

Municipal Monitor's Report for Central Goldfields Shire Council

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11 October 2016 - 31 December 2016

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Introduction

In accordance with section 223CA of the Local Government Act 1989, I was appointed Municipal Monitor at the Central Goldfields Shire Council for the period 11 October 2016 until 31 December 2016. The Terms of Reference for the appointment are dated 11 October 2016.

The information contained in this report is presented following the numbering and subject matter detailed in the Terms of Reference.

My role as Monitor was readily accepted by the Council and during my tenure I met with a diverse range of people across the organisation, a number of Councillors and many community members. The Terms of Reference and contact details were posted on the Council website immediately after they became available. I also received several letters and written submissions.

In view of the nature of the work I undertook at the Council it was necessary for me to meet a limited number of people on many occasions and in this regard I would like to acknowledge the assistance of the Mayor, CEO, Governance Manager and the Protected Disclosure Officer.

The report I have prepared outlines how the Central Goldfields Shire Council is endeavouring to cope with its current challenges and refers to some of the work required to ensure its future good governance.

1. Monitor and review governance processes and practices

As a way of undertaking and reviewing the Council's governance processes and practices and getting a general feel for the organisation, I reviewed the website, policies, procedures, minutes, and other documents, interviewed staff and Councillors and met with a number of community members. I also attended two Council meetings.

A number of matters arose out of this review and these will be outlined later in the report. However, what was initially evident was a wide difference of opinion concerning the cultural health of the organisation. On the one hand some people I spoke with were quite positive about how the Council is functioning but others were not as positive and felt significant improvements were required. I do appreciate that you are always likely to get mixed messages regarding an organisation's culture but in this instance some concerning themes were repeatedly raised. These reoccurring issues centred around the need for an organisational restructure, poor organisational culture, the need for people taking more responsibility for the satisfactory completion of tasks and ensuring equality of terms of employment across the organisation. Work on the restructure to address these issues had been commenced but not finalised or implemented during my time at the Council.

The Executive Leadership Team were aware of these concerns and ran an in-house leadership program to address some of the issues, however this work has been largely overtaken by more recent events such as the investigation by the Local Government Investigations and Compliance Inspectorate and the Council elections.

In regard to staff moral again the messages are mixed with some staff coping relatively well and others feeling stressed and anxious in regard to the uncertainty generated by the investigation.

Following the Council election it was anticipated that better working relationships between Councillors and Senior Officers would evolve but this has not necessarily eventuated and there appears to be ongoing tensions and a certain lack of trust and respect. In particular tensions arise around planning issues and there is a growing reluctance for Councillors to accept Officers advice. Tension also arises over the media policy, aggressive attitudes and communication issues.

Again a certain degree of this tension relates to the ongoing investigations and when that has been completed a lot of work will be required to restore the required levels of trust to ensure a positive working relationship.

It appears that some of these current tensions are spilling over into the community and there is a lot of speculation and innuendo surrounding the Council. This is a most unfortunate situation as it tends to overshadow the very positive aspects of the Council's operations and services, particularly the work done in the community by the joint Council/State initiative called "Go-Goldfields". The Council has also achieved a number of very positive economic development outcomes for the community which have provided much needed jobs and investments for the local economy.

2. Support and provide assistance in reviewing governance

As a result of my initial research I was able to identify the need for the Council to improve and work on the following key areas:

- Organisational restructure
- Culture
- Policy and Procedures Manual
- Property Management
- Councillor Workshops
- Confidential Council meeting arrangements
- Audit Committee Membership
- A range of miscellaneous matters

In making these suggestions for improvements I was very much aware of the stress the organisation was under and the overall lack of resources to help implement the changes required. It was therefore pleasing to see that progress had been made on all the matters raised although a number of the major issues were "work in progress". The need for organisational restructure is the most pressing requirement and this need had been recognised prior to my appointment and some preliminary work had commenced.

The restructure is required to specifically address the need for more checks and balances across the organisation in areas such as finance and procurement. It should also even out the spread of responsibilities and workloads in instances like separating customer service and governance and providing for a defined separate property management role. By getting the right people in the right positions endeavours could then be made to focus on improving the organisation's culture.

Through senior people being away and the other issues confronting the Council it has been difficult to fully address the restructure but I understand this work will be completed in the New Year and rolled out thereafter. It will again cause a degree of uncertainty across the organisation but will also

be welcome by some. It is necessary to complete the restructure so as a number of the other issues raised can be addressed.

I understand that the policy and procedure manual has now been updated using a new format and including sunset clauses, however, it would still be necessary to review these policies and procedure to check complete compliance and ensure a separation between strategic Council policies and internal operating procedures and guidelines.

New arrangements for presenting reports at Council meetings is being trialled and presentations by town planning applicants and objectors are now held prior to the formal Council meeting where the application is being considered. This is a great initiative to give Councillors the opportunity to fully consider all the relevant information. Improvements have also been implemented at Councillors workshops around transparency and clarifying that formal decisions are not made. Compliance regarding matters considered at confidential meetings has also been implemented.

The Council has recently considered a report to broaden the membership of the Audit Committee and has resolved to advertise for new members. I understand that there is also an intention to review the charter of the committee.

In regard to the miscellaneous matters raised these included issues around Councillors induction and training and a range of operational matters raised by some of the community members I met. I am satisfied that these matters are being followed up by the Officers concerned.

3. Promote sound administration and good governance

By moving around the organisation and being available to meet with staff at various levels, Councillors and interested community members, I was in a good position to promote good governance. My independence was recognised and people were most willing to talk openly with me on a range of administrative and governance issues. This enabled me to explain the importance of these aspects particularly to community members who often see local government as overly bureaucratic and complex. In many instances I felt some of these people I met with really wanted someone to listen to their views without requiring a specific outcome.

4. Advice on improvements

As previously outlined I provided advice on improvements to both Councillors and senior staff. In all instances this advice was received in a positive and proactive manner and on a number of occasions work had already been initiated to address the issue prior to my appointment.

5. Conclusion – going forward

In view of the pressure the Council is currently experiencing in dealing with the ongoing investigation, the lack of adequate and skilled human resources working under an outmoded organisational structure and the tensions between Councillors and staff, I am concerned about the future good governance at Central Goldfields. At present the Council does not have all the right people in permanent positions under a robust contemporary structure to make the required

improvements to the organisation. It is difficult to envisage how the Council will cope should these current pressures continue over a sustained period.

It is my opinion that the Councillors and staff have a strong commitment to “business as usual” but as the investigations continue and the other pressures mount, the situation becomes more difficult to maintain. With the Council focussing on the pressures outlined, it is extremely difficult to make all the necessary improvements which have been identified in this report.

The Central Goldfields Shire Council has many challenges to address over the coming 12 months.