Western Australia

Local Government Act 1995

Local Government Regulations Amendment Regulations (No. 4) 2025

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Local Government Act 1995

Local Government Regulations Amendment Regulations (No. 4) 2025

Made by the Governor in Executive Council.

Part 1 — Preliminary

1. Citation

These regulations are the *Local Government Regulations Amendment Regulations (No. 4) 2025*.

2. Commencement

These regulations come into operation as follows —

(a) Part 1 — on the day on which these regulations are published on the WA legislation website;

(b) the rest of the regulations — on 1 January 2026.

Part 2 — *Local Government (Administration) Regulations 1996* amended

3. Regulations amended

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

4. Regulation 14C amended

In regulation 14C(1) in the definition of ***meeting***:

(a) in paragraph (c) delete "council; or" and insert:

council;

(b) delete paragraph (d).

5. Regulation 14D amended

In regulation 14D(1) in the definition of ***meeting***:

(a) in paragraph (c) delete "council; or" and insert:

council;

(b) delete paragraph (d).

Part 3 — *Local Government (Audit) Regulations 1996* amended

6. Regulations amended

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

7. Regulation 3 amended

(1) In regulation 3 delete the definitions of:

audit committee

compliance audit

(2) In regulation 3 insert in alphabetical order:

> ***audit, risk and improvement committee*** has the meaning given in section 7.1 and includes a shared committee;
>
> ***compliance audit*** has the meaning given in regulation 14(1);
>
> ***financial audit*** has the meaning given in section 7.1;
>
> ***shared committee*** has the meaning given in section 7.1CB(1).

(3) In regulation 3 in the definition of ***section*** delete "Act." and insert:

Act;

8. Regulations 4 to 8 replaced

Delete regulations 4 to 8 and insert:

4. Shared committees: modification of Act (Act s. 7.1CB(6) and (7))

(1) This regulation applies in relation to a local government if the local government enters into an agreement (a ***shared committee agreement***) with 1 or more other local governments to establish a shared committee under section 7.1CB(1).

(2) Subject to section 7.1CB and these regulations, Part 5 Division 2 Subdivision 2 of the Act, Part 7 Division 1A of the Act and all other provisions of the Act that apply in relation to a committee of a council of the local government apply, with all appropriate modifications, in relation to the shared committee.

(3) Subregulation (2) does not apply to the following provisions —

(a) section 5.8;

(b) section 5.10;

(c) section 5.17;

(d) section 5.20;

(e) section 5.103;

(f) section 5.104;

(g) section 7.1A;

(h) Schedule 9.3 clause 69 of the Act.

(4) Without limiting subregulation (2), the provisions applied by that subregulation apply as if —

(a) a reference to a committee of a council, including an audit, risk and improvement

committee, were a reference to the shared committee; and

(b) a reference to a committee member, however described, were a reference to a member of the shared committee; and

(c) a reference to a committee meeting, however described, were a reference to a meeting of the shared committee; and

(d) a power conferred, or a duty imposed, on a local government under section 5.11A(1), 5.12, 5.15, 5.16(1) or 7.1B(1) were required to be exercised by the local governments in accordance with their shared committee agreement; and

(e) the reference in section 5.11(2)(b) to the local government removing the person were a reference to the local governments removing the person in accordance with their shared committee agreement; and

(f) a reference in section 5.22(1), 5.65(1), 5.66, 5.69(1), 5.69A(1) or 5.96A(1) or (2) to the CEO in relation to a committee meeting were a reference to the CEO of the local government to which the meeting of the shared committee relates.

(5) The shared committee agreement must —

(a) provide for how a power or duty referred to in subregulation (4)(d) is to be exercised for the purposes of that subregulation; and

(b) provide for how a person referred to in subregulation (4)(e) is to be removed for the purposes of that subregulation.

(6) The following provisions apply in relation to the code of conduct that a member of the shared committee must observe —

(a) if the member is a member of the council of a local government that is a party to the shared committee agreement — that local government's code of conduct adopted under section 5.104 applies to the member as if the shared committee were a committee of the council of that local government;

(b) otherwise —

(i) the shared committee agreement must specify a code of conduct that has been adopted under section 5.104 by a local government that is a party to the agreement to apply to the member; and

(ii) that code applies to the member as if the shared committee were a committee of the council of that local government.

(7) The following provisions apply to the appointment of a deputy of a member of a shared committee under a provision applied by subregulation (2) —

(a) each local government that is a party to the shared committee agreement must approve* each deputy's appointment;

(b) neither the deputy of the presiding member nor any deputy of any deputy presiding member can be a council member of a local government that is a party to the shared committee agreement or of any other local government.

** Absolute majority required.*

5. Shared committees: modification of *Local Government (Administration) Regulations 1996* (Act s. 7.1CB(6) and (7))

(1) This regulation applies in relation to a local government if the local government enters into an agreement with 1 or more other local governments to establish a shared committee under section 7.1CB(1).

(2) Subject to section 7.1CB and these regulations, the provisions of the *Local Government (Administration) Regulations 1996* that apply in relation to a committee of a council of the local government apply, with all appropriate modifications, in relation to the shared committee.

(3) Without limiting subregulation (2), the provisions applied by that subregulation apply as if —

(a) a reference to a committee of a council were a reference to the shared committee; and

(b) a reference to a committee member, however described, were a reference to a member of the shared committee; and

(c) a reference to a committee meeting, however described, were a reference to a meeting of the shared committee; and

(d) the *Local Government (Administration) Regulations 1996* regulation 4 were amended so that the words "the CEO or" were deleted; and

(e) a reference in the *Local Government (Administration) Regulations 1996* regulation 12(2), 13(1) and (1A), 14(2), 14D(4) or 19AD to the CEO in relation to a committee meeting were a reference to the CEO of the

local government to which the meeting of the shared committee relates; and

(f) a reference in the *Local Government (Administration) Regulations 1996* regulation 14C, 14CA or 14D to the mayor, president or council in relation to a committee meeting were a reference to the mayor, president or council of the local government to which the meeting of the shared committee relates.

9. Regulation 9 amended

(1) In regulation 9(1) in the definition of ***Australian Accounting Standards*** delete "(Commonwealth)" and insert:

(Cth)

(2) In regulation 9(2):

(a) delete "An auditor must carry out an" and insert:

The auditor must carry out a financial

(b) delete "(Commonwealth)" and insert:

(Cth)

(3) In regulation 9(3) delete "An auditor" and insert:

The auditor

10. Regulation 9A amended

(1) In regulation 9A(1) in the definition of ***audit document***:

(a) in paragraph (c) delete "Auditor General; or" and insert:

auditor; or

(b) in paragraph (d) delete "Auditor General." and insert:

auditor.

(2) Delete regulation 9A(2) and insert:

(2) The CEO must give a copy of an audit document held by the local government to the auditor within 14 days after the auditor requests it for the purposes of a financial audit.

11. Regulation 10 amended

(1) Delete regulation 10(1).

(2) In regulation 10(2) delete "The report is to" and insert:

A report on a financial audit must

(3) In regulation 10(3) delete "audit." and insert:

financial audit.

(4) In regulation 10(4):

(a) delete "is to" and insert:

must

(b) after "report and" delete "to";

(c) delete "section 7.9(1)" and insert:

section 7.12AD(2)

12. Regulations 11 and 12 replaced

Delete regulations 11 and 12 and insert:

11. CEO to give audit reports to audit, risk and improvement committee

The CEO must give to the audit, risk and improvement committee a copy of any audit report (as defined in section 7.1) given to the CEO.

13. Regulation 13 amended

In regulation 13 in the Table:

(a) under the heading "***Local Government Act 1995***" delete:

s. 7.3

s. 7.6(3)

s. 7.9(1)

(b) under the heading "***Local Government (Administration) Regulations 1996***" delete:

r. 18C

r. 34B

r. 34C

(c) under the heading "***Local Government (Audit) Regulations 1996***" delete "r. 7".

14. Regulations 14 to 17 replaced

Delete regulations 14 to 17 and insert:

14. Compliance audits

(1) A local government must carry out an audit (a ***compliance audit***) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period beginning on 1 January and ending on 31 December in each year.

(2) After a local government has carried out a compliance audit, the CEO must —

(a) prepare a compliance audit return in a form approved by the Inspector; and

(b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.

(3) The audit, risk and improvement committee must —

(a) review the compliance audit return; and

(b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must —

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and

(b) either —

(i) adopt the compliance audit return; or

(ii) adopt the compliance audit return subject to amendments proposed by the council.

15. Signed compliance audit return and other information must be given to Inspector

(1) After a compliance audit return has been adopted by the council under regulation 14(6)(b), the local government must give the following information to the Inspector —

(a) a copy of the compliance audit return (or amended compliance audit return, if applicable), signed by the mayor or president and by the CEO;

(b) any recommendations made under regulation 14(4) after the audit, risk and improvement committee has reviewed the compliance audit return;

(c) a copy of the relevant section of the minutes of the meeting at which the compliance audit return was adopted by the council;

(d) any additional information explaining or qualifying the compliance audit.

(2) The information must be given to the Inspector no later than 31 March next following the period to which the return relates.

(3) The Inspector may extend the 31 March deadline.

16. Functions of audit, risk and improvement committee

An audit, risk and improvement committee has the following functions —

(a) to receive and review reports on, and recommend to the council actions to be taken in relation to —

(i) audits under Part 7 of the Act; and

(ii) compliance audits; and

(iii) reviews under regulation 17;

(b) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government's systems and procedures in relation to —

(i) financial management; and

(ii) legislative compliance; and

(iii) risk management;

(c) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —

(i) is required to take under section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and

(iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);

(d) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.

17. CEO to review certain systems and procedures

(1) The CEO must review the appropriateness and effectiveness of the local government's systems and procedures in relation to the following matters —

(a) financial management;

(b) legislative compliance;

(c) risk management.

(2) Under subregulation (1), the CEO may review any or all of the matters referred to in subregulation (1)(a) to (c) at any time but must review each of those matters not less than once in every 4 financial years.

(3) The CEO must report to the audit, risk and improvement committee the results of each review carried out under subregulation (1).

15. Regulations 19 and 20 inserted

After regulation 18 insert:

19. Transitional provisions relating to establishment of audit, risk and improvement committees

(1) This regulation is made for the purposes of Schedule 9.3 clause 81(2) of the Act.

(2) If a term used in this regulation is given a meaning in Schedule 9.3 clause 69(1) of the Act, it has the same meaning in this regulation.

(3) This regulation applies to a local government if, immediately before amendment day —

(a) the membership of the local government's existing audit committee accords with section 7.1A(2)(a) and (b) (as inserted by the *Local Government Amendment Act 2024* section 87); and

(b) none of the members of the existing audit committee is a member who was appointed under section 5.10(1)(b); and

(c) the presiding member of the existing audit committee, and any deputy presiding member of the existing audit committee, is not a council member of the local government or of any other local government; and

(d) a deputy of the presiding member is in place under section 5.11A and the deputy is not a council member of the local government or of any other local government; and

(e) if there is a deputy presiding member and a deputy of the deputy presiding member is in place under section 5.11A, the deputy is not a

council member of the local government or of any other local government.

(4) The local government is taken to have established, at the beginning of amendment day, the existing audit committee as the local government's audit, risk and improvement committee (and to have complied with Schedule 9.3 clause 69(2) of the Act accordingly).

(5) If, immediately before amendment day, there is in effect a delegation to the existing audit committee of any of the local government's powers or duties, the delegation continues in effect on and after amendment day as a delegation to the audit, risk and improvement committee taken to be established under subregulation (4).

(6) Subregulations (4) and (5) do not prevent the local government from establishing, during the period of 6 months referred to in Schedule 9.3 clause 69(2) of the Act, a new audit, risk and improvement committee that replaces the audit, risk and improvement committee taken to be established under subregulation (4).

20. Transitional provisions relating to compliance audits

(1) Regulations 13 to 15, as amended or inserted by the *Local Government Regulations Amendment Regulations (No. 4) 2025* regulations 13 and 14, apply in relation to the period beginning on 1 January 2025 and ending on 31 December 2025 and to subsequent periods beginning on 1 January and ending on 31 December.

(2) Despite regulation 15(2), as inserted by the *Local Government Regulations Amendment Regulations (No. 4) 2025* regulation 14, the information relating to the compliance audit for the period beginning on

1 January 2025 and ending on 31 December 2025 must be given to the Inspector no later than 30 September 2026.

(3) The Inspector may extend the 30 September 2026 deadline.

Note: The headings to the amended regulations listed in the Table are to read as set out in the Table.

Table

Amended regulation	Regulation heading
r. 9	**Performance of financial audit**
r. 9A	**CEO to give documents to auditor carrying out financial audit**
r. 10	**Report by auditor on financial audit**

Part 4 — *Local Government (Financial Management) Regulations 1996* amended

16. Regulations amended

This Part amends the *Local Government (Financial Management) Regulations 1996*.

17. Regulation 5 amended

In regulation 5(2):

(a) in paragraph (b) delete "year); and" and insert:

year).

(b) delete paragraph (c).

K. COLLERAN, Clerk of the Executive Council

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