

# Municipal Monitor appointed to Strathbogie Shire Council

## Final Report to the Minister for Local Government

### 1. Background

#### 1.1 Appointment

On 4 November 2024, the Minister for Local Government appointed me, Marg Allan, under Section 179(1) of the *Local Government Act 2020* (the Act) as the Municipal Monitor for Strathbogie Shire Council (the Council) from 6 November 2024 until 6 November 2025. I have attached my Terms of Reference which outlines what matters the Minister required me to consider during my appointment (Appendix 1). This includes supporting the council in its governance responsibilities, and specifically the recruitment processes and working relationship with the Chief Executive Officer, and Asset Management Practices.

#### Background to my appointment

My appointment as Municipal Monitor was just prior to the Declaration of the Poll for the Council, on 8 November 2024, following the 2024 general election. This election returned elected representatives to the Shire after a period of administration.

Prior to the 2024 election, the Council experienced a period of instability during which Janet Dore was appointed as Municipal Monitor for 12 months, commencing 14 September 2021 until 15 September 2022. On 15 May 2023, Peter Stephenson was appointed as Municipal Monitor for a three-month period, following which the Minister suspended all councillors from 6 December 2023 until the general election in October 2024. The Minister appointed Peter Stephenson as Administrator of the Council commencing on 6 December 2023, and he remained as Administrator until 26 October 2024.

During Mr Stephenson's appointment, the Chief Executive Officer (CEO) resigned, on 4 July 2024. An interim CEO was subsequently appointed and undertook the role from 15 July 2024 to 2 May 2025. The Interim CEO was in place when my appointment commenced. There had also been

<sup>1</sup> Municipal Monitor appointed to Strathbogie Shire Council

recent instability in the executive role of Director Sustainable Environment with a number of incumbents in that role, over a short period.

## 1.2 Context for Strathbogie Shire

Strathbogie Shire is a rural municipality with an estimated resident population of 11,739 in 2024. It is located on the traditional lands of the Taungurung and Yorta Yorta people. It comprises three principal settlement centres: Euroa, Nagambie, and Violet Town, as well as several smaller hamlets. The shire is situated along river systems in the Goulburn Valley. The local economy is primarily supported by agriculture, including thriving equine and viticulture industries, as well as tourism. The Hume and Goulburn Valley Freeways traverse the municipality, offering vital road connections to larger settlement centres.

Currently, Inland Rail is undertaking a significant project to increase freight capacity on the Melbourne–Sydney rail corridor. This includes major enhancements to Euroa railway station, benefiting both passenger services and the surrounding urban environment.

The organisation has an Equivalent Full-Time staff of 125.11 at 30 June 2025. In 2024/25 Council operating costs were \$39M and the Capital spend was approx. \$10M.

### Monitoring Activities

During the period of my appointment, I attended the majority of weekly Council briefing sessions including all councillor induction sessions, and council meetings. I attended one Audit and Risk committee meeting in person, many of the meetings of the CEO Employment and Remuneration Committee, all meetings of Councillor Only time, and one meeting of the Council Executive Team. I had one meeting with representatives of 883 and Rising, a community advocacy group concerned about the removal of the Frost Street Underpass in Euroa.

I met with the Mayor and CEO (both interim and permanent) together and individually, on a regular basis. I also met with councillors and executive officers individually both at their and my instigation. I worked extensively with the Governance Officer who supports the council.

Many councillors were initially surprised or concerned about my appointment however they soon recognised the monitor's value in supporting their duties. Councillors and officers respected my role and sought advice on a wide range of matters, including areas such as effective decision making, performance, meeting procedures, legislation, strategic focus, and productive relationships.

### General Election outcome

On 8 November 2024 the Victorian Electoral Commission officially declared the poll for the Council. The Council is an unsubdivided municipality, with seven councillors elected. Of the seven councillors elected, three had previous experience and four were completely new to the role.

Where the councillors reside is reasonably evenly spread across the municipality, they are also from a mix of professional backgrounds (predominantly the private sector) bringing a range of experiences, knowledge and expertise to the Council.

The councillors were sworn in on 12 November 2024 and the Mayor was elected on 19 November 2024.

### **Councillors' approach to the role**

All councillors came into the role with a strong commitment to delivering good governance and improving the reputation of the Council, following a period of administration.

Councillors established a vision and a set of values for the councillor team early in their term. The Vision and Values are distinct from those for the broader organisation that are outlined in the Community/Council Plan. The councillors' Vision and Values are displayed in the council chamber and included in the welcome at each Council meeting. These Values promote good governance, ethical conduct, and transparency in decision-making. They were developed during the mandatory induction process with guidance from an external facilitator.

#### Councillors vision:

We will be a councillor group that delivers valuable outcomes for our community through teamwork characterised by:

- Respectful debate
- Collaboration, and
- The commitment to being inclusive and transparent

#### Councillor values:

- Respect
- Integrity
- Accountability
- Transparency
- Responsiveness

From the time of their election, Councillors have shown commitment to the role, managing a very high workload, undertaking preparatory reading, attendance in person for weekly briefings and monthly council meetings. Councillors are prepared for meetings and contribute thoughtfully. In addition, they have been attending community events and constituent meetings.

### **The Mayor**

The councillors elected a first time councillor to the role of Mayor. Although the Mayor is a first-time councillor, her experience in other government roles has greatly contributed to her effectiveness.

She is dedicated to building a unified council, proactively resolving issues, strengthening governance and the council's reputation both locally and externally. Her 'open for business' mantra highlights her commitment to promoting the Shire and attracting investment. She has been diligently attending Council and community events. Additionally, she has effectively chaired the Hume Region Local Government Authorities Network.

The Mayor and CEO have a positive and effective working relationship, which is essential for the operation of both the council and the organisation executive teams.

### **Mandatory induction**

The Administrator and Interim CEO prepared a comprehensive induction process aligned with new mandatory requirements, to begin once councillors were elected.

The staff deserve recognition for designing and delivering the program, which was the most comprehensive induction I have encountered. It provided the Council with a strong foundation. At the same time, the Council chose to bring forward the adoption of all corporate strategic documents to 30 June 2025, while recruiting a CEO, making the workload particularly demanding for new councillors. As a result of the high workload, and extent of new material for Councillors, it is likely that some of the details of the induction may need to be repeated in time. This can be supported through mandatory annual professional development training for councillors.

### **Appointment of CEO**

In January 2025, the Council commenced the recruitment process of the CEO, led by the Chair and independent member of CEO Employment and Remuneration Committee.

The chair ensured a sound and fair process was followed. Her extensive experience of recruiting to senior executives to roles in the past, was particularly valuable in supporting the Council through this process.

Having the independent member as chair was highly beneficial enabling the councillors to focus on the appointment, rather than being concerned with the process. I note the Government has supported in principle Recommendation 34 (b) of the IBAC Sandon report which recommends that it be made mandatory that the independent members be the Chair of this committee.

The CEO recruitment process was managed with integrity and professionalism.

The permanent CEO commenced in the role on 5 May 2025. She is a first time CEO, who has previously held several roles in local government, most recently Director of Infrastructure at a large metropolitan council. She has a background specialising in project management and capital works delivery.

Under the guidance of the Chair of the CEO Employment and Remuneration Committee, Council was diligent and timely in managing the CEO's contract and their expectations for the first 12 months, through the development of Key Performance Indicators.

The councillors and CEO have established a constructive working relationship.

### **Asset Management Practices**

The organisation has made progress towards more effective Asset Management Practices during the time of my appointment. The progress was particularly noticeable following the commencement of the new Director Sustainable Environment in April 2025.

Council owns assets to the value of \$490M. The management of assets is a key responsibility to ensure community facilities are developed and maintained to an appropriate standard.

Historically, Council has had a good understanding of its asset base, with records covering at least 90% of assets. It also has had reasonable policies and procedures in place, however much of this was out of date, and stored on a range of basic data systems which lacked functionality and integration, and therefore difficult to access. I found that asset management data and systems at the Council required updating to progress sound asset management and support confident decision making. While data exists for some asset classes it all required a thorough review.

The system to record maintenance undertaken on assets is strong, utilising a proprietary software system, however again it does not yet integrate with other asset related systems resulting in challenges to make full use of the data.

During the period of my appointment the Council made substantial progress to understand the task required and make plans to implement a robust asset management system. To this end, Council adopted a 10 year Asset Management Plan and updated Road Management Plan, and established various internal working groups to progress the tasks and prepare for implementation of a new asset management system.

Council officers have an agreed program of works including consolidating and verifying asset data across all asset classes; roads, bridges, buildings, open spaces and footpaths. Condition manuals are in the process of being updated. Council has selected new technology which will be introduced early in 2026 to hold all asset data and enable systems integration. The new system will support effective condition data storage, maintenance records, and ultimately improved decision making on investment into asset renewal and ongoing asset management.

The current process reviewing and updating asset data will result in accurate information on asset condition and asset value. This information will inform depreciation levels and assist decision making on asset renewal investment.

I am confident that council officers possess the necessary expertise to establish reliable information and systems for informed asset management decisions.

## **Governance Rules**

The Council's Governance Rules largely meet the requirements of the Council however some clauses are ambiguous, and others would benefit for clarification including:

Hearing of submissions - Currently the Council's Governance Rules provide for verbal submissions to be heard during Council meetings. This includes applicants and objectors to planning applications presenting to Council, immediately prior to the planning application being decided by Council. This arrangement can be problematic for effective decision making and especially for new councillors who do not yet have a full understanding of their role as the Responsible Authority for the Planning Scheme.

On my advice, Council moved the hearing of submissions to one to two weeks prior to the Council meetings. This gives councillors more time to consider the matter and for officers to provide any further information the councillors require.

Model Governance Rules are being developed by Local Government Victoria and had not been released at the time of writing.

I encourage the Council to review and consider adopting the Model Rules once they are available, for a contemporary and unambiguous set of Rules.

## **Practices that support the Council working collaboratively and effectively**

The Councillors have expressed their commitment to rebuild trust with the community, to listen to and understand concerns, priorities and issues that affect the Shire's residents. To achieve this, they recognise the need to work effectively together and that this is essential for Council to perform

well. Without an effective council team, the opportunities they can realise will be compromised. In recognition of this, Council has introduced a number of practices that support collaboration among the councillors and with the executive team. These include establishing their own Councillor Vision and Values, Council Meeting evaluations, team development workshops, and Councillor Only time.

At a briefing early in their term, Council agreed to undertake an evaluation immediately after council meetings, to reflect on their performance during the council meeting and make suggestions for improvements at future meetings. These sessions were well handled by the Mayor who gave all councillors and executive members the opportunity to comment. It was also an important time for me to provide comments on their performance and provide advice for improvements. Addressing issues collectively may have assisted the absence of cliques or small group conversations that can alienate others.

During my appointment, the Council held three team development sessions. These sessions were effective in increasing councillors' understanding of their roles, developing interpersonal skills and strengthening the relationship with the executive team.

Councillors have used regular 'councillor only' sessions to foster open and collaborative dialogue. These sessions have proven to be beneficial for councillors to have the opportunity to discuss matters together. The Mayor will need to manage these meetings to ensure they continue to unite the council and executive, rather than create division.

Councillors have put in place a practice of continually reviewing their performance through various tools, which is commendable. I encourage the Council to keep a focus on working on effective relationships among themselves and with the executive staff.

## **Other opportunities**

### Working at the strategic level

While learning their role, new councillors have been inclined to delve into operational matters. As they increase their understanding of their task as elected representatives, the councillors are placing more attention to matters of policy and strategy. Councillors should keep in mind their role to make effective decisions for their community, and the officers' role to provide the necessary advice. This will assist in strengthening the quality of decision making and the relationship between the council and the executive.

### Complex decision making

Council dealt with some more contentious matters during the first 12 months. The reflection practice of the council has been useful for discussion on these matters after the decision. I provided advice to the council to undertake a workshop on 'Working through complex community issues', within three months of the advice on 15 September 2025. The workshop is scheduled for November 2025.

### Advocacy

Councillors and the organisation have been working at a pace to progress numerous initiatives including developing an Advocacy Strategy. The adopted Strategy outlines Council's priorities for investment and regulatory change by other levels of government. The Mayor and CEO have been utilising this Strategy to guide advocacy efforts, including meetings with Federal and State politicians. The Advocacy Strategy also provides advice to the community regarding external

funding priorities. It is important to continue this advocacy and to see other levels of government as strategic partners, to achieve better outcomes for Strathbogie shire.

#### Reducing statutory obligations, especially reporting, for small councils.

The extent of statutory reporting required of local councils is considerable. This includes Annual Financial Statements, Performance Statements, the suite of corporate strategic documents, Gender Equity reporting and various other plans. Small councils face the same statutory and governance reporting obligations as larger councils. These increase operational costs. For small councils this may require hiring additional staff or reallocating existing resources to meet deadlines. Decision makers in state government should be mindful of increasing reporting demands for small councils; weighing the cost-benefit of any new requirements to these communities.

## **CONCLUSION**

Throughout its inaugural year, the Councillors have dedicated significant effort to gaining a comprehensive understanding of their role. This commitment has extended to fostering effective working relationships with their peers, with the executive team and with external stakeholders, while also establishing the Council's strategic direction for the future. Councillors will need to continue to prioritise focussing on strategic outcomes, maintaining constructive relationships with their peers and the executive team, and thoughtfully considering the advice provided by officers to become a high-functioning governing body.

I encourage the Council to continue to progress their positive work noted in this report, specifically:

- Working to generate reliable information and establish systems for informed asset management decisions
- Consider adopting the Model Governance Rules when they are available
- Continue the good practices that support collaboration between councillors and the executive team, including of regular team development workshops, council meeting evaluations, and councillor-only time to further develop their competency as a councillor team
- Follow through on implementing my advice to undertake training on Working through Complex Community Issues.

The councillors have displayed a genuine willingness to serve, motivated by a desire to enhance opportunities and restore the reputation of the Shire following a challenging period. Their engagement with their roles is evident in their proactive approach to acquiring the knowledge and skills necessary to fulfil their responsibilities as elected representatives.

The Mayor has approached her role with dedication and enthusiasm, resulting in the Council developing into a cohesive and effective team. Working collaboratively with the CEO, she has led efforts to rebuild the Shire's reputation, both within the local community and externally.

The Executive team has provided unwavering support for the Council. The Interim CEO, successfully guided the organisation through the transition from administration back to elected representation. Since her appointment, the permanent CEO has established a strong working relationship with councillors, especially the Mayor. She is committed to ensuring Council receives sound advice to inform quality decision-making and is focused on developing a capable and stable organisation for the future. In addition, the two long-serving Directors have contributed to stability for staff and continuity for decision-makers during the extended period of change. The Governance

Team has played a vital role by delivering timely, high-quality governance information to Council, including comprehensive meeting agendas.

The Council has prioritised rebuilding public trust, consistently demonstrating a commitment to fulfilling statutory obligations and delivering effective governance for Strathbogie Shire. Their efforts reflect a strong sense of responsibility and capacity to serve the community.

I extend my sincere thanks to the Strathbogie Shire Mayor and Councillors, CEO, and staff for their cooperation and commitment to good governance throughout my tenure as Municipal Monitor.

In closing, I express my appreciation for the opportunity to undertake the role of Monitor for the Strathbogie Shire Council.

## Recommendations

1. That consistent with IBAC's recommendation 34(b) in the Sandon Report, the Minister consider mandating the appropriately experienced independent member on all Councils' CEO Employment and Remuneration Committee hold the position of chair, and
2. That Local Government Victoria consider the impact on small rural councils, with limited resources, when proposing introducing new reporting obligations for local government.

**Marg Allan**

**Municipal Monitor**

**Strathbogie Shire Council**

**November 2025**

## Appendix 1 – Terms of Reference

### SCHEDULE 2

#### **TERMS OF REFERENCE OF APPOINTMENT OF THE MUNICIPAL MONITOR TO STRATHBOGIE SHIRE COUNCIL APPOINTED UNDER SECTION 179 OF THE LOCAL GOVERNMENT ACT 2020**

Without limiting the Municipal Monitor's functions and powers under sections 180 and 181, respectively, of the Act, the Municipal Monitor is:

1. To monitor the governance processes and practices of the Council, with specific regard to the following matters –
  - a. the Councillors' understanding and performance of their statutory roles and responsibilities, including the adequacy of the Council's Councillor induction training program and professional development training;
  - b. the Council's meeting procedures and decision-making processes, including attendance at briefings and Council meetings, and the adequacy of the Governance Rules;
  - c. the relationships between councillors, including councillor behaviour with respect to the Model Councillor Code of Conduct and processes for resolving disputes between councillors;
  - d. the Council's policies, processes and practices related to the recruitment, appointment, and proposed employment conditions of an ongoing Chief Executive Officer, including the establishment of an effective working relationship between the interim and the ongoing Chief Executive Officer and the councillors;
  - e. the Council's policies and practices that manage the interactions between Councillors and Council staff and contractors, and compliance with those policies and practices;
  - f. the Council's asset management practices, including its ability to meet current and future infrastructure and asset needs of the community;
  - g. any other matters that may affect the Council's ability to effectively perform its functions, including councillor behaviour that is creating a serious risk to health and safety or preventing the Council from performing its functions.
2. To advise, and provide any relevant assistance and support to the Council to ensure good governance, with specific regard to the matters raised in clause 1.
3. To assist the Council to develop an Action Plan and progress updates for any necessary governance improvements, with specific regard to the matters raised in clause 1.
4. To report to the Minister for Local Government, with respect to the matters in clause 1, on:
  - a. any steps or actions taken by the Council to improve its governance and the