



Fact sheet:

Personal Interest Returns

The declaration of personal interests is a key means of achieving public transparency and good governance in local government.

Under the Local Government Act 2020 (the Act), the community must be able to see the shareholdings, trusts, business associations and other private interests of councillors, members of councils' delegated committees and key staff identified by the Chief Executive Officer.

Public visibility of relevant interests helps reduce the risk to council of decision-makers and staff providing advice to council carrying out their duties with bias or for personal gain or loss – that is, having a conflict of interest.

The Local Government Inspectorate can investigate and prosecute those who do not declare their interests as required under Division 3 of the Act and the *Local Government (Governance and Integrity) Regulations 2020* (the Regulations).

Following reforms to the Act in 2024, the Inspectorate now has the power to issue infringement notices for breaches of personal interest return requirements.

Personal interests can create a potential conflict of interest

For public entities, it is imperative that decision-makers and key personnel regularly declare their personal interests. This is because **conflict of interest** provisions of Division 2 of the Act may apply and need to be declared where personal/private interests intersect with public responsibilities.

Where a specified person declares a conflict of interest, that person is not permitted to take part in any discussion or decision-making process to do with the matter where the conflict exists. This

potentially stand to gain a benefit or loss.

The integrity of the councils' internal processes and its decision-making is of paramount importance and must be protected at all times. This is why transparency around people's personal interests is so important in building the trust between the council and its community.

The recent Special Report – Operation Leo – released by the Independent Broad-based Anti-corruption Commission (IBAC), published in October 2024, highlights the risk to councils and consequences of a failure by councillors to disclose personal interests and identify potential conflicts of interest. As a result of the failures, key decisions made by council were compromised.

Declaring your personal interests

The Act sets out that a *specified person* must lodge an initial personal interests return, and a subsequent biannual personal interest return every March and September.

The returns must be made using a form which meets the requirements of Regulations 8 and 9 of the Regulations and submitted to the council's CEO.

A **specified person** includes a Councillor; a member of a delegated committee who is not a Councillor; a Chief Executive Officer, or a Nominated Officer (a person nominated by the CEO because they have statutory or delegated power, duty or function)

Specified persons must submit their **initial personal interests return** within 30 days after taking the oath or affirmation of office (for Councillors) or appointment (for staff and members of delegated committees).

Biannual personal interest returns must be submitted twice-yearly by the end of the prescribed period for the entire time the position is held. The prescribed periods are from 1 to 31 March and 1 to 30 September inclusive.

A summary of the personal interest return **must then be published by Council's CEO on its website.**

What interests must be declared?

The Regulations clearly set out what interests must be declared. It is important to note that a biannual interests return **must** include interests that were held at **any** time during the previous six months (since the last return was submitted), regardless of whether they are still held at the time the return is submitted.

That is, if a specified person owned a property in the municipality that was sold in mid-July, they are still required to declare that property on their personal interests return for the September return period.

Prior to submission, each return must include the specified person's full name, council name, position held and must be signed by the specified person. There is **no requirement for the personal interest return to be witnessed.**

Corporations – You must declare if you are a director or member of a governing body
(Example: You are a director of a privately owned small proprietary company; you are on the board of a public company, including registered charities; you are on the board of a company that is set up as trustees of a trust; you hold a leadership position with incorporated associations, such as sporting clubs)

Unincorporated association – You must declare if you have a leadership role
(Example: Organised community groups such as sports clubs that are not operating under a formal structure. Note: You do not have to declare if you are only a club member)

Business partnerships or joint ventures – You must declare any business operate under these legal structures
(Example: You own a small business in partnership

with your spouse; you have joint ownership of a business with a business partner)

Trusts – You must declare where you are a trustee or beneficiary

(Example: You must declare paid employment or any person or any body you have contracted or consulted to if you have earned more than \$10,000 in the previous six months)

Land owned – You must declare land owned in the municipality or adjoining municipality
(Example: You must declare any land solely or jointly owned, including land owned through a trust or company that you control; you must also declare property that is still subject to a mortgage)

Significant shareholdings – You only need to declare shares if certain thresholds are met
(Example: You must declare significant shareholdings if the total value of the company in which you hold shares does not exceed \$10 million; and you hold more than \$10,000 worth of shares in the company. You do not need to declare shares held through externally managed superannuation fund. Shares held in self-managed super funds that meet the threshold must be disclosed.

Companies – You must declare where you have a controlling interest
(Example: You and your family own 50 per cent of the shares in a small family business)

Personal debt – You must declare personal debt of over \$10,000
(Note: You do not need to disclose any debt to immediate family members, banks or any level of government)

Any other interest – You should declare any other interest which may give rise to a conflict of interest
(This covers a range of potential conflicts such as employment or property held by your spouse, parents and close associations you have with persons or organisations that do not fall into one of the above categories. Disclosure in this category is optional)

Who is responsible for managing personal interest submissions?

The CEO will provide all Councillors, delegated committee members and Nominated Officers with a personal interest return form.

The obligation for ensuring the return is completed correctly and submitted within the prescribed return period sits entirely with the specified person.

A failure to meet legislative requirements may result in an investigation being launched and action being taken by the Inspectorate against the individual.

Penalties for non-compliance

The Inspectorate may investigate and potentially prosecute specified persons for a failure to comply with legislated personal interests requirements.

The maximum penalty is **60 penalty units or \$11,855.40** (from 1 July 2024).

The Inspectorate may also issue a warning or a penalty notice, with an associated fine of 3 penalty units or \$592.

Summaries of personal interests – Public access

At the conclusion of each return period, the CEO must collate a summary of personal interests of specified persons in accordance with section 135 of the Act. The completed summary must then be published on the council website.

The summary must include information contained in the most recently submitted return, **excluding:**

- The monetary value of income
- Shares
- Debt and other beneficial interests
- The street address and number of any land of the place of residence (but it must include the suburb, unless Regulation 10(2)(c)(i) of the Local Government (Governance and Integrity) Regulations 2020 is approved by the CEO following a request in writing)

- Information in the return the CEO considers should be excluded under Regulation 10(2)(c).

When must the public summary be published

An amendment to section 135(3)(a) of the Act in late 2024, now requires that the CEO facilitate the publishing of the summary of personal interests returns on the council's internet site within 45 days after:

- An initial personal interests return is due to be lodged
- A biannual personal interests return is due to lodged.

Frequently Asked Questions

Q: Why do I need to comply with all personal interest declaration requirements?

A: The Inspectorate and other integrity agencies have previously identified that non-compliant personal interest returns are an ongoing issue across Victorian councils.

A review of councillor interest returns for the 2016-20 council term, together with a survey of councillors found that **51 per cent of councillors were not strictly compliant**. While some of the issues identified were minor in nature, the scale of non-compliance was concerning.

The Inspectorate published a report and made 14 recommendations to improve compliance. The full report is [here](#).

Q: Where can I get advice on completing my personal interest return?

A: Specified persons may seek assistance completing their personal interest return from:

- Council governance staff
- The CEO
- Local Government Victoria
- A personal or independent lawyer
- A personal or independent accountant

It is to be noted that while council staff can be a good first point of contact, they are limited in the advice they can provide. Where any confusion exists, it is recommended that the individual sources their own independent legal advice.

Q: Do I need to lodge a return if I am acting in a role that is a nominated officer/position?

A: If a staff member is appointed into an acting role, where that role has been identified as a Nominated Officer by the CEO, it is the Inspectorate's recommendation that the staff member submit an initial interest return (within 30 days), as if the appointment was made on a permanent basis.

Depending on the length of the acting appointment, it is also recommended that the staff member subsequently submit a biannual interests return during the prescribed return period, until the acting appointment ceases. Meeting this requirement protects both the council and the staff member should a query be raised in the future in regard to a matter they were involved in while undertaking their acting duty.

Q: Do I need to lodge a return if I will be / have been absent during the return period?

A: Where a specified person is absent during the prescribed return period (March / September), it is incumbent on that person to complete and submit their return immediately upon their return. While all efforts are to be made for the person to submit the return within the prescribed period, where it is established that the return has been submitted at the earliest time possible, no action will be taken by the Inspectorate in relation to a breach of the Act.

Q: How long should councils make each summary publicly available for?

A: The Act and Regulations do not provide guidance around how long previous personal interest return

summaries are to be publicly available on their websites.

The Inspectorate recommends that councils maintain all interest return summaries for the entire four-year council term on their website to achieve maximum public transparency.

Q: What resources are available to governance staff?

A: Sample emails and checklists that can be used by governance staff are available for download on the Inspectorate's website under *Resources for councils*. An example provided by the City of Melbourne Council can be found [here](#).

Governance staff can also contact peak bodies such as the Municipal Association of Victoria (MAV), VLGA and LGPro for training and assistance, as well as getting in touch with other councils to support them with this process. Local Government Victoria also has some [useful guidance material](#) on its website.



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Local Government Inspectorate

Encouraging higher standards of integrity, accountability and transparency in local government

Level 27, 1 Spring Street, Melbourne, VIC 3000 | inspectorate@lgi.vic.gov.au | 1800 469 359 | www.lgi.vic.gov.au