

**REVIEW OF REPORTS AND DOCUMENTS AND
THE PROVISION OF ADVICE IN RELATION TO THE
WANGARATTA RURAL CITY COUNCIL**

REPORT OF MR BILL SCALES AO

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Review of reports and documents and the provision of advice in relation to the Wangaratta Rural City Council:

Scope:

To consider and review certain reports in relation to reviews and investigations conducted into the Wangaratta Rural City Council (WRCC) since the Municipal elections of October 2012 and to provide advice to the Department of Premier and Cabinet as to whether the reports of these reviews and investigations, when considered as a whole, confirm that a case exists for the dismissal of the current Council:

The process:

- I have reviewed a number of key reports in relation to reviews and investigations conducted into the WRCC since the municipal election in Wangaratta Shire in October 2012.
- I have interviewed the authors of these reports.
- I have reviewed recent local press coverage in relation to the WRCC.
- I have not relied on any one report, document or interview to come to the following conclusions, but have considered all the reports, documents and interviews as a whole.

Conclusion:

Based on reviewing these reports and interviewing their authors I have come to the conclusion that there are compelling reasons why the Government should dismiss the Wangaratta Rural City Council as soon as this can practically be achieved.

This is because the reports and the interviews, when taken as a whole make the compelling case that:

- the WRCC is so dysfunctional as to make the efficient and effective operation and management of the Rural City of Wangaratta (RCoW) unachievable under the existing Council.
- while it can be reasonably argued that the RCoW requires some level of restructuring and reform, the current WRCC is not capable of being able to sensibly and constructively implement such a process.
- the current Council has been instrumental in the decisions by the senior management team of the Council to resign. However the behaviour of the current Council casts serious doubt as to whether it would be able to effectively and efficiently govern the municipality under any form of revised management structure.
- the past actions of the current Council indicates that it is unlikely that it would be able and prepared to work with a management team other than one which was described by one interviewee as 'compliant and obedient'.
- the current Council does not understand the financial and reputational damage it is imposing on the Wangaratta community by its dysfunctional behaviour. For example, the current cost of disputation within the council is conservatively estimated to be in excess of \$1.6m, with this estimate likely to increase. This has been estimated to be equivalent to around 4% of the Council's rate revenue
- Councillors of the WRCC have by their behaviour adversely affected the health and safety of staff of the RCoW.
- the Councillors at the WRCC are placing the ongoing health and safety of an increasing number of staff of the RCoW at risk. For example, the Acting CEO has felt compelled to maintain an existing ban on staff meeting with Councillors, other than the Acting Senior Management Team, because of his concern about the health and safety of staff if they were required to do so.

- the WRCC has been given significant support, advice and resources to assist it to address its dysfunctional behaviour, but none of the support or the advice provided has had any effect on its behaviour.
- one Councillor in particular has shown no ability or willingness to understand the level of dysfunction within the Council, its effect on the community, nor his central and ongoing role in creating this level of dysfunction within the Council.
- a majority of the Council is either unwilling or unable to discipline this particular Councillor so as to allow the Council to operate effectively and efficiently.

It is worth noting that during my interviews with those who had conducted these key reviews, the constant theme conveyed to me was that the behaviour and performance of the WRCC was the worst that they had observed. This is particularly important given the experience of those reviewers and that they have had either no contact, or very little contact with each other in relation to WRCC.

For all the reasons detailed above, and in particular to ensure the good governance of the people of the Rural City of Wangaratta, and to ensure the health and safety of the Council's staff, I have come to the conclusion that dismissal of the Wangaratta Rural City Council is warranted.

Bill Scales, AO
17 September 2013