



**Local Government
Inspector**

LOCAL GOVERNMENT REGULATORY APPROACH

1 January 2026



Sunset on High Street – Fremantle, Western Australia
Photo by HC Digital

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Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connections to the land, waters, and community.

We pay our respects to Elders past and present, recognising the enduring contributions of Aboriginal and Torres Strait Islander peoples to the life, culture, vibrance and governance of Western Australia.

Foreword

On 1 January 2026, the State Government's most significant reforms to the *Local Government Act 1995* (the Act) came into effect.

These reforms establish a modern, robust, and accountable regulatory framework for local government oversight and integrity, supporting stronger governance, improved transparency, and better outcomes for Western Australian communities.

Central to these reforms is the establishment of the Local Government Inspector (the Inspector), an independent statutory officer with clear powers to investigate, monitor, and enforce compliance within the sector.

This structural reform reflects a significant shift to a modern compliance and enforcement model designed to strengthen integrity, accountability, and public trust in local governments.

Under the *Local Government Act 1995*, the Inspector is empowered to:

- Intervene earlier to prevent escalation of governance failures.
- Provide pathways for resolution to avoid full-scale intervention.
- Ensure greater accountability and effective decision-making.
- Provide education and information to assist in compliance with the Act and to guide conduct of local governments.
- Promote community confidence and trust.

These changes delineate regulatory compliance and enforcement led by the Inspector, with sector support and policy development which remains the responsibility of the Department of Local Government, Industry Regulation and Safety (LGIRS).

While operating independently, the Inspector and LGIRS work collaboratively to ensure coherence across the local government regulatory system. The Inspector's responsibility lies in compliance, early intervention, investigation, and enforcement; LGIRS continues to provide guidance, capacity-building, and policy advice to support uplift in sector capability.

This cooperative relationship ensures a balanced approach that promotes both accountability and improvement within the sector.

As the Local Government Inspector, I am privileged to lead this new regulatory function, supported by a dedicated team of officers who form the Local Government Inspectorate.

Our mandate includes education, early intervention, complaint management, formal investigation, and the application of compliance tools, including sanctions, when required.

Our regulatory approach is guided by the principles of proportionality, independence, fairness, and transparency. Our objectives are not solely focused on enforcement, education and collaboration with the sector are central to our work.

However, where conduct falls short of local government statutory obligations and public expectations, a timely and decisive regulatory response is necessary.

The reforms introduce several key compliance measures to address such scenarios:

- Establishment of the Local Government Inspector as an independent statutory officer, appointed by the Governor.
- New powers to appoint specialist monitors to intervene early in governance issues.
- Replacement of the Standards Panel with legal Adjudicators to expedite decisions on alleged breaches of conduct.
- Strengthened investigatory powers and higher penalties for serious or systemic non-compliance.
- Updated financial penalties to reflect inflation and enhance deterrence.

Local governments are integral to the cultural, economic, and social fabric of our communities. As autonomous entities, they are entrusted with access to significant powers and resources and must always operate with integrity, transparency, and accountability.

This document sets out the Inspector's regulatory approach and the principles that underpin our work. It reflects a forward-looking model of oversight that is proportionate, independent, and consistent with a modern regulatory environment.

We look forward to working constructively with all local governments including council members and officers, LGIRS, and sector partners to uphold good governance, build trust in local democratic institutions, and ensure local governments are providing good government for their communities.



Tony Brown

Local Government Inspector



About us

Overview

The *Local Government Act 1995* provides for the establishment of the Local Government Inspector: an independent statutory officer with statutory powers to manage complaints, investigate alleged breaches, appoint monitors, issue enforceable orders and infringements, and, where necessary, impose sanctions in response to serious behavioural or governance issues within local governments.

The Inspector is supported by a dedicated Local Government Inspectorate team, who undertake delegated responsibilities in response to and collaboration with local governments, regulatory agencies, peak bodies, and the broader community.

The Inspector's functions complement but are distinct from LGIRS' role in sector support and capacity-building. While the Department focuses on policy and guidance, the Inspector's mandate extends to independent regulatory oversight, proactive education and information, compliance monitoring, and timely enforcement action.

The overarching objective of the Inspector and Inspectorate is to enhance accountability, build community confidence, and ensure timely, consistent and proportionate responses to governance failures across WA's local government sector.

Legislative context

The office of the Local Government Inspector is established under Part 8B of the *Local Government Act 1995*. The Inspector is a purpose-built statutory regulator with a clear mandate to identify, investigate, and resolve governance and conduct failures across WA local governments.

The Inspector is empowered to act independently of ministerial or departmental direction, with a clear mandate to strengthen accountability, improve transparency, and uphold community confidence in local government performance.

The Inspector's role is designed to address these priorities through targeted intervention and enforcement action at the earliest appropriate stage. The Inspector operates within a broad statutory and regulatory framework, including:

- *Local Government Act 1995*.
- Local Government (Local Government Inspector) Regulations 2025.
- Local Government (Administration) Regulations 1996.
- Local Government (Model Code of Conduct) Regulations 2021.
- Local Government (Audit) Regulations 1996.
- Local Government (Financial Management) Regulations 1996.
- Local Government (Functions and General) Regulations 1996.
- Local Government (Regional Subsidiaries) Regulations 2017.

Regulatory environment

Western Australia's local government sector

Local governments are independent corporate entities established under the *Local Government Act 1995*. They are responsible for delivering a wide range of local services and representing the democratic interests of their communities.

The *Local Government Act 1995* is the primary legislation governing the powers, responsibilities, and conduct of local governments in WA. In addition to this Act, the delivery of services – such as land use planning, local transport, infrastructure and public works – is supported by a broader legislative and regulatory framework.

Local governments are accountable for their own conduct and have the authority to deliver services as prescribed. Local government accountability extends across a diverse range of stakeholders, including:

- The Western Australian **community**.
- Elected **council members** and local government **candidates**.
- Local government **officers**.
- **Peak bodies** such as the Western Australian Local Government Association and Local Government Professionals WA.
- **State regulators**, including the Local Government Inspector, LGIRS, the Department of Planning, Lands and Heritage, the Public Sector Commission, Building Commissioner, WorkSafe Commissioner and the Western Australian Electoral Commission.
- **Integrity agencies** such as WA Police, the Corruption and Crime Commission, the Office of the Auditor General, and the Ombudsman WA.
- Other **state** or **federal agencies** that interact with or support local governments.
- The Parliament of Western Australia, through the **Minister for Local Government**.

Stakeholders across this regulatory environment are collectively focused on supporting local governments to achieve positive outcomes for their communities.

However, the sector faces increasing complexity and higher expectations from the public, driven by changes in the way communities live, work, and interact.

These pressures have amplified the importance of local governments and the critical role they play in enabling community wellbeing and resilience.

When good governance is not provided, it can undermine public confidence and lead to adverse community outcomes.

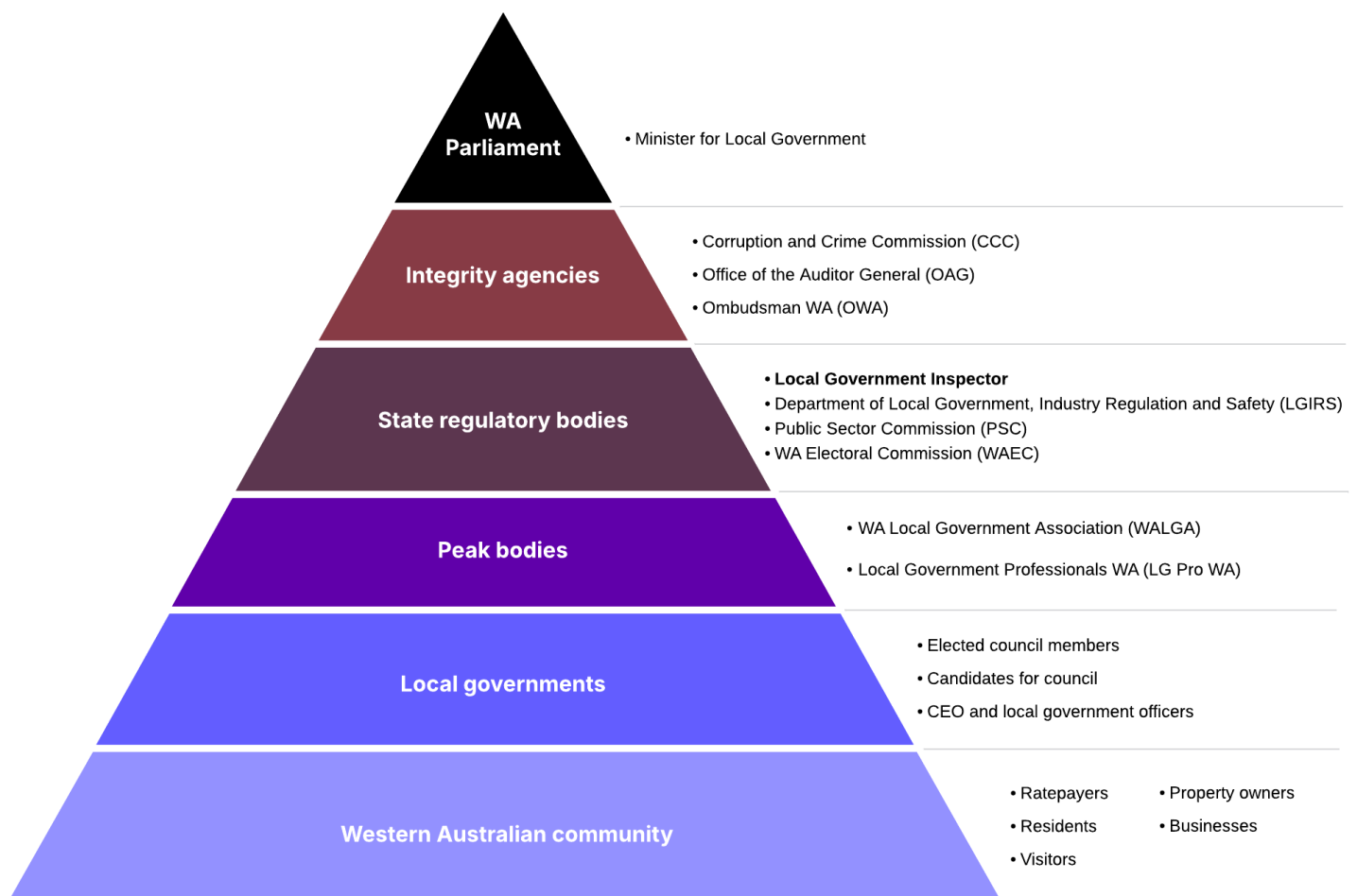
As an independent statutory officer, the Inspector investigates serious cases and complaints of dysfunction and behavioural or conduct breaches.

This function complements the work of other regulatory, integrity bodies, and interaction with the WA Governor, Minister for Local Government and LGIRS.

Peak bodies, and other State Government agencies, also play an important role in supporting local governments to provide good government to the WA community.

Figure 1 illustrates the regulatory environment that local governments operate in and the key organisations that work within this environment.

Figure 1 | Local government regulatory environment in WA



Working with the sector

The *Local Government Act 1995* establishes the Local Government Inspector as the independent regulator of local governments.

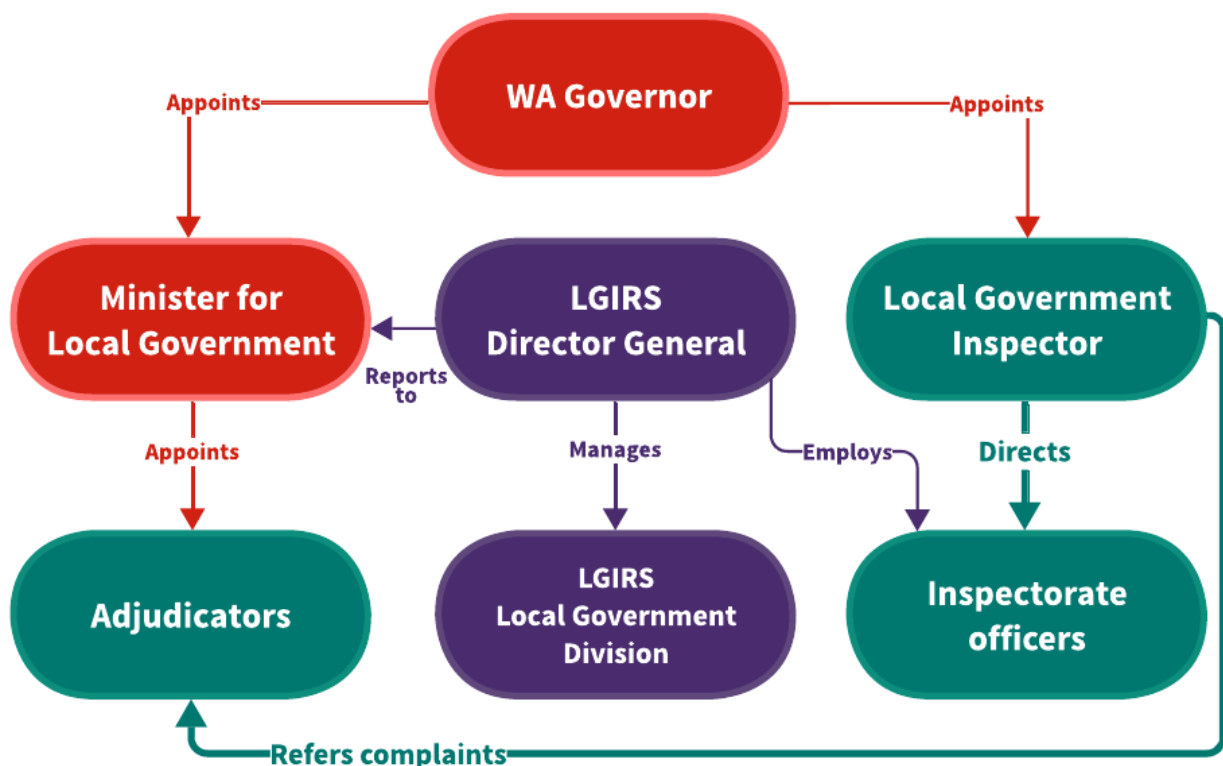
All core regulatory functions such as monitoring, investigation, assessment, and enforcement are consolidated under the authority of the Inspector.

The Inspector's regulatory approach is grounded in open, constructive, and proportionate engagement with the local government sector.

Effective engagement strengthens regulatory confidence, promotes voluntary compliance, and facilitates informed, risk-based intervention. It also encourages a sector-wide culture of continuous improvement.

The Inspector's authority and accountability are embedded within a regulatory architecture designed to uphold statutory independence while maintaining coherence with broader government oversight structures.

Figure 2 | Reporting structures and relationships



This delineation preserves the necessary separation between enforcement and support functions, as follows:

- **Governor of Western Australia:** Appoints both the Minister for Local Government and the Local Government Inspector, reinforcing a statutory separation of powers.
- **Minister for Local Government:** Receives recommendations from the Inspector regarding the appointment of independent adjudicators and provides policy oversight in alignment with legislative intent.
- **Local Government Inspector:** Independently leads the Inspectorate workforce, with responsibility for regulatory oversight, compliance, early intervention, investigation and enforcement under the *Local Government Act 1995*.

- **Director General of LGIRS:** Employs Inspectorate officers who are operationally accountable to the Inspector. LGIRS retains responsibility for non-regulatory functions, including local government support services, capacity-building, and development of guidance materials to better support the sector, such as the accounting guidelines, fair value guidelines, and model financial statements.

This delineation of responsibilities ensures a clear institutional separation between advisory and enforcement roles, safeguarding procedural fairness and minimising conflicts of interest in regulatory decision-making.

The Inspector's regulatory effectiveness is underpinned by key regulatory enablers:

- **Skilled and independent workforce:** Inspectorate officers are formally appointed through LGIRS but operate under the direct authority of the Inspector. They may be delegated powers to exercise the Inspector's regulatory functions, including the use of investigative authority and compliance tools necessary to fulfill the Inspector's statutory mandate.
- **Collaboration:** The Inspector maintains strategic relationships across the integrity ecosystem and the local government sector, including local governments, WALGA, LG Pro WA, other regulatory or oversight bodies, and with LGIRS in executive sectoral support functions.

These relationships foster mutual accountability and sector-wide performance uplift.

- **Modern digital systems:** Fit-for-purpose digital platforms and data capabilities enable evidence-based triage of complaints, risk prioritisation, performance tracking, and public reporting to ensure transparency, consistency, and proportionality in regulatory responses.
- **Communicating guidance and expectations:** The Inspector communicates in a transparent and consistent manner, publishing thematic guidance, findings, and compliance alerts to help local governments understand their obligations.

This includes publications for the sector including outcomes arising from compliance reviews, investigations or inquiries.

Together, these enablers form the operational backbone of the Inspector, enabling credible, independent and proportionate regulation that is responsive to both systemic and individual risks.

Regulatory approach

Our regulatory principles

Our local government regulatory approach is underpinned by principles that guide our regulatory activities, derived directly from the statutory environment:

- **Independence:** The Inspector and Inspectorate officers generally act independently and are not subject to direction from the Minister or any other person in the performance of their functions, save for specific exceptions, such as the Minister issuing general policy directions.
- **Expectations of regulated entities:** Regulated entities are expected to act with integrity, transparency, and accountability. The Inspector promotes a culture of compliance and ethical conduct and integrity. Regulated entities are expected to cooperate with investigations and regulatory processes.
- **Education and engagement:** The Inspector recognises the importance of proactive education and engagement with local government sector stakeholders. This includes publishing resources, and opportunity for dialogue to foster compliance through understanding of regulatory obligations.
- **Due process and fairness:** The regulatory process mandates the acknowledgement and assessment of complaints. Where a breach complaint is accepted, the Inspector must notify the complainant and the respondent. Before making a finding or imposing a sanction, the respondent must be given a reasonable opportunity to make submissions.
- **Evidence-based decision-making:** A finding that a conduct breach has occurred must be based on evidence from which it may be concluded that it is more likely that the conduct breach occurred than that it did not.
- **Public interest and transparency:** The Inspector may exercise discretion to withhold certain notifications if disclosure would prejudice a person's fair trial, an investigation, or is otherwise contrary to the public interest. Conversely, the Inspector ensures transparency by publishing adjudicator and SAT censures and orders on the Inspector's website.
- **Approach to regulatory risk:** The Inspector adopts a graduated, risk-based regulatory approach, prioritising matters that pose the greatest risk to public trust, governance, and integrity. This includes actively managing the risk of regulatory capture, maintaining operational independence, transparency, and internal controls.
- **Accountability for misapplication of funds:** The Inspector (or an authorised person) may initiate court action to recover misapplied funds or property from any local government council member or employee who wilfully or negligently caused the loss. Successful action can result in the individual being disqualified from holding office for up to five years.

How we regulate

Our graduated approach

The Inspector's graduated regulatory approach ensures statutory responses are proportionate to the level of risk, circumstances, and available tools. This encourages self-regulation and voluntary compliance within the local government sector.

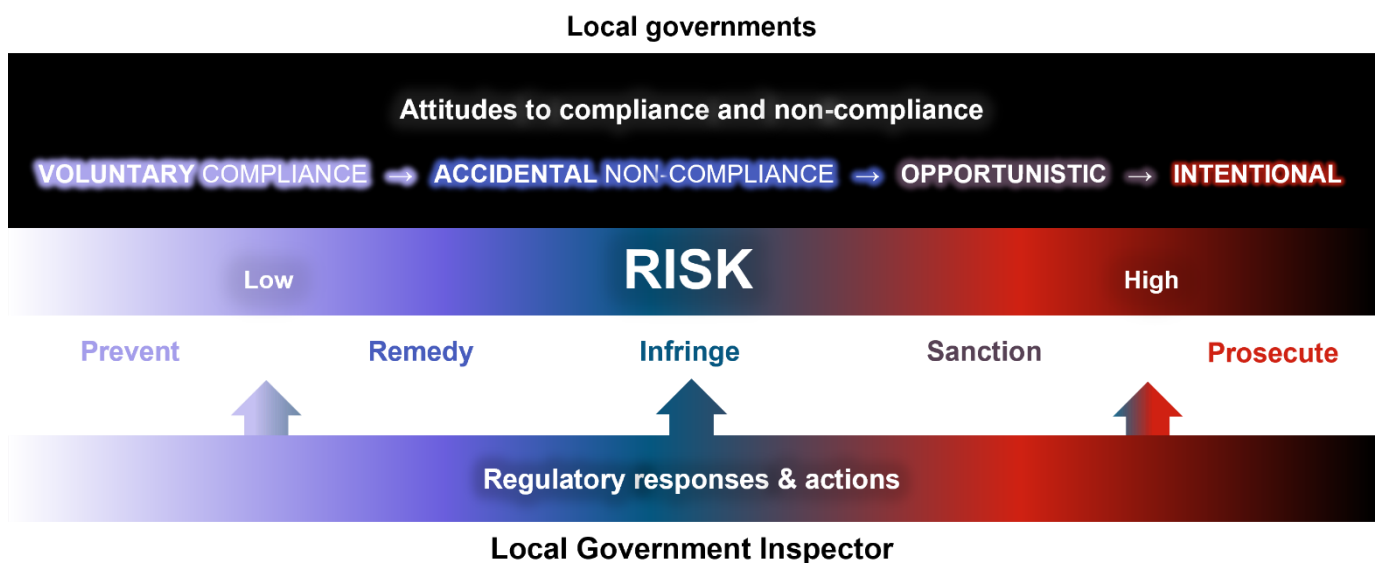
Where local governments are not following advice and have a deliberate disregard for obligations or repeated non-compliance, the Inspector's response is more assertive.

Our model prioritises early detection and intervention, supported by ongoing monitoring, targeted investigations, and timely, evidence-based decisions.

Regulatory action begins with low-level measures such as guidance and dialogue, escalating to formal statutory action only when necessary.

Escalation is guided by the local government's compliance attitude and the severity of the risk, with more formal tools applied only when earlier interventions are ineffective or insufficient:

Figure 3 | Graduated regulatory approach



Our regulatory functions

The Local Government Inspector adopts a proportionate, intelligence-led regulatory model, balancing education, early intervention and enforcement.

We are committed to a principles-based, risk-driven regulatory approach that is aligned with best practice and tailored to the unique context of each local government issue.

While supporting sector-wide improvement, the Inspector's primary mandate is to uphold integrity and safeguard the public interest through independent compliance and enforcement action.

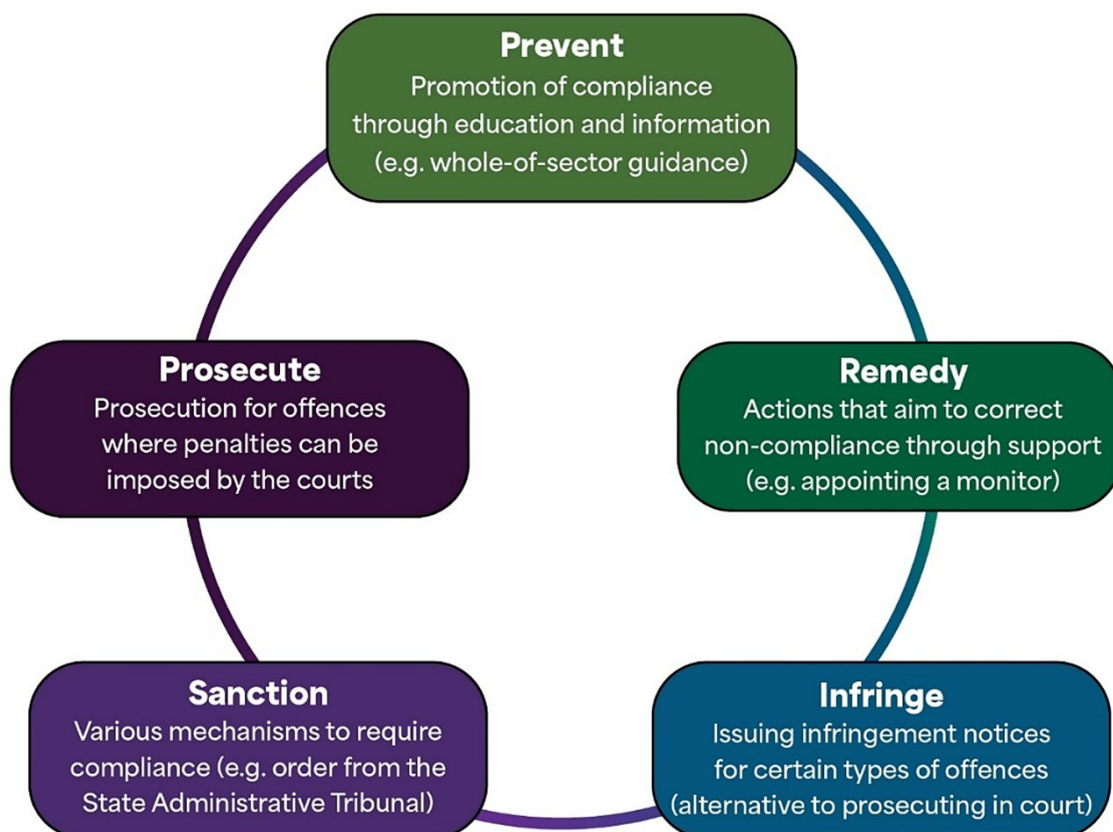
We aim to support local governments in achieving compliance through education and guidance. Where necessary, we will take enforcement actions to address non-compliance and ensure good governance.

Our actions are grounded in evidence, responsive to changing circumstances, and always seek to maintain integrity within the local government sector.

We engage early, act decisively where governance standards are breached, and share insights to elevate sector performance.

To achieve a risk-based approach that is grounded in our principles, the Inspector, in collaboration with other sector stakeholders, undertakes the following core functions outlined in Figure 4.

Figure 4 | Key regulatory functions



These functions are critical to effective regulation and represent the key activities required to monitor, investigate and enforce compliance in support of good governance within the local government sector.

They are delivered in cohesion and do not represent a scale of increasing involvement.

Intervention approach

Governance, compliance and monitoring

The Inspector proactively monitors adherence to legal and ethical obligations across all local governments, with a focus on identifying patterns of emerging risk and systemic non-compliance.

Compliance monitoring activities include:

- Assessment of complaints and sector data.
- Reviews of council performance trends and governance indicators.
- Detection of non-compliance with local laws, financial management regulations, and audit requirements.
- Monitoring the implementation of recommendations and directives.

Monitors

Under Part 8B Division 5 of the Act, the Inspector has the power to appoint monitors to provide targeted support to councils experiencing conflict, non-compliance, or serious performance issues.

Monitors assist with early intervention, supporting councils to restore effective governance and operational integrity before escalation to formal enforcement measures.

The deployment of monitors is a preventative tool used to:

- Address governance concerns promptly.
- Provide expert guidance and practical support to elected members and administration.
- Restore public confidence through demonstrated improvement.
- Minimise disruption to service delivery.

Complaints and investigations

The Inspector recognises the value of complaints, referrals, information from the public, local governments, and other agencies as a critical source of regulatory intelligence.

These inputs enable early detection of non-compliance, misconduct, and systemic risks.

A person may complain to the Inspector regarding a behavioural, conduct or specified breach. The Inspector is to determine the type of breach complaint.

We apply a risk-based triage model to assess complaints and information received. This ensures matters are prioritised according to their seriousness, potential impact, and relevance to the Inspector's legislative remit.

The Inspector may request further information from any relevant person regarding the complaint. Investigations are undertaken with a commitment to procedural fairness, independence, and proportionality.

The Inspector will have broad powers to refuse to consider a complaint that is trivial, vexatious or misconceived. This system is designed to enable the Inspector to focus on dealing with credible complaints about potentially significant issues.

Low-risk matters may be referred to the local government or another oversight body, while high-risk matters may trigger direct intervention, investigation, or adjudication.

Our complaints management is guided by principles of accessibility, procedural fairness, confidentiality, and transparency.

Clear pathways are provided for individuals and organisations to raise concerns, supported by digital platforms and streamlined processes that make it easier to lodge, track, and resolve matters.

Adjudicators

The Minister for Local Government may appoint adjudicators to determine matters relating to behavioural complaints and conduct breaches of the Act.

This adjudication function replaces the former Local Government Standards Panel and reflects a broader commitment to independent, consistent, and timely resolution of disputes.

Adjudicators operate separately to the Inspector and are administered by LGIRS.

Inspector's Inquiry

Where the Inspector determines there may be severe dysfunction in a local government, the Inspector may initiate an Inspector's inquiry.

During such an inquiry, the Inspector and their staff may require people associated with the local government to attend an interview, answer questions and compel evidence from them.

The Inspector must prepare a report at the end of the inquiry setting out their findings. This report may recommend the council, or a council member, be suspended or dismissed.

Any decision to suspend or dismiss the council or a council member will be made by the Minister.

The Minister for Local Government will retain the option to establish a panel of inquiry, renamed an 'independent inquiry'. Independent inquiries will continue to have all the powers of a Royal Commission.

Enforcement

The Inspector can compel compliance using various tools commensurate with the degree of non-compliance. Where appropriate, complaints may lead to broader regulatory responses.

The Inspector will have the power to order a local government, council members, a local government CEO, or employees to comply with provisions of the Act and stop contravening the Act.

The Inspector can also deal with certain prescribed offences via an infringement with a modified penalty.

Where an infringement is not appropriate, breaches that are investigated by the Inspector may employ escalating enforcement mechanisms depending on the nature of the breach, the evidence gathered and intended outcome.

For example, the Inspector can consider the following options:

- appointing a monitor;
- apply to the State Administrative Tribunal to make an order; or
- initiate prosecution through the court system.

Suspension and dismissal

The reforms include stronger penalties for conduct breaches, including possible suspension of office for up to three (3) months.

Where the behaviour of a council or individual council members is so serious that it prevents the local government from functioning properly, the Inspector may recommend that the Minister for Local Government suspend the council or council members.

Any council member who is suspended 3 times for a breach will be disqualified from office for ten (10) years.

Where an Inspector's inquiry finds that a council or its members' actions make them unlikely to be able to provide good government, the Inspector may recommend their dismissal.

Penalties and sanctions

Penalties for offences have been revised throughout the Act, with financial penalties roughly doubled. This reflects the effects of inflation since the Act was passed in 1995.

The tier of penalty applied to each offence is based upon several factors including:

- the seriousness of the offence;
- the need for an appropriate deterrent;
- if the offence should be subject to an infringement scheme; and/or
- the penalty for a similar offence under another Act.

The Inspector will be able to deal with certain prescribed offences by way of an infringement notice with modified penalties, ensuring greater compliance with the Act.

Measures of success

We measure our performance not just by compliance outcomes, but by long-term improvements in local government performance, reductions in repeat dysfunction, and increased community trust in the local government sector. Local governments providing good government of their districts.

To this end, our success also includes positive engagement with sector stakeholders to achieve constructive resolution of issues.

Influencing compliance attitudes

The Inspector is committed to strengthening accountability, improving sector performance, and maintaining public confidence in the integrity of local government.

We begin by providing opportunity to correct behaviour. Where this fails, or risk to the public interest is high, we will escalate to investigation and, if required, enforcement action.

A local government's attitude toward compliance is a key factor in assessing risk. Proactive, transparent, and cooperative behaviours reduce the need for formal enforcement and enable early resolution through education and engagement.

In parallel with enforcement, the Inspector supports the sector through capacity-building initiatives that strengthen governance and improve decision-making. This includes:

- Publishing **sector-wide guidance and explanatory materials**, including emerging trends, case studies and thematic analyses and compliance alerts to help local governments understand their obligations. This includes guidance publications to the sector, regulatory FAQs, and outcomes arising from investigations or inquiries.
- Publishing **Annual Reports, investigation outcomes and compliance findings** to demonstrate regulatory action and clarify expectations.

The Inspector's functions extend beyond reactive investigation into proactive capacity-building, driven by systematic data collection and analysis regarding complaint patterns, designed to promote compliance and better governance outcomes in local government.

This dual approach, education and enforcement, ensures that the Inspector not only holds local governments to account, but also enables them to succeed.

Performance and reporting

As a public officer, the Inspector is accountable to the Minister, the Crime and Corruption Commission, the Public Sector Commission, the Auditor General, the Ombudsman and ultimately, the Western Australian Parliament.

Whilst the Minister may give directions to the Inspector in relation to their functions either generally, or in relation to a particular matter, a direction cannot be in relation to a particular person, or complaint. The text of a direction to the Inspector must be included in the Inspector's annual report.

To ensure performance aligns with the Inspector's mandate, the Inspector must prepare an Annual Report on activities, which will be tabled in Parliament.

The report shall contain information on investigations, enforcement and trends, including aggregate complaint and resolution data.

The Inspector's performance is directly related to their functions set out in the Act. Figure 5 below, presents key performance indicators used to monitor Inspector performance.

Figure 5 | Local Government Inspector performance measurement

Function	Key performance indicator
Provide education and information to assist in compliance with the Act and to guide the conduct of local governments	<ul style="list-style-type: none"> • Number of educational guidance documentation published. • Number of monitors appointed. • Number of monitors appointments resulting in improved governance outcomes. • Feedback from councils on monitor effectiveness. • Number of reports made public. • Timeliness of reports being made public. • Website engagement metrics. • Media sentiment. • Participation in integrity sector collaboration.
Monitor conduct	<ul style="list-style-type: none"> • Percentage of conduct matters identified through proactive monitoring vs complaints. • Number of conduct trends reported to the Minister or LGIRS. • Reduction in repeat conduct breaches.
Receive and deal with complaints under Part 8A of the Act	<ul style="list-style-type: none"> • Percentage of complaints triaged within 10 business days. • Median time to resolve complaints. • Percentage of complaints closed without escalation.
Conduct investigations into local governments and their operations and affairs, whether in response to a complaint or on the Inspector's own initiative	<ul style="list-style-type: none"> • Number of investigations completed. • Percentage of investigations resulting in formal findings. • Percentage of recommendations accepted by councils.
Conduct inquiries under Part 8 Division 1 of the Act	<ul style="list-style-type: none"> • Number of inquiries initiated by Inspector. • Percentage of inquiries resulting in formal recommendations or enforcement actions. • Time from initiation to completion of inquiries.



GOVERNMENT OF
WESTERN AUSTRALIA

Local Government Inspector

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