, the Shire adopts a balanced budget each financial year. The "budget deficiency" is the statutory term used to describe the amount of revenue required to be raised from rates after accounting for all other forecast revenue sources, including fees and charges, grants, contributions and other income.

Council notes your comments regarding expenditure priorities, governance, financial oversight and long-term planning. The draft budget process includes multiple internal reviews, Council workshops, and long-term financial planning considerations. In preparing the draft budget and proposed differential rates, opportunities to review expenditure, defer non-essential projects and assess operational efficiencies are considered.

Council further notes your comments regarding community wellbeing, affordability and liveability. These matters are considered as part of Council's strategic planning and budget deliberations when balancing community expectations, service delivery requirements and long-term financial sustainability.

Council notes that your submission raises broader concerns regarding affordability, financial sustainability, governance and community impacts associated with the proposed rates and draft budget, rather than the specific information outlined within the Statement of Objects and Reasons. Accordingly, no specific concerns were identified in relation to the stated objects and reasons supporting the proposed differential rates and minimum payments.

Council will convene at the Ordinary Council Meeting to be held on 25 June 2026 to consider adoption of the 2026/27 Annual Budget, including the proposed Differential Rates and minimum payments.

Submission No. : 4.

Assessment No. : A102550 / A303618

Submission Text (Personal Information Removed):

Sent: Sunday, 10 May 2026 10:27 AM

To: Shire of Broome <Shire@broome.wa.gov.au>

Subject: I260510-281712 - Submission 2026/27 Differential Rates

Good morning,

I object to the proposed increase in rates this year.

Your communication suggests that you have also used the current pressures as reasons to increase, but guess what? We are suffering from them too. And this year's rates are similar to the increases the Shire imposed over the last few years so I don't believe that.

Residential ratepayers do not have the luxury of forcing 54% of our friends to give us money to prop up our lifestyle. The Shire needs to look very hard at itself and make necessary decisions to trim spending; not taking more money from a base who are forced to give it up. We are not the ones who should have to suffer because of mismanagement of huge projects that have gone wrong, i.e Cable Beach foreshore and Pump track to name a few. Take a look at the incredible inefficiencies in what you do, cut back on staff who are in cushy jobs. Reduce the number of services you THINK you need, and focus on the CORE business that are SHIRE responsibilities, leave the others to those who do it best. Local govt is no different to other levels of government wrt bloated bureaucracy, too myopic to see the big picture, not brave enough to ignore pointless conformity to useless regulations and trying to fit in to social short-term trends. This shouldn't happen though, because it is a level of government that is small enough to still be in touch with what's going on, and most people involved actually live here. However most are so involved in their little sphere at work, they don't see the effect of the whole; which frankly is appalling.

This greedy grab for cash cannot be sustained as we cannot be the cash cow. You cite CPI increases as a reason to increase rates, yet almost all ratepayers do not get any nod to CPI in their wages EVER, and yet governments use that as an excuse to increase costs every year.

If the Shire thinks a lack of response is a good reason to implement these changes, its because the Shire hides the way to voice your opinion on this matter.

Thanks for considering my objection.

Shire Response:

Thank you for your submission regarding the proposed 2026/27 Differential Rates.

Your submissions was considered by Council at the Special Meeting of Council held on 26 May 2026.

Council acknowledges the concerns raised regarding rates increases, Council expenditure and current cost of living pressures within the community.

It is important to note that the “budget deficiency” referred to in the Special Council Meeting, held on 28 April 2026, considering the intention to impose 2026/27 differential rates, does not represent a financial loss or deficit carried forward or an unplanned shortfall. In accordance with the *Local Government Act 1995*, the Shire adopts a balanced budget each financial year. The “budget deficiency” is the statutory term used to describe the amount of revenue required to be raised from rates after accounting for all other forecast revenue sources, including fees and charges, grants, contributions and other income.

Council notes that your submission relates primarily to broader concerns regarding rates increases and expenditure, rather than the specific differential rating categories and minimum payments outlined within the Statement of Objects and Reasons.

Council will convene at the Ordinary Council Meeting to be held on 25 June 2026 to consider adoption of the 2026/27 Annual Budget, including the proposed Differential Rates and minimum payments.

Submission No. : 5.
Assessment No. : A121066
Submission Text (Personal Information Removed):
Sent: Saturday, 16 May 2026 8:17 AM
To: Shire of Broome <Shire@broome.wa.gov.au>
Subject: I260516-282156 - Submission 2026/27 Differential Rates

Good morning,

I am writing in opposition, or at least to gain some clearer explanation for the proposed increase in shire rates for the coming financial year.

It seems unreasonable and honestly quite ridiculous that the budget is in a \$32.4m deficit, and the shires solution is to tax homeowners MORE instead of looking at where costs can be cut.

Isn't the point of a budget, to be something to stay within the bounds of? Not a goal to increase to?

What is costing such a huge amount?

Where is all the money from the previous Rate increases going from the last few years?

Surely there are some projects that can be put on the backburner until the town is better able to afford it?

After the deficit is settled, will the rates be reduced to a reasonable amount? Broome is well over the average for shire rates in WA... surely this has been taken into account?

I understand that major renovations have been happening at Cable Beach, however such projects should be budgeted for what the town can afford AFTER important community infrastructure has been addressed.

As the local governing body for the town, it is your responsibility to look after the local population first. That includes ensuring the town is not unaffordable to live in. This increase is not just going to affect home owners. It is going to push rental prices up again and ultimately force people to leave.

I really hope you take this into serious consideration, as for the majority of the Broome population it is a very serious issue.

I truly love Broome, but it is already an overly expensive town to live in on top of being in a cost-of-living crisis. Please don't make it more so.

Shire Response:

Thank you for your submission regarding the proposed 2026/2027 Differential Rates and minimum payments.

Council acknowledges the concerns raised regarding affordability, cost of living pressures and the potential impacts of rates increases on homeowners, renters and the broader Broome community.

The proposed Differential Rates and minimum payments have been developed as part of the draft 2026/27 budget process currently under Council consideration. In preparing the draft budget and proposed rates, increasing costs associated with local government service delivery, infrastructure maintenance, asset renewal and community facilities, together with opportunities to review expenditure and operational efficiencies where appropriate, are considered.

Council notes your comments regarding expenditure priorities, capital projects and long-term affordability within the community.

It is important to note that the “budget deficiency” referred to in the Special Council Meeting, held on 28 April 2026, considering the intention to impose 2026/27 differential rates, does not represent a financial loss or deficit carried forward or an unplanned shortfall. In accordance with the *Local Government Act 1995*, the Shire adopts a balanced budget each financial year. The “budget deficiency” is the statutory term used to describe the amount of revenue required to be raised from rates after accounting for all other forecast revenue sources, including fees and charges, grants, contributions and other income.

While your submission raises broader concerns regarding rates increases and budgetary considerations, no specific concerns were raised regarding the differential rating categories, minimum payments or the Statement of Objects and Reasons for the proposed Differential Rates.

Council will convene at the Ordinary Council Meeting to be held on 25 June 2026 to consider adoption of the 2026/27 Annual Budget, including the proposed Differential Rates and minimum payments.

Submission No. : 6.
Assessment No. : A109860
Submission Text (Personal Information Removed):
Sent: Monday, 18 May 2026 6:44 AM
To: Shire of Broome <Shire@broome.wa.gov.au>
Subject: I260518-282161 - Rate rise 2026

Dear Councillors,

Please find attached my letter of complaint regards the proposed rate rise.

LETTER:
17th May 2026

Dear Broome Shire Councillors,

I am writing to express my strong concern regarding the proposed 6% rate increase and the overall direction and management of the Shire of Broome. Residents are once again being asked to absorb another substantial increase in living costs at a time when many households are already under financial pressure. Before imposing higher rates on the community, the Shire should clearly demonstrate what financial austerity measures and internal cost-saving initiatives have been implemented to curb operational cost blowouts.

Specifically, I ask:

What measurable reductions in discretionary spending have been undertaken?

What efficiencies have been identified across administration and management?

Has there been an independent review of staffing structures, executive expenses, consultancy costs, travel, and non-essential projects?

What accountability measures are in place to ensure ratepayer funds are being spent responsibly and effectively?

There is growing concern within the community regarding the salaries paid to senior executives and directors. It is difficult for many residents to understand how such significant executive remuneration can be justified while the organisation appears to be struggling with ongoing staff turnover, declining morale, and visible deterioration across many parts of town.

In my 25 years living in Broome, I have never seen the town appear so neglected outside the major tourism-focused precincts. While considerable attention and resources continue to be directed toward Cable Beach, Town Beach, and Chinatown, many other residential areas appear overlooked in terms of maintenance, presentation, landscaping, road upkeep, and general amenity. Ratepayers across the entire community deserve equitable investment and consistent standards of upkeep — not just in high-profile tourist areas. A town's liveability is judged not only by its showcase precincts but by the condition of its everyday neighbourhoods.

The Shire must provide greater transparency around:

- Executive remuneration and performance outcomes;
- Staff retention challenges and organisational culture;
- Prioritisation of expenditure across different areas of Broome;
- Long-term financial sustainability planning.

I urge the Council to reconsider the scale of this rate increase until the community is satisfied that every reasonable effort has been made to reduce internal costs, improve operational efficiency, and restore confidence in the management and presentation of our town.

Shire Response:

Thank you for your submission regarding the proposed 2026/2027 Differential Rates and minimum payments.

Council acknowledges the concerns raised regarding affordability, cost of living pressures, expenditure priorities and the presentation and maintenance of the Shire's assets.

The proposed Differential Rates and minimum payments have been developed as part of the draft 2026/27 budget process currently under Council consideration. In preparing the draft budget and proposed rates, increasing costs associated with local government service delivery, infrastructure maintenance, asset renewal and community facilities, together with opportunities to review expenditure and operational efficiencies where appropriate are considered.

In response to the matters raised within your submission:

- operational and capital expenditure are reviewed as part of the draft budget process, with non-essential projects and expenditure considered for deferral or rationalisation where appropriate;
- the Shire undertakes ongoing reviews of organisational structure, operational efficiency and service delivery requirements;
- executive and other staff remuneration is managed in accordance with contractual and legislative requirements; and
- the draft budget and financial reporting processes include Council workshops, regular budget reviews, long-term financial planning and annual external audit requirements amongst other governance frameworks.

It is important to note that the "budget deficiency" referred to in the Special Council Meeting, held on 28 April 2026, considering the intention to impose 2026/27 differential rates, does not represent a financial loss or deficit carried forward or an unplanned shortfall. In accordance with the *Local Government Act 1995*, the Shire adopts a balanced budget each financial year. The "budget deficiency" is the statutory term used to describe the amount of revenue required to be raised from rates after accounting for all other forecast revenue sources, including fees and charges, grants, contributions and other income.

While your submission raises broader concerns regarding governance, operational expenditure and service delivery, no specific concerns were raised regarding the differential rating categories, minimum payments or the Statement of Objects and Reasons for the proposed Differential Rates.

Council will convene at the Ordinary Council Meeting to be held on 25 June 2026 to consider adoption of the 2026/27 Annual Budget, including the proposed Differential Rates and minimum payments.

5.2 PLACE

There are no reports in this section.

5.3 PROSPERITY

There are no reports in this section.

5.4 PERFORMANCE

5.4.1 AUDIT RISK AND IMPROVEMENT COMMITTEE - ADOPTION OF TERMS OF REFERENCE AND APPOINTMENT OF INDEPENDENT MEMBERS

LOCATION/ADDRESS:	Nil
APPLICANT:	Nil
FILE:	ARA10
AUTHOR:	Director Corporate Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF INTEREST:	Nil

SUMMARY:
 To seek Council adoption of revised Terms of Reference for the Audit Risk and Improvement Committee (ARIC) and to seek Council endorsement for the appointment of:

- Mr Baptiste Isambert as the Independent Presiding Member; and
- Mr Duy Vo as the Independent Deputy of the Presiding Member.

BACKGROUND

Previous Considerations

ARIC	28 April 2026	Item 6.3
OMC	30 April 2026	Item 13.1

At its meeting held 28 April 2026 the ARIC noted a revised ARIC Terms of Reference (ToR) which included updates addressing reforms required under the *Local Government Amendment Act 2024* and associated regulations, aimed at improving oversight, financial management, and governance practices across WA Councils.

The ARIC also unanimously endorsed an Expression of Interest (EOI) recruitment process to identify suitable candidates for the 2 ARIC independent member positions with preferred candidates presented to Council at a future meeting for appointment.

Council subsequently endorsed this approach at its 30 April 2026 Ordinary Meeting of Council (OMC). A copy of the relevant Council resolution is included below.

COUNCIL RESOLUTION:

(COMMITTEE RECOMMENDATION) **Minute No. C/0426/021**

Moved: Cr M Virgo **Seconded: Cr D Male**

That Council:

1. Authorise the Chief Executive Officer to undertake an Expression of Interest recruitment process to identify suitable candidates for the two

independent member positions on the Audit, Risk and Improvement Committee;

- 2. Consider allocation within the 2026/27 Annual Budget the maximum allowable per meeting attendance fees of \$1,215 for independent members of the Audit, Risk and Improvement Committee as per the April 2026 Salaries and Allowances Tribunal determination;**
- 3. Consider within the 2026/27 Annual Budget an allocation of estimated travel and associated costs for independent members to attend Audit, Risk and Improvement Committee meetings throughout the financial year;**
- 4. Notes that the updated Audit, Risk and Improvement Committee Terms of Reference, as attached, will be referred to Council for adoption, along with recommended candidates for appointment to the two independent member positions, at a future Council Meeting;**
- 5. Confirm that Cr Desiree Male and Shire President Chris Mitchell will continue acting as Presiding Member and Deputy Presiding Member, respectively, until the independent Members of the Committee are appointed.**

CARRIED UNANIMOUSLY 9/0

Following the 30 April 2026 OMC an open EOI process was conducted with an EOI advertised on Seek and the Shire website. Candidates from WALGA's Pilbara and Kimberley ARIC Independent Member Pool were also invited to submit applications.

25 applications were received from across Western Australia and interstate. Each application was assessed against:

- Mandatory eligibility criteria as contained in legislation, the ToR and as advertised in the EOI;
- ARIC ToR capability requirements;
- Independence and conflict-of-interest requirements;
- Professional qualifications and experience;
- Demonstrated committee governance capability; and
- Local government and public-sector understanding.

A structured scoring matrix was applied to all candidates, noting that candidates from Western Australia were preferenced due to costs implications associated with travel and related expenses for interstate candidates.

COMMENT

Terms of Reference

An updated ToR was presented to Council via the ARIC at the 30 April OMC. Key changes to the TOR included:

- Updates to the Purpose and Responsibilities sections to cater for legislative requirements introduced through the reforms. These are intended to provide clarity of function and ensure that the Committee continues to focus on finance and audit while expanding its scope to enhance risk management and drive continuous improvement across Shire operations;

- Updates to membership, specifically composition, with the introduction of a requirement for independent members;
- Meetings generally being open to the public as per section 5.23 of the Act, noting that the Committee can close the meeting when dealing with confidential items as per s5.23;
- Updates to relevant legislative statutes with the inclusion of new legislative mechanisms impacting the Committee;
- Several changes to meeting procedures;
- Clarification on administrative matters.

While the revised versions were noted by Council at the 30 April OMC, the ToR is now presented to Council for final adoption. A clean version and a track change version of the revised ToR is attached at Attachment 1 and 2 respectively, noting no changes have occurred.

Expression of Interest Process

The assessment panel, comprising the Director Corporate Services and Manager Financial Services, shortlisted three preferred candidates utilising the structured scoring matrix. While 3 candidates were shortlisted it is acknowledged that several candidates were suitably qualified and experienced when assessed against the scoring criteria. The quality of all candidates was very high and narrowing the selection to 3 was a difficult process.

The shortlist of candidates includes:

1. Mr Duy Vo – ranked first (25/25)
2. Mr Baptiste Isambert – ranked equal second (24.5/25)
3. Ms Maree De Lacey – ranked equal second (24.5/25)

Candidate Overview

Mr Baptiste Isambert – Recommended Presiding Member

- MBA qualified with Masters in Accounting and Management, Business;
- Former Head of Internal Audit & Risk for a major financial services organisation;
- Current independent presiding member of the ARIC at Shire of East Pilbara (Chair) and Shire of Halls Creek (Chair); deputy presiding member at City of Stirling and City of Vincent;
- Strong technical expertise in internal audit, risk management, and assurance frameworks;
- Highly experienced in committee governance and oversight;

Mr Duy Vo – Recommended Deputy of the Presiding Member

- Fellow Certified Practising Accountant (FCPA) and Chartered Accountant with more than 20 years' experience across the Western Australian public sector, local government, and regulated environments;

- Senior internal audit and risk leader with extensive WA public-sector experience (including Public Sector Commission, WA Police Department of Water and Environmental Regulation, Department of Communities and local government at Cities of Swan, Bayswater, Kalamunda, South Perth and Town of Port Hedland);
- Significant expertise in internal controls, financial governance, risk management and assurance;
- Highly regarded for his analytical capability, independence, and disciplined committee leadership;
- Serves on multiple ARICs including City of Busselton (Presiding Member), City of Mandurah, Shire of Ashburton, Shire of Halls Creek and Shire of Wyndham East Kimberley;

Mrs Maree De Lacey

- 25 years' experience across local government, state government, regional joint organisations, and sector-wide reform bodies;
- Experience in roles including Director General, Chief Executive Officer, Executive Director Local Government, and senior leader across multiple high-complexity public-sector environments;
- Sophisticated understanding of local government legislation, audit and risk frameworks, and the accountability obligations of councils;
- Highly regarded for her ability to lead organisational reform, strengthen governance systems, and provide balanced, evidence-based oversight at board and committee level.

Recommended Structure

All three candidates demonstrated exceptional capability, however, the panel determined that Mr Isambert and Mr Vo and provide the strongest combined leadership structure for the ARIC. While Mr Vo ranked slightly higher, officers believe the Mr Isambert's experience as Presiding Member of various ARIC's coupled with his broad level strategic experience, underscores his ability to provide guidance to both elected members and staff and drive positive committee outcomes.

The combination of Mr Isambert and Mr Vo provides:

- Exceptional technical assurance leadership
 - Both candidates have deep internal audit and risk expertise
 - Both understand complex assurance environments
 - Both have experience challenging management constructively.
- Strong governance and independence
 - Both have demonstrated high ethical standards and objectivity
 - Both have extensive experience in public-sector accountability

- Both have considerable experience as ARIC independent members.
- Complementary strengths
 - Mr Isambert brings significant technical audit and risk methodology expertise with an overarching focus on organisational improvement and significant experience leading ARIC's.
 - Mr Vo brings broad public-sector audit leadership combined with risk assurance experience.
- WA-based
 - While still incurring costs for face to face meetings these costs are reduced through WA residency
 - Strong understanding of WA local government frameworks.

This pairing provides the Shire with a high-performing, credible, and defensible ARIC leadership team.

Should Mr Isambert or Mr Vo not be available to accept the position the panel recommends that Mrs De Lacey is offered one of the independent member positions. Mrs De Lacey has significant public sector experience across all levels of government. She has strong financial, risk and governance experience, is WA based and offers a strategic, whole of system perspective that would complement the technical audit experience of Mr Isambert and Mr Vo.

CONSULTATION

WALGA

STATUTORY ENVIRONMENT

Local Government Act 1995

Part 7 Audit

Division 1A Audit, risk and improvement committee

Section 7.1A Establishment of audit, risk and improvement committee

Section 7.1B Deputy of presiding member or of deputy presiding member

Part 5 Administration

Division 2 Council meetings, committees and their meetings and electors' meetings

Section 5.8 Establishment of committees

A local government may establish committees of 3 or more persons to assist the council.*

**Absolute majority required*

Division 8 Local government payments and gifts to its members

Section 5.100 Fees paid and expenses reimbursed to committee members

Schedule 9.3 Transitional provisions

Division 7 Provisions for Local Government Amendment Act 2024

Section 69(2) *A local government must, in accordance with new Part 7 Division 1A, establish its audit, risk and improvement committee no later than 6 months after amendment day.*

Local Government Amendment Act 2024

Section 87

Local Government (Audit) Regulations 1996

Regulations 19 and 20

Local Government (Administration) Regulations 1996

Regulation 14C Attendance at meetings by electronic means may be authorised

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

ARIC member remuneration is provided for within the Draft 2026/27 Annual Budget governance allocation. This includes applicable attendance fees and associated expenses.

No additional costs are anticipated.

RISK

Appointing highly qualified independent ARIC leadership:

- Strengthens financial governance;
- Enhances risk oversight;
- Improves audit follow-up and accountability;
- Reduces exposure to compliance and operational risks; and
- Supports continuous improvement across the organisation.

Failure to appoint suitably qualified leadership would increase governance risk and may result in non-compliance with mandated independent member appointment timelines.

STRATEGIC ASPIRATIONS

Performance - We will deliver excellent governance, service & value for everyone.

Outcome 9 - Effective leadership, advocacy and governance

Objective 9.1 Strengthen leadership, advocacy and governance capabilities.

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION:

That Council:

1. Adopt the revised Audit, Risk and Improvement Committee Terms of Reference (Attachment 1)
2. Appoints Mr Baptiste Isambert as the Independent Presiding Member of the Audit, Risk and Improvement Committee for a term ending on the next local government ordinary election day.
3. Should Mr Baptiste Isambert be unable to accept the appointment, appoints Mr Duy Vo as the Independent Presiding Member of the Audit, Risk and Improvement Committee for a term ending on the next local government ordinary election day.
4. Appoints Mr Duy Vo as the Independent Deputy of the Presiding Member of the Audit, Risk and Improvement Committee for a term ending on the next local government ordinary election day.
5. Should Mr Duy Vo be unable to accept the appointment, appoints Mrs Maree De Lacey as the Independent Deputy of the Presiding Member of the Audit, Risk and Improvement Committee for a term ending on the next local government ordinary election day.
6. Notes that these appointments follow a competitive, merit-based assessment process and thanks all prospective candidates for their interest.

Attachments

1. Audit Risk Improvement Committee Draft Terms of Reference - Clean
2. Audit Risk Improvement Committee Draft Terms of Reference - Track Change
3. ARIC Independent Member Application - Mr Baptiste Isambert (Confidential to Councillors and Directors Only)
This attachment is confidential in accordance with of the Local Government Act 1995 as it contains “that prohibits or restricts the making public of information.”, and as it contains “information relating to the personal affairs of an individual”.
4. ARIC Independent Member Application - Mr Duy Vo (Confidential to Councillors and Directors Only)
This attachment is confidential in accordance with of the Local Government Act 1995 as it contains “that prohibits or restricts the making public of information.”, and as it contains “information relating to the personal affairs of an individual”.
5. ARIC Independent Member Application - Mrs Maree De Lacey (Confidential to Councillors and Directors Only)
This attachment is confidential in accordance with of the Local Government Act 1995 as it contains “that prohibits or restricts the making public of information.”, and as it contains “information relating to the personal affairs of an individual”.



Audit, Risk & Improvement Committee

Composition

Voting Members	1 x Independent Presiding Member
2 x Independent Members	1 x Independent Deputy Presiding Member
3 x Elected Members (2 x Deputies)	3 x Elected Members
Independent Presiding Member	To be appointed by Council
Independent Deputy Presiding Member	To be appointed by Council
Elected Member Deputies	2 x Elected Members
Community Delegates	Nil

Officer Responsible	Director Corporate Services
Meeting Schedule	At least 4 times per year
Meeting Location	Function or Committee Room, Shire of Broome
Quorum	2 voting members
Delegated Authority	Nil
Secretariat	Manager Financial Services

1. NAME

The name of the Committee is the Audit, Risk and Improvement Committee (the Committee).

2. DISTRICT / AREA OF CONTROL

Local Government boundaries of the Shire of Broome.

3. AUTHORITY

As prescribed in Regulation 16 of the *Local Government (Audit) Regulations 1996*, the Committee is to provide guidance and assistance to Council on matters relevant to its terms of reference. This role is designed to facilitate informed decision-making by Council in relation to its legislative functions and duties that have not been delegated to the Chief Executive Officer (CEO).

The Committee is a formally appointed Committee of Council and is responsible to the Council.

The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislated responsibility and it does not have any delegated financial responsibility. The Committee does not have management functions and cannot involve itself in management processes or procedures. This ensures that the ARIC can fulfill its function as an impartial advisory body separate from the Shire's management, thereby ensuring objective assessments and guidance.

4. PURPOSE

The purpose of the Committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

The Committee is to guide and assist Council to fulfil its oversight responsibilities relating to:

- a) External and Internal Audit activities;
- b) Financial Management processes and controls;
- c) Risk Management activities;
- d) Internal control effectiveness; and
- e) Compliance and Integrity.

Improvement opportunities

In addition to specific audit reports, reports issued by, but not restricted to, the Corruption and Crime Commission, the Office of the Auditor General and Local Government Insurance Services (LGIS) provide valuable information on standards, expectations and benchmarks. These reports present an opportunity to evaluate Shire practices with a view to improve standards, enhance efficiency and reduce costs.

Audit reports relating to improvement opportunities for Shire operations will be tabled for the Committee's information, with any resulting actions captured and monitored by the Shire's governance systems and processes. Action reports will subsequently be reported back to Council via the Committee.

5. RESPONSIBILITIES

The Committee will fulfill the following responsibilities:

5.1 Improvement

- Review and advise on the effectiveness of improvement initiatives, including those arising from internal audits, external reviews, and strategic planning processes.

- Monitor the implementation of agreed recommendations to ensure they are actioned appropriately and contribute to enhanced organisational performance.
 - Identify systemic issues or trends that may require broader organisational attention or policy-level responses.
- 5.2 Risk Management and Fraud Risk Management
- Reviews and advises on the adequacy and appropriateness of the Shire's risk management framework and its capacity to effectively identify, assess, and manage key risks.
 - Assesses whether a sound and effective approach has been adopted in managing major risks across the organisation, including those associated with strategic projects, program delivery, and operational activities.
 - Reviews the development and implementation of fraud control arrangements and provides assurance that appropriate systems and processes are in place to detect, report, and respond to fraud-related matters.
 - Advises on the effectiveness of business continuity and disaster recovery planning, including whether these plans are subject to regular review and testing to ensure organisational resilience.
 - Considers emerging risk trends and systemic issues, and reports these to Council where appropriate.
- 5.3 Internal Control and Internal Audit
- Ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.
 - Receive and review all internal audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
 - Monitor management's implementation of audit recommendations, processes and practices to ensure that the independence of the audit function is maintained.
- 5.4 External Audit
- Meet with the Office of the Auditor General (OAG) and Contract Auditor to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting).
 - Consider the findings and recommendations of relevant Performance Audits undertaken by the OAG / Contract Auditor and ensure the Shire implements relevant recommendations
 - Meet with the Office of the Auditor General and/or Contract Auditor to discuss any matters that the Committee or the OAG / Contract Auditors believe should be discussed privately.
 - Annually review and suggest improvements to the performance of external audit including the level of satisfaction with the external audit function.
 - Monitor management's implementation of external audit recommendations.
- 5.5 Financial Reporting
- Review and suggest improvements to significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
 - Review with management and the OAG / Contract Auditors all matters required to be communicated to the ARIC under the Australian Auditing Standards and suggest improvements if required.
 - Review and suggest improvements (subject to legislation) to the draft Annual Financial Statements (subject to legislation) and recommend the adoption of the Annual Financial Statements to Council.
- 5.6 Compliance
- Review and suggest improvements to the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
 - Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.

- Obtain updates from management about compliance matters.
 - Review and suggest improvements to the annual Compliance Audit Return (subject to legislation) and report to the Council the results of the review.
- 5.7 Reporting
- Report regularly to the Council on Committee activities, issues, and related recommendations through the tabling of meeting minutes at the Ordinary Meeting of Council.
- 5.8 Other Responsibilities
- Perform other activities related to these terms of reference as requested by the Council or through audit recommendations.
 - Request that the Chief Executive Officer perform a review after an Election, suggest improvements to and assess the adequacy of the Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

6. STATUTE

Part 6 — Financial Management, of the Local Government Act 1995
Part 7 — Audit, of the Local Government Act 1995
Local Government Amendment Act 2024
Local Government (Audit) Regulations 1996
Local Government (Administration) Regulations 1996
Local Government Regulations Amendment Regulations (No. 4) 2025

The Committee will operate in accordance with all relevant provisions of the Act, the *Local Government Amendment Act 2024*, the *Local Government (Audit) Regulations 1996*, the *Local Government Regulations Amendment Regulations (No. 4) 2025* and the *Local Government (Administration) Regulations 1996*.

7. ESTABLISHMENT

In accordance with section 7.1A. of the *Local Government Act 1995* (the Act) the Council of the Shire of Broome (the Shire) has established an Audit, Risk and Improvement Committee (the Committee).

8. MEMBERSHIP

8.1 Composition

The Committee will consist of 5 delegates and 2 deputy delegates:

- a) An Independent Presiding Member;
- b) An Independent Deputy Presiding Member; and
- c) 3 Elected Members.

Council shall appoint by absolute majority an Independent Presiding Member, an Independent Deputy Presiding Member, 3 elected members as Members, and up to 2 elected members as Deputies to those Members on the Committee.

Any Deputy Member may perform the functions of any Member when the Member is unable to do so by reason of illness, absence or other cause. A Deputy of a Member of a Committee, while acting as a Member, has all the functions of and all the protection given to a Member [s.5.11A(2)(a),(3) and (4) of the Act].

An induction session will be conducted for Members who are appointed to the Committee at the first meeting following the appointment to equip the Members to fulfil their duties on the Committee.

Committee Members must declare conflicts of interest in accordance with regulation 22 of the *Local Government (Model Code of Conduct) Regulations 2021*, in a written notice given to the CEO before the meeting or at the meeting immediately before the matter is discussed.

All members of the Committee are bound by the Code of Conduct for Council Members, Committee

Members and Candidates. Any instance where a Committee Member has a commercial interest or is closely associated with an organisation that has an interest in the business of the Shire which represents a conflict of interest or pecuniary interest, or there is a risk or perception of conflict of interest, must be declared to the CEO before or at the Committee meeting.

The CEO and employees are not members of the committee. The CEO and staff identified through the Terms of Reference are to be available to attend meetings to provide advice and guidance to the committee. The local government shall provide secretarial and administrative support to the committee.

8.2 Presiding and Deputy Presiding Member

Appointment of an independent Presiding and Deputy Presiding Member will be made following a public advertisement. The evaluation of potential members will be reviewed by the CEO for recommendation to Council.

Appointments will be approved through absolute majority of Council based on the potential member's experience and qualifications in any or all the following:

- a) Internal audit;
- b) Risk management;
- c) Financial management/reporting;
- d) Information and Systems Technology;
- e) Audit Committee practices; and
- f) Understanding of complexities associated with the Shire.

Members of the Committee are expected to:

- a) Understand the legal and regulatory obligations of the accountable authority for governing the Shire;
- b) Understand the Shire's governance arrangements that support achievement of the Shire's strategies and objectives;
- c) Understand subject matter expert reporting; and
- d) Adhere to the Shire's code of conduct.

A presiding or deputy presiding member cannot:

- a) Be a council member of the Shire or a council member of any other local government;
- b) Be an employee of the Shire or someone who is nominated by, or is to be appointed to represent, any employee of the Shire;
- c) Have any operating responsibilities with the Shire; or
- d) Provide paid services to the Shire either directly or indirectly in any other role.

Per section 7.1B (3) of the Act, if the office of Presiding Member is vacant; or the Presiding Member is not available or is not able or unwilling to perform the functions of Presiding Member, then the Committee Members present at the meeting must choose the deputy of the Presiding Member, if present, to preside at the meeting.

8.3 Tenure of Membership

In compliance with section 5.11 of the Act, all members will be appointed by Council, and will remain a member until:

- a) the term of the person's appointment as a committee member expires; or
- b) the local government removes the person from the office of committee member, or the office of committee member otherwise becomes vacant; or
- c) the committee is disbanded; or
- d) the next ordinary elections day.

8.4 Committee Member Entitlements

Independent Presiding and Deputy Presiding Members will be entitled to meeting attendance fees as determined by Council.

All Committee members will be:

- 8.4.1 Entitled to receive reimbursement of reasonable travel and associated expenses relating to their attendance at Committee meetings.
- 8.4.2 Provided with appropriate training and professional development to be determined by the Committee and provided that adequate funds are available in the Council budget for this purpose.

8.5 Resignation from the Committee

In accordance with Part 2, Regulation 4 of the Local Government (Administration) Regulations 1996, a Committee member may resign from membership of the Committee by giving the CEO or the Committee's presiding member written notice of the resignation. It is recommended that Committee members provide a notice period of three months.

8.6 Shire Staff Attendance

The following individuals from the Shire's administration will be present at Committee Meetings to offer advice, guidance, ensure compliance and undertake the responsibility of recording minutes:

- Chief Executive Officer
- Director Corporate Services
- Manager Governance
- Manager Financial Services
- Senior Administration and Governance Officer.

The Chief Executive Officer may invite additional staff to attend the meeting as required.

9. DELEGATED AUTHORITY

The Audit, Risk and Improvement Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have management functions and cannot involve itself in management processes or procedures.

10. COMMITTEE STRUCTURE

10.1 Independent Presiding Member

As appointed by Council (is the Presiding Member).

10.2 Independent Deputy Presiding Member

As appointed by Council (is the Deputy Presiding Member)

10.3 Secretariat

The Manager Financial Services will fulfil this administrative non-voting role.

10.4 Standing Ex-Officio Members

Nil.

11. COMMITTEE MEETINGS

11.1 Frequency

The Committee shall meet:

- On a regular basis at least quarterly

- Within fourteen (14) days of receiving the Annual Financial Report and Audit Report from Council's Auditor.

The Presiding Member of the Committee has the authority to convene extra meetings, or such meetings may be convened upon the request of the Chief Executive Officer.

Following Council setting its annual Ordinary Council Meeting schedule, the Committee will develop a 12 month meeting schedule including dates and locations which will be published to the Shire website.

11.2 Quorum

As prescribed in section 5.19 of the Act, the quorum shall be at least 50% of the number of members of the Committee, including at least one of the Presiding Member or Deputy Presiding Member, which equates to two (2) members.

11.3 Who Acts if no Presiding member

In the Independent Presiding Member's absence, the Independent Deputy Presiding Member will be the Presiding member.

11.4 Voting

Voting is in accordance with section 5.21 of the Act.

11.5 Agenda

An agenda will be distributed five days prior to the meeting wherever possible, along with the minutes of the previous meeting, action items, reporting registers and other attachments or reports to be addressed.

11.6 Minutes & Reporting

In accordance with the *Local Government Act 1995* section 5.22 and 5.25, and *Local Government (Administration) Regulations 1996*.

The minutes are to be submitted to the next Committee meeting for confirmation and are to be signed by the Presiding Member from the meeting at which the minutes are confirmed.

Unconfirmed minutes are to be available for inspection by members of the public within 5 businessdays after the meeting and Reports and Recommendations arising from the minutes shall be presented to Council at the next Ordinary Meeting for endorsement and/or action, or if this is not possible, then the earliest available Council Meeting.

11.7 Public Attendance at Meetings

In accordance with Section 5.23 of the Act, the meetings of the Committee will be open to members of the public. However, because of the inherent nature of the meeting dealing with several aspects as defined by Section 5.23, (2), (4)(a)(b)(e)(f) of the Act the Committee will consider closing the meeting to the public at the commencement of the meeting.

11.8 Members Interests to be Disclosed

Committee members must declare conflict of interest or pecuniary interests in accordance with *Local Government (Model Code of Conduct) Regulations 2021* section 22 Disclosure of interests, to the Chief Executive Officer before or at the relevant Committee meeting.

Document Control Box			
Document Responsibilities:			
Owner:	Director Corporate Services	Owner Business Unit:	Corporate Services
Reviewer:	Manager Financial Services	Decision Maker:	Council
Compliance Requirements:			

Legislation:	Local Government Act 1995 section 7.1A - Audit committee Local Government (Audit) Regulations 1996				
Industry:					
Organisational:					
Document Management:					
Risk Rating:	Medium	Review Frequency:	Biennial	Next Due:	09/2027
Version #	Decision Reference:	Synopsis:			
1.	28 October 2021	Minor updates to reflect changes in Regulations and Org Structure			
2.	16 November 2023	Minor updates to reflect changes.			
3.	22 May 2025	Changes made to reflect legislative changes. OMC Minute No C/0525/029			
4.	20 November 2025	Changes made to reflect administration and legislative requirements. OMC Minute No C/1125/025			



AUDIT RISK & IMPROVEMENT COMMITTEE

Terms of Reference

Audit, Risk & Improvement Committee

Composition

Voting Members	1 x Independent Presiding Member
2 x Independent Members	1 x Independent Deputy Presiding Member
3 x Elected Members (2 x Deputies)	3 x Elected Members
Independent Presiding Member	To be appointed by Council
Independent Deputy Presiding Member	To be appointed by Council
Elected Member Deputies	2 x Elected Members

Community Delegates Nil

Officer Responsible Director Corporate Services

Meeting Schedule At least 4 times per year

Meeting Location Function or Committee Room, Shire of Broome

Quorum 2 voting members

Delegated Authority Nil

Secretariat Manager Financial Services

1. NAME

The name of the Committee is the Audit, Risk and Improvement Committee (the Committee).

2. DISTRICT / AREA OF CONTROL

Local Government boundaries of the Shire of Broome.

3. AUTHORITY

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The Committee is to guide and assist Council to fulfil its oversight responsibilities relating to:

- a) External and Internal Audit activities;
- b) Financial Management processes and controls;
- c) Risk Management activities;
- d) Internal control effectiveness; and
- e) Compliance and Integrity.

Improvement opportunities

In addition to specific audit reports, reports issued by, but not restricted to, the Corruption and Crime Commission, the Office of the Auditor General and Local Government Insurance Services (LGIS) provide valuable information on standards, expectations and benchmarks. These reports present an opportunity to evaluate Shire practices with a view to improve standards, enhance efficiency and reduce costs.

Audit reports relating to improvement opportunities for Shire operations will be tabled for the Committee's information, with any resulting actions captured and monitored by the Shire's governance systems and processes. Action reports will subsequently be reported back to Council via the Committee.

5. RESPONSIBILITIES

The Committee will fulfill the following responsibilities:

5.1 Improvement

- Review and advise on the effectiveness of improvement initiatives, including those arising from internal audits, external reviews, and strategic planning processes.
- Monitor the implementation of agreed recommendations to ensure they are actioned appropriately and contribute to enhanced organisational performance.
- Identify systemic issues or trends that may require broader organisational attention or policy-level responses.

5.2 Risk Management and Fraud Risk Management

- Reviews and advises on the adequacy and appropriateness of the Shire's risk management framework and its capacity to effectively identify, assess, and manage key risks.
- Assesses whether a sound and effective approach has been adopted in managing major risks across the organisation, including those associated with strategic projects, program delivery, and operational activities.
- Reviews the development and implementation of fraud control arrangements and provides assurance that appropriate systems and processes are in place to detect, report, and respond to fraud-related matters.
- Advises on the effectiveness of business continuity and disaster recovery planning, including whether these plans are subject to regular review and testing to ensure organisational resilience.
- Considers emerging risk trends and systemic issues, and reports these to Council where appropriate.

5.3 Internal Control and Internal Audit

- Ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.
- Receive and review all internal audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
- Monitor management's implementation of audit recommendations, processes and practices to ensure that the independence of the audit function is maintained.

5.4 External Audit

- Meet with the Office of the Auditor General (OAG) and Contract Auditor to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting).
- Consider the findings and recommendations of relevant Performance Audits undertaken by the OAG / Contract Auditor and ensure the Shire implements relevant recommendations
- Meet with the Office of the Auditor General and/or Contract Auditor to discuss any matters that the Committee or the OAG / Contract Auditors believe should be discussed privately.
- Annually review and suggest improvements to the performance of external audit including the level of satisfaction with the external audit function.
- Monitor management's implementation of external audit recommendations.

5.5 Financial Reporting

- Review and suggest improvements to significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
- Review with management and the OAG / Contract Auditors all matters required to be communicated to the ARIC under the Australian Auditing Standards and suggest improvements if required.

- Review and suggest improvements (subject to legislation) to the draft Annual Financial Statements (subject to legislation) and recommend the adoption of the Annual Financial Statements to Council.

5.6 Compliance

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

5.7 Reporting

- Report regularly to the Council on Committee activities, issues, and related recommendations through the tabling of meeting minutes at the Ordinary Meeting of Council.

5.8 Other Responsibilities

- Perform other activities related to these terms of reference as requested by the Council or through audit recommendations.
- Request that the Chief Executive Officer perform a review after an Election, suggest improvements to and assess the adequacy of the Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

6. STATUTE

Part 6 — Financial Management, of the Local Government Act 1995

Part 7 — Audit, of the Local Government Act 1995

Local Government Amendment Act 2024

Local Government (Audit) Regulations 1996

Local Government (Administration) Regulations 1996

Local Government Regulations Amendment Regulations (No. 4) 2025

The Committee will operate in accordance with all relevant provisions of the Act, the *Local Government Amendment Act 2024*, the *Local Government (Audit) Regulations 1996*, the *Local Government Regulations Amendment Regulations (No. 4) 2025* and the *Local Government (Administration) Regulations 1996*.

7. ESTABLISHMENT

In accordance with section 7.1A. of the *Local Government Act 1995* (the Act) the Council of the Shire of Broome (the Shire) has established an Audit, Risk and Improvement Committee (the Committee).

8. MEMBERSHIP

8.1 Composition

The Committee will consist of 5 delegates and 2 deputy delegates:

- a) An Independent Presiding Member;
- b) An Independent Deputy Presiding Member; and
- c) 3 Elected Members.

Council shall appoint by absolute majority an Independent Presiding Member, an Independent Deputy Presiding Member, 3 elected members as Members, and up to 2 elected members as

deputies to those Members on the Committee.

Any Deputy Member may perform the functions of any Member when the Member is unable to do so by reason of illness, absence or other cause. A Deputy of a Member of a Committee, while acting as a Member, has all the functions of and all the protection given to a Member [s.5.11A(2)(a),(3) and (4) of the Act].

An induction session will be conducted for Members who are appointed to the Committee at the first meeting following the appointment to equip the Members to fulfil their duties on the Committee.

Committee Members must declare conflicts of interest in accordance with regulation 22 of the *Local Government (Model Code of Conduct) Regulations 2021*, in a written notice given to the CEO before the meeting or at the meeting immediately before the matter is discussed.

All members of the Committee are bound by the Code of Conduct for Council Members, Committee Members and Candidates. Any instance where a Committee Member has a commercial interest or is closely associated with an organisation that has an interest in the business of the Shire which represents a conflict of interest or pecuniary interest, or there is a risk or perception of conflict of interest, must be declared to the CEO before or at the Committee meeting.

The CEO and employees are not members of the committee. The CEO and staff identified through the Terms of Reference are to be available to attend meetings to provide advice and guidance to the committee. The local government shall provide secretarial and administrative support to the committee.

8.2 Presiding and Deputy Presiding Member

Appointment of an independent Presiding and Deputy Presiding Member will be made following a public advertisement. The evaluation of potential members will be reviewed by the CEO for recommendation to Council.

Appointments will be approved through absolute majority of Council based on the potential member's experience and qualifications in any or all the following:

- a) Internal audit;
- b) Risk management;
- c) Financial management/reporting;
- d) Information and Systems Technology;
- e) Audit Committee practices; and
- f) Understanding of complexities associated with the Shire.

Members of the Committee are expected to:

- a) understand the legal and regulatory obligations of the accountable authority for governing the Shire;
- b) understand the Shire's governance arrangements that support achievement of the Shire's strategies and objectives;
- c) understand subject matter expert reporting; and
- d) adhere to the Shire's code of conduct.

A presiding or deputy presiding member cannot:

- a) Be a council member of the Shire or a council member of any other local government;
- b) Be an employee of the Shire or someone who is nominated by, or is to be appointed to represent, any employee of the Shire;
- c) Have any operating responsibilities with the Shire; or
- d) Provide paid services to the Shire either directly or indirectly in any other role.

Per section 7.1B (3) of the Act, if the office of Presiding Member is vacant; or the Presiding Member is not available or is not able or unwilling to perform the functions of Presiding Member, then the Committee Members present at the meeting must choose the deputy of the Presiding Member, if present, to preside at the meeting.

8.3 Tenure of Membership

In compliance with section 5.11 of the Act, all members will be appointed by Council, and will remain a member until:

- a) the term of the person's appointment as a committee member expires; or
- b) the local government removes the person from the office of committee member, or the office of committee member otherwise becomes vacant; or
- c) the committee is disbanded; or
- d) the next ordinary elections day.

8.4 Committee Member Entitlements

Independent Presiding and Deputy Presiding Members will be entitled to meeting attendance fees as determined by Council.

All Committee members will be:

- 8.4.1 Entitled to receive reimbursement of reasonable travel and associated expenses relating to their attendance at Committee meetings.
- 8.4.2 Provided with appropriate training and professional development to be determined by the Committee and provided that adequate funds are available in the Council budget for this purpose.

8.5 Resignation from the Committee

In accordance with Part 2, Regulation 4 of the Local Government (Administration) Regulations 1996, a Committee member may resign from membership of the Committee by giving the CEO or the Committee's presiding member written notice of the resignation. It is recommended that Committee members provide a notice period of three months.

8.6 Shire Staff Attendance

The following individuals from the Shire's administration will be present at Committee Meetings to offer advice, guidance, ensure compliance and undertake the responsibility of recording minutes:

- Chief Executive Officer
- Director Corporate Services
- Manager Governance
- Manager Financial Services
- Senior Administration and Governance Officer.

The Chief Executive Officer may invite additional staff to attend the meeting as required.

9. DELEGATED AUTHORITY

The Audit, Risk and Improvement Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have management functions and cannot involve itself in management processes or procedures.

10. COMMITTEE STRUCTURE

10.1 Independent Presiding Member

As appointed by Council (is the Presiding Member).

10.2 Independent Deputy Presiding Member

As appointed by Council (is the Deputy Presiding Member)

10.3 Secretariat

The Manager Financial Services will fulfil this administrative non-voting role.

10.4 Standing Ex-Officio Members

Nil.

11. COMMITTEE MEETINGS

11.1 Frequency

The Committee shall meet:

- On a regular basis at least quarterly
- Within fourteen (14) days of receiving the Annual Financial Report and Audit Report from Council's Auditor.

The Presiding Member of the Committee has the authority to convene extra meetings, or such meetings may be convened upon the request of the Chief Executive Officer.

Following Council setting its annual Ordinary Council Meeting schedule, the Committee will develop a 12 month meeting schedule including dates and locations which will be published to the Shire website.

11.2 Quorum

As prescribed in section 5.19 of the Act, the quorum shall be at least 50% of the number of members of the Committee, including at least one of the Presiding Member or Deputy Presiding Member, which equates to two (2) members.

11.3 Who Acts if no Presiding member

In the Independent Presiding Member's absence, the Independent Deputy Presiding Member will be the Presiding member.

11.4 Voting

Voting is in accordance with section 5.21 of the Act.

11.5 Agenda

An agenda will be distributed five days prior to the meeting wherever possible, along with the minutes of the previous meeting, action items, reporting registers and other attachments or reports to be addressed.

11.6 Minutes & Reporting

In accordance with the *Local Government Act 1995* section 5.22 and 5.25, and *Local Government (Administration) Regulations 1996*.

The minutes are to be submitted to the next Committee meeting for confirmation and are to be signed by the Presiding Member from the meeting at which the minutes are confirmed.

Unconfirmed minutes are to be available for inspection by members of the public within 5 business days after the meeting and Reports and Recommendations arising from the minutes shall be presented to Council at the next Ordinary Meeting for endorsement and/or action, or if this is not possible, then the earliest available Council Meeting.

11.7 Public Attendance at Meetings

In accordance with Section 5.23 of the Act, the meetings of the Committee will be open to members of the public. However, because of the inherent nature of the meeting dealing with several aspects as defined by Section 5.23, (2), (4)(a)(b)(e)(f) of the Act the Committee will consider closing the

6. MEETING CLOSED TO PUBLIC

meeting to the public at the commencement of the meeting.

11.8 Members Interests to be Disclosed

Committee members must declare conflict of interest or pecuniary interests in accordance with *Local Government (Model Code of Conduct) Regulations 2021* section 22 Disclosure of interests, to the Chief Executive Officer before or at the relevant Committee meeting.

7. MEETING CLOSURE

to the Chief Executive Officer before or at the relevant Committee meeting.

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