

**GLEN EIRA CITY COUNCIL REPORT
SUMMARY OF KEY FINDINGS AND GOVERNMENT RESPONSE**

Key findings	Page ref Report
<p>The Council is very badly governed</p> <ul style="list-style-type: none"> • There has been and continues to be a serious failure to provide good government. • Councillors are not providing effective leadership • Councillors show no inclination to focus on strategic direction • Councillors are almost completely immersed in divisive point scoring and interpersonal conflict • Councillors' failure to provide good government is due to a breakdown in working relationships, a total absence of good will, respect and trust between Councillors • Councillors are unable or unwilling to seriously attempt any remedial action • Councillors have placed a substantial burden on staff 	2, 8
<p>The Council is very well managed.</p> <ul style="list-style-type: none"> • The high standards achieved are directly attributable to the CEO, directors and management team • The Council is in a strong financial position • It is widely acknowledged that Councillors have played little or no part in achieving the successes of the organisation • Competence and commitment of staff has concealed inadequacy of Councillors 	2, 8
<p>Council meetings</p> <p>The latter part of Council meetings, where Councillors initiate business is dysfunctional:</p> <ul style="list-style-type: none"> • Unruly behaviour • Lack of effective debate • Mayor unable to preserve order • Deep divisions within Council • Fail to work co-operatively • Disruptive conduct • Misuse of sensitive information • Councillor harassment of colleagues 	3

Key findings	Page ref Report
<p>Code of Conduct</p> <ul style="list-style-type: none"> • Councillors have failed to adopt a Code of Conduct, since it was first recommended by a Municipal Inspector following an investigation in 1998 • In 2003, Councillors signed a Code of Conduct prepared by Commissioners six years earlier, but their behaviour demonstrates that they have not followed it; • A minimalist Code was adopted in December 2004 to comply with the Act – again, their subsequent behaviour belies any commitment to the Code 	4
<p>Mediation</p> <ul style="list-style-type: none"> • has not been successful at Glen Eira • Councillors have not acted upon a resolution in April 2005 to appoint a mediator 	4
<p>Council/CEO relationship</p> <ul style="list-style-type: none"> • The relationship between Councillors and the CEO has been undermined by the antagonism and vindictiveness displayed by several Councillors, whose actions have the potential to threaten the excellent performance of the organisation, as highlighted by a series of events over the last three years. 	4
<p>CEO reappointment process – 2004-2005</p> <ul style="list-style-type: none"> • Councillors' conduct of this matter exemplifies bad government at Glen Eira • Lack of leadership • Inability to make major decisions in a responsible manner • Disregard for financial risk factors • Councillors' Ignorance of impact of their actions on organisational performance and staff morale • Breaches of confidence 	5
<p>Allegations against CEO</p> <ul style="list-style-type: none"> • Allegations made by two Councillors against the CEO were groundless, and had been raised elsewhere previously; • These persistent attempts to discredit the performance of the CEO raise questions about the motives for their actions, the negative implications for CEO/Councillor relationships, and the adverse impact on the capacity of the Council to provide good government 	5

Key findings	Page ref Report
<p>Confidential information</p> <ul style="list-style-type: none"> Numerous breaches of confidentiality – release of information designated as confidential within the meaning of s.77 of the Act. This is a serious governance problem. 	5
<p>Induction programs for Councillors</p> <ul style="list-style-type: none"> Relevant and comprehensive 	6
<p>Consultation/Communication processes and procedures</p> <ul style="list-style-type: none"> External and internal communication and consultation extensive and effective; Extensive flow of memoranda from Councillors reflect acrimonious and distrustful nature of Councillor/Councillor and Councillor/senior staff relationships 	6
<p>Audit Committee</p> <ul style="list-style-type: none"> Effectively performs its role 	6
<p>Council Civic Expenses Policy</p> <ul style="list-style-type: none"> Several Councillors appear to have breached the policy Councillors participated in preparation of the policy Council has not taken any action to tighten the policy <i>Action should be taken to recover costs incurred by Councillors in excess of that allowed by the policy.</i> 	6-7
<p>Cr Goudge</p> <ul style="list-style-type: none"> This matter is currently before the Court. 	7

Key findings	Page ref Report
<p>There has been a serious failure to provide good Government</p> <ul style="list-style-type: none"> • Councillors have consistently failed over several years to satisfactorily discharge their responsibility to provide good government; • Divisive and hostile working relationships • Acrimonious and inflammatory communication to denigrate colleagues • No attempt to resolve their differences • Total disregard for impact of actions on staff performance and welfare • Attempted to divert blame for own actions and decisions onto staff • Dysfunctional debate and decision-making processes • Put Council and themselves at financial risk by injudicious actions during recent CEO reappointment processes • Neglected responsibility to engage in constructive debate on strategic planning and resourcing • Neglected to treat CEO fairly and responsibly over the last three years • Appear to have breached the Local Government Act confidentiality provision, the Public Records Act and the Civic Expenses Policy • Abdicated their responsibility under the Act to provide leadership 	7-9
<p>Steps taken to remedy its deficiencies</p> <ul style="list-style-type: none"> • No action by Councillors to implement Code of Conduct, despite recommendation by Municipal Inspector in 1998, apart from minimalist version in December 2004, to comply with the Act • Councillors recognise will to prepare, adopt and implement a code lacking • Engaged two mediators but both processes failed to achieve lasting improvements • Most Councillors agreed mediation will not succeed – bitterness, resentment entrenched, no will or desire to mediate in good faith • No improvement in behaviour during period of investigation – relationships and behaviour deteriorated • Despite opportunities and advice to change, Council is incapable of or unwilling to do so 	9

Key findings	Page ref Report
<p>Recommendations</p> <ul style="list-style-type: none"> • Minister consider recommending to Governor in Council suspension of Councillors and appointment of administrator • Steps should be taken to recover any telephone costs incurred in excess of that allowed under the Civic Expenses Policy • Appropriate action should be taken against Cr Peter Goudge regarding acting as a Councillor while disqualified 	10

Government response
<ul style="list-style-type: none"> • The Government has accepted the recommendations of the Inspector's Report; • The Minister for Local Government has recommended to the Governor in Council that the Councillors of the Glen Eira City Council be suspended and an Administrator appointed, by Order in Council; • An Order in Council has been made, suspending the Councillors and appointing an Administrator, effective from 11 August 2005; • The Administrator will be directed to initiate action to recover any telephone costs incurred in excess of that allowed under the Civic Expenses Policy; • Charges have been laid by Local Government Victoria against Cr Peter Goudge regarding acting as a Councillor while disqualified.