



Local Government Standards Panel

Complaint Number	20250615
Legislation	<i>Local Government Act 1995</i>
Complainant	Ms Natalie Mills
Respondent	Councillor Rosemary Madacsi
Local Government	Shire of Toodyay
Regulation	Regulation 18 Regulation 21 of the <i>Local Government (Model Code of Conduct) Regulations 2021</i>
Panel Members	Mr Tim Fraser (Presiding Member) Ms Emma Power (Member) Cr Bronwyn Ife (Member)
Heard	13 June 2025 Determined on the documents
Finding	1 x Breach Regulation 21

FINDING AND REASONS FOR FINDING

Delivered 20 October 2025

DEFAMATION CAUTION

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Summary of the Panel's decision

1. On 13 June 2025, the Panel found that Councillor Rosemary Madacsi, an elected member of the Shire of Toodyay ("**the Shire**"):
 - a. did not commit a minor breach pursuant to the *Local Government Act 1995 (WA)* ("**the Act**") and Division 4 and Regulation 18 of the *Local Government (Model Code of Conduct) Regulations 2021* ("**the Regulations**"); and
 - b. did commit a minor breach pursuant to the Act, and Division 4 and Regulation 21 of the Regulations,when she referenced a report that was allegedly confidential in a Facebook Post and a speech at an ordinary council meeting as further set out in paragraph 17 below.

The Panel's Role

2. Under section 5.110(2) of the Act the Panel is required to consider a minor breach complaint and make a finding as to whether the alleged minor breach occurred.
3. The Act and the *Local Government (Administration) Regulations 1996* provide for the circumstances in which a council member commits a minor breach.
4. Section 5.105(1) of the Act provides that a council or committee member commits a minor breach if the council or committee member contravenes a rule of conduct. Division 4 of the Regulations sets out the rules of conduct for council members and candidates.
5. Regulation 34D of the *Local Government (Administration) Regulations 1996* also provides that the contravention of a "*local law as to conduct*" is a minor breach pursuant to the Act.
6. The Panel may make a finding that a councillor has committed a minor breach of the Act and Regulations based on evidence from which it may be concluded that it is more likely that the alleged breach occurred than it did not occur.¹
7. In order to find a breach, it must be established that each element of the relevant Regulation is more likely than not to have been breached or met.
8. In considering whether a minor breach is established the Panel must consider:
 - a. all evidence provided and, where there are conflicting circumstances, inferences or evidence, must come to a reasonable conclusion that any circumstance, inference or evidence relied upon is more likely than not to have occurred or be accurate²; and
 - b. the seriousness of any allegation made, as well as the gravity of the consequences flowing from a particular finding³.

¹ Section 5.106 of the Act

² *Bradshaw v McEwans Pty Ltd* (1951) 217 ALR 1

³ *Briginshaw v Briginshaw* (1938) 60 CLR 336



9. The Panel does not possess investigative or supervisory powers.⁴ The Panel makes decisions about complaints regarding minor breaches solely upon the evidence presented to it and, where appropriate, materials in the public domain or published by the relevant local authority's website.
10. It is the responsibility of both complainants and respondents to provide the Panel with all information they wish the Panel to consider when making its determination.
11. The Panel also must have regard to the general interests of local government in Western Australia⁵.
12. The Panel is obliged to give notice of the reasons for any finding it makes under section 5.110(2) of the Act.

Jurisdiction and Procedural Fairness

13. On 27 May 2025 the Panel received a complaint from Mr Aaron Bowman acting as complaints officer of the Shire ("**the Complaints Officer**"). The same enclosed a Complaint of Minor Breach Form dated 23 May 2025.
14. In the Complaint of Minor Breach Form the Complainant has alleged that, Cr Madacsi has breached:
 - a. regulation 18 Regulations; and
 - b. regulation 21 of the Regulations,when she referenced a report that was allegedly confidential in a Facebook Post and a speech at an ordinary council meeting as further set out in paragraph 17 (together "**the Complaint**").
15. The Panel convened on 13 June 2025 to consider the Complaint.
16. The Panel:
 - a. accepted the advice of the then Department of Local Government, Sport and Cultural Industries (now the Department of Local Government, Industry Regulation and Safety) ("**the Department**") that, based on information published on the Western Australian Electoral Commission's website, Cr Madacsi was:
 - i. elected to the Council of the Shire in October 2023 for a term expiring in October 2027;
 - ii. a Councillor at the time of the alleged breach; and
 - iii. a Councillor when the Panel met on 13 June 2025;
 - b. was satisfied the Complaint was made within six months after the alleged breach occurred⁶;

⁴ Re and Local Government Standards Panel [2015] WASC 51 (at paragraph 24)

⁵ Section 8(6) of Schedule 5.1 of the Act

⁶ Section 5.107(4) and 5.109(2) of the Act



- c. was satisfied that the Shire's Complaints Officer had dealt with the Complaint in accordance with the administrative requirements in the Act for dealing with complaints of a minor breach⁷;
- d. was satisfied the Department had provided procedural fairness to Cr Madacsi; and
- e. found it had jurisdiction to consider the Complaint.

The Specifics of the Complaint

17. The Complainant provided the following comments and arguments in respect to the Complaint as summarised by the Panel below:
- a. Cr. Madacsi actions in extracting and publicly disseminated specific information from a confidential report are a breach of regulation 18 and regulation 21.
 - b. The extracts were presented without the necessary context, thereby providing an incomplete and misleading account to the public. This selective disclosure not only breaches the confidentiality requirements inherent in her role but also appears to have been undertaken to gain a personal advantage, creating a favourable public perception of Cr Madacsi while simultaneously casting an unfair and adverse light on other Councillors who were aware of the full context of the confidential information.
 - c. Such actions fundamentally misrepresent the true perspective of the confidential matter and demonstrate a biased position, significantly compromising the integrity and trust placed in elected members. This conduct has caused considerable adverse reflection on the Chief Executive Officer and the Council as a whole, by overstepping proper governance protocols and encroaching upon the established administrative functions designed to manage sensitive information responsibly.

Allegation - Breach of Regulation 18 & Regulation 21

- d. Breach of Confidentiality
 - i. Cr. Madacsi disclosed a specific and targeted section of a confidential report, which is not accessible to the general public. This action violates the established protocols for handling confidential information within the Shire of Toodyay.
- e. Failure to Act with Reasonable Care and Diligence
 - i. By selectively disclosing a portion of the Moore Report without providing the full context, Cr. Madacsi has presented a misleading and incomplete picture of the matter.

⁷ Section 5.107 and 5.109 of the Act



- ii. This selective disclosure demonstrates a lack of reasonable care and diligence in fulfilling her duties as a councillor. Specifically, she failed to consider the potential consequences of her actions, including:
 - A. the creation of a distorted public perception due to the absence of crucial contextual information;
 - B. reputational damage to the Shire of Toodyay;
 - C. reputational damage to the CEO; and
 - D. undermining of the council's established processes.
 - iii. It is expected that a councillor would act in a manner that ensures transparency and accountability while upholding the integrity of confidential information. By posting a small section of the Moore Report, this has not been done.
 - iv. The act of posting this information to social media, shows a clear lack of care, and a disregard for the correct process for disclosing information.
- f. Detrimental Impact
- i. Cr Madacsi's actions have resulted in the dissemination of misleading information, which has caused damage to the reputation of the Shire of Toodyay and further eroded public trust in its operations.
 - ii. The targeted disclosure has also placed the CEO in a compromised position, as the public lacks the full context necessary to assess the information fairly.
 - iii. The council process has been undermined, as the public has been given a small section of information, and not the full and correct information.
- g. Evidence:
- i. Cr Madacsi made a Facebook Post with the disclosure as follows:



 Cr Rosemary Madácsi
20 February at 15:31 · 🌐

ORDINARY COUNCIL MEETING
27 FEBRUARY 2025 (Edited)

A big agenda with proposed policy changes - what does this mean?

Shire auditors, Moore Australia, said (Feb 2024) "whilst the operations are the responsibility of the CEO, the council is responsible for setting the framework for operations via adopted council policies".

The Local Government Act agrees
2.7(2) the council's governing role includes the following:
(b) determining the local government policies

The Corporate Documents Policy includes the process for council to review policies

Policies to be retired

- * Corporate Documents
- * Use of Surveillance Devices
- * Compliance and Enforcement
- * Long Term Financial Plan
- * Museum Collection and Conservation Management
- * Personal Information
- * Asset Management
- * Corporate Uniforms and Personal Protective Equipment
- * Council Delegates, Roles and Responsibilities
- * Road Upgrade Criteria
- * Vehicle Usage
- * Compliance (current)
- * Complaints of Alleged Breach of the Code of Conduct

Policies – amended or to be adopt

- * Purchasing Policy
- * Execution of Documents
- * Regulatory Compliance (edit: not proceed)

Removal of some Delegatory Instruments

- * Accession of artefacts into museum collection
- * Clearance development approval conditions
- * Advice to Dept. Planning, Lands + Heritage
- * Advising other regulatory bodies

Change

- * Authorisation of a person to deal with complaints

Other Business

- * Bejoording Fire Station - Funding Proposal
- * Terms reference- Heritage and Sustainability Working Groups
- * Monthly Financial Statements - Dec 2024
- * List of Payments - Dec 2024
- * List of Payments - Jan 2025

Questions to be asked on separate post.

- ii. This quote was repeated in in her speaking to her objection on item 9.1.1, during the 27 February 2025 Ordinary Council Meeting.
- iii. The Moore Australia Final Report Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls (**"the Moore Report"**) was a report marked confidential by the CEO, originally provided to the Audit and Risk Committee at their meeting on 14 February 2024.
- iv. The Moore Report was also identified as confidential by Moore Australia.
- v. The Moore Report was consequently provided to Councillors for their Ordinary Council Meeting of 27 March 2024 whereby the document was also marked Confidential by the CEO.
- vi. Cr Madacsi was in attendance at that meeting and voted for receiving the confidential Report.



- h. Cr Madacsi also referenced confidential information contained within the Moore report 9 further times in the 27 February 2025 Ordinary Council Meeting.
- i. Cr Madacsi has disclosed on Facebook and verbally on 10 occasions through the 27 February Ordinary Council Meeting, a part of a confidential document.
- j. Cr Madacsi is aware of what comprises a Confidential document under the Code.

The Respondent's Response

- 18. By an email dated 4 June 2025, Cr Madacsi provided a response to the Complaint.
- 19. Cr Madacsi denies that she has committed any minor breach.
- 20. Cr Madacsi provided the following comments and arguments regarding the Complaint as summarised by the Panel:
 - a. The Act states Cr Madacsi's role as councillor requires her decisions to be based on legislation, policy and how the decision will contribute to the good governance of the persons in the district.
 - b. The February 2024 Audit and Risk Committee ("**ARC**") meeting resolved to receive the Moore Report and requested the CEO to develop and provide an action plan to respond to the actions listed for consideration and review, by the ARC March 2024 meeting.
 - c. The Moore Report was marked Commercial In Confidence and was presented as a confidential attachment to Council at the 27 March 2024 OCM.
 - d. The March 2024 ARC meeting considered parts of the Moore Report and resolved that the CEO to report the completion status of certain risks quarterly by way of further report.
 - e. The June 2024 ARC meeting received the Outstanding Actions report which was recorded as confidential, however its contents, updated to reflect completion of the 'following tasks' was included within the new report.
 - f. The July 2024 ARC in Item 4.2 received a progress update which was not marked confidential.
 - g. In September 2024 ARC again received a progress update also not marked confidential.
 - h. The December 2024 ARC received another update.
 - i. After June 2024 the Risk Assessment and Improvement Plan in the Moore Report was no longer deemed confidential and available as meeting attachments on the Shire website.



- j. The column 'Risk Assessment Category Risk, Issue and Failure Modes' in the Risk Assessment Improvement Plan is directly copied from the Moore Report 7.0 Framework Implementation, 'Matters Identified /Improvement' column.

Regulation 18 and Regulation 19

- k. Cr Madacsi strongly refutes the allegations made against her.
- l. In the twelve months preceding the February 2025 Ordinary Council Meeting, Report had formed the basis of the publicly accessible Financial Management Review Risk Assessment and Improvement Plan.
- m. The plan under which an extensive review of policy was being undertaken, and which contained direct excerpts from the Moore Report. The Financial Management Review Risk Assessment and Improvement Plan was no longer presented as confidential. The Moore Report was Commercial In Confidence.
- n. At the February 2025 meeting sixteen policies were put for review that had not been presented to Councillors previously for comment. Most of the officer's reports to these policies directly quoted and referenced the Moore Report.
- o. To debate the merits of policy amendments under review and correct inaccurate quotes from the Moore Report that altered the perspective of advice, it was necessary to mention the correct reference in the Moore Report.
- p. Cr Madacsi was very aware of the Commercial in Confidence constraint and tailored her responses to be concise without disclosing commercially confidential material. Cr Madacsi had researched and prepared notes and strategies for debate to maintain focus.
- q. Contrary to allegations, Cr Madacsi demonstrated care and diligence with a Commercial in Confidence document that the shire was using, to only quote that which by legal definition did not qualify as commercial in confidence. Cr Madacsi also endeavoured to provide a clear and concise argument based on legislation and relevant reports.
- r. The points Cr Madacsi raised that referenced the Moore Report were generalised regarding policy review and consistent with those raised in the officer's report and the Risk Assessment and Improvement Plan policy review.
- s. The accuracy had been determined within the Moore Report therefore used as Cr Madacsi did, it was not misleading nor could cause damage to the reputation of the Shire of Toodyay or erode public trust in its operations or undermine the council process.
- t. To the contrary, Cr Madacsi does not believe she has distorted public perception due to the absence of further contextual information in debate, or by the extract used on Facebook which stated the policy process as reflected the local government framework for policy management and the Moore Report because the statement:



“ while the operations of the shire are the responsibility of the CEO, the council is responsible for setting the framework for operations via adopted council policies”

was not considered Commercial in Confidence by per definition, and was consistent with publicly available material in DLGSC Operational Guidelines, and the Act.

- u. Therefore, Cr Madacsi does not believe she violated the established protocols for handling confidential material with the Shire of Toodyay’s Public Disclosure of Confidential Material, as the findings formed the (FMR) Risk Assessment and Improvement Plan and the basis of the officer’s report.
- v. Cr Madacsi’s actions were transparent, respectful, accurate and she had maintained the confidentiality of the Moore Report as legally defined.

PANEL’S CONSIDERATION

Regulation 18

21. Regulation 18 prohibits councillors engaging in conduct to either gain an advantage for themselves (or another party) or cause detriment to another party and specifically provides as follows:

“ 18. Securing personal advantage or disadvantaging others

(1) A council member must not make improper use of their office —

(a) to gain, directly or indirectly, an advantage for the council member or any other person; or

(b) to cause detriment to the local government or any other person.

(2) Subclause (1) does not apply to conduct that contravenes section 5.93 of the Act or The Criminal Code section 83.”

22. To make a finding of a minor breach of regulation 18(1)(b) of the Regulations the Panel must be satisfied to the required standard that:
- a. Cr Madacsi was an elected member or a candidate at the time of the alleged breach and the time of the determination;
 - b. Cr Madacsi made use of her office as Council member of the Shire;
 - c. when viewed objectively, such use was an improper use of Cr Madacsi’s office in that it:
 - i. involved a breach of the standards of conduct that would be expected of a person in the position of councillor by reasonable persons; and



- ii. was so wrongful and inappropriate in the circumstances that it calls for the imposition of a penalty; and
- d. Either:
 - i. in respect to regulation 18(1)(a) Cr Madacsi engaged in the conduct with the intention of gaining an advantage for herself or another party; or
 - ii. in respect to regulation 18(1)(b) Cr Madacsi engaged in the conduct in the belief that detriment would be suffered by another person.

Code of Conduct

- 23. The Shire has a Code of Conduct Elected Members, Committee Members and Candidates adopted by Council 22 November 2023 (**“the Code”**).
- 24. The relevant provisions of the Code are as follows:

“ 4. Personal integrity

- (1) *A council member, committee member or candidate should —*
 - (a) *act with reasonable care and diligence; and*
 - (b) *act with honesty and integrity; and*
 -
 - (e) *avoid damage to the reputation of the local government.”*

“ 5. Relationship with others

- (1) *A council member, committee member or candidate should —*
 - (a) *treat others with respect, courtesy and fairness; and*
 - (b) *respect and value diversity in the community.”*

“ 9. Relationship with others

- A council member, committee member or candidate —*
 - (a) *must not bully or harass another person in any way; and*
 - (c) *must not use offensive or derogatory language when referring to another person; and.....”*

Regulation 18

Cr Madacsi was an Elected Member or a candidate at the relevant times

- 25. Cr Madacsi was an elected member at the time of the alleged breach and at the date the Panel considered the Complaint.
- 26. This element is met.



Cr Madacsi made use of her office as Council Member of the Shire

27. In the context that:

- a. in respect to the Facebook Post:
 - i. Cr Madacsi made the relevant Post using councillor Facebook profile;
 - ii. the relevant post related to a matter relating to the Shire; and
 - iii. Cr Madacsi was purporting to communicate with and guide the local municipality,
- b. in respect to the comments made during the 27 February 2025 Ordinary Council Meeting Cr Madacsi was attending and speaking in her role as an elected member,

the Panel finds that it is more likely than not that Cr Madacsi was acting in her capacity as an elected member and made use of her office as a council member when undertaking the conduct; and

28. This element is met.

Cr Madacsi's use was improper

29. Deciding if conduct is an improper use of office requires something more than simply a demonstration of poor judgment or lack of wisdom. It requires an abuse of power or the use of the councillor's position in a manner that such councillor knew (or ought to have known) was not authorised.
30. Impropriety does not depend on a councillor's consciousness of impropriety. It is to be judged objectively and does not involve an element of intent.
31. Any decision as to what is "improper" cannot be made in isolation but must be considered in the relevant context including the specifics of the relevant event as well as councillor's formal role and responsibilities.
32. In the case of impropriety arising from an abuse of power, a councillor's alleged knowledge or means of knowledge of the circumstances in which the power is exercised and his purpose or intention in exercising the power will be important factors in determining whether the power has been abused⁸.
33. In this case, it is argued that Cr Madacsi acted improperly as she provided a quote from the Moore Report without context which allegedly:
 - a. provided an incomplete and misleading account to the public;
 - b. demonstrated a biased position; and
 - c. significantly compromised the integrity and trust placed in elected members.
34. The quote in question from the Moore Report is as follows:

⁸ Treby and Local Government Standards Panel [2010] WASAT 81 (at 31); Chew v The Queen (1992) 173 CLR 626 (at 640 - 641 [Dawson JJ]); R v Byrnes (1995) 183 CLR 501 – (at 514 - 515 [Brennan, Deane, Toohey and Gaudron JJ] and at 521 [McHugh J]).



“ While the operations of the Shire is the responsibility of the CEO, the Council is responsible for setting the framework for operations via adopted council policies, this is consistent with the Local Government Act....” (“the Quote”)

35. With due respect to the Complainant, there is nothing in the particular Quote that is unusual in scope, or requires significantly more context to be understood. Cr Madacsi simply provided the Quote, agreed with it and did not, in fact, make any further statement as to how it should be interpreted.
36. It is clearly the CEO’s role to manage the usual operations of the Shire and Council’s role to adopt Council policies. It is a gross exaggeration to assert that such comment resulted in:
 - a. the public lacking the full context necessary to assess the information fairly; or
 - b. Council processes being undermined.
37. The Panel considers that the Complainant is essentially arguing that Cr Madacsi must have acted improperly as she took a particular stance in respect to the relevant matter before Council as to policy review.
38. Cr Madacsi is perfectly entitled to have her own stance or opinions on any matter before Council and to promote those opinions to the public (by way of social media or speaking at Council Meetings) whether or not this appears “biased” to other parties. This does simply does not:
 - a. indicate that a councillor has not acted with reasonable care and diligence;
 - b. amount to an improper use of office; or
 - c. establish an intent to advantage or disadvantage a particular party,as is required to establish a breach of regulation 18.
39. It is a fundamental feature of democracy and the local government system that elected members may choose to support, or not support, certain matters that come before Council. Councillors are also entitled to attempt to sway members of the public to their point of view on any particular matter.
40. As such, the Panel does not find that Cr Madacsi acted improperly on the above basis.
41. It is further argued that Cr Madacsi acted improperly and without due care or diligence in breaching confidentiality of the Moore Report.
42. The Panel refers to its comment below as to Regulation 21 and finds, to the required standard, that using the Quote from the Moore Report in social media and in the relevant Council meeting was improper to the extent that it breached confidentiality and showed a lack of care and diligence in disregarding the Act and Regulations as to keeping confidential documents confidential.
43. Given the above, the Panel finds that it is more likely than not that providing the Quote from the Moore Report was improper only in so far as it breached confidentiality) was improper as:



- a. the conduct was in breach of the Code of Conduct and Regulations;
- b. the conduct was of such a nature that a reasonable individual would consider the same to be inappropriate or not in keeping with the conduct that would be expected of a councillor; and
- c. the conduct is not deserving of a penalty.

44. This element is met.

Regulation 18(1)(a) Cr Madacsi intended to gain an advantage and Regulation 18(1)(b) Cr Madacsi intended to cause a disadvantage

45. The definitions of the noun ‘advantage’ in the Shorter Oxford English Dictionary (6th ed) include: a favouring circumstance; something which gives one a better position, benefit; increased well-being or convenience or pecuniary profit.
46. The Panel considers the term ‘advantage’ in regulation 18(1)(a) is to be construed widely, and includes a financial or a non-financial benefit, gain or profit, or any state, circumstance, opportunity or means specially favourable.⁹
47. It is not necessary to find whether any advantage actually gained¹⁰ but an intent to gain such advantage must be established.
48. Detriment” means loss, damage or injury. It is construed widely and includes financial and non-financial loss and adverse treatment, such as humiliation, denigration, intimidation, harassment, discrimination and disadvantage.
49. It is not necessary to find whether any detriment was actually suffered¹¹, but an *intent* to cause such detriment must be established.
50. In this case, as the Panel only found that Cr Madacsi’s conduct was improper due to the breach of confidentiality requirements, it has only considered this element with respect to such conduct.
51. It is argued by the Complainant that Cr Madacsi’s conduct:
 - a. was undertaken to gain a personal advantage, creating a favourable public perception of Cr Madacsi;
 - b. showed the CEO and other councillors in an unfair and adverse light; and
 - c. caused damage to the reputation of the Shire of Toodyay.
52. In this case, the Panel considers it is clear that Cr Madacsi:
 - a. did not consider that she was breaching confidentiality by using the relevant Quote; and
 - b. was clearly using the Quote to simply establish the framework of her statements.

⁹ Complaint SP 12 and 13 of 2011

¹⁰ *Yates and Local Government Standards Panel* [2012] WASAT 59 at [72]

¹¹ *Yates and Local Government Standards Panel* [2012] WASAT 59 at [72]



53. The Panel has previously found that the “advantage” gained by presenting a matter in a certain manner in an attempt to make oneself look better, or generally attempting to gain support of your stance is not the type of advantage which falls under regulation 18(1)(a). These are general (and somewhat necessary) personality traits for people in the public eye.
54. As such, the Panel finds to the required standard that Cr Madacsi did not intend to gain any personal advantage either by taking a particular stance on the matter or by breaching confidentiality.
55. In respect to *intending* any detriment to be caused, the Panel finds that although it may cause minor reputational damage to Cr Madacsi or the Shire due to breaching confidentiality, it was not Cr Madacsi’s intent to cause any such detriment as it is clear there was no express intent to breach such confidentiality (as discussed below).
56. Further, there is nothing presented that indicates that Cr Madacsi intended that, or that her actions even were even remotely likely to, show the CEO or other councillors in a poor light.
57. The Panel finds to the required standard that Cr Madacsi did not have any intention to cause a detriment to the Shire, the other councillors of the Shire or any other party by the relevant conduct, but rather her predominate intention was to communicate with the community as to proposed policy changes in her capacity as an elected member.
58. This element is not met

Conclusion

59. The elements required to find a breach of regulation 18 of the Regulations have not been met.

Regulation 21

60. Regulation 21 prevents the disclosure of confidential or restricted information obtained by a councillor and reads as follows:

“21. Disclosure of information

(1) *In this regulation —*

closed meeting means a council or committee meeting, or a part of a council or committee meeting, that is closed to members of the public under section 5.23(2) of the Act;

confidential document means a document marked by the CEO, or by a person authorised by the CEO, to clearly show that the information in the document is not to be disclosed;

document includes a part of a document;



non-confidential document means a document that is not a confidential document.

- (2) *A council member must not disclose information that the council member —*
- (a) *derived from a confidential document; or*
 - (b) *acquired at a closed meeting other than information derived from a non-confidential document.*
- (3) *Subclause (2) does not prevent a council member from disclosing information —*
- (a) *at a closed meeting; or*
 - (b) *to the extent specified by the council and subject to such other conditions as the council determines; or*
 - (c) *that is already in the public domain; or*
 - (d) *to an officer of the Department; or*
 - (e) *to the Minister; or*
 - (f) *to a legal practitioner for the purpose of obtaining legal advice; or*
 - (g) *if the disclosure is required or permitted by law.”*

61. To make a finding of a minor breach in respect to regulation 21 of the Regulations the Panel must be satisfied that:
- a. Cr Madacsi was an elected member at the time of the breach and at the time the matter was determined; and
 - b. that it is more likely than not that:
 - i. Cr Madacsi disclosed information to someone who at the time was not also a Councillor of the same local government; and
 - ii. the disclosed information was acquired by Cr Madacsi either:
 - A. from a confidential document; or
 - B. at a council or committee meeting, or a part of a council or committee meeting, that was closed to members of the public under section 5.23(2) of the Act; and
 - iii. if the information was acquired at a closed council or committee meeting, Cr Madacsi did not derive the disclosed information from a non-confidential document; and
 - iv. the disclosed information was not information already in the public domain or the disclosure did not occur in any of the ways identified in regulation 21(3).



Regulation 21

Cr Madacsi was an elected member at the relevant times

62. Cr Madacsi was an elected member at the time of the alleged breach and at the date the Panel considered the Complaint.
63. This element is met.

Cr Madacsi disclosed the information to a person or persons not being another elected member of the Shire

64. The relevant information alleged to be confidential was disclosed by way of a public Facebook comment and also during a speech during the Ordinary Council Meeting of 27 February 2025 (**“the OCM”**).
65. This element is met.

The disclosed information was information Cr Madacsi acquired:

- from a confidential document; or
 - at a council or committee meeting (or part thereof) that was closed to members of the public under section 5.23(2) of the Act
66. The Complainant has asserted that the relevant Quote by Cr Madacsi was from the Moore Australia Final Report Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls (**“the Moore Report”**) which was originally provided to originally provided to the Audit and Risk Committee at their meeting on 14 February 2024 and marked by the CEO as being confidential.
 67. The Audit and Risk Committee was also provided with a Risk Assessment (Audit Regulation 17) Report from Moore (**“the Risk Assessment”**) which was also marked as confidential).
 68. Subsequently (based upon the recommendations contained in the Moore Report) Audit and Risk Committee recommended the CEO report regularly to the Audit and Risk Committee on the actions undertaken regarding the risks identified in the Report. This action was ratified by Council and Shire of Toodyay Risk Assessment Improvement Plan was put in place and regular updates duly provided. The relevant updates and the Shire of Toodyay Risk Assessment Improvement Plan was, in due course, made public in the minutes of the Audit and Risk Committee meetings.
 69. There is no question that the Moore Report and Risk Assessment were confidential at the initial meeting of the Audit Committee where they were received.
 70. Each of these documents were then used to inform the Shire’s risk management practices and then produce the Shire’s public risk management policies and documentation which are all public and not confidential documentation.
 71. However, despite this:



- a. the actual Quote used by Cr Madacsi in her Facebook Post appears to be only included in the Moore Report (page 15 in Item 6.2) and not be expressly repeated in the subsequent reports/updates; and
 - b. the Moore Report itself was never made public and remains confidential.
72. As such, the Panel finds to the required standard that the Quote used by Cr Madacsi in the Facebook Post was acquired from a confidential document.
73. The Panel further notes that it is alleged that Cr Madacsi further referred to the Moore Report several times during the OCM.
74. However, the Panel does not consider the Moore Report's existence, or the fact it related to review of Shire policy was confidential at the stage Cr Madacsi made her comments the subject of the Complaint. This is clearly demonstrated by the information contained in the "Background" in Item 9.1.2 in the Agenda and Minutes for the OCM and in many sets of prior minutes of the Audit and Risk Committee.
75. Further specifics as to certain existing and future policy reviews and risks, as well as the Shire's management strategies relating to the same, were also clearly referred to in several sets of minutes and agendas from and following mid 2024 and were, therefore, also not confidential in nature.
76. This element is met only with respect to the Quote as that was specifically taken from the Moore Report.

Cr Madacsi did not derive the disclosed information from a non-confidential document, or that the exceptions set out in regulation 21(3) do not apply

77. In this case, as noted above, the relevant Quote was derived from Moore Report.
78. As mentioned above, the Moore Report was not ever made public. As such, there is no relevant exception the subject of regulation 21(3) in respect to the Quote used by Cr Madacsi.
79. The Panel further notes that it is alleged that Cr Madacsi further referred to the Moore Report several times during the OCM, however, the Panel notes that at that stage, the existence of the Moore Report (and the fact it suggested review of various stated Shire policies) was in the public domain and had been referred to in many sets of public minutes and agendas of Council and the Audit and Risk Committee.
80. As such, this information was the subject of the exception set out in regulation 21(3)(c) of the Regulations as that information was already in the public domain.
81. This element is met only with respect to the Quote used by Cr Madacsi in her Facebook Post.

Conclusion

82. The elements required to find a breach of regulation 21 of the Regulations have been met only with respect to the use of the Quote.
83. The Panel notes, however, that the breach is of a relatively minor sort and, although Cr Madacsi should have been particularly careful where some aspects of the Moore



Report and the Risk Assessment were public, but some remained confidential, the breach:

- a. only related to material of a very general nature; and
- b. was clearly inadvertent in nature.

PANEL'S FINDINGS

84. Cr Madacsi did not commit a breach of Regulation 18 of the Regulations and therefore did not commit a minor breach.
85. Cr Madacsi did commit a breach of Regulation 21 of the Regulations and therefore did commit a minor breach.

Erin Gauntlett (Presiding Member)

Emma Power (Member)

Bronwyn Ife (Deputy Member)

Signing



Local Government Standards Panel

Complaint Number	20250615
Legislation	<i>Local Government Act 1995 (WA)</i>
Complainant	Ms Natalie Mills
Respondent	Councillor Rosemary Madacs
Local Government	Shire of Toodyay
Regulation	Regulation 21 <i>of the Local Government (Model Code of Conduct) Regulations 2021</i>
Panel Members for Penalty Consideration	Ms Erin Gauntlett (Presiding Member) Ms Emma Power (Member) Cr Peter Rogers (Member)
Heard	13 June 2025 Determined on the documents
Penalty Considered	4 December 2025
Outcome	Public Apology

DECISION AND REASONS FOR DECISION

Delivered 16 February

DEFAMATION CAUTION

The general law of defamation, as modified by the *Defamation Act 2005 (WA)*, applies to the further release or publication of all or part of this document or its contents. Accordingly, appropriate caution should be exercised when considering the further dissemination and the method of retention of this document and its contents



Introduction

1. At its meeting on 29 November 2024, the Panel found that Councillor Rosemary Madacsi, a councillor of the Shire of Toodyay (“**the Shire**”), committed a minor breach under the *Local Government Act 1995 (WA)* (“**the Act**”) and regulation 21 of Division 4 of the *Local Government (Model Code of Conduct) Regulations 2021* (“**the Regulations**”) when she referenced a confidential report in a Facebook Post (“**the Minor Breach**”).

Jurisdiction and Law

2. The Panel convened on 4 December 2025 to consider how it should deal with the Minor Breaches.
3. The Panel accepted the advice of the Department of Local Government, Industry Regulation and Safety (“**the Department**”) that on this date there was no available information to indicate that Cr Madacsi had ceased to be, or was disqualified from being, a councillor.
4. If the Panel finds that a councillor has committed a minor breach, it must give the councillor an opportunity to make submissions to the Panel about how it should deal with the breach under section 5.110(6).¹
5. By a letter dated 20 October 2025, Cr Madacsi was:
 - a. notified of the Panel’s finding of the Minor Breaches;
 - b. provided with a copy of the Panel’s Finding and Reasons for Finding; and
 - c. offered an opportunity to make submissions as to how the Minor Breaches should be dealt with under section 5.110(6) of the Act.

Possible Sanctions

6. Section 5.110(6) of the *Local Government Act 1995 (WA)* (“**the Act**”) provides that the Panel is to deal with a minor breach by:
 - (a) *ordering that no sanction be imposed; or*
 - (b) *ordering that —*
 - (i) *the person against whom the complaint was made be publicly censured as specified in the order;*
or
 - (ii) *the person against whom the complaint was made apologise publicly as specified in the order;*
or
 - (iii) *the person against whom the complaint was made undertake training as specified in the order;*
or

¹ *Local Government Act 1995 (WA)*, s 5.110(5).



- (iv) *the person against whom the complaint was made pay to the local government specified in the order an amount equal to the amount of remuneration and allowances payable by the local government in relation to the complaint under Schedule 5.1 clause 9;*

or

- (c) *ordering 2 or more of the sanctions described in paragraph (b).*

Cr Madacsi's Submissions

7. By an email dated 27 October 2025 the Department received a response from Cr Madacsi.
8. Cr Madacsi provided the following comments as summarised by the Panel:
 - a. Cr Madacsi accepts the Panel's finding she breached Regulation 21 of the Code of Conduct.
 - b. Cr Madacsi accepts she was mistaken in considering the quote was exempt from confidentiality by the CEO because of public dissemination of excerpts of the Report.
 - c. Although Cr Madacsi is aware of what comprises a Confidential document under the Code of Conduct and the definition of Commercial in Confidence, Cr Madacsi believed she had shown due caution. Cr Madacsi's intent was simply to reinforce the responsibility of council in policy development, and in using the direct quote to add weight to the principles the Act imparts.
 - d. There was no ulterior motive other than good governance and transparency of process, which Cr Madacsi has espoused and tried to demonstrate in the 10 years she has been in local government.
 - e. This misjudgement will impact the perception of her integrity, that in itself is distressing to her, however due to the current hostile political environment of Toodyay, further misrepresentation will undoubtedly follow.
 - f. Therefore, Cr Madacsi requests that no sanction is applied and that the Panel consider Cr Madacsi's enrolment for the Diploma in Local Government - Elected Member (awaiting confirmation) and the breach will provide the level of awareness required.

Panel's Consideration

9. Section 5.110(6) is solely about penalty. The Panel does not have the power to review any finding of a breach.
10. The Panel may order under section 5.110(6)(a), that no sanction be imposed, not to reverse the Panel's finding of a breach, but to indicate that in all the circumstances the relevant councillor should not be penalised further.
11. Guidance as to the factors which the Panel may consider in determining the appropriate penalty to impose include, but are not limited to, the following:
 - a. the nature and seriousness of the breaches;



- b. the councillor's motivation for the contravention;
 - c. whether or not the councillor has shown any insight and remorse into his/her conduct;
 - d. whether the councillor has breached the Act knowingly or carelessly;
 - e. the councillor's disciplinary history;
 - f. likelihood or not of the councillor committing further breaches of the Act;
 - g. personal circumstances at the time of conduct, and of imposing the sanction;
 - h. need to protect the public through general deterrence and maintain public confidence in local government; and
 - i. any other matters which may be regarded as aggravating conduct or mitigating its seriousness².
12. In this case the Panel acknowledges that Cr Madacsi has accepted and shown insight into her breach and the Panel further recognises that in this case:
- a. certain portions of the relevant report had been released to the public;
 - b. the information released by Cr Madacsi was of a very general nature; and
 - c. there was no deliberate intention to breach confidentiality.
13. The Panel further commends Cr Madacsi for undertaking a Diploma in Local Government and the Panel considers this indicates her dedication to her role as a local councillor.
14. However, it is in the general interest of the local government in Western Australia that, even where a breach is not intended maliciously:
- a. any public breach of a councillor's confidentiality obligations is seen to be a matter which will be considered seriously; and
 - b. the standard that councillors must take utmost care to fully comply with their confidentiality duties is appropriately enforced.
15. Therefore, the Panel considers that a public apology is the appropriate sanction in the circumstances.
16. Making a public apology is a significant sanction, being a personal admission by the individual of wrongdoing³. It is a suitable and appropriate penalty when a councillor's conduct:
- a. adversely affects particular individuals⁴; and/or
 - b. does not meet the standards other councillors seek to uphold.
17. In the relevant circumstances, the Panel considers that making a public apology is an adequate sanction and that it is not necessary to make an order in accordance with Schedule 5.1 clause 9 of the Act that Cr Madacsi recoup to the Shire the costs of the Department incurred with respect to the Complaint.

² *Chief Executive Officer, Department of Local Government and Communities and Scaffidi [2017] WASAT 67 (S)*

³ *Treby and Local Government Standards Panel [2010] WASAT 81 (Pritchard J).*

⁴ *Treby and Local Government Standards Panel [2010] WASAT 81 [127] (Pritchard J).*



Panel's decision

18. The Panel orders pursuant to section 5.110(6)(b)(ii) of the Act that, in relation to the breach of regulation 21 of the Regulations, Cr Madacsi make a public apology in terms of the attached Order.

Signing

A handwritten signature in black ink, appearing to read 'Erin Gauntlett', written over a horizontal line.

Erin Gauntlett (Presiding Member)

A handwritten signature in black ink, appearing to read 'Emma Power', written over a horizontal line.

Emma Power (Member)

A handwritten signature in black ink, appearing to read 'Peter Rogers', written over a horizontal line.

Peter Rogers (Member)



ORDER

16 February 2026

DEFAMATION CAUTION

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THE LOCAL GOVERNMENT STANDARDS PANEL ORDERS THAT:

1. Councillor Rosemary Madacsi, a councillor for the Shire of Toodyay **publicly apologise** as specified in paragraph 3; OR
2. Failing compliance with paragraph 3 within the specified timeframe, then paragraph 0 shall apply.

Public Apology

3. On the ordinary council meeting of the Shire of Toodyay first occurring after the expiration of **28 days** from the date of service of this Order on her, Councillor Rosemary Madacsi shall:
 - i. attend the relevant ordinary council meeting;
 - ii. ask the presiding person, or acting presiding person, for his or her permission to address the meeting to make a public apology to the public;
 - iii. make the apology immediately after Public Question Time or during the Announcements part of the meeting, or at any other time when the meeting is open to the public, as the presiding person thinks fit; and
 - iv. address the Council and public as follows, without saying any introductory words before the address, and without making any comments or statement after the address:

"I advise this meeting that:

- i. A complaint was made to the Local Government Standards Panel, in which it was alleged that I contravened Regulation 21 of the *Local Government (Model Code of Conduct) Regulations 2021*, when I mistakenly referred to a confidential report in a Facebook post.
- ii. The Panel found that I breached Regulation 21 by my conduct.
- iii. I acknowledge that I should have taken more care to ensure I did not breach regulation 21 and I now apologise to my fellow councillors and the public."



4. If Councillor Rosemary Madacsi fails to, or is unable to, comply with the requirements of paragraph 3 above in the required time frame THEN, within the next **28 days** following the ordinary council meeting referred to in paragraph 3 above the Chief Executive Officer of the Shire of Toodyay shall arrange for the notice of public apology to be published:
 - a. on the Facebook Page of the Shire of Toodyay shall in no less than 10 point font size; and
 - b. in an appropriate place on the website of the Shire of Toodyay shall in no less than 10 point font size; and
 - c. in the next occurring issue of any Shire of Toodyay shall public newsletter (if any) whether in electronic or print copy) in no less than 10 point font size.

PUBLIC APOLOGY BY COUNCILLOR ROSEMARY MADACSI

A complaint was made to the Local Government Standards Panel, in which it was alleged that I contravened Regulation 21 of the *Local Government (Model Code of Conduct) Regulations 2021*, when I mistakenly referred to a confidential report in a Facebook post.

The Panel found that I breached Regulation 21 by my conduct.

I acknowledge that I should have taken more care to ensure I did not breach regulation 21 and I now apologise to my fellow councillors and the public.

Appeal

5. In the event that, prior to the date for compliance with the above Orders, Councillor Rosemary Madacsi:
 - a. commences an appeal the decision of the Standards Panel to the State Administrative Tribunal in accordance with section 5.125 of the Local Government Act 1995; and
 - b. notifies the Complaints Officer of such appeal in writing,THEN:
 - c. compliance with the above Orders may be delayed until the State Administrative Tribunal has made a finding in respect to the decision; and
 - d. such Orders may be amended by an order of the State Administrative Tribunal.



NOTICE TO THE PARTIES TO THE COMPLAINT

RIGHT TO HAVE PANEL DECISION REVIEWED BY THE STATE ADMINISTRATIVE TRIBUNAL

The Local Government Standards Panel (the Panel) advises:

- (1) Under section 5.125 of the *Local Government Act 1995* the person making a complaint and the person complained about each have the right to apply to the State Administrative Tribunal (the SAT) for a review of the Panel's decision in this matter. In this context, the term "decision" means a decision to dismiss the complaint or to make an order.
- (2) By rule 9(a) of the *State Administrative Tribunal Rules 2004*, subject to those rules an application to the SAT under its review jurisdiction must be made within 28 days of the day on which the Panel (as the decision-maker) gives a notice [see the Note below] under the *State Administrative Tribunal Act 2004 (SAT Act)*, section 20(1).
- (3) The Panel's ***Breach Findings and these Findings and Reasons for Finding – Sanctions***, constitute the Panel's notice (i.e. the decision-maker's notice) given under the *SAT Act*, section 20(1).

Note:

- (1) This document may be given to a person in any of the ways provided for by sections 75 and 76 of the *Interpretation Act 1984*. [see s. 9.50 of the *Local Government Act 1995*]
- (2) Subsections 75(1) and (2) of the *Interpretation Act 1984* read:
 - "(1) Where a written law authorises or requires a document to be served by post, whether the word "serve" or any of the words "give", "deliver", or "send" or any other similar word or expression is used, **service shall be deemed** to be effected by properly addressing and posting (by pre-paid post) the document as a letter to the last known address of the person to be served, and, **unless the contrary is proved, to have been effected at the time when the letter would have been delivered in the ordinary course of post.** [Bold emphases added]
 - (2) Where a written law authorises or requires a document to be served by registered post, whether the word "serve" or any of the words "give", "deliver", or "send" or any other similar word or expression is used, then, if the document is eligible and acceptable for transmission as certified mail, the service of the document may be effected either by registered post or by certified mail."
- (3) Section 76 of the *Interpretation Act 1984* reads:

"Where a written law authorises or requires a document to be served, whether the word "serve" or any of the words "give", "deliver", or "send" or any other similar word or expression is used, without directing it to be served in a particular manner, service of that document may be effected on the person to be served —

 - (a) by delivering the document to him personally; or
 - (b) by post in accordance with section 75(1); or
 - (c) by leaving it for him at his usual or last known place of abode, or if he is a principal of a business, at his usual or last known place of business; or



- (d) *in the case of a corporation or of an association of persons (whether incorporated or not), by delivering or leaving the document or posting it as a letter, addressed in each case to the corporation or association, at its principal place of business or principal office in the State.”*