

SCHEDULE 2

TERMS OF REFERENCE OF APPOINTMENT OF THE MUNICIPAL MONITORS TO MORNINGTON PENINSULA SHIRE COUNCIL APPOINTED UNDER SECTION 179 OF THE LOCAL GOVERNMENT ACT 2020

Without limiting the Municipal Monitors' functions and powers under sections 180 and 181, respectively, of the Act, the Municipal Monitors are:

1. To monitor and provide advice in relation to the Mornington Peninsula Shire Council's (Council) ability to provide good governance as defined under section 8(2) of the *Local Government Act 2020*, having regard to the following matters as relevant –
 - a. Councillors' understanding and performance of their statutory role and responsibilities, including the separation of responsibilities and functions between Councillors and the Chief Executive Officer (CEO);
 - b. The relationships between Councillors, including any matters affecting the ability for disputes between Councillors to be addressed internally before being referred to external bodies;
 - c. The relationships between Councillors and members of Council staff;
 - d. The Council's meeting procedures and decision-making processes, including councillor briefings and Council meetings, the Council's Governance Rules and the effectiveness of community engagement arrangements;
 - e. Arrangements for the appointment and performance management of the CEO;
 - f. Any Councillor that is creating a serious risk to the health and safety of Councillors, members of Council staff or other persons or is preventing the Council from performing its functions; and
 - g. Any other matters affecting the ability of the Council to provide good governance.
2. To identify, for each of the matters under clause 1 considered by the Municipal Monitors as affecting the Council's ability to provide good governance:
 - a. Any relevant deficiencies in governance policies, processes and practices;
 - b. Any advice provided to the Council, individual Councillors and / or members of Council staff about steps or actions to improve governance policies, processes and practices;
 - c. Any steps or actions taken by the Council, individual Councillors and / or members of Council staff to improve governance policies, processes and practices;
 - d. The effectiveness of the steps or actions taken by the Council, individual Councillors and / or members of Council staff to improve governance policies, processes and practices; and
 - e. Any incomplete or additional steps or actions to be taken by the Council, individual Councillors and / or members of Council staff to improve governance policies, processes and practices.
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 clauses 1 - 2.
4. To report to the Minister for Local Government on the matters raised in clauses 1 – 3 to support any further action to ensure the Council can provide good governance, including any recommendations in relation to the exercise of any Ministerial power under the Act.

5. To report to the Minister for Local Government on the costs incurred by the Council in relation to the matters contained in clauses 12 - 15 in Schedule 1 to this instrument of appointment. This is to support public transparency about the costs of monitor appointments.

The following matters are outside the scope of matters for your consideration under clauses 1-5 contained in Schedule 2 to this instrument of appointment and you should not monitor, provide advice, investigate or make recommendations relating to them:

- Recommendations 1 and 2 relating to a proposed mediation made by the Board of Inquiry into the McCrae landslide in its report dated September 2025.