

12 February 2025

The Hon Nick Staikos MP  
Minister for Local Government

Dear Minister

This is my final report in the role as Municipal Monitor at the Glenelg Shire Council (the Council). Previous reports provided jointly with Steven Kingshott were:

- Initial Report – February 2024
- Interim Report – October 2024.

I was initially appointed along with Mr Kingshott on 31 October 2023 for a three month period. We were both reappointed in April 2024. Mr Kingshott's second term of appointment concluded with the appointment of an ongoing Chief Executive Officer (CEO) and my appointment concluded on 31 December 2024

The appointment of Municipal Monitors in 2023, followed a written request from the then Mayor and coincided with resignations of two Councillors and the CEO. A third Councillor had also resigned mid-2023. Upon taking up our role we found a Council where there were serious internal tensions between councillors and between councillors and senior staff and staff morale was particularly low.

Since our initial appointment there have been significant changes at the Council. This included the appointment of Helen Havercroft as the ongoing CEO, commencing in July 2024, and the election of a new Council in October 2024, which included three returned councillors and four new councillors.

The returned councillors are:

- Cr Karen Stephens (Mayor)
- Cr Robyn McDonald (Deputy Mayor)
- Cr Michael Carr

The newly elected councillors are:

- Cr Duane Angelino
- Cr Matt Jowett
- Cr Mike Noske
- Cr John Pepper

The change in the composition of the Council appears to have resolved some of the previous internal conflicts. While I am hopeful that relationships will be better in the new Council, it remains to be seen if this will be the case.

Other changes at the Council over the past year have included various procedural improvements and the adoption of several amended or new policies including the Council's Governance Rules, the Chief Executive Officer Employment and Remuneration Policy, and the Council Confidentiality Policy.

### *Terms of Reference*

The terms of reference specified in our April 2024 appointment required the monitoring of the Council's governance practices with specific reference to certain matters. The following advice is provided in response to each of those matters.

- a. *Any processes and practices identified in the Municipal Monitors' Final Report – February 2024 requiring improvement.*

The Council is continuing the process of addressing the nine recommendations from our Initial Report, as outlined in the Council's action plan provided to the then Minister in May 2024. These actions are currently expected to be completed during February 2025 when specified training for councillors is incorporated into the councillor induction program.

One matter completed since the Interim Monitors' Report in October 2024 has been the adoption of a Confidentiality Policy. This Policy will help ensure that information is not improperly labelled as "Confidential Information", as well as providing clearer guidance for councillors and the administration in the event that a councillor has a conflict of interest in a matter involving confidential information.

The full list of recommendations from our initial report and their implementation status is available at Appendix A to this report.

In the Interim Report, we made two further recommendations for which the then Minister requested feedback from the Council.

These recommendations were for the council:

- To review and adopt an updated Councillor and Staff Interactions Policy during the first year of office of the new Council, engaging both Councillors and Council staff in the implementation of the Policy.
- To review its timelines for reports, briefings and meetings as soon as practicable after the October 2024 Council elections to ensure earlier feedback on draft reports from Councillors before they are finalised and released for Council Meetings.

I can advise that the first recommendation, regarding the Councillor and Staff Interactions Policy, has been completed. The second recommendation, relating to council decision making timelines is currently ongoing and is discussed below under item "c". The Council is due to report to you on these recommendations in early 2025.

- b. *The Council's policies and processes in relation to the appointment of an ongoing Chief Executive Officer (CEO) and the establishment of an effective working relationship between the CEO and the Council.*

The CEO Recruitment and Remuneration Policy, incorporating changes recommended by the Monitors, was reviewed and adopted by the Council in August 2024. As advised in the Interim Report, the Council, appointed Helen Havercroft as its ongoing CEO and she commenced on 29 July 2024.

From my observations, the CEO is working to improve the working relationship with the Mayor and the Councillors. A related and ongoing challenge for the CEO will be developing a more effective working partnership between the elected Councillors and the Council Executive Team.

- c. *The Council's meeting procedures and decision making practices, including Council briefings and meetings, and Council's adherence to the Governance Rules.*

A significant concern at the outset of the monitoring process was a mistaken perception that councillors could give direction to staff in informal meetings, then called "Workshops". On the advice of the Monitors, the Governance Rules were amended to rename workshops as "Councillor Briefings", to clarify the role of such meetings and to exclude actions that would constitute formal decisions or directions to staff. Councillors and the executive have mostly complied with this change.

I note that there are times when it is difficult to draw the line about what constitutes a decision or direction. This is particularly when the Council executive shares information and invites the opinions of councillors on a matter before finalising a report, making a recommendation or taking an action. Ultimately it will be the responsibility of the CEO to ensure that councillors' opinions are not taken to be decisions or directions.

The Interim Report observed that the timelines for report preparation and Councillor Briefings did not always allow sufficient time for discussion, review and finalisation before the reports are lodged in final form for decision at a Council Meeting. It was recommended that the timelines be reviewed. This issue is a work in progress at the Council, with the number of Councillor Briefings being increased to allow more time for discussion of upcoming matters. As noted above, the Council is due to report to you in early 2025.

An additional matter of previous concern was the poor level of disclosure being made in Council meetings for conflicts of interest. Past practices did not have councillors disclosing the nature of their conflicts, but rather just stating the existence of a conflict. The Council has amended its practices to comply with the provisions of the *Local Government Act 2020* (the Act) its Governance Rules.

- d. *The Councillors' understanding and performance of their statutory roles and responsibilities, including the adequacy of the Council's Councillor induction training program.*

Councillor induction training commenced in November 2024 and is due to be completed within the prescribed four month period from when councillors took the oath or affirmation of office. I am satisfied that the training plan covers the prescribed matters and is scheduled to be completed on time.

One councillor was unable to attend several induction sessions in late 2024 because of work commitments. This matter is unresolved at this stage but may require commissioning additional training before the Councillor can receive an allowance.

While it is early days for the newly elected councillors, the role of councillors has been a matter addressed in training and discussion. The most difficult issue will no doubt continue to be the process for dealing with requests and complaints, which should properly go through the administration's customer service system. Unfortunately, some people in the community continue to expect individual councillors to address their personal problems and some councillors struggle to deal with this. One councillor, who seems dissatisfied with administrative arrangements, says they sometimes lodge online requests as if they were the customer instead of referring the customer to the Council administration directly.

Related to this is the need for councillors to learn to focus on the strategic aspects of decision making, rather than engaging in operational matters. While it can be hard to draw the line in this matter, there is definitely a tendency by some councillors to delve too deeply in operational matters. This includes seeking detailed information to enable a councillor to interrogate administrative decisions.

This type of problem generally arises from constituents approaching councillors to solve their particular issues and shows a lack of understanding by some councillors about their proper role. Essentially this is about the difference between being a lobbyist for a constituent or constituents and being a member of the Council's governing body.

This matter was raised in our initial Monitor's report and the Council responded by proposing training in the role of a councillor. While this matter has been addressed in some post-election training it is clear that either the training was not specific enough or that it was not taken seriously enough. I therefore recommend, below, that the Council conduct additional training on the role of a councillor.

- e. *The relationships between councillors and between councillors and Council staff, including councillor behaviour with respect to the Councillor Code of Conduct and processes for resolving disputes between councillors.*

As already noted, there are reasons to hope that relationships between councillors will have improved since the election.

Relationships between councillors and Council staff remain a matter of concern, as noted in previous Monitors' Reports. While the Mayor often thanks staff for their work, there are times when the past levels of distrust by some councillors and some staff reappear. This will remain a significant issue for the CEO to address.

I am particularly concerned at indications about a lack of trust of management by some councillors. Indications of this include an increase in the number of councillor Notices of Motion dealing with administrative matters and a tendency to question the accuracy of advice from staff.

Councillor staff relationships may also be impacted by issues like that described in item "g" below.

*f. The support needed in the lead up to and following the elections in October 2024 to ensure good governance at the Council.*

There were no major issues in the lead up to the October 2024 elections. The Council avoided unnecessary decisions during the election period and discontinued individual Councillor Activity Reports in meetings.

Some minor issues arose and were addressed by the CEO during the elections. This included:

- Concerns that Council supported social media being used for electioneering,
- Not allowing election material on Council property leased to a candidate, and
- Dealing with a complaint from a candidate about a staff member.

*g. Any other matters that may be affecting the Council's ability to perform.*

For the Council to function effectively, councillors need to cooperate with the Council executive to work through problems and set directions. I have some concern that the Council has a way to go in this matter. This was demonstrated in regard to decisions about committees late last year.

At the Council's November 2024 meeting, the proposed motion to appoint council representatives to several external bodies and membership of two internal standing committees was altered by the Councillor moving the motion to include the establishment of an additional committee and to seek reports on the establishment of several advisory committees. It was clear that these matters had been previously discussed among councillors but were only briefly raised with the executive in the Councillor Briefing immediately preceding the Council Meeting.

As the motion introduced new matters that had not been the subject of a report or background, it was disallowed as contrary to the Governance Rules. The original motion, as proposed by the administration, was then moved and adopted.

Following the meeting I expressed concerns in writing to councillors about the proposals and followed up with discussion in person with some councillors. My advice to councillors included:

- That the decision to disallow the modified motion in the Council meeting was correct,
- That setting up additional committees would require resourcing and time commitments, and
- That the setting up of committees should be based on identified problems or needs (which had not been stated).

The Councillor who moved the disallowed motion in November, subsequently lodged Notices of Motion for the December Council Meeting that largely replicated the intent of the November proposals and asked for reports to be prepared for subsequent Council Meetings. These motions were passed without councillor opposition.

There are several concerns about this situation. Firstly, and most importantly, it shows a lack of transparency between councillors and staff. If councillors have concerns about certain matters, they should raise those concerns openly with the CEO or the executive. This should include stating their reasons or concerns rather than simply proposing a solution. Additionally, it appears that some councillors may have conflicts of interest in matters that would be discussed in committees of which they would want to be members.

Council staff are now faced with the unenviable task of writing reports about the establishment of the suggested committees without having clear reasons or context on which to base their advice.

A final concern, which I raised with councillors, is that the broad governance effects of setting up a suite of advisory committees may significantly alter the functioning of the Council and should not be undertaken without due care.

### *Recommendation*

I recommend that the Council conduct further in-depth training in 2025 that addresses the strategic role of a Councillor. This training that should be provided by someone with direct experience in corporate governance and should engage with the practical issues confronting councillors and council administrations. The training should be attended, in person, by all the councillors.

### *Conclusion*

Many things have improved at the Council since the initial appointment of Municipal Monitors in October 2023 but there remain important improvements that should be made for the Council to function effectively for the benefit of the community.

While it is yet to be seen whether behaviours will continue to improve in the absence of monitoring, I believe the Council is capable of addressing the matters raised in this report and may not require the services of a Municipal Monitor in 2025.

**Jim Gifford**

**Municipal Monitor**

## Appendix A - Initial report recommendations

Recommendation	Status and comments
<p>1. That the Council adheres to the revised Governance Rules in regard to Councillor briefings.</p>	<p>Implemented and ongoing</p>
<p>2. That question time should be conducted at the end of a council meeting to minimise disruption.</p>	<p>Implemented and ongoing</p>
<p>3. That Councillors focus on their strategic and decision-making responsibilities and avoid engaging in administrative matters outside formal meetings or seeking to direct council staff in operational matters.</p>	<p>Implemented and ongoing Also see part “d” and the associated recommendation.</p>
<p>4. That, in relation to confidential information, the Council adopt the following approach:</p> <ul style="list-style-type: none"> <li>a. Recognise the distinction between a document not intended for circulation and information that may be included on a document and that is confidential information under the Act.</li> <li>b. Allow CEO to label documents not for public release as ‘Council-in-Confidence’ and make it a condition of the Councillor Code of Conduct that the information not be released without council consent.</li> </ul>	<p>Implemented and ongoing</p>
<p>5. That in relation to confidential information:</p> <ul style="list-style-type: none"> <li>a. The Council apply the designation of ‘confidential information’ only to information that satisfies the definition in Section 3 of the Act.</li> <li>b. Councillors apply good governance practices when dealing with information that is confidential information or when dealing with documents should reasonably be kept confidential.</li> </ul>	<p>Implemented and ongoing</p>
<p>6. That in relation to councillor relationships:</p> <ul style="list-style-type: none"> <li>a. Seek the support of an external consultant/s to assist with building a culture of respect and collaboration.</li> </ul>	<p>Initial training undertaken. Further training scheduled for February 2025.</p>

<p>b. Key areas of focus: harassment, psychological safety, conflict resolution, and working collaboratively.</p>	
<p><b>7.</b> That in relation to councillor dispute resolution processes:</p> <ul style="list-style-type: none"> <li>a. Amend the Councillor Code of Conduct to replace the word ‘Option’ with ‘Step’.</li> <li>b. Actively encourage the disputes and resolution process to be worked through a stepped approach (as appropriate). Strongly encourage alleged protagonists to resolve their issues through face-to-face discussion or mediation, before going to arbitration</li> <li>c. In addition, this process does and will require some degree of skill development. Hence additional training will be required for Councillors if differences are to be productively resolved in the future.</li> </ul>	<p>Largely overtaken by legislative changes relating to Codes of Conduct.</p>
<p><b>8.</b> That as part of the training identified in the report section titled Respect and Professionalism (i.e., harassment, psychological safety, conflict resolution, working collaboratively), that appropriate application of communication protocols be revisited.</p>	<p>Initial training undertaken. Further training scheduled for February 2025.</p>
<p><b>9.</b> That in relation to the CEO employment and remuneration policy:</p> <ul style="list-style-type: none"> <li>a. Formally review and update the CEO Employment and Remuneration policy, to ensure it is fully implemented by the Council.</li> <li>b. Establish a formal standing advisory committee to Council.</li> <li>c. Appoint an independent member to the committee to provide professional advice.</li> <li>d. Ensure an annual transparent cycle of performance &amp; objectives setting, with regular opportunities for pulse checks and feedback (occurring at a minimum of every 6 months, and a maximum of four per annum).</li> <li>e. Include a process for the CEO to provide feedback on Council performance.</li> </ul>	<p>Implemented and ongoing</p>