



SHIRE OF KONDININ

NOTICE OF MEETING

Councillors: Please be advised that the next meeting of the

Audit Risk and Improvement Committee Meeting

Will be held at the Hyden Community Resource Centre on 22nd April 2026

9:00 AM Audit Risk and Improvement Committee Meeting

Bruce Wright

Wednesday, 22 April 2026

Chief Executive Officer

11 Gordon Street, KONDININ WA 6367 Tel (08) 98891006

All communications are to be addressed to the Chief Executive Officer
ceo@kondinin.wa.gov.au

Members of the Public Attending a Council Meeting

Welcome to this meeting of Council and thank you for your interest in local government decision-making. The following information is provided to assist members of the public attending today's meeting.

Public Question Time

Public Question Time is provided in accordance with the Local Government Act 1995 and the Local Government (Administration) Regulations 1996. Members of the public are invited to ask questions relating to the business of the Shire.

- Questions must be clear and concise and may be submitted in writing prior to the meeting at the Shire offices or by email csso@kondinin.wa.gov.au or asked during Public Question Time.
- The Presiding Member may respond at the meeting, refer the question to a Councillor or officer or take the question on notice for a later response.
- Public questions must relate to the business of the Shire and should not be a statement or personal opinion.
- The Presiding Member may reject public questions that are defamatory, abusive, irrelevant to the business of the Shire or personal opinion as being out of order and no answer will be provided.
- Public questions will not be debated.

Members of the public are also advised that they are regarded as being legally liable and personally responsible for any comments made by them that might be construed as being offensive or defamatory.

Public Statement Time

Public Statement Time allows members of the public to make a brief statement on any matter of community interest. Statements must be respectful, limited to a reasonable duration as determined by the Presiding Member, and not include defamatory or offensive remarks. The Council will not comment or provide a response to public statements.

Meeting Formalities

Council meetings are formal proceedings governed by the *Local Government Act 1995, the Local Government (Administration) Regulations 1996*, and the Shire's Meeting Procedures Local Law. All attendees are requested to maintain decorum and not interrupt the proceedings. Only persons who have been invited by the Presiding Member may address the meeting.

Recording and Privacy Notice

Please note that this meeting is being recorded for minute-taking purposes. By attending, you acknowledge that your voice, and any personal information disclosed may be captured and published as part of the official record. The Shire collects and uses this information in accordance with its privacy obligations.

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Notes for Elected Members

Report Definitions

Advocacy:	When Council advocates on its own behalf or on behalf of its community to another level of government, external body or agency.
Executive/Strategic:	The substantial direction setting and oversight role of the Council, including, but not limited to: accepting tenders, grants, setting and amending budgets, adopting plans and reports.
Legislative:	Includes adopting town planning schemes, policies and local laws
Administrative:	Council administering legislation and applying legislation to factual circumstances and situations that affect the rights of people.
Information:	Items that are provided to Council for informational purposes only. These do not require a decision of Council.

Alternative Motions

Elected Members seeking to make alternate motions to officer recommendations are requested to provide notice of said alternative motions in written form to the Chief Executive Officer prior to the Council meeting.

Declarations of Interest

Elected Members should complete a Disclosure of Financial/Impartiality & Proximity Interest for agenda items that they hold a financial, impartiality or proximity interest. The form should be provided to the Presiding Member prior to the commencement of the meeting.

In accordance with Part 5, Division 6 of the Local Government Act 1995, Elected Members must disclose the nature of their interest in matters to be discussed at the meeting.

In accordance with Sections 5.70 & 5.71 of the Local Government Act 1995, Shire Officers must disclose the nature of their interest in reports or advice when they are giving the report or advice to the meeting.

Applications for a Leave of Absence

In accordance with Section 2.25 of the Local Government Act 1995, a Councillor application for leave of absence requires a Council resolution granting the leave requested. The Council may grant approval for a leave of absence for an Elected member for ordinary meetings of council for up to, but no greater than, six consecutive meetings. Ministerial approval is required for leave of absence greater than six ordinary meetings of council.

A failure to observe the requirements of the Local Government Act may lead to an Elected Member being disqualified should they be absent without leave for three consecutive meetings. It should be noted that Leave of Absence is approved by Council resolution and is different to circumstances whereby an Elected Member records their apologies for the meeting.

Shire of Kondinin - Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Kondinin for any act, omission, statement, or intimation occurring during Council Meetings. The Shire of Kondinin disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.

Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Shire of Kondinin advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

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Audit Risk and Improvement Committee Meeting - 10 February 2026



SHIRE OF KONDININ
MINUTES OF MEETING
an Audit Risk and Improvement
Committee Meeting
Audit Risk and Improvement Committee
Meeting

Held at the Hyden Community Resource Centre on 10 February 2026

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1 OPENING OF MEETING

The Presiding Member opened the meeting at 9.01am

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS AND DIGNITARIES

The CEO acknowledged the traditional owners of the land upon which we meet and acknowledged elders past, present and emerging.

3 RECORDING OF ATTENDANCE

3.1 ATTENDANCE

C Mayfield (Presiding Member), T Utley (Deputy Presiding Member), Cr B Gangell
Cr D Pool Councillor, Cr M James Councillor, Staff B Wright, Staff V Bugna Manager Corporate Services

3.2 ATTENDANCE BY TELEPHONE OR INSTANTANEOUS COMMUNICATION

MOTION

COMMITTEE RESOLUTION ARIC/26/001

Moved: Cr Darren Pool

Seconded: Mrs Tracey Utley

That the Committee approves Councillor Gangell attending this meeting by electronic means (phone).

CARRIED 5/0

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

3.3 APOLOGIES

Nil

3.4 APPROVED LEAVE OF ABSENCE

Nil

3.5 DECLARATIONS OF DISCLOSURES OF INTEREST

Nil

4 APPLICATION FOR LEAVE OF ABSENCE

Nil

5 PUBLIC TIME

5.1 PUBLIC QUESTION TIME

Nil

5.2 PUBLIC STATEMENT TIME

Nil

6 QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

7 ANNOUNCEMENTS BY PRESIDING MEMBERS WITHOUT DISCUSSION

Nil

8 DECLARATION OF MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE AGENDA BEFORE THE MEETING

Committee members declare same

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE RESOLUTION ARIC/26/002

Moved: Cr Beverley Gangell

Seconded: Mrs Catherine Mayfield

That the minutes of the Audit Risk and Improvement Committee Meeting of 10 December 2025 copies of which were previously circulated, are hereby confirmed as a true and correct record of the proceedings of that meeting.

CARRIED 5/0

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

10 REPORTS OF OFFICERS

10.1 CORPORATE SERVICES

10.1.1 Budget Review Report

FILE NUMBER:

DATE: 6 February 2026

AUTHOR: Vince Bugna, Manager Corporate Services

AUTHORISED OFFICER: Bruce Wright, Chief Executive Officer

DISCLOSURE OF INTEREST: Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. 2025-2026 - Q2 Budget Review Report - *Under Separate Cover*

RECOMMENDATION

That the Audit Risk and Improvement Committee:

1. Endorses the 2025/26 Budget Review Report conducted for the six (6) months period ended 31st December 2025 for submission to the Department of Local Government.
2. Endorses the CEO to amend the 2025/26 budget in accordance with the attached "Budget Review Report" for the period ended 31st December 2025.

SUMMARY

To present to the Audit, Risk & Improvement Committee the Mid-Year 2025/26 Budget Review Report for the period ended 31st December 2025.

VOTING REQUIREMENT

Absolute Majority

COUNCIL'S ROLE

Executive

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

BACKGROUND

Under the *Local Government (Financial Management) Regulations 1996*, each local government has to carry out a budget review of its current year budget mid financial year and make the necessary adjustments in the interest of achieving a surplus or balanced budget at the end of its financial year.

The Shire's Manager of Corporate Services conducted the review together with the CEO and Acting Manager of Works discussed the budget review amendments contained in note 4 of the 2025/26 Budget Review Report.

The amounts included are as follows:

Note	Description	Amount
4.1	Decrease in rates revenue due to property valuation update after the 2025/26 budget was adopted by Council.	(\$30,986)
4.2	Decrease in fees and charges due to Medical Centre management changeover in November 2025.	(\$148,949)
4.3	Decrease in interest revenue (net of cash reserves and investment term deposits). Budget estimates higher than the actual bank interest rates.	(\$7,585)
4.4	Increase in other revenue from insurance reimbursements/claimed not originally included in the 2025/26 budget estimates.	\$35,572
4.5	Adjustment of projected employee costs (medical centre staff) due to management changeover in November 2025.	\$95,190
4.6	Adjustment in materials and contracts from GP Locum costs due to management changeover.	\$108,444
4.7	Decrease in cash due to insurance coverage (added) for risk management program and workers compensation adjustment.	(\$25,115)
4.8	Additional capital grants provided for roads construction at the nearby mining and windfarm projects.	\$1,944,242
4.9	Increase in cash from Land and Buildings (staff house construction, Kondinin) due to progress payment made at the end of last financial year not included in the adopted 2025/26 budget.	\$46,290
4.10	Decrease in cash for the purchase of plant and equipment per fleet replacement amendment, item 9.3.1 December 2025 OCM.	(\$145,000)
4.11	Decrease in cash for additional roads construction (grant funded) per note 4.8 above.	(\$1,937,224)
4.12	Budget amendment per Council resolution 4651 plus grant funded water tanks for community standpipes .	(\$34,276)
4.13	Transfer from plant replacement cash reserve to cover purchase/replacement of plant per note 4.10 above.	\$145,000
4.14	Transfer to reserves interest earned on cash reserves term deposits (restricted).	(\$16,639)
4.15	Overall change – projected surplus due to variances described above.	\$28,965

FINANCIAL

Regulatory requirements

RISK

Financial & compliance

POLICY

There are no direct policy implications in relation to this report.

STATUTORY

Regulation 33A of the Local Government (Financial Management) Regulation 1996 requires:

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
 - (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - (b) consider the local government’s financial position as at the date of the review; and

- (c) review the outcomes for the end of that financial year that are forecast in the budget.
 - (d) include the following –
 - (i) the annual budget adopted by the local government;
 - (ii) an update of each of the estimates included in the budget;
 - (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
 - (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end of year amount for the item.
- (2) The review of an annual budget for the financial year must be submitted to the council on or before 31 March in the financial year.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
*Absolute majority required.
- (4) Within 14 days after a council has made the determination, a copy of the review and determination is to be provided to the Department.
Section 6.8(1) (b) of the *Local Government Act 1995* provides that expenditure can be incurred when not included in the annual budget provided it is authorised in advance by resolution (absolute majority required).

STRATEGIC

Theme

4. CIVIC LEADERSHIP

Goal

4.1 Skilled, capable and transparent team

Strategy

4.1.5 The capability of our organisation is continually improved

COMMENT

The half yearly budget review is a statutory requirement.

CONSULTATION

CEO, Managers

COMMITTEE RESOLUTION ARIC/26/003

Moved: Cr Darren Pool

Seconded: Cr Murray James

That the Audit Risk and Improvement Committee:

1. Endorses the 2025/26 Budget Review Report conducted for the six (6) months period ended 31st December 2025 for submission to the Department of Local Government.
2. Endorses the CEO to amend the 2025/26 budget in accordance with the attached “Budget Review Report” for the period ended 31st December 2025.

CARRIED 5/0 BY ABSOLUTE MAJORITY

For:	Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James
Against:	Nil

The Committee discussed the Medical Centre and Medical Practitioner costs. Original allocations were made in the operating budget for the former provider. Under the current arrangements a management fee of \$250k is paid by the Shire along with a vehicle, housing and office space. Previous arrangements saw the medical centre revenues credited to the Shire and these have now ceased.

Further discussion focussed on the road adjustments, this is in part due to grant allocations and subsequent adjustments being made.

Kondinin house construction and \$500k allocated to Hyden for the construction of housing.

Insurance claims relate to various works to vehicles and is considered as a consequence of operating a large fleet in regional areas.

Rates decreases following a Landgate revaluation and adjustment.

10.2 CHIEF EXECUTIVE OFFICER

10.2.1 Audit, Risk & Improvement Committee - Workplan Update

FILE NUMBER:**DATE:** 7 February 2026**AUTHOR:** Bruce Wright, Chief Executive Officer**AUTHORISED OFFICER:** Bruce Wright, Chief Executive Officer**DISCLOSURE OF INTEREST:** Author - Nil

Authoriser - Nil

ATTACHMENTS:

1. Draft Organisational Enhancement Program - *Confidential Under Separate Cover*
2. LGIS - Cyber Security Review - *Confidential Under Separate Cover*
3. Shire of Kondinin - Risk Management Plan 2019 - *Confidential Under Separate Cover*

RECOMMENDATION

That Audit Risk and Improvement Committee:

1. Receives and endorses the Audit, Risk & Improvement Committee workplan update, and
2. Recommends Council endorsement of the Audit, Risk & Improvement Committee workplan update.

SUMMARY

The purpose of this report is to provide the Audit, Risk & Improvement Committee (ARIC) with an update of progress against the agreed ARIC Workplan.

VOTING REQUIREMENT

Simple Majority

COUNCIL'S ROLE**Executive**

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

BACKGROUND

At its inaugural meeting on 10 December 2025, the Shire of Kondinin ARIC endorsed a proposed workplan as a quarterly measure of Shire performance in five (5) key areas. This report details progress and activities against the workplan.

Financial Reporting and Audit

- **Mid-Year (Q2) Budget Review**

The Mid-Year (Q2) Budget Review is included under separate cover within this meeting agenda.

The 2025–2026 financial position is tracking well, with the review indicating a modest operating surplus.

- **Financial Forecast and Strategic Planning**

In accordance with the provisions of the Local Government Amendment Act 2024, the Shire will undertake a review of key financial and strategic documents, including the Long-Term Financial Plan, as part of preparation for the upcoming financial year and the development of the Council Plan. The Shire has commenced a Community Survey, which will inform planned community consultation activities scheduled for March 2026. Feedback gathered through this process will be collated and used to support forward planning for both capital works and operational budgets.

Risk Management

- **Business Continuity Plan (BCP)**

The development of the Shire’s Business Continuity Plan is currently underway, with a first draft scheduled to be presented at the next Audit, Risk and Improvement Committee meeting.

- **Risk Controls – Fraud and Corruption Prevention**

A review and redevelopment of procedures, with a specific focus on procurement, has commenced. It is anticipated that a revised policy and supporting documentation will be presented to the Committee at the next meeting. Existing operating protocols are currently being tested and refined to ensure they remain fit for purpose.

- **Cyber Risk and Information Security**

In late December 2025, the Shire received a LGIS Cyber Security Assessment, which is attached under confidential cover for reference. Consultation has occurred with the Shire’s ICT service provider regarding the development of an updated IT Strategy, with a draft also attached under confidential cover. The strategy has been informed by the LGIS assessment findings, with anticipated system improvements to be considered as part of the 2026–2027 budget process.

- **Internal Audit**

High-risk audit areas, including Procurement and Contract Management and IT Security, remain a priority. To strengthen governance, transparency and system security, the Shire has subscribed to VendorPanel, enabling improved management of requests for quotations, tenders and expressions of interest. The procurement module is supported by an integrated contract management module, improving oversight and consistency in contract administration.

Governance and Legislative Compliance

- **Compliance Audit Return (CAR)**

The submission deadline for the 2025 Annual Compliance Audit Return (CAR) has been extended to September 2026, following the implementation of the Local Government Amendment Act 2024.

- **Central Records Management**

A draft Records Management Policy has been submitted to State Records for review. While the policy broadly meets prescribed standards in principle, further refinement and amendments are required prior to presentation to the Committee at the next meeting.

- **Policy Framework**

The Shire’s Policy Manual was previously tabled before Council and set aside for further review.

A comprehensive review is underway, with the intent to update or replace existing policies, reclassify certain policies as Business Operating Procedures, and remove those no longer required. Priority has been given to key statutory policies, while ad hoc updates continue to ensure ongoing compliance with legislative requirements.

- **Continuous Improvement**

A functional review of the Administration has been completed and will be reported to Council at the March Ordinary Meeting. While this does not align with the ARIC meeting schedule, the Committee will be separately briefed on the outcomes. In addition, a draft Operational Enhancement Program has been developed and is attached under confidential cover for the Committee's information.

FINANCIAL

Nil.

RISK

Risk is under management in accordance with sectional headings.

POLICY

Nil

STATUTORY

Local Government Act 1995

STRATEGIC

Theme

4. CIVIC LEADERSHIP

Goal

4.2 We are a compliant and resourced Local Government

Strategy

4.2.1 External audits and reviews confirm compliance with relevant Local Government legislation

4.2.3 Strategic Resource Plan - ratios

4.2.2 Financial sustainability in achieving community aspirations

COMMENT

This report is designed to provide the Audit, Risk & Improvement Committee an update of current activities that relate to the agreed ARIC workplan.

CONSULTATION

Nil

COMMITTEE RESOLUTION ARIC/26/004

Moved: Mrs Tracey Utley

Seconded: Cr Beverley Gangell

That Audit Risk and Improvement Committee:

1. Receives and endorses the Audit, Risk & Improvement Committee workplan update, and
2. Recommends Council endorsement of the Audit, Risk & Improvement Committee workplan update.

CARRIED 5/0

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

Discussions relating to IT Security and the confidential report.

The Committee agreed that the workplan should be transferred into a spreadsheet to track and monitor updates.

Risk Strategy query on the plan being signed in 2019 – the risk assessment posture requires updating

Meeting schedule: 22 April, 9 June and 2 September.

11 BUSINESS OF AN URGENT NATURE

Nil

12 CLOSE OF MEETING

12.1 DATE OF NEXT MEETING

To be held at Hyden CRC at 9am on 22 April, 2026 .

12.2 CLOSURE

The Meeting closed at 9.45am.

10 REPORTS OF OFFICERS

10.1 PLANNING & ASSETS

10.1.1 ARIC & Organisation Frameworks

FILE NUMBER:**DATE:** 17 April 2026**AUTHOR:** Bruce Wright, Chief Executive Officer**AUTHORISED OFFICER:** Bruce Wright, Chief Executive Officer**DISCLOSURE OF INTEREST:** Author - Nil

Authoriser - Nil

ATTACHMENTS:

1. Organisation Enhancement Plan
2. ARIC Workplan

RECOMMENDATION

That Audit Risk and Improvement Committee:

1. Notes the ARIC Workplan dated 16 April 2026 and the Organisation Enhancement Plan dated 16 April 2026, and the alignment between the Committee's assurance activities and the management-led governance, risk and organisational reform program.
2. Is satisfied that the ARIC Workplan and Organisation Enhancement Plan collectively support the Shire's statutory obligations under the Local Government Act 1995, Local Government (Audit) Regulations 1996 (including Regulation 17), and associated financial management, procurement, risk and compliance legislation.
3. Endorses, from an assurance perspective, the continued staged implementation of the Organisation Enhancement Plan, noting that the primary risk relates to execution and embedding of reforms rather than the adequacy of the frameworks themselves.
4. Requests that progress against the Organisation Enhancement Plan and any emerging implementation risks be reported to ARIC periodically, with particular regard to procurement and contract management, risk management maturity, asset management and financial sustainability.

SUMMARY

The attached ARIC Workplan and Organisation Enhancement Plan collectively establish a structured and increasingly mature governance, risk and assurance framework for the Shire. Together, the documents demonstrate alignment between ARIC oversight responsibilities and management-led organisational reform, with a clear emphasis on legislative compliance, procurement integrity, risk management, asset management maturity and financial sustainability.

While core frameworks are in place, both documents identify areas requiring ongoing management attention to ensure implementation risk is controlled and intended benefits are realised.

VOTING REQUIREMENT

Simple Majority

COUNCIL'S ROLE

Executive

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

BACKGROUND

The ARIC Workplan sets out a comprehensive, cyclical program of assurance activities across financial reporting, risk management, internal audit, compliance and performance improvement. It confirms that several foundational assurance activities are complete or ongoing, including external audit review, financial health monitoring and procurement compliance, while also recognising that certain areas require continuous monitoring rather than one-off completion.

The Organisation Enhancement Plan provides the operational and structural reform pathway that underpins many of the risks and improvement areas identified in the ARIC Workplan. It outlines a whole-of-organisation reform agenda covering workforce structure, procurement and contract management, governance systems, enterprise risk management, asset management and financial sustainability. The Plan is being implemented on a staged basis, with several streams underway and others yet to commence.

FINANCIAL

The documents indicate no immediate unplanned financial impacts; however, several forward-looking implications are relevant to ARIC oversight:

- The Organisation Enhancement Plan anticipates long-term financial benefit through improved procurement controls, asset management maturity, and strengthened long-term financial planning, rather than short-term cost savings.
- There is a resource commitment implication, as successful delivery relies on sustained internal capacity and, in some areas, external support to complete reforms without degrading core service delivery.
- Failure to complete key reform elements (such as contract management systems or asset data maturity) would expose the Shire to long-term financial sustainability and value-for-money risks, rather than immediate budget overruns.

RISK

From an ARIC perspective, the key risks arising from the two documents are strategic and execution-based rather than procedural:

- Implementation risk, arising from the scale and breadth of the Organisation Enhancement Plan, particularly where multiple reform streams (governance, procurement, risk, asset management) are progressing concurrently.
- Control sustainability risk, where several ARIC workplan items are identified as requiring “ongoing management and maintenance”, indicating reliance on discipline and resourcing rather than completed system controls.
- Procurement and contract exposure, noting that procurement reform is underway but not fully embedded, increasing short-term exposure to inconsistency or reliance on case-by-case controls.
- Change fatigue and capability risk, particularly where workforce reform, new KPIs, updated delegations and revised governance frameworks are introduced within compressed timeframes.

POLICY

Policy Manual

STATUTORY*Local Government Act 1995 (WA)*

Establishes the governance framework for local governments, including Council and CEO roles, financial management responsibilities, audit requirements, delegation of authority, asset management, and organisational governance obligations.

Local Government (Audit) Regulations 1996 (WA)

In particular Regulation 17, which requires local governments to ensure appropriate systems and practices are in place for:

- internal control
- risk management
- internal audit
- legislative compliance

These requirements underpin the role, function and work program of the Audit, Risk and Improvement Committee.

Local Government (Financial Management) Regulations 1996 (WA)

Prescribe requirements relating to financial reporting, internal financial controls, procurement, payments, budgeting, and long-term financial planning, all of which are addressed through the ARIC Workplan and Organisation Enhancement Plan.

Local Government (Administration) Regulations 1996 (WA)

Provide the legislative basis for administrative processes including delegations, records management, organisational structure, employee conduct and governance arrangements.

Local Government (Functions and General) Regulations 1996 (WA)

Establish procurement thresholds, tendering requirements, exemptions and contract management obligations addressed through procurement and contract management reform streams.

Corruption, Crime and Misconduct Act 2003 (WA)

Sets obligations for the prevention, identification and reporting of misconduct and corruption, informing fraud control, ethics frameworks, procurement integrity and governance reform initiatives.

Auditor General Act 2006 (WA)

Governs audits conducted by the Office of the Auditor General and supports ARIC responsibilities relating to external audit oversight and implementation of audit recommendations.

State Records Act 2000 (WA)

Imposes statutory obligations for records creation, retention, control and disposal, which are explicitly referenced in governance, compliance and records management reform initiatives.

Local Government (Audit) Regulations 1996 – Compliance Audit Return (CAR)

Requires annual certification of legislative compliance, supported through compliance systems, calendars and monitoring mechanisms referenced in both documents.

Work Health and Safety Act 2020 (WA) and WHS Regulations 2022 (WA)

Establish employer obligations for work health and safety systems, risk management and contractor safety, addressed through WHS and enterprise risk reform streams.

STRATEGIC**Theme**

4. CIVIC LEADERSHIP

Goal

4.2 We are a compliant and resourced Local Government

Strategy

4.2.1 External audits and reviews confirm compliance with relevant Local Government legislation

4.2.2 Financial sustainability in achieving community aspirations

COMMENT

Taken together, the ARIC Workplan and Organisation Enhancement Plan demonstrate a coherent and aligned approach to strengthening governance, risk management, compliance and organisational performance. The primary challenge from an ARIC perspective is not the adequacy of the frameworks, but the sustained execution and embedding of reforms over time. Continued ARIC oversight, disciplined monitoring and periodic assurance will be critical to ensuring that implementation risks are managed and that the intended governance and financial benefits are realised.

CONSULTATION

Nil

ORGANISATIONAL ENHANCEMENT PROGRAM						UPDATES
Ref.	Stream Description	References	Work Segment	Actions	Deliverables	16-April-2026
1.1	People & Organisational Structure	Local Government Act 1995 Local Government Act 1995 Local Government (Administration) Regulations 1996 Equal Opportunity Act 1984	Whole-of-Organisation Functional Review	<ul style="list-style-type: none"> Conduct structured interviews with all managers, supervisors, and staff. Map all service, task, regulatory requirements, and external interfaces. Identify overlaps, duplications, inefficiencies, and critical-person risk. Identify statutory vs non-statutory duties for rebalancing workloads. Present draft structures to ELT & Council for feedback. Prepare a staged implementation plan, including change management. 	<ul style="list-style-type: none"> Organisation Review Report Proposed & Final Organisational Structures Role Mapping and Functional Alignment Paper Council-endorsed Implementation Plan 	Organisation review briefed at Council March 2026 OCM. Administration structure determined. Role mapping for administration completed. Council endorsed Implementation Plan adopted.
1.2	People & Organisational Structure	Work Health & Safety Act 2020 Industrial Relations Act 1979 Local Government Industry Award 2020 Enterprise Agreement 2024/5 Corruption, Crime & Misconduct Act 2003	Modernisation of Position Descriptions & Reporting Clarity	<ul style="list-style-type: none"> Audit all PDs and identify missing responsibilities (records, risk, WHS, procurement). Incorporate key responsibilities from: <ul style="list-style-type: none"> WHS Act Risk Management Framework Procurement Policy Records Management Policy LG Act statutory roles Embed clear reporting lines into PDs and org charts. Review delegation obligations and assign decision-making authority. 	<ul style="list-style-type: none"> PD Library (All roles) Reporting & Delegation Maps Signed PD Acceptance Forms 	PD Library - consolidated works underway for Administration. Outstanding - 8 roles. Reporting map completed. Delegation map nearing completion. PD Acceptance form will be included in negotiations with staff.
1.3	People & Organisational Structure	State Records Act 2000	Workforce Performance System	<ul style="list-style-type: none"> Design role-specific KPIs aligned to organisational values. Develop performance templates and scoring tools. Train supervisors on conducting quarterly reviews. Implement electronic performance tracking 	<ul style="list-style-type: none"> KPI Framework Performance Review Toolkit Quarterly Reporting Template 	KPI framework included in PD's. Performance review template completed. Quarterly reporting template under development.
1.4	People & Organisational Structure		Workforce Capability & Culture	<ul style="list-style-type: none"> Develop Skills Matrix for all staff. Identify mandatory and desirable training. Develop leadership program (compliance, communication, accountability). Introduce cross-learn training for operational resilience. Conduct values workshops. 	<ul style="list-style-type: none"> Workforce Development Plan Training Calendar Leadership Coaching Program 	Not yet commenced
2.1	Procurement & Contract Management	Local Government Act 1995 Local Government (Functions & General) Regulations 1996 Local Government (Financial Management) Regulations 1996	Procurement Policy Redevelopment	<ul style="list-style-type: none"> Compare policy to: <ul style="list-style-type: none"> Regulations OAG reports DLGSC model Identify gaps in probity, thresholds, local content, sustainability. Introduce clear rules for sole suppliers, exemptions, emergencies. Embed risk assessment requirements. 	<ul style="list-style-type: none"> New Procurement Policy and suite of support documents. ARIC & Council Adoption 	Document suite under development - variations (contract), conflict of interest, general service contract template completed. Policy review and redevelopment underway to incorporate the majority of deliverables in this section.
2.2	Procurement & Contract Management	Local Government (Administration) Regulations 1996 Corruption, Crime & Misconduct Act 2003 State Records Act 2000	Procedures, Templates & Workflows	<ul style="list-style-type: none"> Develop step-by-step process maps for every procurement method. Introduce: <ul style="list-style-type: none"> Evaluation plans Probity statements Conflicts of interest declarations Tender receipt and evaluation protocols Standard contract templates for goods, services, minor & major works. Initiation, management & variation processes 	<ul style="list-style-type: none"> Procurement Manual Template Suite (Plans, Evaluations, Contracts, Letters) 	Commenced
2.3	Procurement & Contract Management	OAG guidance: Fraud, procurement, and contract management audits	Contract Management System	<ul style="list-style-type: none"> Register all contracts into a central database. Establish mandatory handover meetings for all new contracts. Implement quarterly supplier performance review process. Introduce contract variation protocol aligned with delegations. 	<ul style="list-style-type: none"> Contract Management Framework Contract Register Contract Performance Report Template 	Not yet commenced - managed case by case

3.1	Process & Governance	Local Government Act 1995 Local Government (Functions & General) Regulations 1996 Local Government (Financial Management) Regulations 1996 Local Government (Administration) Regulations 1996 Corruption, Crime & Misconduct Act 2003 State Records Act 2000 OAG guidance: Fraud, procurement, and contract management audits	Governance Framework	<ul style="list-style-type: none"> •Conduct a structured review of all policies and procedures: <ul style="list-style-type: none"> •Identify outdated, missing, or inconsistent documents •Ensure alignment with legislation and standards •Adopt standard templates and version control •Assign document owners and review cycles •Implement a compliance management system addressing: <ul style="list-style-type: none"> •legislative compliance obligations register •compliance calendar •audit recommendation tracking •improved recordkeeping practices •ongoing monitoring and reporting to the CEO and ARIC Document all governance responsibilities: <ul style="list-style-type: none"> •Council vs CEO •ELT vs staff •Delegations •Financial controls •Decision-making powers •Develop governance cycle (planning → execution → reporting → review). Build dashboard for: <ul style="list-style-type: none"> •Compliance •Risk •Audit •Procurement •WHS •Financial performance 	<ul style="list-style-type: none"> • Integrated Governance Framework •Governance Manual •Governance Dashboard 	Policy review and replacement program underway with various policies endorsed by Council. Compliance calendar nearing completion and transfer into 2026-2027 Enterprise risk assessment underway. Delegation review completed - re-organisation of same for endorsement by ARIC and Council.
3.2	Process & Governance		Policy & Procedure Overhaul	<ul style="list-style-type: none"> Catalogue all policies & procedures. Classify into: <ul style="list-style-type: none"> •Mandatory •Strategic •Operational •Redundant Assign custodians and scheduled review dates. 	<ul style="list-style-type: none"> •Revised Policy Suite •Procedure Library •Document Control Register 	Commenced
3.3	Process & Governance		Legislative Compliance System	<ul style="list-style-type: none"> Identify every statutory obligation by business unit. •Develop compliance calendars (monthly, quarterly, annual tasks). •Implement escalation system for missed obligations. •Conduct internal compliance audits. 	<ul style="list-style-type: none"> •Compliance Obligations Register •Compliance Calendar •Compliance Audit Reports 	Compliance calendar to be transferred over into 26/27 Audit reports commenced.
4.1	Enterprise & Operational	Local Government (Audit) Regulations 1996 – Reg 17	ERM Framework	<ul style="list-style-type: none"> •Develop risk categories (finance, workforce, WHS, assets, governance, ICT). •Create escalation rules and reporting frequency. •Develop risk assessment criteria. 	<ul style="list-style-type: none"> •ERM Framework •Risk Appetite Statement 	Categories established. Transfer of previous ERM risks into revised template.
4.2	Enterprise & Operational	ISO 31000 OAG audit practice statements	Strategic & Operational Risk Registers	<ul style="list-style-type: none"> •Conduct facilitated workshops. •Identify controls, risks, treatments, root causes. •Prioritise risks according to criticality. 	<ul style="list-style-type: none"> •Strategic Risk Register •Operational Risk Registers •Monthly/Quarterly Risk Reports 	Refer previous notes - concurrent works
4.3	Enterprise & Operational		Business Continuity Plan (BCP) & Disaster Recovery Plan (DRP)	<ul style="list-style-type: none"> •Conduct BIA (Business Impact Analysis). •Update BCP with priority functions and recovery timelines. •Conduct emergency exercises. 	<ul style="list-style-type: none"> •Updated BCP •Updated DRP •Annual BCP Test Report 	BCP underway
5.1	Work Health & Safety	WHS Act 2020 WHS Regulations 202 ISO 45001	WHS Management System	<ul style="list-style-type: none"> •Develop WHS procedures: <ul style="list-style-type: none"> oIncident reporting oHazard identification oRisk assessments oSWMS oEmergency response •Implement WHS dashboard. Develop a WHS Corrective Action Plan Ensure alignment with operational areas, depot, field staff, and contractors Develop or enhance a WHS IMS aligned to WHS Act 2020 and ISO 45001, including: <ul style="list-style-type: none"> risk management processes safe work procedures incident reporting and investigation contractor safety management emergency management consultation mechanisms 	<ul style="list-style-type: none"> •WHS IMS •WHS Procedures Library •WHS Dashboard 	Existing data and documentation maintained by an external service provider. Data transfer scheduled in late April

			WHS Capability, Leadership & Training	<ul style="list-style-type: none">•Develop WHS Training Matrix.•Conduct operational inductions.•Conduct quarterly safety inspections.•Implement supervisor safety leadership training.Toolbox talks and WHS leadership workshopsField safety inspectionsSafety performance KPIs integrated into workforce KPIs	<ul style="list-style-type: none">•Training Matrix•Audit & Inspection Reports•Safety Leadership Program	Not yet commenced
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6.1	Asset Management & Operational Efficiency	Local Government Act (financial sustainability obligations) Financial Management Regulations ISO 55000 IPR Framework	Asset Data & Maturity	<ul style="list-style-type: none"> •Conduct full asset data audit. •Identify missing data and correct inconsistencies. •Build asset hierarchy. 	<ul style="list-style-type: none"> •Asset Data Audit Report •Maturity Assessment 	Not yet commenced
6.2	Asset Management & Operational Efficiency		Asset Management Strategy & Asset Management Plans (AMP)	<ul style="list-style-type: none"> •Update strategy to meet ISO 55000. •Develop AMPs for all major asset classes. •Define & Embed Levels of Service. •Asset lifecycle costing 	<ul style="list-style-type: none"> •AM Strategy •AMPs 	In place but scheduled for review in 26/27
6.3	Financial Sustainability & Long-Term Planning		Financial Sustainability & Long-Term Planning	<ul style="list-style-type: none"> •Strengthen Long Term Financial Plan (LTFP) •Integrate AMPs with LTFP and Corporate Business Plan •Improve accuracy of capital works forecasting •Enhance operational and capital budgeting processes 	<ul style="list-style-type: none"> •Updated LTFP •10-year capital works plan •Annual works programming framework 	To be reviewed in 26/27 budget planning commencing in April
6.4	Asset Management & Operational Efficiency		Maintenance & Capital Works Planning	<ul style="list-style-type: none"> •Implement preventative maintenance schedules. •Align 10-year capital works with the LTFP and AMPs. •Implement depot programming. 	<ul style="list-style-type: none"> •Maintenance Plans •10-Year Capital Works Plan 	To be reviewed in 26/27 budget planning commencing in April
6.5	Asset Management & Operational Efficiency		Operational Efficiency & Asset Optimisation	<ul style="list-style-type: none"> •Review current asset utilisation and condition •Improve maintenance programming, scheduling, and workforce resourcing •Develop preventative maintenance schedules •Optimise plant and fleet replacement cycles 	<ul style="list-style-type: none"> •Asset optimisation report •Preventative maintenance programs •Fleet management plan 	Not yet commenced
7.1	Community Services, Customer Experience & Social Cohesion	Local Government Act – community facilities, property, leasing Disability Services Act State Records Act	Community Services Strategy	<ul style="list-style-type: none"> •Conduct community needs analysis. •Identify gaps in youth, seniors, recreation, cultural, library and community development services. •Develop improvement actions. 	<ul style="list-style-type: none"> •Community Services Strategy •Needs Analysis Report 	Community consultations scheduled for April
7.2	Community Services, Customer Experience & Social Cohesion		Customer Service Charter & Central Records Management (CRM) System	<ul style="list-style-type: none"> •Develop service standards for telephone, counter, email and online. •Update CRM workflows to track enquiries. •Conduct customer service training. 	<ul style="list-style-type: none"> •Customer Service Charter •CRM Workflow Maps 	Administration team briefed on requirement and work will commence shortly. Records review yet to
7.3	Community Governance Framework		Integrated Community Leasing, Work in Kind (WIK) & Grants Framework	<ul style="list-style-type: none"> •Audit all leases. •Categorise lease types. •Develop WIK eligibility criteria. •Implement Grants Policy aligned to SCP and social cohesion. •Establish templates for applications, agreements, acquittals. 	<ul style="list-style-type: none"> •Community Leasing Policy •WIK Policy •Community Grants Policy •Community Support Register 	Policies endorsed and adopted by Council

Quarter 2 (October-December) Focus areas: Terms of Reference, Induction, External Audit Results, Mid-Year Risk and Control Assurance, Legislative Compliance.		UPDATES						
		16-April-2026						
Functional Area	Description							
Financial Reporting & Audit	* Review the OAG Audit Report and Management Letter	Completed						
	* Review management responses and timelines for corrective actions.	Completed						
	* Ensure the audit report is included in the Annual Report and recommend adoption to Council.	Completed						
Risk Management	* Review midyear progress on strategic and operational risk mitigation plans.	Underway						
	* Deep-dive focus session on one major risk category (e.g., cybersecurity, procurement fraud, asset management).	Cybersecurity - Strategy under development						
	* Examine insurance coverage adequacy.	Completed - adequate						
Internal Audit	* Review completed internal audit reports (e.g., procurement compliance, payroll, asset management).	Completed - with review ongoing						
	* Approve and monitor management remediation plans.	Nil plans						
	* Review internal audit performance against plan.	Nil plans						
Compliance & Governance	* Review regulation 17 internal control, risk management and legislative compliance framework requirements (every three years minimum; annual monitoring recommended).	Requires ongoing management and maintenance						
	* Review findings from any State Government integrity investigations or Ombudsman reports relevant to the sector.	Single DoT breach (misuse) training applied and reporting completed DoT closed.						
	* Review procurement compliance, tender register and sole-supplier justification controls.	Requires ongoing management and maintenance						
Improvement & Performance Monitoring	* Review progress on governance and process improvement initiatives.	Policy and process identified - works underway						
	* Assess outcomes of recent improvement projects or council-wide service reviews.	Not applicable						
Quarter 3 (January - March) Focus areas: Midyear financial review, Business continuity, internal audit deep dive, procurement health.								
Functional Area	Description							
Financial Reporting & Audit	* Review outcomes of the Mid-Year Budget Review and financial health indicators.	Completed						
	* Consider updated financial forecasts and sustainability analysis (ratios, long-term financial plan impacts).	Completed						
	* Review any emerging financial risks (revenue, grants, capital delivery constraints).	Completed						
Risk Management	* Review Business Continuity Plan (BCP) testing outcomes and contingency arrangements.	Requires ongoing management and maintenance						
	* Review risk controls relating to fraud and corruption prevention.	Requires ongoing management and maintenance						
	* Ensure cyber risk assessments are current and IT controls are effective.	Requires ongoing management and maintenance						
Internal Audit	* Detailed review of high-risk audits conducted this quarter (e.g., Procurement & Contract Management, IT controls).	Procurement - material findings applied and acquitted						
	* Review status of audit recommendations (internal and external).	Completed						
Compliance & Governance	* Review progress towards completion of the Annual Compliance Audit Return (CAR).	CAR scheduled for September						
	* Review central records management performance (State Records Act obligations).	Requires ongoing management and maintenance						
	* Review policy compliance gaps and recommended policy renewals.	Underway						
Improvement & Performance Monitoring	* Review continuous improvement projects, including digitisation, asset management maturity, contract management reform.	Requires ongoing management and maintenance						
	* Identify improvement focus areas for next year's audit program.	Completed						

Quarter 4 (April - June) Focus Areas: CAR review, next-year planning, strategic risk refresh, annual reporting alignment										
Functional Areas	Description									
Financial Reporting & Audit	* Review unaudited end-of-year financial position and major variances.									
	* Review financial management controls and end-of-year closing preparations.									
	* Review external auditor's interim management letter.									
Risk Management	* Undertake annual comprehensive review of the Risk Management Framework (Reg 17).									
	* Review the operational risk register and test effectiveness of treatment plans.									
	* Review key risk areas for the upcoming FY and recommend new focus areas.									
Internal Audit	* End-of-year review of internal audit plan delivery and performance.									
	* Approve the proposed Internal Audit Plan for the next FY.									
	* Conduct closed session with external auditors if applicable.									
Compliance & Governance	* Review and recommend the Compliance Audit Return (CAR) to Council.									
	* Review fraud and corruption control plan maturity.									
	* Review governance frameworks: delegations, policies, code of conduct, integrated planning and reporting (IPR).									
Improvement & Performance Monitoring	* Review annual summary of improvement initiatives and their impact.									
	* Confirm recommendations for inclusion in the CEO's performance KPIs and organisational improvement plans.									
	* Review Committee Terms of Reference and recommend updates to Council.									
Quarter 1 (July - September) Focus Areas: Annual risk reset, compliance planning, financial statements preparation										
Functional Area	Description									
Financial Reporting & Audit	* Review draft Annual Financial Statements for the previous FY.									
	* Review management's judgement areas, accounting treatments, and significant movements.									
	* Endorse the statements for the sign-off by the CEO and submission to the OAG									
	* Review progress and findings from interim OAG audit.									
	* Track implementation of prior-year external audit recommendations.									
Risk Management	* Review and endorse the Annual Risk Management Plan for the FY.									
	*Review the risk appetite statement and recommend amendments to Council if needed.									
	* Review the Strategic Risk Register, including emerging risks (cybersecurity, climate, workforce).									
	* Confirm effectiveness of business continuity planning and disaster recovery arrangements.									
Internal Audit	* Approve the three-year Internal Audit Plan (rolling) and detailed yearly plan.									
	* Review internal audit resource requirements, independence, and performance.									
	* Review internal audit reports completed in Q4 of previous FY.									
Compliance & Governance	* Endorse the Annual Compliance Calendar for statutory obligations (DLGSC, LG Act, WHS, procurement).									
	* Review delegations of authority for completeness.									
	* Review gifts, conflicts of interest, and ethical conduct control mechanisms.									
Improvement & Performance Monitoring	* Review quarterly KPI report for key governance, compliance, and risk functions.									
	* Consider strategic improvement opportunities.									

10.2 CHIEF EXECUTIVE OFFICER

10.2.1 2026 Local Government Determination

FILE NUMBER:**DATE:** 17 April 2026**AUTHOR:** Bruce Wright, Chief Executive Officer**AUTHORISED OFFICER:** Bruce Wright, Chief Executive Officer**DISCLOSURE OF INTEREST:** Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. 2026 - Local Government Determination**RECOMMENDATION**

That Audit Risk and Improvement Committee

1. Notes the contents of this report, and
2. Endorses the Determination and is satisfied, based on the information provided, that it does not give rise to any unmitigated governance, compliance or financial risks to the Shire of Kondinin.

SUMMARY

The Tribunal has determined a general economic increase of 3.5% across most remuneration categories, including:

- CEO remuneration bands
- elected member attendance fees (per meeting and annual)
- committee and prescribed meeting fees
- independent committee member fees
- mayor/president/chair annual allowances

VOTING REQUIREMENT

Simple Majority

COUNCIL'S ROLE**Executive**

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

Legislative

Includes adopting local laws, town planning schemes and policies.

BACKGROUND

The Determination is made under sections 7A and 7B of the Salaries and Allowances Act 1975. It sets:

- remuneration bands for local government Chief Executive Officers (CEOs), and
- minimum and maximum ranges for fees, allowances and reimbursable expenses for elected council members under the Local Government Act 1995.

The Tribunal is required to issue determinations at intervals of no more than 12 months. The 2026 Determination was signed on 2 April 2026 and applies from 1 July 2026.

The Tribunal has applied a general economic increase of 3.5% across most components of the Determination, including:

- CEO remuneration bands
- councillor meeting attendance fees
- committee and prescribed meeting fees
- independent committee and ARIC member fees (minimums only)
- mayor/president/chair annual allowance ranges

Housing and motor vehicle arrangements remain unchanged.

CEO Remuneration and Regional / Isolation Allowance (Summary)

CEO remuneration bands have increased by 3.5%.

- No changes have been made to local government band classifications.
- Councils retain discretion to set CEO remuneration within the applicable band.
- The Regional / Isolation Allowance (RIA) has been recalculated and eligibility expanded, while remaining discretionary and subject to justification.

These matters are noted for completeness, noting that final decisions rest with Council rather than ARIC.

Governance consideration:

Any adjustment to the CEO's Total Reward Package remains a Council responsibility and must be supported by documented assessment and transparency.

Councillor, President and Deputy President Fees and Allowances

Governance Framework

The Determination:

- does not automatically increase councillor or President fees, and
- does not set actual payments.

Instead, it prescribes minimum and maximum ranges. Council must formally resolve the actual fees and allowances it chooses to pay, within those ranges. From a governance perspective, councillor remuneration is expressly intended to compensate for part-time, elected office duties rather than to provide full-time income.

Councillor Meeting Attendance Fees (Per Meeting)

If Council elects to pay per-meeting attendance fees (rather than annual attendance fees), the following Band 4 ranges apply:

Councillor – Council Meetings

- Minimum: \$109 per meeting

- Maximum: \$280 per meeting

President – Council Meetings

- Minimum: \$109 per meeting
- Maximum: \$570 per meeting

These fees are payable only when meetings are attended.

Committee and Prescribed Meeting Fees

For committee meetings and prescribed meetings (including committee participation by councillors):

Band 4 range:

- Minimum: \$57 per meeting
- Maximum: \$140 per meeting

These rates apply equally to councillors and the President when attending committee or prescribed meetings.

Annual Attendance Fees (In Lieu of Per-Meeting Fees)

Council may resolve, by absolute majority, to pay annual attendance fees instead of per-meeting fees. Under Band 4, the annual ranges are:

Councillor – Annual Attendance Fee

- Minimum: \$4,161
- Maximum: \$11,023

President – Annual Attendance Fee

- Minimum: \$4,161
- Maximum: \$22,646

If adopted, annual attendance fees replace all council, committee and prescribed meeting fees. Councillors cannot be paid both.

President's Annual Allowance (Separate to Meeting Fees)

In addition to any meeting attendance fees, Council may pay the President an annual allowance recognising:

- leadership responsibilities
- civic and representational duties
- additional statutory obligations

For Band 4, the President annual allowance range is:

- Minimum: \$596
- Maximum: \$23,257

Payment of this allowance is discretionary and must be set by Council resolution.

Deputy President Allowance

The Deputy President allowance remains set at 25% of the President's annual allowance.

If the Deputy acts continuously in the President's role for four months or more, the Deputy becomes entitled to the full President allowance for that period.

Regional / Isolation Allowance (RIA)

The Tribunal undertook a comprehensive review of the RIA, resulting in:

- recalculation of allowance components using updated ARIA++ and SEIFA data;
- expansion of eligibility to include 17 additional local governments, including several in the Wheatbelt and Great Southern regions; and
- confirmation that the allowance is discretionary, not mandatory.

Relevance to ARIC:

Where applied, payment of the RIA must be:

- justified against attraction and retention factors;
- transparent; and
- capable of withstanding audit and review.

Independent ARIC Member Fees

The Determination includes specific changes relevant to the ARIC.

Independent Audit, Risk and Improvement Committee member minimum fees have increased by 3.5%.

The maximum fee remains unchanged, noting that these rates were only recently determined effective 1 January 2026.

Current fee range per ARIC meeting (all bands):

- Minimum: \$110
- Maximum: \$1,215

Council must resolve ARIC fees, ensuring that they:

- reflect the skills and expertise required, and
- represent value for money.

FINANCIAL

Any changes arising from this Determination:

- are known and quantifiable, and
- can be accommodated through normal budget and long-term financial planning processes.

No automatic increases are imposed.

RISK

Key Governance and Risk Considerations

- Councillor and President payments must sit within Tribunal-prescribed ranges.
- All amounts must be supported by clear Council resolutions.
- Payments and allowances must be correctly disclosed in financial reporting.
- The Tribunal has explicitly rejected treating councillor roles as full-time positions comparable to Members of Parliament.
- The 3.5% increase represents a known and quantifiable adjustment that can be incorporated into the 2026/27 Long Term Financial Plan and annual budget.

POLICY

Financial Management

STATUTORY

The Determination is issued under, and must be applied consistently with, the following legislation:

Salaries and Allowances Act 1975

- Establishes the Salaries and Allowances Tribunal.
- Requires the Tribunal to determine remuneration ranges for local government CEOs and the fees and allowances payable to elected council members.
- Limits Council discretion to setting remuneration within the Tribunal-determined ranges.

Local Government Act 1995

Part 5, Division 8 governs:

- meeting attendance fees,
- annual attendance fees,
- allowances for Presidents and Deputies, and
- reimbursement of expenses.

Requires Council resolutions (often by absolute majority) to give effect to adopted fees and allowances & confirms that elected council member roles are part-time in nature.

Local Government (Administration) Regulations 1996

- Prescribe eligible meeting types, reimbursable expenses, and procedural requirements.
- Regulate the interaction between attendance fees, annual fees and reimbursement arrangements

STRATEGIC**Theme**

4. CIVIC LEADERSHIP

Goal

4.2 We are a compliant and resourced Local Government

Strategy

4.2.2 Financial sustainability in achieving community aspirations

4.2.1 External audits and reviews confirm compliance with relevant Local Government legislation

COMMENT

The 2026 Determination introduces a modest sector-wide adjustment while maintaining the existing governance framework. Councillor, President and Deputy President fees remain discretionary within well-defined ranges and continue to be subject to Council oversight.

CONSULTATION

Nil

TRIBUNAL DETERMINATION 2026 – 032

SALARIES AND ALLOWANCES ACT 1975
DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL
FOR LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS
AND ELECTED COUNCIL MEMBERS

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2026 LOCAL GOVERNMENT DETERMINATION

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2026 LOCAL GOVERNMENT DETERMINATION

PREAMBLE**STATUTORY CONTEXT**

1. Section 7A of the *Salaries and Allowances Act 1975* (SA Act) requires the Salaries and Allowances Tribunal (Tribunal) to 'inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments'.
2. Under Section 7B(2) of the SA Act, the Tribunal must inquire into and determine the amount of:
 - fees, or the minimum and maximum amounts of fees, to be paid under the *Local Government Act 1995* (LG Act) to elected council members for attendance at meetings;
 - expenses, or the minimum and maximum amounts of expenses, to be reimbursed under the LG Act to elected council members; and
 - allowances, or the minimum and maximum amounts of allowances, to be paid under the LG Act to elected council members.
3. By issuing this determination, the Tribunal discharges its obligations under Section 8 of the SA Act, which requires determinations under Sections 7A and 7B to be issued at intervals of not more than 12 months.
4. The Tribunal has also considered Sections 2.7 to 2.10 and Section 5.41 of the LG Act, which outlines the roles and responsibilities of local governments, councillors, mayors, presidents and their deputies, and the functions of local government Chief Executive Officers.

Christmas and Cocos (Keeling) Islands

5. In 2016, the Commonwealth and WA Governments entered an agreement under the *Christmas Island Act 1958* (Cth), the *Cocos (Keeling) Islands Act 1995* (Cth) and the *Indian Oceans Territories (Administration of Laws) Act 1992* (WA), by which the Tribunal has the power to determine the remuneration of local government CEOs and the fees, expenses and allowances for local government elected council members of the Shires of Christmas Island and Cocos (Keeling) Islands. This inquiry reviewed the remuneration and fees, expenses and allowances for the Shires of Christmas and Cocos (Keeling) Islands.

CURRENT INQUIRY**Local Government Survey**

6. In August and September 2025, the Tribunal conducted a survey of local governments in order to inform a comprehensive review of all aspects of the determination.

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7. The survey was undertaken to assess sector views on the determination. Feedback highlighted a range of operational challenges and contextual differences across local governments. However, these issues did not demonstrate a systemic or sector-wide shift that would warrant fundamental changes to the current framework.
8. Every local government had the opportunity to complete the survey and comment on all aspects of the determination. 64 responses were received. A broad overview of the results follows:
 - 25 or 39% of local governments stated that they have experienced attraction and retention issues and some requested the Tribunal increase remuneration rates for CEOs
 - 5 non-metropolitan local governments requested eligibility to provide a Regional/Isolation Allowance to their CEO
 - 12 or 20% of local governments requested an increase to the annual allowance for Mayors/Presidents/Chairs; and 11 or 19% requested an increase to the annual allowance percentage rate for Deputy Mayors/Presidents/Chairs
 - 10 or 17% of local governments requested an increase to the ICT allowance range.

Submissions and consultation

9. Separate to the survey, submissions were also received from local governments and individual Councillors.
10. The Tribunal has also liaised with the Statutory Adviser, the Department of Local Government, Industry Regulation and Safety, the Western Australian Local Government Association and the Local Government Professionals WA regarding the current inquiry.

CONCLUSIONS

11. The Tribunal has completed its inquiry and review of the determination, including consideration of the outcomes of the Local Government Survey, submissions and liaison with key stakeholders. The evidence gathered through this process indicates that the existing arrangements remain appropriate and continue to operate as intended, however, some changes to the determination have been made.

Attraction and retention

12. In determining appropriate remuneration, the Tribunal considers comparative remuneration levels, broader labour-market trends, and the relative work value of roles across our jurisdiction, and others, to ensure competitiveness.

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13. While some local governments reported difficulties attracting and retaining CEOs and senior executives, including movement to other local governments or the private sector and instances of CEOs shifting to deputy or executive roles in larger Band 1 or 2 local governments for comparable or higher pay, the Tribunal notes that such mobility is a longstanding and normal feature of public sector labour markets. Similar patterns occur across the Western Australian public sector, where executives in smaller agencies commonly progress to senior or deputy roles in larger organisations to gain experience with greater organisational complexity as part of their leadership pathway.
14. The Tribunal also notes that remuneration practices vary significantly, and while some local governments remunerating CEOs at or near the maximum of the band may experience attraction and retention challenges, others are remunerating CEOs at varying points within the existing band ranges without difficulty. A uniform increase to remuneration bands would therefore risk addressing isolated or localised issues through a blanket adjustment that is neither proportionate nor justified across the sector.
15. The Tribunal acknowledges the challenges faced by smaller local governments, however, these issues do not indicate a systemic problem in the current banding structure or remuneration framework. The Tribunal will continue to monitor workforce dynamics but finds no evidence at this time that adjustments to the determination would materially or sustainably influence these established mobility patterns.
16. The Tribunal also notes, that for non-metropolitan local governments eligible for the Regional/Isolation Allowance, that this allowance is intended to assist with attraction and retention issues in regional and remote areas.

Band allocation model

17. The Tribunal continues to apply the four band allocation model. The model allows a number of measurable and non-measurable factors to be considered when assessing appropriate levels of remuneration. The model is adjusted annually to accommodate incremental increases experienced by all organisations.
18. The Tribunal notes that the remuneration ranges provide flexibility to local governments to set remuneration within the allocated band. The Tribunal will only adjust a band classification when a local government or regional local government council can demonstrate a substantial and sustained increase in functions, roles, or scope of the organisation.
19. In reviewing the band allocation model, the Tribunal has examined local governments with potential to change band classification and considers no change is warranted for any local government at this time.
20. Further, the Tribunal has explored the option of providing an allowance to the largest Band 1 local governments. Some local governments and councillors advocated for the maximum range of Band 1 to be increased or an allowance to be provided to acknowledge the additional work required of large local governments.

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21. In considering this option, it is noted that there are variations in size, scale and complexity across all local governments within all 4 bands, not just within Band 1.
22. These variances in size, scale and complexity are already captured within the current banding framework, which relies on the following features to determine band allocation:
 - expenditure (operating and capital)
 - population
 - staffing levels (FTE)
 - major growth and development, including risk management
 - significant social/economic issues
 - significant demand to service and support non-resident needs
 - high impact environmental management issues and responsibilities
 - greater diversity of services delivered than normally provided by similar sized local governments
 - services delivered
 - focus of the CEO role and Council profile.
23. In reviewing the largest local governments within Band 1, the Tribunal noted the differences in organisational size, service breadth and operational demands. While these differences are recognised, they did not clearly demonstrate higher leadership, governance, legal or operational responsibilities or requirements that would justify an additional allowance. Accordingly, the Tribunal is not proposing changes to CEO remuneration bands or Council member fees at this time.

Regional/Isolation Allowance

24. The Regional/Isolation Allowance (RIA) is provided to some non-metropolitan local governments in recognition of regional and isolation factors which may affect the attraction and retention of CEOs. Essentially, the RIA calculation comprises two elements – a district allowance component and an attraction and retention component. Factors considered by the Tribunal when determining these amounts are detailed in Part 3.2 (3) of the determination.

District Allowance component

25. The fixed district allowance component of the RIA is an acknowledgement of the additional expenses associated with living in a particular location and is based on the *District Allowance (Government Officers) General Agreement 2010* (the Agreement).
26. The Agreement was originally calculated based on 3 components:
 - Cost of Living – Regional Price Index (RPI) scores calculated with the Public Service General Agreement Level 1.1 salary rate

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- Isolation – Australian Bureau of Statistics Accessibility/Remoteness Index of Australia (ARIA+) classifications calculated with March quarter Consumer Price Index (CPI) figures
- Climate – Bureau of Meteorology’s Relative Strain Index (RSI) scores calculated by CPI.

27. The Agreement provided for annual adjustments based on movements to the above components, but this did not occur.

28. The district allowance component of the RIA has only been increased by the Tribunal once since the RIA was introduced, which was in 2023 when a general increase was applied.

Attraction and Retention component

29. A flexible and discretionary CEO attraction and retention component, set by the Tribunal, is designed to support local governments in securing and retaining suitably qualified CEOs in areas where the geographic location limits the available talent pool.

30. Based on a variety of reasons, the attraction and retention component has been changed (both increased and reduced) since the RIA was first introduced.

Eligibility

31. Eligibility for the RIA is based on the exclusion zone documented in the Agreement. Any local government whose boundaries fall within the inclusion zone received the allowance, and any local government whose boundaries fall within the exclusion zone was not eligible.

Review of the RIA

32. The Tribunal examined a range of alternative models for the RIA, however, it concluded that none were able to adequately replicate the underlying purpose and intent of the RIA.

33. Instead, the Tribunal has opted to update and recalculate the two RIA components, and to revise the eligibility criteria governing access to the allowance.

34. The district allowance component of the RIA has been recalculated based on the original stated methodology, with some modifications:

- Cost of Living – RPI with Public Service General Agreement Level 1.1 salary rates
- Isolation – ARIA++ (instead of ARIA+) scores with March quarter CPI adjustments (to 2025)
- Climate – Air Conditioning Rebate entitlements for relevant towns (replacing the now redundant BOM RSI scores).

35. The attraction and retention component of the RIA has been adjusted based on survey results and submissions which addressed the previously stated factors considered by the Tribunal in Part 3.2(3) of the determination and based on ARIA++ and Australian Bureau of Statistics Socio-Economic Indexes for Areas (SEIFA) scores.

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36. ARIA++ is the national standard for measuring a community's access to services. It assesses remoteness using detailed modelling of road distances to population centres and essential services. An ARIA++ score above 5 indicates a high level of geographic isolation and limited access to fundamental services such as health, education, government support and retail.
37. SEIFA provides a comprehensive assessment of socio-economic conditions using Census data, including income, employment, education, occupation and access to material resources. A SEIFA score below 1000 indicates communities experiencing relative socio-economic disadvantage compared with the national average.
38. With respect to eligibility, although the RIA is a combination of a district allowance and attraction and retention component, as the eligibility was only based on the Allowance exclusion zone, this meant the Tribunal has been unable to assist non-eligible local governments to attract and retain CEOs, and by way of flow-on, attract and retain deputies and other executives.
39. By adopting eligibility thresholds of an ARIA++ score above 5 and a SEIFA score below 1000, the Tribunal is strengthening the transparency, fairness and contemporary relevance of the RIA. These measures reflect the latest Australian Bureau of Statistics classifications and provide a robust, evidence-based method for identifying local governments most affected by isolation and disadvantage.
40. These updated boundaries will allow the RIA to better achieve its purpose in recognising the genuine additional costs and challenges associated with life and leadership in regional Western Australia, while supporting the attraction and retention of skilled CEOs who are vital to the long-term sustainability and prosperity of regional communities.
41. Therefore, in addition to the current Allowance boundary, using a combination of ARIA++ and SEIFA scores, eligibility has now been expanded to include 17 local governments in the Wheatbelt and Great Southern.
42. The no disadvantage principle has been applied so that all currently eligible local governments will continue to be eligible to provide an RIA to their CEO, and no amounts have been reduced. Some RIA amounts remain the same, and some have increased.
43. It is important to note that although a component of the RIA is *based* on the Agreement methodology, any possible future replacement Agreements and consequential changes in methodology and/or eligibility will not impact the current RIA, instead they may inform future reviews of the RIA.
44. The Tribunal would like to re-iterate that there is no requirement for local governments to provide the RIA to their CEO. It is to be used at the discretion of the local government and justified and provided in a transparent manner considering all factors outlined in the determination. It is also noted that local governments employees situated above the 26th parallel may also be eligible for several Commonwealth taxation concessions; these local governments are encouraged to examine and, where feasible, incorporate such concessions when determining CEO remuneration.

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Elected Council Members

45. Some submissions from elected council members proposed that their fees should reflect a full-time role and be comparable to that of Members of Parliament.
46. The Tribunal acknowledges that both local and state government representatives are elected by their communities, however, the nature, scope and complexity of these roles differ significantly. The Tribunal does not consider the work value of elected council members to be equivalent to that of Members of Parliament, nor that such equivalence would justify similar levels of remuneration.
47. For clarity, the legislative framework governing this determination provides for meeting attendance fees, annual allowances (for Mayors/Presidents/Chairs) and reimbursement of expenses. These mechanisms are expressly designed to compensate elected council members for time, effort and out-of-pocket expenses associated with duties that are part-time and voluntary in nature, and not to provide income commensurate with full-time employment.
48. Should elected council members wish to pursue changes to this legislative framework, they may raise these matters with the Department of Local Government, Industry Regulation and Safety and the Minister for Local Government for further consideration.

DECISIONS

49. The Tribunal has determined a general economic increase of **3.5%** for local government CEOs and Elected Council Members.
50. In reaching this decision, the Tribunal has relied on the most up-to-date economic information available, including WA data on CPI and WPI, and the wider public sector framework. The Tribunal recognises that broader economic conditions and current global uncertainties may place additional upward pressure on costs of living, but the scale and duration of any potential flow-on effects remain uncertain and difficult to quantify at the time of making this determination. Given this uncertainty, the Tribunal considers it appropriate to avoid making speculative adjustments.
51. As the Tribunal is statutorily required to issue the Local Government Determination at intervals of not more than 12 months, this determination must be issued prior to 4 April 2026, although it does not take effect until 1 July 2026. Accordingly, the Tribunal will continue to monitor economic indicators and developments, and will revisit this matter and make adjustments if necessary.
52. **CEO remuneration** – the Tribunal has determined a **3.5%** increase to CEO remuneration bands. The Tribunal notes that each local government must set remuneration within the band to which it is allocated. Any increase within the bands must be determined by each local government through its own assessment of whether changes are justified.

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53. **Elected council members attendance fees** – the Tribunal has determined a **3.5%** increase to elected council member attendance (annual and sitting) fees. The Tribunal emphasizes that the fees for elected council members should be set to compensate costs for the prescribed role of an elected council member, which has been specifically described as not being a full-time occupation in parliamentary debates of the *Local Government Amendment Act 2011* and re-iterated again in the Parliament through the passing of the *Local Government Amendment Bill 2024*.
54. **Committee meeting fees** – the Tribunal has determined a **3.5%** increase to the sitting and annual fees for elected council members to attend committee meeting and prescribed meetings.
55. **Independent Committee Member fees** – the Tribunal has determined a **3.5%** increase to the fees for independent committee members.
56. **Independent Audit, Risk and Improvement Committee Member fees** – the Tribunal has determined that the **minimum range** of fees be increased by **3.5%** for independent ARIC members. It is the intention of the Tribunal to consider annual increases going forward, however, as these rates were only just considered and determined effective from 1 January 2026, the maximum amount remains unchanged.
57. **Mayor/President/Chair Annual allowances** – the Tribunal has determined a **3.5%** increase to the annual allowance ranges for Mayors/Presidents/Chairs.
58. **Deputy Mayor/President/Chair Annual allowances** – the Tribunal has determined that the percentage rate of **25%** is appropriate and should remain unchanged for the deputy annual allowance.
59. **Regional/Isolation Allowance** – the Tribunal has determined an increase to most local governments of varying amounts, and determined that 17 additional local governments be eligible for the allowance which are now included in Table 3 of the determination.
60. **Annual Allowance in lieu of reimbursement of expenses** – to avoid misuse of the ICT expense allowance and embed good practice, the Tribunal has determined that the wording for this allowance be amended to indicate that if ICT equipment is supplied to elected council members by the local government, the allowance is to be reduced by the cost of the supplied ICT equipment.
61. **Regional Local Government Councils** – the Tribunal has determined that the Resource Recovery Group be removed from the determination as it has been wound up.
62. **Housing and motor vehicle allowances** – the Tribunal has determined that these allowances remain unchanged.
63. Some percentage increases provided have been rounded.

The Determination will now issue.

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DETERMINATION**PART 1 INTRODUCTORY MATTERS**

This Part deals with some matters that are relevant to the determination generally.

1.1 Short Title

This determination may be cited as the Local Government Chief Executive Officers and Elected Council Members Determination No. 1 of 2026.

1.2 Commencement

This determination comes into operation on **1 July 2026**.

1.3 Content and intent

- (1) The remuneration listed in this determination comprises all remuneration as defined under the *Salaries and Allowances Act 1975* as including salary, allowances, fees, emoluments and benefits.
- (2) The determination applies to:
 - (a) Chief Executive Officers (CEOs)
 - (b) Acting Chief Executive Officers
 - (c) Elected Council Members.
- (3) The remuneration specified in this determination for CEOs is based on a person being appointed to one local government CEO position only. In the case of a person appointed to undertake the duties of more than one CEO position simultaneously, the relevant local governments must seek a determination from the Tribunal for the multiple CEO positions held by that person.
- (4) If a local government undergoes an amalgamation or a rezoning of local government boundaries, the local government is required to seek a new determination from the Tribunal.
- (5) This determination provides for the amount of fees, expenses and allowances to be paid or reimbursed to elected council members under the *Local Government Act 1995* ('the LG Act') Part 5 Division 8. The determination applies to elected council members who are members of the council of a local government, and under Section 3.66 of the LG Act.
- (6) Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government council, the amount determined by the Tribunal will be payable to an eligible elected council member.

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- (7) Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government council, each local government or regional local government council will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.
- (8) The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairs of regional local government councils and to remunerate them for the performance of the duties associated with their office.
- (9) Nothing in this determination shall be interpreted and/or applied in such a manner as to circumvent the intention of the Tribunal to ensure transparency and accountability in the remuneration of Local Government CEOs and the provision of fees, expenses and allowances to elected council members.

1.4 Terms used

- (1) In this determination, unless the contrary intention appears:

Chair means a person who is elected or appointed from among the members of a council of a regional local government as its chair;

Committee meeting means a meeting of a committee of a council where the committee comprises:

- (a) council members only; or
- (b) council members and/or employees of the local government or regional local government council and/or independent members.

Council, in relation to:

- (a) a local government, means the council of the local government;
- (b) a regional local government, means the council of the regional local government;

Elected Council Member, in relation to:

- (a) a local government –
 - i means a person elected under the LG Act as a member of the council of the local government; and
 - ii includes the mayor or president of the local government;

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- (b) a regional local government council –
- i means a person elected under the LG Act as a member of the council of a local government and who is a member of the council of the regional local government; and
 - ii includes the chair of the regional local government council;

Independent committee member means a person who is a committee member but who is neither a council member nor an employee.

LG Regulations means the *Local Government (Administration) Regulations 1996*;

Mayor means a council member holding the office of mayor, whether elected by the council from amongst its members or elected by the electors;

Non-Metropolitan region means a local government defined in Schedule 4 of the *Planning and Development Act 2005*.

President means a council member holding the office of president, whether elected by the council from amongst its members or elected by the electors.

1.5 Pro rata payments

- (1) The Total Reward Package specified in this determination for CEOs is based on a person serving in the office on a full-time basis. The relevant range shall be payable on a pro rata basis if the position is undertaken on a part time basis.
- (2) The amount of a person's entitlement to remuneration, annual attendance fee or annual allowance specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office.

1.6 Local government band allocations

Unless the contrary intention appears, this determination allocates local governments to the bands set out in Schedule 1. Regional local government councils (as constituted under Part 3 Division 4 of the LG Act) are allocated to a Band only with respect to CEOs.

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PART 2 TOTAL REWARD PACKAGE

This Part deals with the remuneration payable to Chief Executive Officers.

2.1 General

- (1) Offices listed in this Part have been assigned by the Tribunal to one of four classifications designated Band 1 to Band 4.
- (2) Each classification (Band 1 to Band 4) has a commensurate Total Reward Package (TRP) range.
- (3) For the purposes of this determination, the TRP must capture the full value of all monetary and non-monetary items of remuneration provided to a CEO as a reward or benefit provided for the performance of their duties as a CEO. Without limiting the generality of this, some examples of items that qualify for inclusion in a TRP are:
 - (a) Base salary
 - (b) Annual leave loading
 - (c) Associated FBT accrued (total annual amount of fringe benefits tax paid by the local government for all fringe benefits provided to a CEO; FBT for a motor vehicle, even if tool of trade, is to be included in the TRP)
 - (d) Association membership fees
 - (e) Attraction/retention allowance, not being provided under Part 3
 - (f) Personal benefit value of the provision of a motor vehicle for private use (if applicable) as defined under Part 5 of this determination
 - (g) Cash bonus and performance incentives
 - (h) Cash in lieu of a motor vehicle
 - (i) Fitness club fees
 - (j) Grooming/clothing allowance
 - (k) Health insurance
 - (l) School fees and/or child's uniform
 - (m) Superannuation (all mandatory and non-mandatory employer superannuation contributions)
 - (n) Travel or any other benefit taken in lieu of salary
 - (o) Travel for spouse or any other member of family
 - (p) Unrestricted entertainment allowance
 - (q) Utilities allowance (any water, power or other utility subsidy provided to the CEO).

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- (4) The only exclusions from the TRP are:
 - (a) items listed in Parts 3, 4 and 5 of this determination (however, any superannuation guarantee associated with the payment of a Regional/Isolation Allowance and any associated FBT accrued from the provision of a motor vehicle or accommodation are to be included as part of the TRP);
 - (b) employer obligations such as professional development (restricted to the CEO), reimbursement for genuine work expenses or the cost of recruitment and relocation expenses; and
 - (c) items considered by the local government to be a tool of trade (i.e. equipment needed to undertake the duties of a CEO, such as a laptop or mobile phone), and which are not a direct or indirect reward or benefit for the performance of duties as a CEO.

2.2 Local Government Classification

- (1) The TRP ranges in Table 1 apply where a local government or regional local government council has been classified into the relevant band.

Table 1: Local government band – CEO TRP ranges

CEO Total Reward Package		
Band	Minimum	Maximum
1	\$298,832	\$455,071
2	\$246,467	\$383,393
3	\$188,483	\$310,883
4	\$168,758	\$258,762

- (2) Local governments have been classified in Schedule 1.
- (3) Regional local government councils have been classified in Table 2.

Table 2: Regional local government council band classification

Regional LG Council Classification	
Regional LG Council	Band
Bunbury-Harvey Regional Council	4
Catalina Regional Council	2
Eastern Metropolitan Regional Council	2
Mindarie Regional Council	3
Murchison Regional Vermin Council	4
Western Metropolitan Regional Council	4

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PART 3 REGIONAL/ISOLATION ALLOWANCE

This Part deals with the Regional/Isolation Allowance that may be payable to CEOs from local governments identified in this Part.

3.1 General

- (1) Local governments listed in Table 3 in this Part may provide an annual Regional/Isolation Allowance to a CEO, in addition to the CEO's TRP, in recognition of the regional and isolation factors, such as higher costs of living, which may affect the attraction and retention of the CEOs of those local governments.
- (2) There is no requirement to provide a Regional/Isolation Allowance to a CEO. Payment of this allowance is at the discretion of the local government, within the parameters set by the Tribunal.
- (3) When a local government chooses to use any or all of this allowance, the payment of the allowance should be properly justified and applied in a transparent manner considering the issues outlined in 3.2.
- (4) When a local government chooses to pay all or any of this allowance, it is to be paid to the CEO as salary.

3.2 Determining appropriateness and rate of allowance

- (1) When assessing the appropriateness of providing a Regional/Isolation Allowance, an eligible local government must consider the impact of factors outlined in 3.2(3) on attraction and retention of a CEO. In the event these factors have little or no impact, the local government should not provide this Allowance.
- (2) In the event a Regional/Isolation Allowance is considered appropriate, the amount of the Allowance should be proportionate to the circumstances faced by the local government.
- (3) The following factors should be considered when determining whether to apply the Regional/Isolation Allowance:
 - (a) Remoteness - issues associated with the vast distances separating communities within a local government or the distance of the Local Government from Perth or a Regional Centre.
 - (b) Cost of living - the increased cost of living highlighted specifically in the Regional Price Index.

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- (c) Social disadvantage - reduced specialist health services, schooling opportunities for children, employment opportunities for spouse, reduced lifestyle commodities when compared to Perth and regional centres, and access to professional and personal support networks.
- (d) Dominant industry - the impact that a dominant industry such a mining or agriculture has on an area and the ability to attract and retain people in the face of a dominant industry.
- (e) Attraction/retention - the ability to recruit suitably qualified candidates and being able to retain them in light of the above concerns in competition with positions in Perth, regional centres and private industry.
- (f) Community expectations - the pressures on a CEO to meet expectations when professional or operational expertise is not readily available.

3.3 Regional/Isolation Allowance

- (1) Local governments eligible for the Regional/Isolation Allowance are listed in Table 3.

Table 3: Regional/Isolation Allowance – per annum maximum

Regional/Isolation Allowance	
Local Government	Maximum
Ashburton Shire	\$70,000
Broome Shire	\$55,000
Broomehill-Tambellup Shire	\$10,000
Bruce Rock Shire	\$10,000
Carnamah Shire	\$40,000
Carnarvon Shire	\$45,000
Chapman Valley Shire	\$38,600
Christmas Island Shire	\$90,000
Cocos (Keeling) Islands Shire	\$90,000
Coolgardie Shire	\$38,600
Coorow Shire	\$40,000
Cue Shire	\$60,000
Dalwallinu Shire	\$15,000
Dandaragan Shire	\$10,000
Derby-West Kimberley Shire	\$60,000

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Regional/Isolation Allowance	
Local Government	Maximum
Dundas Shire	\$50,000
East Pilbara Shire	\$70,000
Esperance Shire	\$40,000
Exmouth Shire	\$55,000
Gnowangerup Shire	\$15,000
Greater Geraldton City	\$32,200
Halls Creek Shire	\$80,000
Irwin Shire	\$38,600
Jerramungup Shire	\$45,000
Kalgoorlie-Boulder City	\$38,600
Karratha City	\$80,000
Katanning Shire	\$10,000
Kellerberrin Shire	\$10,000
Kent Shire	\$20,000
Kondinin Shire	\$25,000
Koorda Shire	\$15,000
Kulin Shire	\$20,000
Lake Grace Shire	\$20,000
Laverton Shire	\$55,000
Leonora Shire	\$55,000
Meekatharra Shire	\$65,000
Menzies Shire	\$55,000
Merredin Shire	\$15,000
Mingenew Shire	\$38,600
Morawa Shire	\$40,000
Mount Magnet Shire	\$50,000
Mount Marshall Shire	\$25,000
Mukinbudin Shire	\$40,000
Murchison Shire	\$55,000
Narembeen Shire	\$20,000
Ngaanyatjarraku Shire	\$80,000

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Regional/Isolation Allowance	
Local Government	Maximum
Northampton Shire	\$38,600
Nungarin Shire	\$20,000
Perenjori Shire	\$45,000
Port Hedland Town	\$80,000
Ravensthorpe Shire	\$50,000
Sandstone Shire	\$60,000
Shark Bay Shire	\$60,000
Tammin Shire	\$15,000
Three Springs Shire	\$38,600
Trayning Shire	\$15,000
Upper Gascoyne Shire	\$65,000
Victoria Plains Shire	\$15,000
Westonia Shire	\$40,000
Wickepin Shire	\$10,000
Wiluna Shire	\$55,000
Wongan-Ballidu Shire	\$10,000
Woodanilling Shire	\$15,000
Wyalkatchem Shire	\$15,000
Wyndham-East Kimberley Shire	\$55,000
Yalgoo Shire	\$50,000
Yilgarn Shire	\$40,000

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PART 4 HOUSING ALLOWANCE

This Part deals with the Housing Allowance that may be payable to Chief Executive Officers.

4.1 General

- (1) In recognition of the need for local governments to provide accommodation as a result of a lack of suitable housing or recruitment issues, on either a permanent or temporary basis, local governments are able to utilise this allowance as required.
- (2) When a local government utilises this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.
- (3) Any accommodation provided under this Part must be located within or adjacent to the local government area in which the CEO is employed.
- (4) Local governments should tailor the provision of any housing allowance to suit their particular circumstances. This may include the CEO making contributions towards the cost of the accommodation.

4.2 Applicable housing allowance

- (1) Where a local government owns a property and provides that property to the CEO for accommodation, the value of this accommodation will not be included in the Total Reward Package.
- (2) For reporting purposes, the value of the local government owned property shall be valued at the annual Gross Rental Value of the property as determined by the Valuer General.
- (3) Where a local government leases accommodation for the use of the CEO, the lease costs will not be included in the Total Reward Package.
- (4) For reporting purposes, the value of the local government leased property shall be the annual actual costs of the accommodation lease.
- (5) Where a local government provides a Home Ownership Subsidy to the CEO, this will not be included in the Total Reward Package.
- (6) For reporting purposes, the value of the Home Ownership Subsidy shall be the annual actual costs of the Home Ownership Subsidy.

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PART 5 MOTOR VEHICLES

This Part deals with the provision of motor vehicles to Chief Executive Officers.

5.1 General

- (1) For local governments generally, except those outlined in (2) below, the private benefit value of any motor vehicle provided to the CEO by the local government is to be included in the Total Reward Package.
- (2) For local governments listed in Table 3 under Part 3 of this determination and/or local governments classified as Band 3 or Band 4 located in a non-metropolitan region, any motor vehicle provided to the CEO or an allowance provided to a CEO for use of a private motor vehicle for work-related purposes, is to be considered a tool of trade (i.e. equipment needed to undertake the duties of a CEO in these local governments) and any private benefit will not be considered as part of the Total Reward Package.

5.2 Private benefit value

- (1) The private benefit value of the motor vehicle will be dependent on the type of motor vehicle provided, method of ownership (i.e. local government owned or leased), maintenance and running costs, insurance, any applicable luxury car tax and the amount of private use of the vehicle (i.e. non-business use).
- (2) As a general rule, the private benefit value will be based upon the annual costs multiplied by the percentage of private use.
- (3) Local governments and CEOs will need to agree on the most appropriate way to record the amount of private use in order to calculate the private benefit value.

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PART 6 MEETING ATTENDANCE FEES

This Part deals with fees payable to council members for attendance at council and other meetings

6.1 General

- (1) Pursuant to Section 5.98(1)(b) of the LG Act, an elected council member who attends a council meeting is entitled to be paid the fee set by the local government or the regional local government council within the range determined in Section 6.2 of this Part for council meeting attendance fees.
- (2) Pursuant to Section 5.98(1)(b) and (2A)(b) of the LG Act, an elected council member who attends a committee meeting or (at the request of the local government or regional local government council) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government council within the range determined in Section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (3) Pursuant to Section 5.100(2)(b) and (3)(b) of the LG Act, a committee member who is not an elected council member or employee of the local government, who attends a committee meeting or (at the request of the local government or regional local government council) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government council within the range determined in Section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (4) Each of the following meetings is a type of meeting prescribed in regulation 30(3A) of the LG Regulations:
 - (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government
 - (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government
 - (c) council meeting of a regional local government council where the council member is the deputy of a member of the regional local government council and is attending in the place of the member of the regional local government council

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- (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting
 - (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.
- (5) Pursuant to Section 5.99 of the LG Act, a local government or regional local government council may decide by an absolute majority that instead of paying council members an attendance fee referred to in Section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings a fee set within the range for annual fees determined in Section 6.4 of this Part.
- (6) Regulation 30(3C) of the LG Regulations prevents the payment of a fee to a council member for attending a meeting of a type prescribed in regulation 30(3A) of those regulations if the:
- (a) person who organises the meeting pays the council member a fee for attending the meeting; or
 - (b) council member is paid an annual fee in accordance with Section 5.99 of the LG Act; or
 - (c) council member is deputising for a council member at a meeting of a regional local government council and the member of the regional local government council is paid an annual fee in accordance with Section 5.99 of the LG Act.
- (7) In determining the fees set out in this Part, the Tribunal has taken into account a range of factors including the:
- (a) time required to prepare adequately for the meetings including consideration of agenda papers, site visits related to agenda items and consultation with council staff and community members
 - (b) role of the council member, mayor, president or chair including, but not limited to, representation, advocacy, and oversight and determination of policy and local legislation
 - (c) particular responsibilities associated with the types of meetings attended;
 - (d) responsibilities of a mayor, president or chair to preside over meetings
 - (e) relative “size” of the local government as reflected in the Tribunal’s local government banding model.
- (8) The Tribunal has not determined a specific meeting attendance fee for the purposes of Section 5.98(1)(a) or (2A)(a) of the LG Act.

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- (9) The entitlement of an elected council member to a fee, allowance or reimbursement of an expense established under the LG Act, the LG Regulations and this determination, cannot be proscribed, limited or waived by a local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government.

6.2 Council meeting attendance fees – per meeting

- (1) The ranges of fees in Table 4 apply where a local government or regional local government council decides by an absolute majority to pay an elected council member a fee referred to in Section 5.98(1)(b) of the LG Act for attendance at a council meeting.

Table 4: Council meeting attendance fees – per meeting

Council meeting attendance fees				
	Elected council member		Mayor, President or Chair	
Band	Minimum	Maximum	Minimum	Maximum
1	\$725	\$922	\$725	\$1,258
2	\$435	\$684	\$435	\$911
3	\$233	\$482	\$233	\$735
4	\$109	\$280	\$109	\$570
Regional LG Council	\$109	\$280	\$109	\$570

6.3 Committee meeting and prescribed meeting attendance fees – per meeting

- (1) The ranges of fees in Table 5 apply where a local government or regional local government council decides to pay an elected council member a fee referred to in Sections:
 - (a) 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
 - (b) 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

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Table 5: Committee and prescribed per meeting fees

Committee meeting attendance fees		
Band	Minimum	Maximum
1	\$363	\$466
2	\$218	\$342
3	\$114	\$244
4	\$57	\$140
Regional LG Council	\$57	\$140

6.4 Meeting attendance fees for independent committee members – per meeting

- (1) The range of fees in Table 6 apply where a local government or regional local government council decides to pay an **independent committee member** a fee referred to in:
 - (a) Section 5.100(2)(b) of the LG Act for attendance at a committee meeting; or
 - (b) Section 5.100(3)(a) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.
- (2) The range is provided to enable local governments to appropriately compensate independent committee members depending on the skills and expertise they bring to the committee.

Table 6: Committee and prescribed per meeting fees for independent committee members

Independent Committee Member		
Bands	Minimum	Maximum
1 – 4	\$0	\$466
Regional LG Council	\$0	\$466

- (3) In accordance with Sections 5.100(4), (5) and (6) of the LG Act, an independent committee member can be reimbursed for attending committee meetings referred to in 6.4(1) above.
- (4) The extent to which an independent committee member can be reimbursed for attending committee meetings is the actual travel and associated costs incurred by the independent member demonstrated to the satisfaction of the local government.

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6.5 Meeting attendance fees for Independent Audit, Risk and Improvement Committee members – per meeting

- (1) In accordance with Section 5.100(2)(b) of the LG Act, the fee payable by a local government or a regional local government council to an **Independent Audit, Risk and Improvement Committee (ARIC) Member** (whether Presiding Member, Deputy Presiding Member, Deputy Member or Member) for attendance at an ARIC meeting must be set within the range provided in Table 7. The fees provided in Table 7 are exclusive of superannuation. Local government bodies should seek their own professional advice in regard to whether or not independent committee members are to be paid superannuation.
- (2) The range in Table 7 is provided to enable local governments to appropriately compensate independent ARIC members depending on the skills and expertise required to undertake the roles. The local government must resolve that the fee represents value for money. The State Government’s Audit and Financial Advisory Services Common Use Agreement ([CUAAFA2024](#)) may be used as guide.

Table 7: Independent ARIC members – per meeting fees

Independent Audit, Risk and Improvement Committee Member		
Bands	Minimum	Maximum
1 – 4	\$110	\$1,215
Regional LG Council	\$110	\$1,215

- (3) In accordance with Sections 5.100(4), (5) and (6) of the LG Act, an independent ARIC member can be reimbursed for attending ARIC meetings.
- (4) The extent to which an independent committee member can be reimbursed for expenses attending ARIC meetings is the actual travel and associated costs incurred by the independent member demonstrated to the satisfaction of the local government.

6.6 Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees

- (1) The ranges of fees in Table 8 apply where a local government or regional local government council decides by an absolute majority that, instead of paying council members a per meeting attendance fee referred to in Section 5.98 of the LG Act, it will pay an annual fee to all council members who attend council, committee or prescribed meetings.

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Table 8: Annual attendance fees in lieu of council, committee and prescribed per meeting fees

Annual attendance fees				
	Elected council member		Mayor, President or Chair	
Band	Minimum	Maximum	Minimum	Maximum
1	\$28,525	\$36,722	\$28,525	\$55,078
2	\$17,238	\$26,931	\$17,238	\$36,112
3	\$8,917	\$18,977	\$8,917	\$29,379
4	\$4,161	\$11,023	\$4,161	\$22,646
Regional LG Council	\$2,086	\$12,245	\$2,293	\$18,361

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**PART 7 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT, CHAIR, DEPUTY
MAYOR, DEPUTY PRESIDENT AND DEPUTY CHAIR**

This Part deals with annual allowances payable to mayors, presidents, chairs and their deputies, in addition to any entitlement to meeting attendance fees or the reimbursement of expenses.

7.1 General

- (1) Pursuant to Section 5.98(5) of the LG Act, the mayor or president of a local government and the chair of a regional local government council are entitled, in addition to any fees or reimbursement of expenses payable under Section 5.98(1) or (2), to be paid the annual allowance set by the local government or regional local government council within the range determined in Section 7.2 of this Part.
- (2) Pursuant to Section 5.98A(1) of the LG Act, a local government or regional local government council may decide, by an absolute majority, to pay the deputy mayor or deputy president of the local government, or the deputy chair of the regional local government council, an allowance of up to the percentage that is determined by the Tribunal of the annual allowance to which the mayor or president of the local government, or the chair of the regional local government council, is entitled under Section 5.98(5) of the LG Act. That percentage is determined in Section 7.3 of this Part. This allowance is in addition to any fees or reimbursement of expenses payable to the deputy mayor, deputy president or deputy chair under Section 5.98 of the LG Act.
- (3) In determining the allowances set out in this Part, the Tribunal has taken into account a range of factors including the:
 - (a) leadership role of the mayor, president or chair
 - (b) statutory functions for which the mayor, president or chair is accountable
 - (c) ceremonial and civic duties required of the mayor, president or chair, including local government business related entertainment
 - (d) responsibilities of the deputy mayor, deputy president or deputy chair when deputising
 - (e) relative “size” of the local government as reflected in the Tribunal’s local government banding model
 - (f) civic, ceremonial and representation duties particular to the Lord Mayor of Western Australia’s capital city.

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7.2 Annual allowance for a Mayor, President or Chair

- (1) The ranges of allowances in Table 9 apply where a local government or a regional local government council sets the amount of the annual local government allowance to which a mayor, president or chair is entitled under Section 5.98(5) of the LG Act.

Table 9: Annual allowance for a Mayor, President or Chair

Mayor, President or Chair Annual Allowance		
Band	Minimum	Maximum
1	\$59,414	\$104,032
2	\$17,825	\$73,435
3	\$1,193	\$42,837
4	\$596	\$23,257
Regional LG Council	\$596	\$23,257

- (2) Despite the provisions of subsection (1), the **City of Perth** is to set the amount of the annual local government allowance to which the Lord Mayor is entitled within the range of **\$69,554 to \$155,220**.

7.3 Annual allowance for a Deputy Mayor, Deputy President or Deputy Chair

- (1) The percentage determined for the purposes of Section 5.98A(1) of the LG Act is **25%**.
- (2) If the deputy performs the functions of mayor, president or chair for a continuous period of no less than four months, the deputy will be entitled to receive the mayor, president or chair allowance according to the applicable local government band in 7.2 of the Determination. This can be applied retrospectively, in instances where an initial short-term period of acting becomes a continuous period of acting for four months or more.

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PART 8 EXPENSES TO BE REIMBURSED

This Part deals with expenses for which council members are entitled to be reimbursed.

8.1 General

- (1) Pursuant to Section 5.98(2)(a) and (3) of the LG Act, an elected council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(1) to (5) of this Part.
- (2) Regulation 31(1) of the LG Regulations prescribes the following kinds of expenses that are to be reimbursed:
 - (a) rental charges incurred by a council member in relation to one telephone and one facsimile machine; and
 - (b) child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.
- (3) Pursuant to Section 5.98(2)(a) and (3) of the LG Act, an elected council member who incurs an expense of a kind prescribed in regulation 32(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in Section 8.2(6) to (8) of this Part.
- (4) Regulation 32(1) of the LG Regulations prescribes the following kinds of expenses that may be approved by a local government for reimbursement:
 - (a) an expense incurred by an elected council member in performing a function under the express authority of the local government;
 - (b) an expense incurred by an elected council member to whom paragraph (a) applies by reason of the elected council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the elected council member to be accompanied by that other person; and
 - (c) an expense incurred by an elected council member in performing a function in his or her capacity as an elected council member.

8.2 Extent of expenses to be reimbursed

- (1) The extent to which an elected council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the elected council member.

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- (2) The extent to which an elected council member can be reimbursed for childcare costs incurred because of attendance at a meeting referred to in regulation 31(1)(b) of the LG Regulations is the actual cost per hour up to **\$35 per hour**. If an elected council member incurs costs greater than \$35 per hour due to having multiple children, children with special needs, lack of adequate childcare facilities or services or another extenuating circumstance, a local government may reimburse the elected council member for the actual costs upon the provision of sufficient receipts/evidence to satisfy the local government that the expense has been legitimately incurred.
- (3) The extent to which an elected council member of a local government can be reimbursed for reasonable travel costs referred to in regulation 31(1)(b) of the LG Regulations is:
- (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or
 - (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person's place of residence or work and back:
 - i for the person to travel from the person's place of residence or work to the meeting and back; or
 - ii if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.
- (4) The extent to which an elected council member of a regional local government council can be reimbursed for reasonable travel costs referred to in regulation 31(1)(b) of the LG Regulations is the actual cost for the person to travel from the person's place of residence or work to the meeting and back.
- (5) For the purposes of subsections (3) and (4), travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate contained in Section 30.6 of the *Local Government Officers' (Western Australia) Award 2021* as at the date of this determination. For elected council members with Electric Vehicles, the 1600cc Motor Vehicle Allowance rate should be applied.

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- (6) The extent to which an elected council member can be reimbursed for childcare costs incurred because of attendance at a meeting referred to in regulation 32(1) of the LG Regulations is the actual cost per hour up to \$35 per hour. If an elected council member incurs costs greater than \$35 per hour due to having multiple children, children with special needs, lack of adequate childcare facilities or services or another extenuating circumstance, a local government may reimburse the member for the actual costs upon the provision of sufficient receipts/evidence to satisfy the local government that the expense has been legitimately incurred.
- (7) The extent to which an elected council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.
- (8) The extent to which an elected council member can be reimbursed for any other cost incurred under regulation 32(1) of the LG Regulations is the actual cost upon presentation of sufficient evidence of the cost incurred.

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PART 9 ANNUAL ALLOWANCES IN LIEU OF REIMBURSEMENT OF EXPENSES

This Part deals with annual allowances that a local government or regional local government council may decide to pay.

9.1 General

- (1) Pursuant to Section 5.99A of the LG Act, a local government or regional local government council may decide by absolute majority that instead of reimbursing elected council members under the LG Act Section 5.98(2) for all of a particular type of expense, it will pay all elected council members, for that type of expense, the annual allowance determined in Section 9.2 of this Part or, as the case requires, an annual allowance within the range determined in that section.
- (2) Where a local government or regional local government council has decided to pay elected council members an annual allowance for an expense of a particular type instead of reimbursing expenses of that type under Section 5.98(2) of the LG Act, Section 5.99A of the LG Act provides for reimbursement of expenses of that type in excess of the amount of the allowance.
- (3) In determining the maximum annual allowance for expenses of a particular type, the Tribunal has taken into account a range of factors including the:
 - (a) intent of the allowance to reflect the extent and nature of the expenses incurred and not to result in a windfall gain for council members
 - (b) capacity of local governments to set allowances appropriate to their varying operational needs
 - (c) particular practices of local governments in the provision and use by elected council members of information and communication technology (e.g. laptops/computers)
 - (d) varying travel requirements of elected council members in local governments associated with geography, isolation and other factors.
- (4) With respect to ICT expenses, the annual allowance is provided to cover expenses incurred by an elected council member if they purchase ICT equipment and for related expenses. If ICT equipment is supplied to elected council members by a local government, the allowance is to be reduced by the cost of the supplied ICT equipment.

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9.2 Annual allowances determined instead of reimbursement for particular types of expenses for Elected Council Members

(1) In this Part,

ICT expenses means:

- (a) rental charges in relation to one telephone and one facsimile machine, as prescribed by regulation 31(1)(a) of the LG Regulations;
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees) and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations; or
- (c) any expenses related to ICT equipment that is incurred in the course of an elected council member undertaking their duties.

Travel and accommodation expenses means:

- (a) travel costs, as prescribed by regulation 31(1)(b) of the LG Regulations; or
- (b) any other expenses that relate to travel or accommodation and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations.

- (2) For the purposes of Section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is **\$500** and the maximum is **\$3,500**.
- (3) For the purposes of Section 5.99A(a) of the LG Act, the annual allowance for travel and accommodation expenses is **\$100**.

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SCHEDULE 1: LOCAL GOVERNMENT BAND CLASSIFICATIONS

Local Government Band Classifications	
Local Government	Band
Albany City	1
Armadale City	1
Ashburton Shire	2
Augusta-Margaret River Shire	2
Bassendean Town	3
Bayswater City	1
Belmont City	1
Beverley Shire	4
Boddington Shire	4
Boyup Brook Shire	4
Bridgetown-Greenbushes Shire	3
Brookton Shire	4
Broome Shire	2
Broomehill-Tambellup Shire	4
Bruce Rock Shire	4
Bunbury City	1
Busselton City	1
Cambridge Town	2
Canning City	1
Capel Shire	3
Carnamah Shire	4
Carnarvon Shire	2
Chapman Valley Shire	4
Chittering Shire	3
Christmas Island Shire	3
Claremont Town	3
Cocos (Keeling) Islands Shire	4
Cockburn City	1
Collie Shire	3
Coolgardie Shire	3
Coorow Shire	4
Corrigin Shire	4
Cottesloe Town	3
Cranbrook Shire	4

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Local Government Band Classifications	
Local Government	Band
Cuballing Shire	4
Cue Shire	4
Cunderdin Shire	4
Dalwallinu Shire	3
Dandaragan Shire	3
Dardanup Shire	3
Denmark Shire	3
Derby-West Kimberley Shire	2
Donnybrook Balingup Shire	3
Dowerin Shire	4
Dumbleyung Shire	4
Dundas Shire	4
East Fremantle Town	3
East Pilbara Shire	2
Esperance Shire	2
Exmouth Shire	3
Fremantle City	1
Gingin Shire	3
Gnowangerup Shire	4
Goomalling Shire	4
Gosnells City	1
Greater Geraldton City	1
Halls Creek Shire	3
Harvey Shire	2
Irwin Shire	3
Jerramungup Shire	4
Joondalup City	1
Kalamunda Shire	2
Kalgoorlie-Boulder City	1
Karratha City	1
Katanning Shire	3
Kellerberrin Shire	4
Kent Shire	4
Kojonup Shire	3
Kondinin Shire	4

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Local Government Band Classifications	
Local Government	Band
Koorda Shire	4
Kulin Shire	4
Kwinana City	1
Lake Grace Shire	4
Laverton Shire	3
Leonora Shire	3
Mandurah City	1
Manjimup Shire	2
Meekatharra Shire	3
Melville City	1
Menzies Shire	4
Merredin Shire	3
Mingenew Shire	4
Moora Shire	3
Morawa Shire	4
Mosman Park Town	3
Mount Magnet Shire	4
Mount Marshall Shire	4
Mukinbudin Shire	4
Mundaring Shire	2
Murchison Shire	4
Murray Shire	2
Nannup Shire	4
Narembeen Shire	4
Narrogin Shire	3
Nedlands City	2
Ngaanyatjarraku Shire	4
Northam Shire	2
Northampton Shire	3
Nungarin Shire	4
Peppermint Grove Shire	4
Perenjori Shire	4
Perth City	1
Pingelly Shire	4
Plantagenet Shire	3

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Local Government Band Classifications	
Local Government	Band
Port Hedland Town	1
Quairading Shire	4
Ravensthorpe Shire	3
Rockingham City	1
Sandstone Shire	4
Serpentine-Jarrahdale Shire	2
Shark Bay Shire	4
South Perth City	2
Stirling City	1
Subiaco City	2
Swan City	1
Tammin Shire	4
Three Springs Shire	4
Toodyay Shire	3
Trayning Shire	4
Upper Gascoyne Shire	4
Victoria Park Town	2
Victoria Plains Shire	4
Vincent City	2
Wagin Shire	4
Wandering Shire	4
Wanneroo City	1
Waroona Shire	3
West Arthur Shire	4
Westonia Shire	4
Wickepin Shire	4
Williams Shire	4
Wiluna Shire	4
Wongan-Ballidu Shire	4
Woodanilling Shire	4
Wyalkatchem Shire	4
Wyndham-East Kimberley Shire	2
Yalgoo Shire	4
Yilgarn Shire	3
York Shire	3

2026 LOCAL GOVERNMENT DETERMINATION

Signed on 2 April 2026



E Prof M Seares AO
CHAIRPERSON



Dr M Schaper
MEMBER



Mr O Whittle
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

10.2.2 Shire of Kondinin Ordinary Meeting of Council - March 2026

FILE NUMBER:

DATE:	17 April 2026
AUTHOR:	Bruce Wright, Chief Executive Officer
AUTHORISED OFFICER:	Bruce Wright, Chief Executive Officer
DISCLOSURE OF INTEREST:	Author - Nil Authoriser - Nil
ATTACHMENTS:	Nil

UPDATE

The Ordinary Council Meeting held on 25 March 2026 was conducted in accordance with legislative requirements, with all resolutions recorded and carried by the required majorities. No procedural irregularities or governance breaches were identified from a review of the adopted minutes.

ARIC-Relevant Governance Matters**Audit, Risk and Improvement Committee**

Council:

- formally received and adopted the minutes of the Audit, Risk and Improvement Committee meeting held on 10 February 2026.
- endorsed the recommendations contained within those minutes without amendment.

Financial Management and Compliance**Monthly Financial Reporting**

Council received and noted:

- the Monthly Financial Report for the period ending 28 February 2026, including the Statement of Financial Activity and Statement of Financial Position.

Key assurance points:

- reporting was undertaken in accordance with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- no material compliance issues were noted by Council.
- financial risks were identified primarily as non-compliance risk, which was mitigated through timely reporting and Council consideration.

Accounts Paid

Council:

- received and noted the List of Accounts Paid for February 2026, covering all payments made under delegated authority by the Chief Executive Officer.

This confirms:

- appropriate use of delegation under Regulation 13 of the Local Government (Financial Management) Regulations 1996; and
- transparency and accountability in financial transactions.

Policy and Control Environment**Employee Code of Conduct**

Council:

- noted and endorsed the updated Shire of Kondinin Employee Code of Conduct.

Assurance significance:

- the Code aligns with section 5.51A of the Local Government Act 1995 and Part 4A of the Local Government (Administration) Regulations 1996;
- updates strengthen controls around conflicts of interest, secondary employment and ethical conduct;
- reduces governance, compliance and reputational risk.

Asset Management and Disposal

Several matters relating to asset disposal and leasing were considered, including:

- proposed disposal of Shire-owned infrastructure assets; and
- community leasing arrangements.

Key ARIC-relevant observations:

- decisions were supported by legal advice where required;
- statutory exemptions (e.g. tender exemptions under Regulation 30) were clearly documented; and
- risk assessments addressed financial, legal and operational considerations.

Confidential Items and Probity

Council closed the meeting in accordance with section 5.23 of the Local Government Act 1995 to consider:

- award of a significant RFQ; and
- the CEO probation review and confirmation of appointment.

From an assurance perspective:

- conflicts of interest were declared and appropriately managed;
- governance separation was maintained (CEO report prepared by the Shire President); and
- decisions were carried by the required absolute or simple majority, as applicable.

Overall Assurance Statement

Based on the ARIC-relevant matters arising from the Ordinary Council Meeting of 25 March 2026:

- legislative and financial compliance requirements were met;
- governance processes were followed; and
- no unmitigated risks or control weaknesses requiring escalation to ARIC were identified.

10.2.3 Fuel and Construction Cost Risk Outlook

FILE NUMBER:**DATE:** 17 April 2026**AUTHOR:** Bruce Wright, Chief Executive Officer**AUTHORISED OFFICER:** Bruce Wright, Chief Executive Officer**DISCLOSURE OF INTEREST:** Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. CCF Eslake Report Fuel Crisis Civil Impacts**RECOMMENDATION**

That Audit Risk and Improvement Committee:

1. Notes the emerging current, medium and long-term risks to infrastructure delivery arising from fuel and construction cost volatility, as outlined in the CCF Eslake report, and,
2. Considers these risks to warrant ongoing monitoring and management through Council's financial, procurement and risk frameworks.

SUMMARY

This report provides the Audit, Risk and Improvement Committee with an assessment of the current, medium-term and long-term financial and delivery risks arising from fuel and construction cost volatility identified in the attached Civil Contractors Federation (CCF) report.

The analysis focuses on how those risks translate to the Shire of Kondinin's operating context, noting the Shire's reliance on civil works, road construction, freight-intensive materials and external contractors.

VOTING REQUIREMENT

Simple Majority

COUNCIL'S ROLE**Executive**

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

BACKGROUND

Recent global geopolitical events and ongoing supply-chain pressures have resulted in heightened volatility in fuel prices and construction input costs across Australia. These cost pressures are being felt acutely in the civil construction sector, which is highly reliant on diesel fuel, freight-intensive materials and petroleum-derived products such as bitumen, asphalt, pipes and geotextiles. Regional local governments, including the Shire of Kondinin, are particularly exposed due to longer transport distances, smaller contractor markets and a strong reliance on externally delivered civil works.

While these pressures are largely external to the Shire's direct control, they present identifiable current, medium-term and longer-term risks to the affordability, timing and delivery of infrastructure and asset renewal programs. Understanding the nature and trajectory of these fuel and construction cost risks is therefore important to inform strategic financial planning, capital works prioritisation and procurement decisions, and to support appropriate assurance and oversight by the Audit, Risk and Improvement Committee.

Fuel Cost Risk – Implications for the Shire of Kondinin

Current Risk Context

The attached report identifies that the Middle East conflict commencing in late February 2026 resulted in an immediate and severe escalation in global oil prices, which flowed rapidly through to Australian diesel prices. Terminal gate diesel prices increased by approximately 145 cents per litre (around 89%) within weeks, with price volatility persisting beyond the initial shock.

For the Shire of Kondinin, this creates an immediate exposure due to the heavy reliance on diesel-powered plant, equipment and freight, both for internal works and for externally contracted services. Regional local governments such as Kondinin are particularly sensitive to fuel price movements because longer haul distances apply to quarry materials, asphalt, bitumen, prefabricated assets and general freight. Even where the Shire is not directly purchasing fuel, these costs are embedded in contractor pricing and variation claims.

In the current period, the primary risk to the Shire is not fuel availability but cost pass-through pressure, including increased tender prices, claims for variations from contractors under stress, and reduced capacity or appetite among local and regional contractors to tender for Shire works.

Medium-Term Fuel Risk

Looking forward over the next 6 to 24 months, the report notes that Australia imports approximately 90% of its diesel, with almost all refined through Asian refineries dependent on Middle Eastern crude oil passing through the Strait of Hormuz. Any prolonged conflict, escalation, or shipping disruption materially increases the risk of both sustained high prices and potential supply constraints.

For the Shire of Kondinin, the medium-term risk is that fuel volatility becomes embedded in local construction pricing. Contractors are likely to price in contingency premiums to manage uncertainty, particularly for road, drainage and earthworks projects where diesel consumption is unavoidable. This risk is magnified in regional WA markets where contractor numbers are smaller and competition is limited.

The report draws on past experience following Covid-19 and the Ukraine conflict, highlighting that sharp input price shocks have historically led to a significant increase in contractor insolvencies. For the Shire, contractor insolvency mid-project represents a material delivery and financial risk, including delay costs, re-procurement expenses and potential reputational impacts.

Long-Term Fuel Risk

In the longer term, the report suggests that recurring global energy instability may result in structurally higher baseline fuel costs, even once the current conflict subsides. Fuel volatility is therefore likely to remain a permanent feature of infrastructure delivery rather than a temporary shock.

For Kondinin, this implies that future Long-Term Financial Planning and asset renewal assumptions may require recalibration, particularly for roads, transport infrastructure and remote assets that are inherently fuel-intensive to construct and maintain. While the risk is less acute than in the current and medium term, it is strategic in nature and relevant to the sustainability of the capital works program.

Building and Construction Cost Risk – Implications for the Shire of Kondinin

Current Building and Material Cost Pressures

In addition to fuel costs, the report highlights sharp increases in the prices of construction inputs that are directly or indirectly derived from petroleum products, including bitumen, asphalt, pipes,

geotextiles, and plastics. Industry evidence indicates price increases of 35–50% across many of these inputs since February 2026.

For the Shire of Kondinin, these cost pressures are particularly relevant to road sealing, drainage works, water infrastructure and building maintenance. Even relatively small projects can experience disproportionate cost escalation due to freight and material surcharges in regional locations. The immediate risk is that approved budgets for 2025-26 and early 2026-27 projects may no longer accurately reflect market costs.

Medium-Term Construction Cost Risk

Over the medium term, the report identifies a structural exposure across all levels of government, noting that approximately two-thirds of civil engineering work yet to be completed nationally is for public-sector clients, including local governments. This creates ongoing competition for a limited pool of contractors and materials, particularly in regional areas.

For the Shire of Kondinin, the key medium-term risk is that escalating material and construction costs lead to deferral, downsizing or reprioritisation of capital works, potentially affecting service levels and community expectations. The prevalence of fixed-price contracting increases the likelihood that contractors will either avoid risk-exposed projects or seek aggressive contract terms to protect themselves.

Long-Term Construction Cost Risk

In the longer term, the report cautions that if cost escalation mechanisms are not better addressed at a system level, construction pricing is likely to reset permanently at a higher level, with volatility priced into tenders as a matter of course.

For Kondinin, this presents a strategic risk to the affordability and timing of long-term infrastructure renewal, particularly for roads and community assets that form a core part of the Shire's service delivery obligations. While this risk does not require immediate operational action, it warrants ongoing monitoring through financial strategy and asset management planning.

FINANCIAL

The attached report makes clear that fuel and building cost pressures are external, macro-economic risks beyond the direct control of local governments. However, their impacts on the Shire of Kondinin are foreseeable, material and potentially compounding when combined with regional delivery constraints and fixed-price contracting structures.

From an Audit, Risk and Improvement Committee perspective, these risks primarily manifest as financial, delivery and sustainability risks, rather than compliance breaches. Appropriate oversight therefore lies in monitoring exposure, ensuring assumptions remain realistic, and confirming that management responses and contingency planning remain proportionate.

RISK

- Sustained fuel price volatility may increase the cost of civil works delivered for the Shire, particularly road construction and maintenance, due to the heavy reliance on diesel-powered plant, equipment and freight in regional locations.
- Contractor financial stress arising from fuel cost escalation may increase the risk of project delays, variation claims or contractor insolvency, particularly where fixed-price contracts limit the ability to absorb cost shocks.

- Reduced contractor participation in tenders may occur if fuel price uncertainty is priced into bids or deters contractors from pursuing regional projects, resulting in reduced competition and higher contract prices.
- Embedded fuel cost premiums in future tenders may increase the long-term cost of infrastructure delivery and impact the affordability of the Shire's capital works program.
- Supply disruption or rationing risk, while currently low, may materially affect the delivery timelines of fuel-dependent works should broader national supply pressures escalate.
- Escalating costs of petroleum-derived construction inputs (including bitumen, asphalt, pipes and geotextiles) may lead to budget overruns or scope reductions for planned works.
- Increased transport and freight costs for bulk materials may disproportionately impact regional projects, further increasing costs relative to metropolitan benchmarks.
- Capital works deferral risk may arise if available budgets cannot accommodate sustained increases in construction costs, potentially impacting asset condition and service levels over time.
- Higher risk pricing in construction tenders may reduce value for money outcomes as contractors seek to protect against future input cost volatility.
- Long-term structural cost inflation in civil construction may require reassessment of long-term financial planning assumptions, particularly for road renewal and infrastructure replacement programs.
- Combined fuel and material cost pressures may compound delivery risk for infrastructure projects, increasing exposure to delays, contract disputes and reputational risk.
- Mismatch between approved budgets and prevailing market costs may reduce the Shire's ability to deliver planned works within adopted financial frameworks.
- Increased reliance on external contractors under volatile market conditions may heighten the Shire's exposure to external economic risks beyond direct operational control.

POLICY

Nil

STATUTORY

Nil

STRATEGIC**Theme**

4. CIVIC LEADERSHIP

Goal

4.2 We are a compliant and resourced Local Government

Strategy

4.2.1 External audits and reviews confirm compliance with relevant Local Government legislation

4.2.2 Financial sustainability in achieving community aspirations

COMMENT

Fuel price volatility and escalating construction input costs represent material external risks to the Shire's infrastructure delivery and financial planning. While these pressures are largely outside the Shire's direct control, they have the potential to impact project affordability, contractor capacity and

the timing of capital works, particularly in a regional context. Ongoing monitoring of market conditions and their implications for capital planning, procurement and budget assumptions remains appropriate from an assurance and governance perspective.

CONSULTATION

Nil

The Impact of the Middle East Fuel Crisis on Australia's Civil Construction Sector

Report prepared for the Civil Contractors Federation Australia Ltd

by

Saul Eslake

Principal, Corinna Economic Advisory

8th April 2026

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Introduction

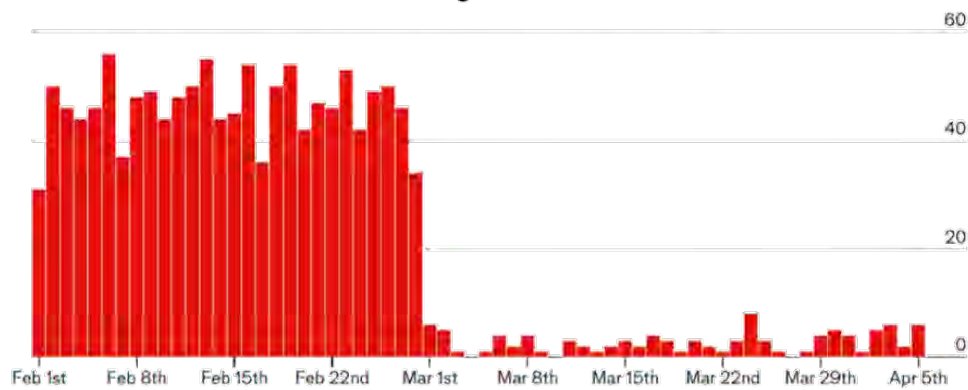
The conflict in the Middle East initiated by the United States and Israel on 28th February 2026 has had an immediate and profound impact on the prices of crude oil, refined petroleum products, natural gas, and a range of other products for which the nations on either side of the Persian Gulf are a major source (Chart 1). As a result of Iran's ability, thus far, to close the Strait of Hormuz (which separates the Persian Gulf from the Arabian Sea and the Indian Ocean) to almost all commercial shipping, and damage done to some oil and gas production facilities located around the Persian Gulf, there have also been significant disruptions to the supply of these products to global markets (Chart 2), disruptions which may well persist for some time after the cessation of military hostilities (whenever that might be).

Chart 1: Brent crude oil price



Note: data up to 8th April. Source: LSEG Datastream.

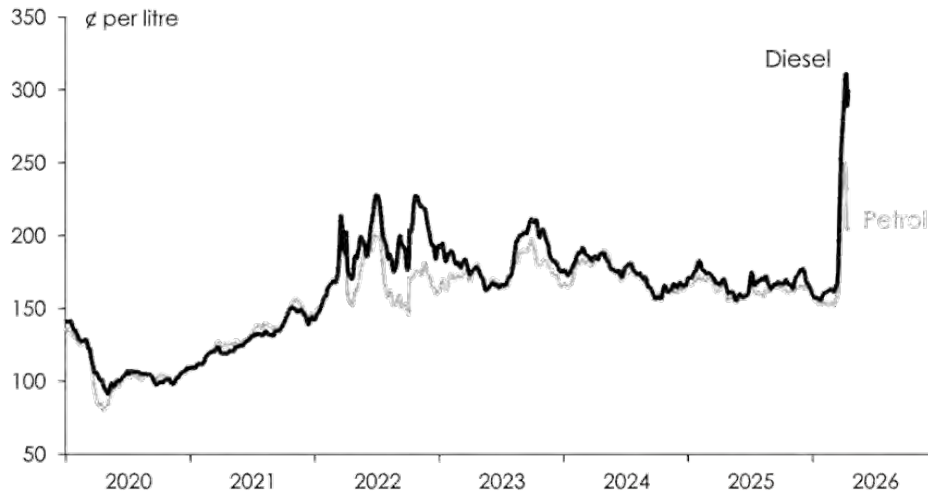
Chart 2: Commercial tanker traffic through the Strait of Hormuz



Source: [The Economist](#), 7th April 2026.

The effects of the Middle East crisis have been quickly transmitted to Australia. Terminal gate prices of petrol and diesel had risen, as of the end of March, by 90.7 cents/litre (59.6%) and 145.2 cents/litre (88.9%), respectively, since the conflict began at the end of February (Chart 3). As of 3rd April (before the temporary cut in fuel excise announced by the Federal Government on 30th March had been fully passed on), wholesale petrol and diesel prices are still 49.2 cents/litre (32.8%) and 127.3 cents/litre (78.0%) higher, respectively than before the commencement of the war.

Chart 3: Australian national average terminal gate prices for petrol and diesel



Note: data up to 3rd April. Source: Australian Institute of Petroleum, [Historical ULP and Diesel TGP Data](#).

84% of Australia's refined petroleum product requirements in 2025 were met by imports, up from 36% in 2011, according to the Federal Government's [Petroleum Statistics](#) publication. Imports accounted for 69% of Australia's automotive gasoline (petrol) requirements last year (up from 18% in 2011), and for 90% of Australia's requirements for diesel (up from 46% in 2011). And 96% of those refined petroleum product imports are sourced from refineries in Asia, who in turn source most of their crude oil requirements from the Middle East. – and in particular, from oil-producing nations who export most of their crude through the Strait of Hormuz.

Hence, although the Australian Government has been making strenuous, and thus far successful, efforts to ensure that Australia continues to receive the shipments of refined products on which it depends, there is inevitably some risk – if Gulf War III continues, or escalates – that these supplies may be interrupted, resulting in shortages of refined products in Australia which in turn necessitate some form of 'demand management' or rationing.

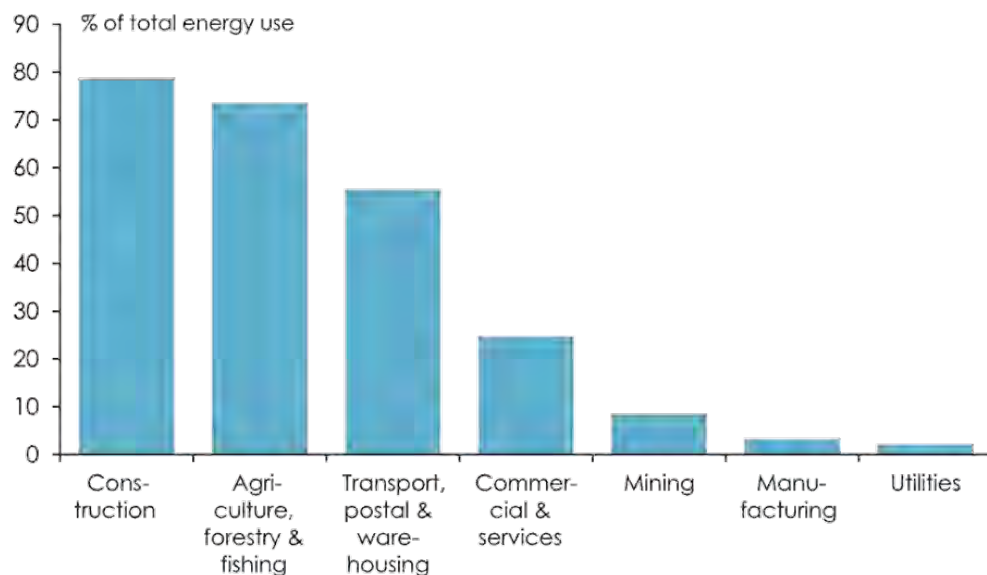
The sectoral impact of sharply higher oil prices

The impact of higher petrol prices on Australian households has been widely recognized. Australians use about 16 billion litres of automotive gasoline (petrol) a year (Department of Climate (DCCEEW 2026b). Thus, a sustained 75¢ per litre (for example) increase in retail petrol prices would cost Australian households about \$12 billion a year, which is equivalent to the impact of a 45 basis point increase in interest rates (albeit spread much more widely over Australian households than an increase in interest rates, which directly only affects about one-third of Australian households).

Households account for most of Australia’s consumption of petrol. Diesel is much more important in business use. However the impact of higher prices for petroleum products on Australian businesses is much more unevenly distributed across sectors or industries. Government and public commentary on the impact of higher fuel prices, and possible disruptions to fuel supplies, have for the most part focussed on the transport and agricultural sectors, for readily understandable reasons.

Yet, as shown in Chart 4, the construction sector is actually slightly more dependent on diesel as an energy input than either the transport or agricultural sectors.

Chart 4: Diesel and fuel oil as a proportion of total energy use by sector, 2023-24



Source: ABS, [Energy Account, Australia](#), 2023-24 financial year .

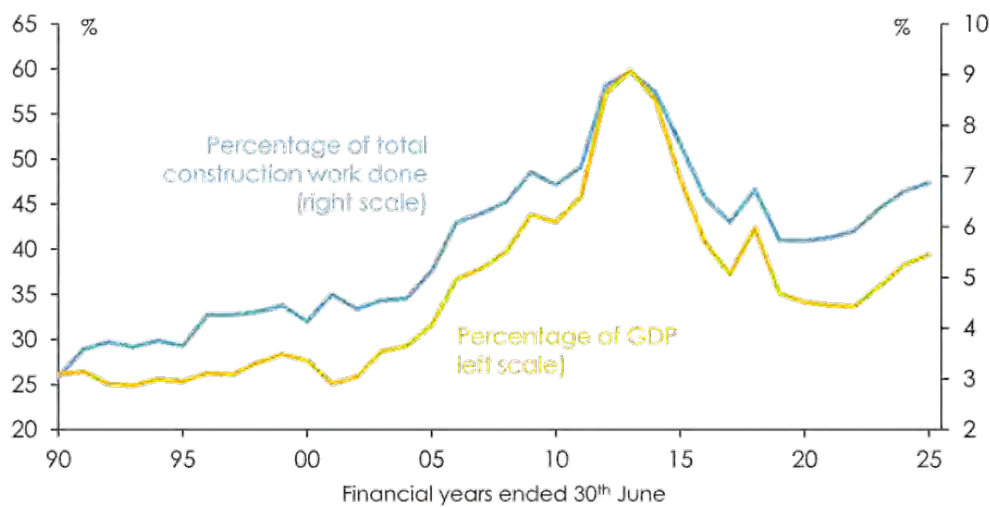
Within the construction sector, heavy and civil engineering construction accounts for almost two-and-a-half times as much consumption of diesel as the residential and non-residential building sectors combined, according to the ABS Input-Output Tables (ABS 2026c: Table 3).

The Australian civil engineering construction sector

Engineering construction – and in particular, engineering construction work on public sector projects – has become an increasingly significant component the broader construction sector as a whole, and contributor to the Australian economy over the past decade.

As shown in Chart 5, engineering construction now accounts for a larger share of total (residential and non-residential) construction work, and of Australia's gross domestic product, than at any other time in the past 35 years, other than during the mining investment boom of the first half of the 2010s.

Chart 5: Value of engineering construction work done as percentages of total construction work done, and of gross domestic product, 1989-90 to 2024-25

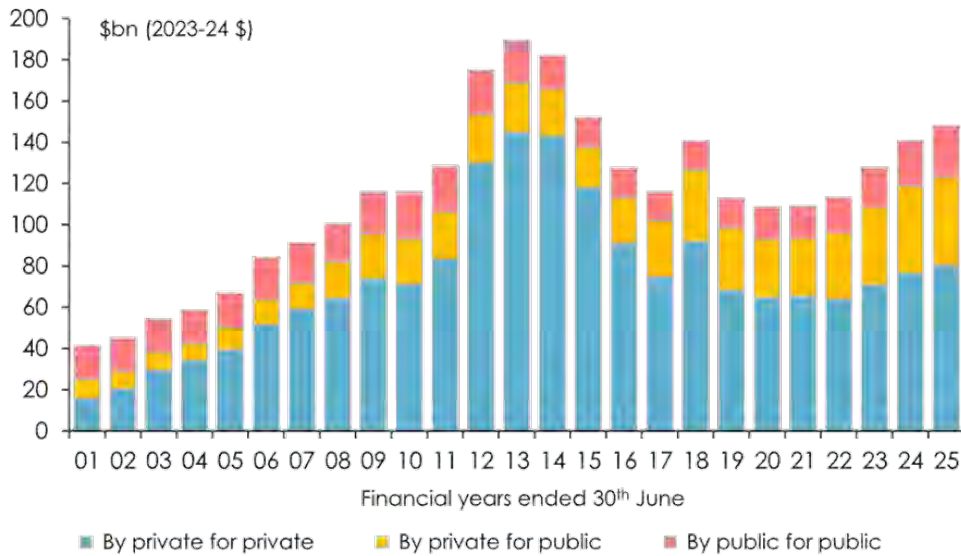


Source: ABS, [Construction Work Done, Australia, Preliminary](#), December quarter 2025.

Charts 6 and 7, on the following page, indicate that an increasing proportion of the engineering construction work now being undertaken – and, even more so, of the engineering construction work yet to be done on projects which have commenced – is being undertaken for the federal, state and local governments and for other public sector agencies:

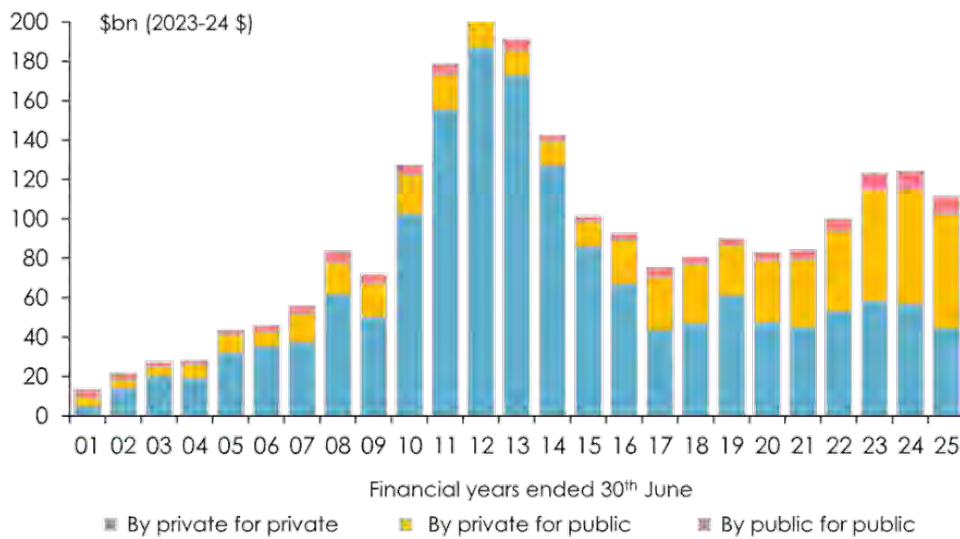
- on average over the five years to 2024-25, more than one-third of all engineering construction work undertaken by private sector contractors has been for public sector clients, compared with an average of 28% over the preceding three decades; and
- 57% of the work yet to be done on engineering projects under construction by private sector contractors as at the end of 2025 is for public sector clients.

Chart 6: Value of engineering construction work done, for private and public sector clients, 2000-01 to 2024-25



Source: ABS, [Engineering Construction Activity, Australia](#), December quarter 2025,

Chart 7: Value of engineering construction work yet to be done, for private and public sector clients, 2000-01 to 2024-25



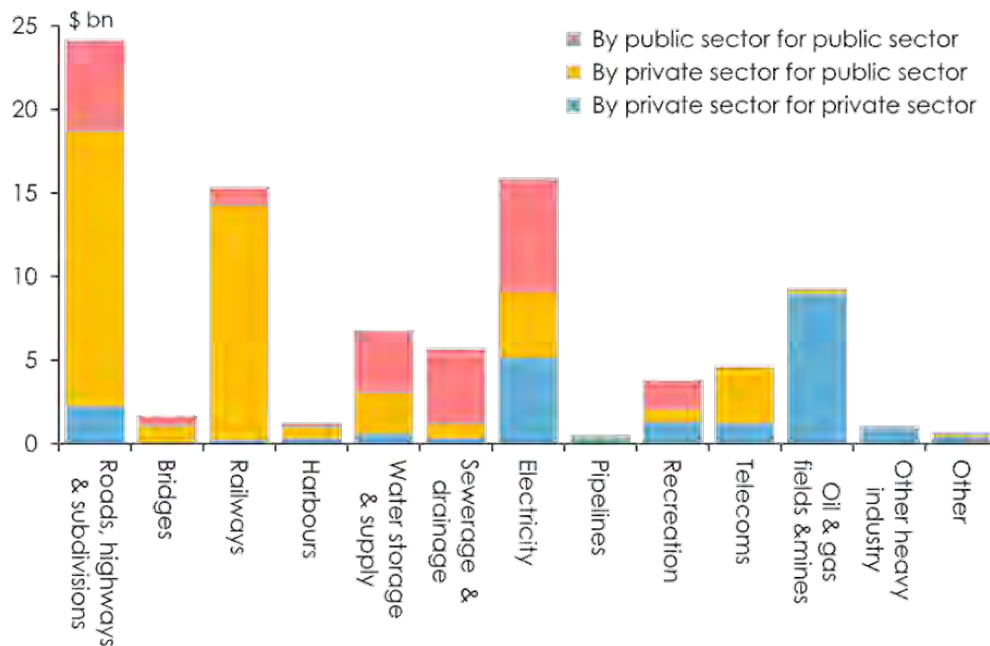
Source: ABS, [Engineering Construction Activity, Australia](#), December quarter 2025.

Chart 8 shows the value of work yet to be done, on projects which had commenced by the end of calendar year 2025. In particular:

- 27% of the value of work yet to be done is on roads, highways and subdivisions, of which in turn more than two-thirds is on projects being undertaken by the private sector for public sector clients, including works essential for new housing estates;
- almost 18% of the value of work yet to be done is on electricity generation, transmission and distribution projects, which are essential to Australia’s transition to ‘net zero’ emissions, and of which one-quarter are for public sector clients;
- 17% of the value of work yet to be done is on railway (including public transport) projects, of which 92% is being undertaken by the private sector for public sector clients; and
- 7½% of the value of work yet to be done is on water storage and supply projects, of which 37% is being undertaken by the private sector for the public sector.

In total, 67% of the work yet to be done by the private sector is being undertaken for (federal, state and local) public sector clients.

Chart 8: Value of engineering construction work yet to be done, by type of project, sector of contractor and sector of client, December 2025



Source: ABS, [Engineering Construction Activity, Australia](#), December quarter 2025,

The civil engineering construction sector comprises about 10,000 businesses, employing about 193,000 people (or about 1.3% of total employment). The distribution of this employment across states and territories is shown in Chart 9:

- three quarters of the engineering construction workforce is employed in New South Wales, Queensland and Victoria;
- engineering construction workers account for a larger share of total employment in Western Australia and Tasmania than in the other states and territories.

Chart 9: Engineering construction employment, by state and territory, 2025



Sources: Jobs and Skills Australia, [Occupation and Industry Profiles](#); ABS, [Labour Force, Australia, Detailed](#), February 2026.

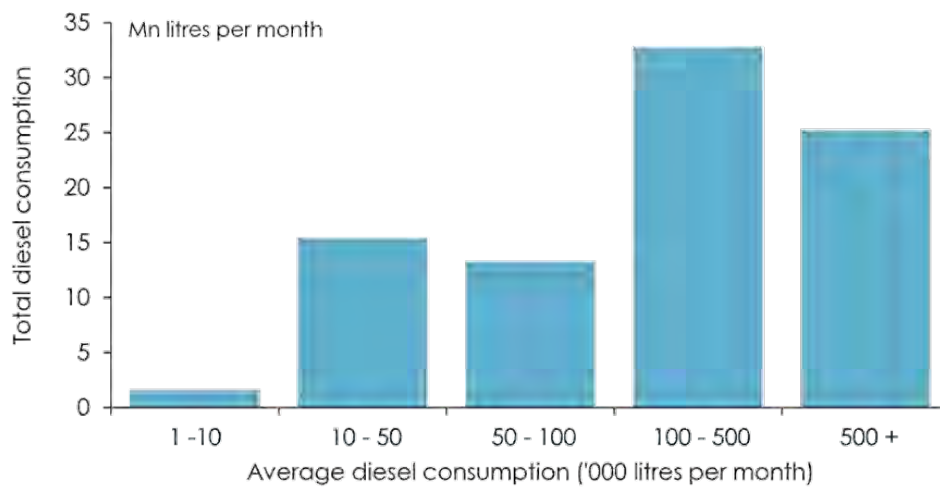
The civil engineering construction sector's exposure to the effects of Gulf War III

As previously noted, the construction sector is more dependent on diesel as an energy source than any other sector of the Australian economy – including agriculture and transport – and civil engineering is more dependent on diesel than the other major construction sub-sectors, namely residential and non-residential building.

The 1,150 member firms of the Civil Contractors Federation of Australia use approximately 88 million litres of diesel per month, with the greatest consumption being by medium-sized firms who use, on average, between 100,000 and 500,000 litres of diesel per month, followed by the (smaller number of) larger users, using in excess of 500,000 litres per month (as shown in Chart 10).

The 145 cents per litre increase in the terminal gate price for diesel since 27th February is therefore costing civil construction businesses in the order of \$128 million a month – or, if it were to be sustained for a full 12 months, \$1.53 billion a year (noting that a good deal of the diesel used in civil construction is 'off-road' and hence does not benefit from the reduction in fuel excise announced in the first week of April).

Chart 10: Diesel fuel use by civil construction businesses, by average use



Source: Data provided by Civil Contractors Federation of Australia based on a survey of members.

This annual figure represents 1.2% of the annual value of engineering construction work done by the private sector in 2025. Since pre-tax profit margins in the construction sector as a whole (ie, including residential and non-residential building) are typically of the order of 6% of sales revenue (ABS 2026a), Margins in engineering construction are smaller than this - around 5% on projects of around \$1 million, 3-5% on larger projects up to around \$ 1 billion, and 1% on projects worth over \$1 billion, according to CCF.

Hence this increase in diesel prices will, if sustained and all else being equal, have a very significant impact on the financial viability of many civil construction businesses.

Moreover, although the increase in diesel fuel prices is the most obvious consequence for the civil construction sector of the current conflict in the Middle East, it is not the only one. There have also been substantial increases in the prices of many other products used in civil engineering work, including bitumen and asphalt, explosives, PVC and polyethylene pipes, electrical conduits and geo-textiles, for all of which downstream petroleum products are a significant input. Anecdotal evidence suggests that prices of many of these products have increased by between 35% and 50% since the outbreak of Gulf War III (Evans 2026, Lyndall et al 2026, Perpetch 2026).

And there have been significant increases in the cost of transporting bulky construction materials, such as concrete, cement and steel, to the sites of projects.

These substantial cost increases are colliding with the preponderance of fixed price contracts in engineering construction. The Civil Contractors Federation estimates that between 80 and 95% of contracts (by number) entail fixed prices.

While some contracts do incorporate 'rise and fall' provisions, these are often inconsistently applied, of limited scope, and reliant on indices such as the ABS's [Producer Price Indexes](#) which do not provide an effective mechanism for dealing with rapid cost increases (since they are only published quarterly, in contrast to most other 'advanced' economies where analogous statistics are available monthly).

The vulnerability of construction companies to collisions between rapid, unforeseen cost increases and fixed-price contracts is evident in the sharp increase in the number of construction companies entering administration following the dramatic rise in input costs driven by post-Covid supply chain disruptions and the surge in energy prices induced by Russia's invasion of Ukraine in 2022, as well as the rapid increase in interest rates between May 2022 and November 2023 (Chart 11). Over the course of 2022 and 2023, the average number of construction companies entering administration was 90% higher than the annual average for the five years 2015 through 2019, compared with an increase of less than 20% among companies in other sectors of the Australian economy.

Chart 11: Construction companies entering administration



Source: Australian Securities and Investments Commission, [Insolvency statistics](#), February 2026.

Another wave of insolvencies among civil construction businesses would seriously detract from the capacity to achieve a range of Australian Government policy objectives, including the construction of 1.2 million new homes over the five years to 2029, and achieving 82% renewable energy generation by 2030, as well as the completion of projects on Infrastructure Australia's [2026 Infrastructure Priority List](#). It would also undermine the infrastructure priorities of state, territory and local governments across Australia.

That's of course in addition to the potential for significant job losses.

Possible solutions

To avoid another wave of insolvencies across the civil construction sector, with the potential consequences outlined above, governments need to be conscious that the construction sector is as vulnerable to the adverse effects of higher prices for, and potential shortages of, diesel fuel and other petroleum product derivatives, as the agricultural and transport sectors.

In the first instance, should it become necessary to ration or otherwise 'manage' Australian fuel supplies, the Federal, State and Territory Governments need to recognize civil construction as 'essential' in the same way as the agriculture and transport industries, in order to maintain capacity and supply chain continuity, not least to safeguard governments' own infrastructure priorities.

Second, the Federal, State and Territory Governments should establish a consistent, practical mechanism to adjust contract values in response to significant input price movements (in both directions), which would apply to existing as well as new contracts, to enable an equitable sharing of risks across the construction supply chain.

Additionally or alternatively, governments could provide targeted, time-limited support, through established infrastructure funding channels, to agencies and project owners where abnormal input cost increases cannot be absorbed within existing budgets, in order to avoid delays, scope reductions or project failures.

Fourth, recognizing the importance of local governments in infrastructure provision – accounting for over 17% of total public sector fixed capital formation in 2023-24, only marginally less than the Federal Government's 19% (ABS 2025a: Table 339) – the Federal and State Governments should provide targeted top-up grant funding to councils to address unanticipated input cost increases, particularly for projects already underway where contracts do not allow for cost escalation.

Finally, from the longer-term perspective of enhancing the resilience of Australia's civil construction sector in the face of supply-chain disruptions and unforeseen cost pressures, the Federal, State and Territory Governments should provide clear direction to agencies that all future civil contracts include fit-for-purpose rise and fall provisions for fuel, bitumen and other key oil-linked inputs.

Conclusion

The Middle East fuel crisis is having profound consequences for Australian households, Australian businesses and the Australian economy – which in turn present profound challenges for Australian governments at all levels in alleviating short-term adverse effects on households and businesses but also in preventing serious longer-term damage to the economy, including potentially widespread insolvencies among businesses and unemployment among workers.

Australia's experience during both the global financial crisis and the Covid-19 pandemic illustrates that governments – and only governments – have the capacity to respond to these challenges with a view to ensuring both an equitable sharing of the risks and costs inherently involved, and to minimizing the long-term economic and social harm that would inevitably result from failing to manage and fairly share those risks and costs.

To a greater extent than during the global financial crisis or the Covid-19 pandemic, the civil construction sector is substantially exposed to the risks and costs created by the ongoing conflict in the Middle East, in ways that will have lasting adverse consequences for the Australian economy, and for the Australian people, if they are allowed to go unrecognized and unaddressed.

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The information contained in this document has been obtained from, and the opinions expressed in it are based upon, sources believed to be reliable, and which where possible are indicated in the text and/or set out under the heading 'References.' The views expressed in this document accurately reflect the author's personal views.

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11 BUSINESS OF AN URGENT NATURE

12 CLOSE OF MEETING

12.1 DATE OF NEXT MEETING

12.2 CLOSURE