

Municipal Monitors appointed to Greater Geelong City Council

Report to the Minister for Local Government

1. Background

1.1 Appointment

On 24 January 2023, the Minister for Local Government appointed us, Prue Digby and Peter Dorling, to be municipal monitors at Greater Geelong City Council under Section 179(1) of the *Local Government Act 2020* (the Act) to monitor governance processes and practices at Greater Geelong City Council (the Council). The appointment was for a period of twelve months.

Our appointment was in response to concerns raised with the Minister for Local Government by the Chief Municipal Inspector (CMI) about the Council's recruitment and appointment process for its ongoing Chief Executive Officer (CEO).

The Minister for Local Government issued a Governance Direction to the Council under section 175(4) of the Act on 24 January 2023. The Council was unable to employ a CEO while the Governance Direction was in force. The Minister for Local Government requested that we provide advice in order that the Minister may make any determination in relation to the Governance Direction, or any further directions that maybe warranted under Section 175 of the Act.

In addition to the above, our Terms of Reference required us to monitor the Council in relation to the following areas;

- Meeting procedures, decision making, including the use of Notices of Motion, the Councillor Code of Conduct and Councillor behaviour
- Advice or recommendations made by the Local Government Inspectorate
- Effective working relationship between an ongoing CEO and the Council
- Implementation of Commission of Inquiry 2016 recommendations to address poor governance practices
- Governance policies, processes and practices

The full Terms of Reference of our appointment are included as an appendix.

1.2 Context for the Greater Geelong City Council

The City of Greater Geelong is the second largest city in Victoria. Located 75 kilometres south-west of Melbourne, the municipality covers an area of 1,252 square kilometres, comprising suburban, coastal and country areas. It is bounded by Moorabool Shire in the north, Wyndham City Council and the

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Borough of Queenscliffe in the east, Surf Coast Shire and Golden Plains Shire in the west, and Bass Strait to the south. The Geelong municipality is the most populated region in Victoria, with an estimated resident population of around 277,000. Over the past decade, the population of Geelong has experienced significant growth in the western and eastern corridors and the demographic profile, including its diversity, continues to shift and change. Across the municipality there is significant disparity between more advantaged and less advantaged suburbs with the 2021 Socio-Economic Index for Areas (SEIFA) index identifying some of Geelong's suburbs as being amongst the most disadvantaged in Victoria.

Geelong is experiencing the fastest employment growth of all large regional cities in Australia. The largest job increases were in healthcare and social assistance, construction and professional, scientific and technical services. The economy is evolving with developments in advanced manufacturing, research and innovation, professional services, creative industries, major events and the visitor economy.

The City of Greater Geelong is currently a subdivided municipality consisting of 11 Councillors elected from four multi councillor wards. There has been a significant turnover of Councillors during the past year with three new Councillors elected to the Council in 2023. Councillors and their wards are:

Bellarine Ward

Cr Jim Mason AM

Cr Trent Sullivan (Mayor since November 2022)

Cr Elise Wilkinson (elected August 2023 following the resignation of Cr Stephanie Asher)

Brownbill Ward

Cr Melissa Cadwell (elected January 2023 following the election of Cr Sarah Mansfield to Victorian Parliament)

Cr Eddie Kontelj

Cr Peter Murrihy

Kardinia Ward

Cr Bruce Harwood

Cr Belinda Moloney

Cr Ron Nelson

Windermere Ward

Cr Anthony Aitken (Deputy Mayor since November 2022)

Cr Sarah Hathway (elected June 2023 following the resignation of Cr Kylie Grzybeck)

The Council has a workforce of 2,877 people (1,809.8 equivalent full-time employees) making it one of the largest employers in the region. At the time of our appointment an Acting Chief Executive Officer had been in place since September 2022 when the then CEO, Martin Cutter resigned and a significant redesign of the organisation was underway. The organisation had, over the past two and a half years, been implementing the Future Ways of Working Program to align the organisation's structure and functions to the ideal future state (a Target Operating Model). In April 2023, several organisational structure changes were implemented including refocusing the functions of the five Directorates reporting to the Acting CEO. At this time only two of the Directors were ongoing appointments, two were acting and one was vacant as the Director for this position was acting in the

role of CEO. A number of positions were also made redundant around this time as part of the drive to become an efficient and financially sustainable organisation. The organisation appeared to be extremely unsettled and there was a lot of negative media around the changes.

In 2022/23, the Council had operating revenue of \$449,388,000 and operating expenditure of \$444,702,000 delivering an operating surplus of \$4,686,000. The net capital expenditure budget was \$173.5 million. The operating surplus was a lot more positive than forecast in March 2023 when as a result of unrealistic and unrealised savings (not known to the Council or Audit and Risk Committee) being embedded into the budget, the Council was facing a budget deficit of approximately \$8 million. Significant savings, expenditure cuts and some unforeseen brought forward income led to the positive result. That said the Council's financial position in the long term is challenging as costs are increasing at a higher rate than their ability to generate revenue. Structural change to the business is required to improve the financial outlook. The management and Councillors are focused on the necessary actions that need to be taken in FY24 and FY25 to set the foundation for long term financial sustainability.

In December 2015, an independent Commission of Inquiry into Greater Geelong City Council was appointed under section 209 of the *Local Government Act 1989*. The Commission was established in response to the findings of the Workplace Culture Review which was initiated by the then CEO and included allegations of serious bullying. The Commission of Inquiry handed down its report in March 2016. The report contained 12 key recommendations and 25 secondary recommendations. In April 2016, the Council was dismissed and three Administrators were appointed to act as the Council until Council elections were held in October 2017. Among other things the Administrators were tasked with overseeing the implementation of the Commission's recommendations. In October 2017, two Municipal Monitors were appointed to the Greater Geelong City Council and were also tasked with overseeing progress on implementing the Commission's recommendations. The Municipal Monitors' appointments concluded in July 2019.

1.3 Monitoring activities

At the beginning of our appointment we established a regular weekly meeting program with the Mayor and the Acting CEO both separately and together and on occasion with the Deputy Mayor in order to conduct enquiries into Council's governance processes and practices. Our initial focus though was on the areas of concern raised by the Chief Municipal Inspector in his letter to the Minister in January 2023 regarding his concern about the integrity and transparency of the CEO recruitment process.

We interviewed all of the Councillors, with a particular focus on the Councillors on the CEO Employment and Remuneration Committee. We also interviewed the independent member of that Committee and relevant staff within the organisation.

We attended the meetings of the CEO Employment and Remuneration Committee, reviewed Committee and Council minutes and corresponding documentation relating to the recruitment process over the previous seven months. We held discussions with the Recruitment consultant and were contacted by some applicants for the position. We subsequently provided advice to the Minister on the revocation of the Governance Direction on 16 March 2023.

We oversaw the recruitment process of the ongoing CEO once the Minister had revoked the Governance Direction in April 2023 and provided advice to management and the Committee and Council on processes, contractual arrangements and a draft CEO key performance plan.

We were in discussions with the CMI and relevant officers from the Local Government Inspectorate (LGI) throughout our appointment including to accept referrals and communicate the outcomes of our enquiries and to seek and provide advice to the Inspectorate.

3. Report for the Minister for Local Government from the Municipal Monitors appointed to Greater Geelong City Council

We have regularly attended Ordinary meetings of Council, Strategic Briefings of Councillors, Councillor only and Councillor and CEO only meetings. We have participated in Councillor debriefing sessions on their performance following Ordinary meetings, provided observations and reflections on a regular basis and participated/observed Councillor Development workshops. We attended a number of meetings of the Audit and Risk Committee and held one on one discussions with the Chair.

We met with a number of executives, senior managers, legal and governance staff as we reviewed governance and organisational policies, procedures and processes as well as the financial position of the Council.

We provided advice and support to the Mayor, Deputy Mayor, Acting CEO and CEO on a range of issues including the management of complaints regarding Councillor behaviour, Code of Conduct complaints and complaints to the Principal Councillor Conduct Registrar. We attended Code of Conduct complaint meetings conducted by the Mayor with individual Councillors and with the Mayor and a number of Councillors as a means to resolve Councillor complaints. We also provided advice and support to a number of Councillors individually on issues of concern to them.

We have attended a number of the regular meetings held between the Mayor, CEO and local Members of Parliament.

2. Governance at the Council

Our observations and findings in relation to our Terms of Reference are outlined below:

Governance Direction - recruitment of an ongoing CEO

On 16 March 2023, we wrote to the Minister for Local Government recommending that she revoke the Governance Direction that she gave to the Council in January 2023 regarding the employment of an ongoing CEO.

In making this recommendation we had concluded that in relation to the concerns raised by the CMI, some of those concerns we had substantiated but were of the view that they could be addressed going forward. We formed the view that these concerns had not compromised the integrity and transparency of the process up until the shortlisting of candidates after the first round of interviews. These concerns related to:

- the inappropriateness of a council officer being included in interviews of candidates;
- an associated lack of clarity of the role of the independent member on the Committee by Councillors and officers;
- Councillors contacting the recruitment firm outside of the official process; and
- the inappropriateness of asking a Councillor to review their scoring of a candidate outside of the CEO Employment and Remuneration Committee process.

We also identified some deficiencies in the CEO Employment and Remuneration Policy.

The recruitment firm had gathered a significant pool of candidates from the government, local government and private sectors for Council to consider. A cross section of candidates from each of these sectors was presented to the CEO Employment and Remuneration Committee and then full Council as a shortlist for interview. We were concerned that in interviewing and recommending to Council the candidates for final consideration, the Committee had overemphasised business,

commercial and innovation skills and experience and underemphasised local government experience/knowledge, capacity to manage a large and complex service delivery organisation and the knowledge/capacity to advise the Council with respect to good governance and leadership.

We put our concerns to the CEO Employment and Remuneration Committee and secured their agreement to action our recommendation that the original available shortlisted candidates (longer list if required) be reconsidered with the objective of being able to present to Council a number of candidates who could demonstrate a balance of skills, capability and experience outlined above.

On 19 April 2023, the Minister revoked the Governance Direction and we proceeded to oversee the resumption of the CEO recruitment process and provided advice to the Council and management throughout to ensure that the process was fair and proper.

The recruitment process concluded on the 20 June 2023 with the appointment of Ms Ali Wastie.

Meeting Procedures, decision making, including the use of Notices of Motion, the Councillor Code of Conduct and Councillor behaviour

This is the Governance area where we have observed issues of greatest concern.

Council adopted their current Governance Rules in August 2022. Section 60 of the Act requires a Council to develop, adopt and keep in force Governance Rules after engaging the community in the development of those Rules. The Governance Rules set out the framework which applies to the Council's decision-making including meeting procedures for Council and Committee meetings.

Council meetings are well run and generally Councillors engage in respectful debates in arriving at a decision. The Governance Rules are quite complex and can be challenging especially for new Councillors who have not had any previous Local Government experience. On occasion, Councillors have been unclear of the applicability of the Rules and discussed this as an issue in their independently facilitated workshop on values and behaviours. This led to commitments by the Councillor group to allow more time for explanation or, if the differences in understanding was leading to tensions in the meeting, to adjourn the Council meeting for a short period so the matter could be worked through.

We have observed an appropriate and cautious focus by individual Councillors on declaring conflicts of interests at Council and Committee meetings and generally at Council briefings.

We raised concerns with the new CEO, Ms Wastie, regarding the fact that the delegated Planning Committee was not being provided with support from the central Governance Unit with respect to advice on the application of the Governance Rules and administrative support and Ms Wastie is proposing to address this issue before the Planning Committee meets again in 2024.

Our observation is that the Council's Governance Rules are contemporary and fit for purpose except for the section applying to the use of Notices of Motion (NOMs).

The use by Councillors of NOMs has been an issue of concern raised by the Chief Municipal Inspector on a number of occasions with respect to Councils around Victoria. It is noted that while Notices of Motion are allowed under Governance Rules, it is generally considered poor practice by both the Victorian Ombudsman and by the Chief Municipal Inspector when it impacts on Council decision making and consistently diverts the organisation's resources. We have observed that some Councillors attempt to use NOMs to change or modify a Council decision going forward, promote an initiative that was not previously supported, or put forward a position on contemporary issues. Our concern is that the Councillor time and effort that goes into discussing and negotiating positions on NOMs is disproportionate to the time that is spent on Council agenda items that have supporting

officer reports and recommendations. A number of Councillors have concerns about the Governance Rules with respect to NOMs and the powers of the CEO to refuse them and would like to review the Governance Rules in 2024. We are concerned that any such review would lead to an argument to loosen the criteria for the acceptance of NOMs and limit the CEO's powers to reject a NOM. It is our view that any such review should be the province of the newly elected Council in November 2024.

Upon our appointment, we observed that the Councillors were quite divided and that there was a lack of trust between a number of Councillors. With the election of three new Councillors the nature of these divisions changed. The Council engaged in a process of resetting their relationships and held a Councillor only independently facilitated workshop in August 2023 to agree values and behaviours which we attended. An additional workshop was held in September with the new CEO upon her commencement which we also attended.

Despite these efforts, we have observed an increasing, and unusually high, number of complaints between Councillors either informally, under the Code of Conduct or to the Principal Councillor Conduct Registrar. We have also observed that the trust and working relationship between a number of Councillors is poor. The inability of Councillors to manage their relationships as a group has the effect that a considerable amount of our time, the CEO's and organisation's time and the Mayor's time is spent advising, supporting and negotiating in an attempt to resolve the matters.

It is incredibly important that Councillors are aware of how their behaviour impacts on others both in public meetings but also in Councillor only meetings. It is also important that Councillors approach their interactions with each other in the spirit of maintaining an effective working relationship rather than an adversarial approach. We note that three more independently facilitated workshops with Councillors only and with Councillors and the executive management team are planned for 2024.

We have consistently advised the Councillors that on a regular basis they need to dedicate a part of their Councillor only time to reflect on their performance and behaviours both as individuals and as a group and that they use this process to hold each other to account rather than trying to rely on more formal methods of complaint. The Councillors have found this difficult to put into practice and the pressing nature of the business of the day and time are cited as the main reasons that this is not done. It is critically important that Councillors establish a discipline of reflection and holding each other to account especially as circumstances arise which can generate tension and division in the group. Given that the Council has had difficulty committing to reflecting on their individual and group performance during our appointment term, we are not convinced that the Council group will engage in this practice once our appointment term finishes.

It is also our concern that once our appointments end, tensions and divisions in the councillor group will escalate especially with the upcoming elections and that this type of behaviour will only increase. Not only does this have a negative reputational impact on the Council it diverts the energies and efforts of the CEO from the strategic management of the Council business and operations.

Advice or recommendations made by the Local Government Inspectorate

On 24 August 2023, the LGI referred twelve matters to us for consideration to determine whether they were within our remit for action. These matters had initially been the subject of investigation by the LGI who concluded that, although the matters did not carry a penalty under the Act, they may be a breach of the Act or Council's internal policies or procedures. The matters related to allegations regarding the appointment of senior officers and to potential conflicts of interest in the appointment process. The matters highlighted issues relating to organisational culture including harassment, bullying and business decisions.

We oversaw the organisation's investigations of the allegations together with the new CEO, and all relevant documentation was sighted by both the CEO and us. It was found that, of the twelve matters, there were potential breaches of the Act in three matters and of those three matters only one involved an employee still employed by the Council. The allegations have provided the new CEO with useful insights to inform future work practices and identifying where current policies need to be strengthened.

The LGI notified us in September 2023 of information that they had received from the organisation regarding the preparation of financial reports which allegedly provided a more favourable budget position than was factual over the 2022 calendar year. The matters did not carry a penalty under the Act but may have been a breach of the Financial Principles of the Act, staff code of conduct and internal policies and procedures. We formally forwarded these matters to the new CEO and are satisfied that the initiatives outlined by the CEO in her response to the Monitors will ensure greater transparency and accuracy in the financial reporting of the Council.

On 6 September 2023, the LGI notified us of their investigation findings that there were no breaches of the Act but they raised the issue of public transparency in the Council sponsoring attendance at a sporting event on an annual basis, the Council's strategy to avoid conflicts of interest and requested the Council consider rewriting the Councillor's Gifts, Benefits and Hospitality Policy to remove any ambiguities surrounding the definition of prohibited gifts.

The Council has a major role to play in facilitating, attracting and supporting public and private investment in tourism, major events, creative and sporting industries as well as promoting and leveraging the competitive strengths of the region as part of its role in helping to grow the Geelong economy and ensure its economic resilience. In order to undertake this role the Mayor, Deputy Mayor and Councillors need to have a public presence at not only local community events but those of state, national and international importance. Council policies governing Councillors' participation in these events need to be robust and transparent. To this end, following the LGI recommendations, and through discussions between the CEO and Municipal Monitors, it was agreed to commission some advice on the preparation of a best practice Sponsorship Policy, Gift, Benefits and Hospitality Policy and Conflicts of Interest Policy. These new policies are currently in preparation and will be presented to the Council for consideration in early 2024.

Effective working relationship between an ongoing CEO and the Council

Ms Wastie commenced her appointment on 28 August 2023. Ms Wastie moved swiftly to engage in discussions and consultation with Councillors, the senior leadership team, a broad range of employees and stakeholders from business, community, industry and governments in order to assess the strategic direction and operations of the organisation and understand the views on its strengths and where improvements were required.

We met regularly with Ms Wastie since she commenced as CEO, and provided advice and our observations on matters that were of concern to her such as the organisation culture and Councillor and staff interactions.

As a result of her observations and discussions with Councillors and the organisation, Ms Wastie issued a new Councillor and Staff Interactions Protocol, with our full support, which broadens the staff that Councillors can interact with from the CEO and Executive Directors to the CEO and Senior Leadership Team and the Council and Executive Services Team. The Councillors welcomed the change to the Protocol.

The effectiveness of this new protocol relies on Councillors containing their engagement with staff to sourcing the necessary information they require to make effective decisions and not to direct or

influence staff in the performance of their duties. We encouraged the Councillors to hold regular Councillor and CEO only times in order that open and honest conversations can be held on issues that are of concern to either of the parties and as a means of building trust.

Based on the feedback Ms Wastie received through her consultation process, she determined that there was a need to undertake an organisational strategy refresh which she launched in late October 2023.

In September 2023, Ms Wastie also undertook a functional review of the organisation and formed the view that the current structure was not serving the City well. A functional alignment and validation process was undertaken with input from the senior leadership team and broader organisation. The proposed new structure was presented to Councillors in November 2023 and underwent further organisational consultation in December 2023. The new structure reduced the number of Directorates from five to four and resulted in a number of savings without any redundancies in banded positions. The four new Executive Director positions were advertised in mid-October 2023 and the new team were announced on 6 December 2023 and will commence in late January 2024. Only one of the newly appointed team was an internal candidate.

In November 2023, Ms Wastie presented her CEO 100 Day Report to the Councillors. The report was focused on her observations and plans for future actions in the following areas: Shared Values, Strategy, Structure, Staff, Skills, Style, Systems. Ms Wastie's report was extremely well received by the Councillors and organisation.

Our observations are that the relationship between the Councillors and the CEO are evolving. The role of the CEO in making decisions both organisationally and with respect to applying the Governance Rules of the Council are still not always understood or accepted by some Councillors and it is critical to the positive development of this relationship that adequate time is set aside for regular Councillor and CEO only time to discuss issues where tensions are arising. It is also vitally important that the Mayor and the CEO continue to meet on a weekly basis to discuss the flow of Council business and relevant Council/Councillor and organisational issues of concern.

It is our view that Ms Wastie has moved quickly to both engage and settle the organisation with the new structure known and being implemented, a stable ongoing executive commencing in January 2024, reassurances about staff's security of employment and a demonstrated focus on building a positive culture through open communication and transparency.

Implementation of Commission of Inquiry recommendations to address poor governance practices

In November 2017, a Transformation Program was developed by the Council to ensure that the 12 key recommendations and 25 secondary recommendations of the 2016 Commission of Inquiry were implemented. The program was organised into eight focus areas: Governance, Strategy Planning and Monitoring, Culture and People Management, Financial Management, Asset Management, Information Management, Risk Management and Relationship and Reputational Management.

In July 2019, the Council and Municipal Monitors noted the achievements of the program and endorsed the next phases of the Transformation program 2.0 which focused on the following six areas: Civic precinct, Digital Modernisation, Asset Management Advocacy and Stakeholder Management, People and Culture and Service Planning and Review. In August 2020, a report was presented to Council on the progress against the Transformation program and the Monitors commented that the Program was progressing across all sectors. A progress report on the Program was presented to Council in June 2022 and the Final Report on the Transformation Program 2.0 is expected to be presented to Council and then to the Minister for Local Government in February 2024. Following this, all focus areas and their projects will be considered as part of business as usual.

Our assessment of the status of each of the six focus areas is as follows:

Civic Precinct

The Civic Precinct project to consolidate Council departments into one central location is complete. Following COVID and the working from home arrangements, the new CEO is working towards achieving consistency across the organisation with respect to these arrangements and increasing office use by 30% to promote collaboration.

Digital Modernisation

This project experienced some serious project governance and systems implementation issues between June 2022 and March 2023 when the project was terminated in its current form. The project has been rescope and will be progressively delivered over a number of years. As a result of the new CEO's organisational structural changes, the IT Strategy will be managed through a Project Control Group which the CEO will chair. This Project Control Group will consist of the new Executive Leadership Team who will oversight a number of critical projects within the Council and provide cross functional senior leadership of these projects which has been lacking in the past.

Asset Management

Whilst the Asset Management Policy, Framework, Strategy and Plans are complete, the asset accounting system, asset identification, asset valuation, asset register and roles and responsibilities still require substantial work. The new CEO has acknowledged the importance of asset management through the organisational restructure establishing a new leadership role with stronger focus on data and identification of risks.

Advocacy and Stakeholder Management

Although the Priority Projects listed in the June 2022 progress report have been completed there was a perception prior to the new CEO's commencement that the stakeholder relationships between Council and a number of local members, agencies and community organisations could be improved and that communication between the parties was not as transparent as it could be. Stakeholder relations are a key focus for Ms Wastie and she has identified building strong stakeholder relationships as one of her key accountabilities. This area will need continued focus by both the CEO and Councillors.

People and Culture

The June 2022 Transformation Program progress Report identified that the priority projects in this focus area were 100% complete. This is not an indicator that the workplace culture was reflective of the organisational aspirations.

The CEO is required to report to the Minister annually on the progress in achieving an improved workplace culture. The last Progress Report on Workplace Culture was provided to the Minister in March 2023 and was based on an employee survey conducted in April 2022 as well as actions undertaken by the Council in 2022 to improve its workplace culture through its Working Better Together Culture Program. The report concluded that the Council had made key improvements in continuing to build a more inclusive environment with employees feeling safer to report inappropriate behaviour and witnessing fewer incidents of bullying, harassment or discrimination. Three key themes were identified to improve the employee experience: continuing to build a culture of psychological safety and inclusion, ensuring leaders are well equipped to lead both strategically and to support organisational change and ensuring people feel recognised and rewarded.

Work is continuing on uplifting the leadership capability in the organisation. A leadership capability framework has been developed which sets the standard for leader behaviour. Leadership capability

training is focused on creating psychological safety in the workplace. A number of other projects are in place to improve workplace culture.

A significant organisational effort is going into improving the culture and considerable progress has been made over the last three years. The new CEO has committed to a range of initiatives that she believes will have a positive impact on the culture going forward including:

- refreshing the organisation strategy, structure and executive and values,
- ensuring the senior leadership is more transparent and consultative,
- retiring the organisation's Future Ways of Working Program brand as it was too associated with organisational change practices undertaken in April 2023 that were not well received due to perceived lack of consultation,
- undertaking an Office Culture assessment,
- a focus on managing change, rewarding and recognising staff, and
- ensuring a psychologically safe workplace through the Working Better Together program.

Further evidence on the state of the culture will be identified and reported through the State Government People Matters Survey for Gender Equality Progress Report conducted in June 2023 and the CEO Survey on workplace culture conducted in August 2023. A further Working Better Together Culture Survey will be undertaken early in 2024 and will form the basis of the annual report to the Minister. It is important that independent externally conducted employee surveys are conducted annually to gauge the state of the organisation's culture. We also recommend that the CEO continue to be required to report to the Minister on the progress in achieving an improved workplace culture in 2024 and 2025.

Service Planning and Review

The Service Review Framework which was being developed and applied progressively to all service areas within the organisation has been superseded by the organisation's annual Business Planning Cycle, Accountability Framework and rolling service reviews.

Governance policies, processes and practices

The CEO Employment and Remuneration Policy was revised at the request of the Monitors to address deficiencies identified by us during the CEO recruitment process. The new Policy was approved by Council in December 2023. A CEO Employment and Remuneration Committee Terms of Reference has been developed along with the Independent Member (for that Committee) Consultancy Agreement. The Committee's Terms of Reference will be presented to Council for approval in February 2024. The Councillor and Council Employee Interaction protocol was adopted in September 2023. The governance support and meeting arrangements for the Planning Committee are currently being reviewed and will be determined in early 2024.

The Gifts, Benefits and Hospitality, Sponsorship and Conflicts of Interest policies are currently being redrafted to take account of LGI recommendations and will be presented to Council for approval in early 2024.

3. Recommendations

Over the past eight years, the Greater Geelong City Council has had a Commission of Inquiry, been under Administration for one and a half years and has had two sets of Municipal Monitors covering a period of two years and nine months. It is imperative that the current and subsequent elected Councillors uphold the highest level of adherence to good governance.

Councillors and senior staff must show tolerance and respect for each other whilst acknowledging that vigorous and robust debate is part of a healthy democratic system.

With a new CEO and refreshed senior management team, the conditions are right to advance the organisation and support the effective governance of the Council.

In the lead up to the 2024 Council elections, the interactions between Councillors and between Councillors and staff can become tense. It is imperative that Councillors show respect and leadership within both the rules and intent of good governance.

The recommendations and considerations for the Council and Minister for Local Government outlined below are aimed at assisting in a positive Council working culture and behaviours based on respect, integrity, honesty and trust in order that the Council can demonstrate both leadership and good governance.

We recommend that:

1. The Minister considers writing to the Council expressing her expectation that:
 - (a) the current Council does not undertake a review of the 2022 Governance Rules prior to the 2024 Local Government elections, and
 - (b) the Councillors limit their use of Notices of Motion (NoMs) to only those NoMs that are calling for an officer report and that do not meet the criteria for rejection outlined in section 3.46.4 of the Governance Rules.

2. The Minister considers either:
 - (a) Continuing the appointment of a Municipal Monitor until after the October 2024 local government elections to oversee and advise on Councillor conduct and behaviours and the maintenance of an effective working relationship between the Council and the ongoing CEO, or
 - (b) Reinstating a Municipal Monitor if over the remaining term of this Council, Councillor conduct complaints continue at their current intensity and/or if the working relationship between the ongoing CEO and individual Councillors becomes problematic.

3. The CEO of the Council report annually to the Minister in 2024 and 2025 on progress in achieving an improved workplace culture.

4. The Minister considers, following local government sector consultation, issuing a Good Practice Guideline covering the nature and content of Notices of Motions in council Governance Rules.

5. That consideration be given to the issuing of a model template for a CEO Employment and Remuneration Policy by Local Government Victoria.

Prue Digby

Municipal Monitor

23 January 2024

Peter Dorling

Municipal Monitor

23 January 2024

4. Appendix: Terms of Reference

Having regard to the confidential recommendation of the Chief Municipal Inspector and without limiting the Municipal Monitors functions and powers under sections 180 and 181, respectively, of the Act, the Municipal Monitors are:

1. To monitor the governance processes and practices of the Council, with specific regard to the following matters:
 - a) The Council's policies, processes and practices related to the recruitment, appointment, and proposed employment conditions of an ongoing Chief Executive Officer, including but not limited to materials developed and advice used to inform the processes and practices of the Council's CEO Employment and Remuneration Committee;
 - b) The establishment of an effective working relationship between the ongoing Chief Executive Officer and the Council;
 - c) The Council's meeting procedures and decision making, including the use of Notices of Motion and the adequacy of the Council's Governance Rules;
 - d) any processes and practices identified by the Commission of Inquiry into the Council requiring improvement to address poor governance practices;
 - e) The Council's policies, processes and practices related to the management of conflicts of interest;
 - f) The Council's Councillor Code of Conduct;
 - g) The Chief Executive Officer's policies and practices that manage the interactions between Councillors and Council staff and contractors, and compliance with those policies and practices;
 - h) Any advice or recommendations made by the Local Government Inspectorate arising from its investigation at the Council; and
 - i) Any other Council governance policies, processes and practices.
2. To advise, and provide any relevant assistance and support, to the Council in relation to the improvement of the Council's governance processes and practices, with specific regard to the matters raised in clause 1.
3. To report to the Minister for Local Government, with respect to the matters in clause 1, on:
 - a) Any steps or actions taken by the Council to improve its governance and the effectiveness of those steps or actions;
 - b) Any recommendations in relation to the exercise of any Ministerial power under the Act; and
 - c) Any advice in relation to the continued operation or alternatively the revocation of the Minister's written direction to Council not to employ or re-employ a Chief Executive Officer.