

Local Government Legislation Amendment (Stronger Communities) Act 2026

The *Local Government Legislation Amendment (Stronger Communities) Act 2026* (Amendment Act) became law on 29 September 2026. This Fact Sheet provides an outline of key reforms, commencement dates and next steps.

Introduction

The Amendment Act makes a series of amendments to the *Local Government Act 2020* (LGA 2020) and the *City of Melbourne Act 2001* (COM Act).

The amendments to the LGA 2020 focus on integrity and governance processes in Victorian councils, and the legislative framework for a Local Government Fair Jobs Code (Fair Jobs Code) and the Fair Jobs Code Regulator.

Reforms to the COM Act will reform City of Melbourne electoral and governance processes by abolishing the use of group voting tickets, removing automatic voter enrolment for corporations, allowing appointment of the Deputy Lord Mayor by Melbourne City Council in certain circumstances without the need for a by-election, and authorising the declaration and application of differential rates.

This Fact Sheet contains two parts.

- Part 1 outlines amendments to the LGA 2020
- Part 2 outlines amendments to the COM Act.

They cover commencement arrangements, implementation timeframes and any further actions required to support the operation of the reforms.

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Part 1 – Amendments to the LGA 2020

Overview of reforms

The Amendment Act will strengthen and clarify integrity and governance requirements of councils by:

- implementing remaining local government related recommendations from the Independent Broad-based Anti-corruption Commission (IBAC) Operation Sardon Special Report that require legislative amendment,
- implementing recommendations made by the Commission of Inquiry into the Whittlesea City Council in 2025, and
- making other amendments to clarify and improve the operation of the LGA 2020.

The Amendment Act also delivers the Government's 2022 election commitment to establish a Fair Jobs Code tailored to local government by:

- providing for a Local Government Fair Jobs Code to be prescribed in regulations, and
- establishing a regulatory framework, including the appointment of a Local Government Fair Jobs Code Regulator (the Regulator) within the Department of Government Services, with appropriate functions and powers to monitor, investigate and report on compliance by council Chief Executive Officers (CEO) with the Fair Jobs Code and other regulatory requirements.

Key governance reforms in the Amendment Act include:

- enabling councils to declare the office of the mayor or deputy mayor vacant regardless of whether they were elected for a one or two year term
- introducing new requirements for councillors standing as candidates and nominating for Victorian State elections, including candidate leave of absence processes and requirements for councillors holding the office of mayor, deputy mayor and acting mayor to step aside from their role during the initial candidacy period
- requiring another councillor to chair a council meeting where the council is considering a matter relating to the conduct of the chair to avoid any conflict of interest and to enable the chair to participate in decision-making processes
- requiring the Principal Councillor Conduct Registrar (PCCR) to report annually on any prescribed information relating to the operation and use of internal arbitration processes (IAP) and councillor conduct panels
- requiring councils to establish a CEO Employment Matters Committee that will advise on CEO employment and remuneration matters
- enabling a standard form CEO contract of employment to be prescribed
- enabling mandatory model governance rules for Council meetings and other processes to be prescribed
- strengthening conflict of interest requirements to prevent councillors or delegated committee members with a conflict from directing, influencing or

attempting to influence others who are participating in the making of that decision

- strengthening council internal dispute resolution procedures, including by enabling the Minister to request that a council deal with a matter internally and allowing an expanded internal dispute resolution procedure to be prescribed that can deal with a wider range of internal disputes
- clarifying the operation of councillor stand down and councillor conduct framework provisions to apply penalties and administrative arrangements where a councillor is charged with a relevant offence but does not notify the CEO and does not stand down. These reforms include an important clarification in relation to the operation of the automatic stand down provision under section 229 of the Act, to limit its application only to proceedings brought by or on behalf of law enforcement agencies within the meaning of the Act. The amendments will operate retrospectively to exclude private prosecutions initiated before Royal Assent from the application of section 229
- enabling the PCCR to publish guidelines on the interpretation and application of the Model Councillor Code of Conduct for the purposes of IAP applications
- extending the period within which a councillor may apply for an IAP from 3 months to 6 months after the date of the alleged misconduct.

Reforms to the LGA 2020 to strengthen integrity and governance in councils

The IBAC Operation Sandon Special Report made 18 recommendations to improve council governance and prevent corruption, many of which have been implemented. The Amendment Act gives legislative effect to remaining Operation Sandon recommendations.

Model governance rules

The Amendment Act will enable model governance rules to be prescribed and amends section 60 of the LGA 2020 to require all councils to adopt or incorporate the model governance rules as part of their governance rules.

This reform is intended to support greater consistency in governance practices across councils, while retaining flexibility for councils to address local operational and governance matters as part of their governance rules.

The model governance rules are intended to include standard processes required or expected to be observed by councils and may relate to any of the matters in section 60(1) of the LGA 2020, including rules relating to how council and council committee meetings are to be conducted and procedures for the disclosure of a conflict of interest by a councillor.

Councils must adopt or incorporate prescribed model governance rules without modification. However, the Amendment Act provides councils with a discretion to adopt supplementary meeting procedures, provided they are not inconsistent with the model governance rules or the regulations. This preserves flexibility for councils to reflect local circumstances.

The sector and members of the public will have an opportunity to provide feedback on draft model governance rules and proposed regulations as part of a public consultation process before they are prescribed.

Chief Executive Officer employment arrangements

The Amendment Act amends section 45 of the LGA 2020 to introduce a new requirement that a council establish a CEO Employment Matters Committee. The amendments replace existing requirements that a council's CEO Employment and Remuneration Policy must provide for the council to obtain independent professional advice.

This reform will promote greater consistency and independent oversight of recruitment and employment of CEOs by requiring all councils to establish a CEO Employment Matters Committee. The Committee must be chaired by an independent person and will be responsible for providing independent professional advice on matters dealt with in the CEO Employment and Remuneration Policy, including the CEO recruitment and appointment process, performance monitoring and annual performance reviews.

The composition, functions and responsibilities of the CEO Employment Matters Committee must also comply with any requirements prescribed by regulations.

Councils will have 12 months after the relevant provisions commence to establish their CEO Employment Matters Committee. This transitional period will provide councils with time to appoint an independent Chair and put in place associated governance arrangements.

The Amendment Act also amends section 44 of the LGA 2020 to enable regulations to be made to require a CEO contract to include prescribed terms or address prescribed matters.

The Amendment Act will also insert new section 325A into the LGA 2020 which will authorise regulations to be made to prescribe any matter relating to or in respect of the employment of the CEO, including prescribing a standard form contract of employment between a council and its CEO.

Strengthening conflict of interest

The Amendment Act makes two key changes to strengthen provisions relating to the management of conflicts of interest under section 130 of the LGA 2020.

First, the Amendment Act introduces a new offence provision to prevent councillors and members of delegated committees who have a conflict of interest in respect of a decision to be made by council from directing, influencing or attempting to influence others who are participating in making that decision.

This reform is intended to ensure decision makers with a conflict of interest in a matter do not attempt to influence other decision makers outside the formal decision-making processes, and can be sanctioned if they do so. This could include, for example, canvassing for votes before a council meeting at which the matter will be considered.

This provision is limited in its application to councillors and members of delegated committees as councils have separate arrangements for managing the disclosure of conflicts of interest by members of council staff when providing information in respect of a matter under consideration by council.

Secondly, the Amendment Act provides an exception to this new requirement to allow councillors and delegated committee members to provide information in relation to a matter to the CEO or to a member of council staff nominated by the CEO. This could allow, for example, a councillor with a conflict of interest to provide the CEO with factual information that could inform the decision-making process.

The Amendment Act also introduces a new mandatory reporting requirement for CEOs to notify the Chief Municipal Inspector if they become aware that a councillor has failed to disclose a conflict of interest and exclude themselves from a decision making process as required under the LGA 2020.

Councillor conduct framework

To strengthen the transparency of the conduct system and assist in assessing whether the framework is operating as intended, the Amendment Act amends section 149 of the LGA 2020 to require the PCCR to report annually on prescribed matters about the operation of IAPs and councillor conduct panels. Prescribed

matters may include the number of applications made, rejected, withdrawn, heard and determined.

Application for an IAP

Reforms related to IAP applications will provide greater consistency, clarity and confidence in councillor conduct processes.

The Amendment Act extends the period within which a councillor may apply for an IAP from 3 months to 6 months after the date of the alleged misconduct. This will help to ensure councillors who breach the councillor conduct framework can be held accountable.

The Amendment Act also expands the functions and powers of the PCCR by enabling them to publish guidelines on the interpretation and application of the Model Councillor Code of Conduct for the purposes of IAP applications. Guidelines published by the PCCR will apply to all IAPs.

Reforms to improve leadership, cohesion and accountability within councils

The Commission of Inquiry into the Whittlesea City Council (Commission) highlighted the important role a mayor plays in guiding a council to make good decisions, representing the interests of the council and the community, and in promoting a culture of good councillor conduct. The Commission recommended changes to the LGA 2020 to support effective council leadership, strengthen councils' ability to resolve disputes internally and improve council cohesion.

Declaring the office of mayor or deputy mayor vacant

The Amendment Act amends section 23 of the LGA 2020 to remove the limitation that a notice of motion to declare the office of mayor or deputy mayor vacant can only be made in respect of a mayor or deputy mayor elected for a 2-year term.

This reform will enable councils to declare the office of mayor or deputy mayor vacant regardless of whether the length of the mayor or deputy mayor's elected term is 12 months or two years.

A notice of motion to declare the office of mayor or deputy mayor vacant must:

- specify the reasons for the proposed motion
- be signed by an absolute majority of councillors, and
- be lodged with the CEO at least 14 days prior to the council meeting.

The Amendment Act introduces additional procedural requirements where a notice of motion to declare the office of mayor or deputy mayor vacant is proposed. This includes that:

- a notice of motion to declare the office of mayor or deputy mayor vacant must specify the reasons for the proposed motion,
- the mayor or deputy mayor in respect of whom the proposed motion relates (even if they are on candidate leave of absence or have been stood down under section 228 or 229) may provide a written response to the motion which must be given to each councillor.

The Amendment Act does not alter the existing requirement that a notice of motion be signed by an absolute majority of councillors, or the requirement that the motion to declare the office of mayor or deputy mayor vacant be passed by a majority of at least three-quarters of all councillors then in office.

Councillors standing as candidates at Victorian State election

The Amendment Act introduces new requirements for councillors who 'intend to become candidates and nominate for Victorian State elections, to manage and avoid potential conflicts that may arise between the performance of their role as councillor and standing as a candidate.

The requirements apply at two stages:

- following preselection or public announcement of candidacy (initial candidacy period), and
- following nomination for election, candidate leave of absence.

These requirements will apply to Victorian State elections held on or after the 1 January 2027.

This means that current mayors, deputy mayors and councillors who have already been preselected or who have publicly announced their candidacy for the 2026 Victorian election, and any councillors who formally nominate for that election, will not be affected by these new requirements.

These requirements will only apply to Victorian State elections (not Federal elections) to avoid any potential inconsistency with Commonwealth legislation. The requirements, however, provide a best practice framework for councillors to avoid any conflicting duties that may arise in the performance of the role of a councillor when standing as a candidate for State or Federal elections.

Initial candidacy period

The Amendment Act requires a councillor to notify the CEO as soon as possible after either:

- being selected by a political party to be a candidate for election as a member of the Parliament; or
- if not a member of a political party, publicly announcing an intention to stand as a candidate for election as a member of the Parliament.

The notification must be in writing and include details of the election and, where appropriate, the date on which the councillor declared their candidacy. Upon notification, a councillor becomes a **relevant councillor** for the purposes of the new candidate leave of absence provisions inserted into the LGA 2020 by the Amendment Act.

Those provisions place the onus on the relevant councillor to notify the CEO, recognising that councillors will be best placed to determine whether and when they have publicly announced an intention to stand as a candidate.

Similar provisions apply under the *Electoral Act 2002* in determining when a person is considered a candidate for the purposes of political donation laws under that Act.

If the relevant councillor is also the mayor, deputy mayor or acting mayor when they notify the CEO, they will be deemed to be incapable of performing the functions of that office, and must not continue to perform the duties of that office during the initial candidacy period.

A relevant councillor who has given notice but does not hold an office of mayor, deputy mayor or acting mayor must not be elected or appointed to those offices during the initial candidacy period.

A mayor, deputy mayor or acting mayor who is a relevant councillor will not be entitled to receive the mayoral or deputy mayoral allowance during the initial candidacy period. They may, however, continue to perform their role as a councillor and receive their councillor allowance during the initial candidacy period.

For the purposes of these provisions, the **initial candidacy period** begins on the day the councillor notifies the CEO of becoming a candidate for election and ends on the day the councillor ceases or publicly withdraws their candidacy or nominates for election.

If the initial candidacy period ends because the councillor nominates for election, the councillor will then be taken to be on candidate leave of absence.

A mayor, deputy mayor or acting mayor who is subsequently not elected as a member of Parliament following the period of candidate leave of absence, may resume performing the duties and functions of that office (as the case may be).

Candidate leave of absence

The Amendment Act provides that a councillor who nominates for election as a member of the Victorian Parliament is taken to be on **candidate leave of absence** from the office of councillor.

Candidate leave of absence begins on the day after the councillor nominates for election and ends on the day the election result is publicly declared.

A councillor who nominates for election must give the CEO written notice of their nomination as soon as possible and no later than the day after nominating.

While on candidate leave of absence, a councillor must not perform their role as a councillor including by attending any meeting of the council, attending any delegated committee meetings or attend council premises. Councillors can continue to visit council facilities in a personal capacity, such as a library or visiting a council swimming centre for recreational purposes.

A councillor who is on candidate leave of absence is not entitled to receive an allowance and is not entitled to be reimbursed for out-of-pocket expenses incurred during the candidate leave of absence.

Chairing of conduct matters

The Commission recommended that the LG Act 2020 be amended to enable a council meeting to be chaired by another councillor where the mayor's conduct is subject of a council resolution.

The Amendment Act amends section 61 of the LGA 2020 to introduce new arrangements where a council meeting is to consider matters that relate to the conduct of the chair.

Where a matter relates to the conduct of the mayor, the deputy mayor is to chair the meeting. Where a matter relates to the deputy mayor and the mayor is not present, another councillor must be appointed to chair the meeting.

Internal dispute resolution

The Commission highlighted the need for councils to do more to address conduct and behavioral issues internally before matters escalate.

The Amendment Act strengthens internal dispute resolution arrangements by enabling the Minister to request that a council deal with a dispute between 2 or more councillors internally in accordance with:

- the council's internal dispute resolution procedure adopted under section 140 of the LGA 2020, or
- advice obtained by the council from a suitably qualified person on sufficient and appropriate steps to resolve the dispute.

This reform is intended to reinforce that ministerial intervention is reserved for exceptional circumstances, such as circumstances where a dispute remains unresolved notwithstanding a councils' good faith efforts to resolve the dispute, and the lack of resolution is affecting the council's ability to provide good governance.

To further support the ability of councils to resolve disputes, the Amendment Act will also enable an expanded internal dispute resolution procedure to be prescribed that can deal with a wider range of internal disputes involving councillors, including:

- alleged breaches of the Model Councillor Code of Conduct
- alleged serious misconduct
- disputes between 2 or more councillors.

The sector will have an opportunity to provide input and feedback on any proposed regulations relating to those matters, including on what mediation processes should be prescribed as part of an internal dispute resolution procedure.

Reforms to clarify operation of the LGA 2020

The Amendment Act includes a number of technical amendments to improve the operation of provisions relating to the councillor stand down and councillor conduct framework under the LGA 2020.

Stand down arrangements

The Amendment Act amends the LGA 2020 to clarify the operation of the councillor stand down provisions.

The amendments align penalties and administrative arrangements applying to a councillor who is stood down to ensure those provisions equally apply to a councillor who is suspended, removing uncertainty about the application of the provisions.

The Amendment Act also clarifies how certain statutory obligations apply to councillors who are stood down. For example, a councillor will not be required to submit a personal interests return while stood down, but must do so following the cessation of the stand down period.

The Amendment Act also limits the application of the automatic stand down provision under section 229 of the LGA 2020 to proceedings brought by or on behalf of a law enforcement agency such as Victoria Police or the Director of Public Prosecutions.

This will exclude the application of the automatic stand down provision from charges arising from private prosecutions. This reform will commence immediately the Amendment Act receives the Royal Assent.

Arbiter and councillor conduct panel arrangements

The Amendment Act also makes minor and technical amendments to the LGA 2020 to improve the operation of provisions relating to the councillor conduct framework.

This includes amendments to:

- clarify procedures relating to the reappointment of an arbiter or councillor conduct panel (CCP) member where an arbiter or a CCP member becomes unavailable in the course of hearing a matter.
- clarify that if an arbiter or CCP member's appointment to the panel list expires during the course of hearing a matter, they can continue to hear the matter until the matter is concluded.

Local Government Fair Jobs Code

The Amendment Act provides the legislative power to establish a Local Government Fair Jobs Code (Code). Regulations will prescribe the details of the Code, and council chief executive officers (CEOs) will be responsible for complying with it.

The Code will be developed in consultation with council CEOs and other key stakeholders.

This consultation will help shape a Code that supports secure work practices while operating effectively across the local government sector with the capacity for exemptions if needed to address specific circumstances or implementation issues.

The Amendment Act also establishes a Local Government Fair Jobs Code Regulator (Regulator). The Secretary of the Department of Government Services (DGS) will appoint a person employed under the *Public Administration Act 2004* as the Regulator.

The Regulator will have the following functions:

- monitor and assess CEO compliance with the Code
- request information or documents from councils or CEOs to assess compliance with the Code
- issue a Fair Jobs Code notice if the Regulator reasonably believes a CEO is not complying with the Code
- report to the Minister for Local Government on CEO compliance with the Code
- publish reports on CEO compliance with the Code
- provide guidance and education to CEOs and councils on their obligations under the Code

- refer suspected breaches of the Act by a CEO that extend beyond the Code to the Chief Municipal Inspector or a council
- perform any other functions conferred by the Act or regulations.

The Amendment Act requires a review of the Fair Jobs Code framework and associated regulations every five years after commencement.

Commencement

The provisions of the Amendment Act have come into operation in different stages. The amendments in Division 1 of Part 2 of the Amendment Act came into operation on 30 September 2026. This includes amendments relating to:

- declaring the office of mayor or deputy mayor vacant
- requirements for councillors standing as a candidate or nominating for Victorian State elections
- chairing arrangements where a council considers a matter relating to the conduct of the chair
- annual reporting by the PCCR on the operation and use of councillor conduct framework processes
- enabling the PCCR to publish guidelines on the interpretation and application of the Model Councillor Code of Conduct for the purposes of IAP applications
- extending the period within which a councillor may apply for an IAP from 3 months to 6 months after the date of the alleged misconduct
- the operation of councillor stand down and councillor conduct framework provisions.

The Amendment Act includes transitional arrangements so that the new requirements for councillors standing or nominating for the Victorian State election will only apply to elections to be held after 1 January 2027.

The remaining governance reforms set out in Division 2 of Part 2 and Part 3 of the Amendment Act commenced by proclamation on 20 October 2026. This includes amendments relating to:

- model governance rules
- CEO employment arrangements
- strengthened conflicts of interest requirements
- internal dispute resolution processes.

Next steps

Supporting regulations will be made in tranches. Tranche one regulations will amend the Local Government (Governance and Integrity) Regulations 2020 to:

- prescribe additional exemptions from conflicts of interest to support proposed amendments in the Amendment Act involving the consideration of councillor conduct at council meetings, and
- prescribe the information to be reported by the PCCR.

Tranche one regulations were made on 13 October and will have immediate effect once made.

Tranche two regulations will support governance reforms, including regulations to prescribe:

- model governance rules
- matters relating to the composition, functions and responsibilities of CEO Employment Matters Committees
- a standard form CEO contract or standardised clauses or matters that must be included or addressed in new CEO contracts
- procedures that councils must include as part of their council internal resolution procedure.

Further consultation with the sector will occur on the development of the regulations.

Part 2 – Amendments to the COM Act

Overview of reforms

The Amendment Act makes several amendments to the COM Act to improve fairness, transparency and effective administration of the Melbourne City Council.

Differential rates

The Amendment Act amends the COM Act to enable the Melbourne City Council to declare a higher differential rate that is up to, but no more than, 4 times the lowest differential rate while retaining the use of Net Annual Value as the valuation base for rating purposes. This increases the current maximum differential rate to two times the lowest differential rate and provides Council with an additional tool to encourage a more productive central business district and support urban renewal, improved land use outcomes and to discourage long-term property vacancy.

Group voting tickets

The Amendment Act amends the COM Act to abolish the use of group voting tickets to elect councillors to Melbourne City Council.

This reform is designed to strengthen the transparency and integrity of the electoral process by ensuring that voters have greater control over the allocation of their preferences and that the election outcomes more directly reflect voter's intentions. This reform will also align the City of Melbourne with election process in place in all other Victorian councils.

Deputy Lord Mayor vacancies

The Amendment Act amends the COM Act to allow for a councillor to be directly appointed to the office of Deputy Lord Mayor if the office is vacated six months or more before the next general election.

This reform removes the requirement for a by-election to be held in instances where a Deputy Lord Mayoral vacancy occurs outside the regular general election cycle. Direct appointment will support continuity of leadership and effective governance within the Melbourne City Council, reducing the potential for prolonged leadership gaps and supporting the ongoing performance of the Council's civic functions.

Limiting automatic voter enrolment

The Amendment Act includes reforms to modernise Melbourne City Council's electoral arrangements, bringing it in closer alignment with the broader Victorian local government framework by removing automatic enrolment of corporations and non-resident property interests.

The reform restricts automatic enrolment to residents who are on the state electoral roll with an address within Melbourne City Council boundaries. Eligible non-resident property owners and corporations will continue to be able to participate in Melbourne City Council elections but will be required to take positive steps to enrol or appoint a voting representative.

This reform is a 'first step' in the work the government is undertaking to comprehensively review the COM Act.

Commencement

The amendments set out in Part 4 of the Amendment Act relating to the filling of a vacancy in the office of Deputy Lord Mayor commenced on 30 September 2026. Other amendments in this Part have a default commencement date of 1 July 2027 unless proclaimed earlier.

Next steps

Regulations to amend the City of Melbourne (Electoral) Regulations 2001 and supporting guidance will be prepared in consultation with the City of Melbourne and other relevant stakeholders.