

GCC Board of Inquiry Report KEY FINDINGS SUMMARY



The Minister for Planning and Local Government Peter Gutwein established the Board of Inquiry because he was satisfied that...

- (a) Following considerable and ongoing public concern and investigations by the Director of Local Government, significant divisions continued to exist within the Glenorchy City Council as well as between elected members and senior staff;**
- (b) Such divisions and poor relationships were adversely affecting governance arrangements and were not conducive to good decision-making; and**
- (c) All efforts to overcome the divisions within the Council had failed.**

Relationships between the Mayor and the Aldermen since 2014

Seven of the ten aldermen elected in October 2014 were unsuccessful in their campaigns to become mayor or deputy mayor. It is apparent from the submissions and evidence received by the Board that some of these aldermen and their supporters were extremely disappointed by the election outcome and found it difficult to come to terms with the results. 17 Submissions to the Board indicated that the decisive nature of the mayor's victories in both aldermanic and mayoral elections exacerbated the situation.

The (ongoing) relationship between the mayor and the majority of aldermen was marked by displays of animosity and hostility. Poor behaviour and conduct manifested in an evident lack of trust, refusal to allow the mayor representation on various bodies which could benefit the city, partisanship and criticism, lack of collegiality, inappropriate statements made to the media by both the mayor and aldermen, refusal to recognise the importance of the office of the mayor, and the repeated exhibition of behaviours which indicated animosity and lack of respect for the office of mayor, and the holder of that office.

Governance

- 1. As a result of their ignorance of the principles and practice of good governance, poor knowledge and understanding of the Local Government Act 1993, and ignorance of proper meeting procedure, a number of aldermen failed to monitor effectively council's performance, council's assets, and the performance of the general manager.**
- 2. The animosity, defiance, distrust, and lack of willingness to work together for the good of the council and the community, demonstrated in the events surrounding the general manager's extended personal leave in January 2017, are evidence that the council did not address the dysfunctionality in its relationships, most particularly within the elected body, and between the mayor, the council, the general manager, and the DCG&GC. In the 16 months from the commencement of the Inquiry to the suspension of the aldermen, key people in GCC failed to modify their behaviour, to the extent that the council's governance framework upon which council and the community depends, appears to be beyond repair.**
- 3. The mayor's authority to act as chairperson of the council was challenged consistently throughout the term of this council. Challenges included interference with her capacity to facilitate communication by the council with the community; interference with her obligation to monitor the performance of the general manager; and overt challenges to her authority to act as the chairperson of the council in council meetings.**
- 4. The aldermen who represented council on the GMPRC collectively failed to undertake their duties and responsibilities as authorised by the council and prescribed in the Local Government Act 1993, s 28(1)(e) and s 28(2)(d).**
- 5. The relationship between the mayor and the general manager degenerated from the time of the local government elections in 2014, and became dysfunctional, in that the usual and necessary functions of a council leader (mayor) working with the chief employee (general manager) could not be performed.**
- 6. The general manager failed to provide support for the mayor, and support for the office of the mayor, in ways which reduced her capacity to undertake the duties of office. These failures included public and internal demonstration of his opposition to her as mayor, unreasonable refusals to provide information which she required in order to carry out her role as an alderman and as mayor, and reduction in the mayor's direct access to the organisational arm of council, including council's media office.**
- 7. The number and consistency of potential breaches of the Code of Conduct by the aldermen of GCC indicate that the council was failing in its duty to comply with both the Act and the Meeting Regulations and was not delivering good government to the people of Glenorchy.**
- 8. Council failed to fulfil its function to determine and monitor the application of policies, plans and programs for the efficient and effective management of council's assets, and the fair and equitable treatment of employees of the council.**
- 9. The regularity and frequency of breaches of the Meeting Regulations by the aldermen of GCC indicate a lack of understanding of the principles of good governance and aldermanic legislative responsibilities and an unwillingness to change behaviours which did not serve the best interests of the community of Glenorchy.**

Management and Operations

- 1. The general manager failed to comply with a number of functions under the Act and Regulations and frequently failed to comply with principles of good governance and effective leadership.**
- 2. The general manager failed in his duty under the Act to ensure that council complied with GCC policy, in particular, its policy Nomination and Appointment of Aldermen to Committees and Other Bodies, its policy Code for Tenders and Contracts, and its Purchasing Card Procedures.**
- 3. The general manager failed to monitor a number of significant council operations and projects and thereby failed to effectively manage the resources and assets of the council.**
- 4. The general manager failed to manage the professional performance of the DCG&GC to the detriment of the council and the community.**
- 5. The DCG&GC's behaviour damaged the relationship between GCC and its community, and actively undermined the authority of the mayor.**
- 6. The actions of the DCG&GC in challenges to the mayor's authority and failure to correct or retract inaccurate advice, and interference in the relationships within the aldermanic body, contributed significantly to the dysfunctionality of the council.**
- 7. The Board found numerous examples where the general manager or his direct report, the DCG&GC, provided inaccurate or confused advice to council, and the acceptance of this advice by the majority of aldermen contributed significantly to the disharmony and dysfunctionality within council.**
- 8. The general manager failed to ensure that aldermen received certain critical reports that they should have had in order to fulfil their functions. The most notable of these failures was the general manager's withholding of the CT Management Group (CTMG) Report, with its recommendations for sweeping changes to the management structure that had significant financial repercussions for the organisation through redundancies.**
- 9. Because of the delays in providing reports on performance against the Annual Plan, and forecasts of the end-of-year performance against Budget, council was unable to monitor its progress through the financial year, and unable to assess the possible need for adaptation in its programs, plans, and budgets.**
- 10. Some aldermen raised legitimate, pertinent questions about the productivity dividend assumptions in the 2016-17 Budget, and the general manager failed to provide timely and accurate answers; this did not allow aldermen to monitor the efficient and effective provision of services, facilities, and assets, and the fair and equitable treatment of the employees of the council.**
- 11. The general manager acted unethically and unprofessionally, and in breach of his functions under the Act, in instructing his personal lawyer to undertake a full review of his contract of employment, in direct conflict with the instruction of council that any review be confined to clause 5 of his contract.**
- 12. The general manager acted unethically and unprofessionally, and in breach of his functions under the Act, in providing for council's consideration a revised contract of employment which, if accepted, would potentially have provided substantial personal and monetary benefits to the general manager, as well as severely limiting the mayor's ability to oversee and assess his performance.**
- 13. The general manager, on behalf of GCC, incurred significant expense in accessing retrospective legal advice regarding his actions in dealing with the CTMG contracts and services, first from one firm of lawyers, and then from a Senior Counsel. The general manager needed this retrospective advice because he was unable to explain to the satisfaction of some aldermen his failure to call tenders for projects which in total cost council over \$500,000 since October 2014, and his failure to include CTMG projects in the Annual Report, as required under s 29(3) of the General Regulations**

Recommendations - *Actioned*

Recommendation: that within three months of a council term, the mayor and aldermen approve a Statement of Expectations to establish agreed protocols for fulfilment of their mutual and respective obligations under the Act and the Regulations, and to provide for the good governance of the council.

Recommendation: that the Director of Local Government issue a model Statement of Expectations for Mayors and Aldermen, and that adoption of a Statement of Expectations be recommended to all councils.

Recommendation: that the Act be amended to make training in local government procedures mandatory for all aldermen, and that the provision include a commitment by candidates for election to undertake such training within six months of the declaration of the poll.

Recommendation: that council review and formalise its induction procedures for new mayors and new aldermen, including the roles to be undertaken by the mayor and the general manager in the induction procedures.

Recommendation: that council undertake an annual review of its own performance, including but not limited to its compliance with the Act and associated Regulations, compliance with the Code of Conduct, compliance with its Statement of Expectations, compliance with its policies and procedures, its conduct of meetings and workshops, and its oversight and review of the general manager.

Recommendation: that council determine its aldermanic professional development program based on the outcomes of its annual review.

Recommendation: that the Act and the Regulations be amended to provide additional powers for the popularly elected mayor. These powers should include, but not necessarily be limited to, the mayor's automatic representation of council on all external bodies (with the power to delegate such representation); the mayor's power to approve the agenda prior to its release by the general manager; the mayor's power to approve the release of the draft minutes to other aldermen; the mayor's power to approve the general manager's leave; the mayor's power to appoint an acting general manager.

