COMMISSION OF INQUIRY

INTO GREATER GEELONG CITY COUNCIL

AN INDEPENDENT COMMISSION OF INQUIRY ESTABLISHED BY THE MINISTER FOR LOCAL GOVERNMENT

COMMISSIONERS

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MARCH 2016

Ordered to be published

VICTORIAN GOVERNMENT PRINTER
April 2016

No 61 Session 2014–16

31 March 2016

Printed by Impact Digital – Brunswick

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Local Government Act 1989
ELECTORAL STRUCTURE OF GREATER GEELONG CITY COUNCIL

NOTE: By Order in Council made under Section 220Q(k) of the Local Government Act 1989, the boundaries of the wards of the Greater Geelong City Council are fixed as described in this plan.

I hereby certify that the electoral boundaries shown on this map have been aligned to the VicMap property grid to represent those boundaries as presented in the Electoral Representation Review Final Report for Greater Geelong City Council, submitted to the Minister for Local Government on 12 May, 2008.

Steven Tully, Electoral Commissioner

Electoral Structure of Greater Geelong City Council

LEGL./07-342

Map 1 of 2

AN INDEPENDENT COMMISSION OF INQUIRY ESTABLISHED BY THE MINISTER FOR LOCAL GOVERNMENT

31 March 2016

Hon Natalie Hutchins MP
Minister for Local Government
1 Spring Street
MELBOURNE VIC 3000

Dear Minister

In accordance with the Terms of Reference, the Report of the independent Commission of Inquiry into Greater Geelong City Council (Commission) is submitted for your consideration.

For the purpose of evaluating the Greater Geelong City Council in a context defined by the Terms of Reference for the Inquiry, the Commission developed a framework for good governance. The outcomes of the framework reflect the objects in the Local Government Act 1989; the policies, procedures, systems, guidelines and frameworks reflect the work of the Commission and officers from the Secretariat; the principles have been taken from the Good Governance Guide 2013 developed by the Municipal Association of Victoria (MAV), Victorian Local Governance Association (VLGA), Local Government Victoria (LGV) and Local Government Professionals (LGPro), with greater emphasis on diversity and trust; and the performance indicators are illustrative only and prepared by a consultant for the Commission based on the City of Sydney's Community Indicators Framework.

Consistent with the Terms of Reference the report includes:

- An examination of the roles and responsibilities at all levels within the City of Greater Geelong Council (Council) and whether sufficient clarity exists to ensure good governance;
- An analysis of whether, in delivering services to its constituents, Council governance arrangements are efficient and effective;
- An exploration of the relationship between matters contained in and the findings of the Workplace Cultural Review and governance arrangements of the Council; and
- An investigation of other relevant factors impeding the Council's ability to provide good government to its constituents.

The Commission's Report has been prepared following a series of public and private hearings, an invitation to the Greater Geelong community to submit written submissions for the Commission's consideration, a series of workshops with staff from Council and an extensive review of relevant documents provided to the Commission during the course of the inquiry.

The report provides recommendations to restore the good governance of, and the strategic direction required to secure a prosperous future for, the greater Geelong community. The restoration of good council governance and the development of a unified strategic plan, provide a stable foundation for building a positive and inclusive culture, effective leadership and quality service delivery.

The Commission would like to acknowledge the work of and thank its Secretariat and specialist support and advice staff for an outstanding contribution towards the preparation of the report in a prompt, competent and thorough manner.

The Commissioners would like to take this opportunity to express our appreciation for being appointed to undertake this very important task.

Yours sincerely,

Mr Terry Moran AC
Commissioner Chair

Ms Jude Munro AO
Commissioner

Ms Frances O'Brien QC
Commissioner

LOCAL GOVERNMENT ACT 1989

3C OBJECTIVES OF A COUNCIL

1) The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.
2) In seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives—
   a) to promote the social, economic and environmental viability and sustainability of the municipal district;
   b) to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
   c) to improve the overall quality of life of people in the local community;
   d) to promote appropriate business and employment opportunities;
   e) to ensure that services and facilities provided by the Council are accessible and equitable;
   f) to ensure the equitable imposition of rates and charges;
   g) to ensure transparency and accountability in Council decision making.

3D WHAT IS THE ROLE OF A COUNCIL?

1) A Council is elected to provide leadership for the good governance of the municipal district and the local community.
2) The role of a Council includes—
   a) acting as a representative government by taking into account the diverse needs of the local community in decision making;
   b) providing leadership by establishing strategic objectives and monitoring their achievement;
   c) maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;
   d) advocating the interests of the local community to other communities and governments;
   e) acting as a responsible partner in government by taking into account the needs of other communities;
   f) fostering community cohesion and encouraging active participation in civic life.

3E WHAT ARE THE FUNCTIONS OF A COUNCIL?

1) The functions of a Council include—
   a) advocating and promoting proposals which are in the best interests of the local community;
   b) planning for and providing services and facilities for the local community;
   c) providing and maintaining community infrastructure in the municipal district;
   d) undertaking strategic and land use planning for the municipal district;
   e) raising revenue to enable the Council to perform its functions;
   f) making and enforcing local laws;
   g) exercising, performing and discharging the duties, functions and powers of Councils under this Act and other Acts;
   h) any other function relating to the peace, order and good government of the municipal district.
2) For the purpose of achieving its objectives, a Council may perform its functions inside and outside its municipal district.

3F WHAT ARE THE POWERS OF COUNCILS?

1) Subject to any limitations or restrictions imposed by or under this Act or any other Act, a Council has the power to do all things necessary or convenient to be done in connection with the achievement of its objectives and the performance of its functions.
2) The generality of this section is not limited by the conferring of specific powers by or under this or any other Act

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EXECUTIVE SUMMARY

The City of Greater Geelong (City) faces major economic challenges that demand long-term vision and leadership if they are to be met successfully. The City has a number of strengths, including a large and diversified economy, quality health and education services, good innovation and research capabilities and transport accessibility. However, the City has been hard hit by closures in its manufacturing sector, has significant structural transition issues, pockets of socio-economic disadvantage and high levels of youth disengagement.

Greater Geelong City Council (Council) is unable to provide the longer-term vision, leadership and good government required to meet these challenges. It is riven by conflict between Councillors and between Councillors and the Mayor. A significant number of Councillors do not accept or support the legislated model of a directly elected Mayor or the mandate of the current Mayor. Support for the Mayor ebbed quickly following his election to the point where he has little or no support from Councillors. The collapse in Councillor support for the Mayor crosses party and independent members.

Good governance has also broken down, with the Mayor and a number of Councillors not respecting and acting in accordance with the Councillor Code of Conduct. Council staff have been subjected to bullying, harassment and inappropriate interventions by Councillors pursuing their own wants and ward interests. These unacceptable behaviours cross gender, party and independent members. There is poor understanding by the Mayor and Councillors of their legislated roles and responsibilities, and a continuing focus by Councillors on their individual wards to the detriment of whole of City planning and decision making. As a prominent and well-informed Geelong leader put it: "Geelong's disadvantages are self-inflicted. They (the Council) have a corrosive capacity to destroy any idea".

The Mayor, although committed to the betterment of the City, has been unable to build good working relationships with either Councillors or Council staff. His bullying treatment of staff in his own office has damaged their health and wellbeing, resulting in the resignation of one staff member and the physical relocation of another. The Mayor's threats of legal action against the Chief Executive Officer (CEO) and the Council if the bullying complaints against him were ever published demonstrate little commitment by him to workplace health and safety following the Culture Review conducted by Ms Susan Halliday.

There is a deep-seated culture of bullying not only within the Council itself, but also within Council Administration. Extensive evidence was provided not only of the incidence of bullying, but also of the failure of senior and middle managers to acknowledge and deal promptly with it consistent with their workplace health and safety obligations.

Bullying is one ugly facet of a wider suite of cultural issues within the Council. These include a lack of shared longer-term vision, respect, accountability and shared and lived corporate values. Risk aversion, resistance to change and failure to support staff also figure prominently. The Administration also suffers from entrenched silo behaviours, lacks organisation discipline and energy, tolerates poor performance and, with some exceptions, does not demonstrate contemporary leadership and management skills and capacities. Staff morale is poor. The current CEO has done much to 'rescue' the organisation and has put in place a number of reform initiatives. He is respected by staff.

The deep malaise within Council directly affects its capacities to plan and deliver high-quality services to the community of Greater Geelong. Staff have learnt to keep their heads down and not to challenge existing ways of doing business. This has adversely affected the quality of advice from staff and undermined continuous improvement by the organisation. There is no workforce

plan. There is no diversity plan. There is no functioning organisation-wide performance management system.

There is, importantly, no long-term vision and strategic plan for the City. The City Plan meets the legislated requirement, but it is essentially a corporate plan of projects and activities driven by the four-year electoral term and the budget cycle. A long-term plan and integrated strategy for the next 20 to 30 years is essential to guide the critical investment decisions necessary to secure the City's future. Companion long-term asset management and financial strategies also need to be developed.

The Commission has concluded that Council is substantially dysfunctional, that governance and performance is well below standard and that there has been, overall, a failure to provide good government to the City. A fresh start is needed.

The Commission therefore recommends that the Greater Geelong City Council be dismissed and Administrators appointed to perform the powers, functions and duties of the Council until a new Council is elected.

The Commission further recommends that the individual ward Councillor system be replaced with multi-councillor wards and that the Deputy Mayor, like the Mayor, become a directly elected position.

The Commission has also made a number of other recommendations to strengthen support for Councillors, to clarify the roles and responsibilities of the CEO and to establish an independent panel for two years to deal with bullying complaints. The Commission has further recommended that the Administrators be supported by the incumbent CEO in establishing a transformational program of renewal involving a thoroughgoing review of the organisation and its management and a comprehensive review of all Council policies, systems, processes and operations to ensure they meet contemporary governance standards.

GENERAL FINDINGS

A. Mayor and Councillors

1) There has been a serious failure by Greater Geelong City Council to provide good government to the City.

2) The Mayor and a significant number of Councillors have not met their obligations for good governance and for acting with integrity in the performance of their duties.

3) The Mayor has been unable to foster and establish good working relationships between himself and Councillors and a significant number of Councillors appear not to accept the legislated role of directly elected Mayor or to support the current Mayor.

4) A significant number of Councillors appear to be preoccupied with their individual ward interests rather than the City as a whole, and have shown little capacity to work constructively together.

5) The Mayor and a significant number of Councillors have, without any sanction, engaged in threatening, bullying and other unacceptable behaviours towards staff.

6) These behaviours have prejudiced the capacity of Council Administration and staff to perform their duties in the best interests of the City.

B. The Administration

7) The Commission considers that against the eight pillars in its Framework for Good Governance (see Appendix 3), Council is performing or delivering poorly (red) in the following:

- Direction and Leadership;
- Culture and Behaviour; and
- Capability.

8) Council is performing adequately but with some concerns (amber) in the following:

- Structure, Systems and Policies;
- Decision Making;
- Communications and Community Engagement; and
- Risk and Compliance.

9) Council is performing at or exceeding expectations (green) only in the following:

- Monitoring and Review.

10) This governance assessment confirms that Council Administration is seriously depleted and requires major organisational and cultural reform.

SPECIFIC FINDINGS

Term of Reference c): "The relationship between matters identified in the workplace cultural review and the governance arrangements of the council."

1) The Mayor and a significant number of Councillors have regularly intimidated, abused and sworn at staff, often in the presence of others, in the pursuit of their own interests. This has created a climate of fear and anxiety for many staff and a consequent reluctance to give frank and candid advice.

2) The Mayor's bullying and abusive behaviours towards his staff have had significant adverse consequences for their health and wellbeing.

3) A written threat of legal action by the Mayor against the CEO and the Council, should allegations of bullying by him be published, demonstrated a lack of commitment and leadership in responding to the Halliday Culture Review and undermined the relationship between the Mayor and CEO, which is critical to the good governance of the City.

4) Council Administration failed to support both the current Mayor and his predecessor with adequate advisory and administrative support, increasing the pressures on each in their directly elected mayoral roles.

5) The Mayor and Councillors have demonstrated little collective commitment to implement necessary change following the Halliday Culture Review and no urgency to adopt the Culture Review Stage 2 Action Plan for Councillors.

6) A significant number of Councillors have intervened and interfered at middle and junior officer level, contrary to the Code of Conduct, in matters that are clearly the legal and administrative responsibilities of the Administration.

7) There has been until very recently a culture within Council of not responding promptly to staff complaints of bullying and harassment. There has been no effective system for reporting and dealing with complaints and staff have felt powerless to seek help and had no confidence that their complaints would be dealt with fairly, promptly and transparently.

Term of Reference a): "Whether there is sufficient clarity in the respective roles and responsibilities at all levels within Council to ensure good governance."

1) A majority of Councillors appear not to have a clear understanding of their roles and responsibilities as set out in the Local Government Act 1989.

2) A significant number of Councillors do not act in accordance with the Councillor Code of Conduct and do not respect the division of roles between Councillors and staff.

3) The legislated, directly elected Mayor has been undermined by a significant number of Councillors. There is no confluence of views between the Councillors and the Mayor concerning the Mayor's role, leadership and

electoral mandate and with respect to their roles as Councillors.

4) The differentiation of roles between the Mayor, Councillors and staff has blurred as respect has depreciated, and breaches of the Councillor Code of Conduct, including abusive behaviours, have become normalised.

5) Replacement of single councillor wards by multi-councillor wards supported by mechanisms to ensure strategic, whole of municipality planning and delivery would strengthen council leadership, corporate behaviour and decision making.

6) The restoration of good governance to the Greater Geelong City Council will require not only major changes to electoral structures and Council practices, but also major organisational and cultural reform.

Term of Reference b): "The efficiency and effectiveness of Council governance arrangements in delivering services to its constituents."

1) The Council lacks a robust, long term strategic plan together with companion long term asset management and financial plans and strategies to guide the City's future growth and development to meet the demands for new infrastructure and services and to renew existing assets.

2) The current CEO has instituted some much-needed organisational reforms, but restoring efficient and effective leadership, business and workforce planning, training and recruitment will require a transformational reform and change management program over several years.

3) The fractured leadership of the Mayor, the damaging behaviours of some Councillors towards staff and leadership failures within the organisation have adversely affected the quality and timeliness of service delivery.

4) The Administration has tolerated poor performance and underperformance such that they have become a major source of frustration for staff and are damaging morale.

5) The HR systems and processes of the organisation are inadequate to support a contemporary approach to workforce management. The Manager, People and Organisation Development must be given much stronger support by the Executive to make the necessary urgent changes.

Term of reference d): "Any factors that are impeding Council's ability to provide good government to its constituents."

1) The breakdown of good governance and absence of effective leadership by the Mayor and Councillors have seriously damaged Council's ability to deliver good government.

2) These failures have also degraded the capacity of Council Administration to deliver good government. Some senior managers have also failed to ensure good governance and to provide the leadership required by the organisation.

3) The dispersal of Council departments across several locations does not assist the development of shared vision, values and purposes and further action should be pursued with a view to consolidation on one central site.

4) Council's lack of an engagement strategy with key stakeholder groups has adversely affected its capacity to advocate with one voice for the City. Council should better target its use of s.86 committees to strengthen stakeholder support and engagement.

5) The lack of an effective media strategy has been unhelpful to good communications and serves to distract Council from consideration of strategic issues.

RECOMMENDATIONS

The Commission recommends that:

1) Greater Geelong City Council be dismissed and Administrators appointed to perform the powers, functions and duties of the Council until a new Council is elected.

2) A major transformational program be established by the Administrators, with the support of the incumbent CEO, to implement:

   a) a thoroughgoing review of the organisation and its management; and

   b) a comprehensive review of all Council policies, systems, processes and operations to ensure they meet contemporary governance standards.

3) Urgent priority be given to the development of a 20 to 30-year outcome-focused vision and strategy for the Council and the City developed in consultation with key business, community and other stakeholders.

4) The long-term vision and strategy guide Council's approach to investment in and advocacy for the economic development, population growth, environmental sustainability and community services of Greater Geelong. Subsequent development of long-term capital investment, business and advocacy plans to guide the Council's work for the City will be essential.

5) The four-year City Plan be reviewed and recast consistent with the long-term vision and strategy for Geelong and to provide the context for feasibility studies to underpin decisions affecting all Council expenditures on major assets.

6) The individual Councillor ward electoral system be replaced with multi-councillor wards to share representative responsibilities.

7) Support for Councillors be strengthened through secondment of experienced administrators as councillor liaison officers to coordinate Administration support to individual Councillors in the discharge of their responsibilities as elected officials. The liaison officers would exercise no executive discretion and have no authority to direct other Council staff.

8) The positions of Mayor and Deputy Mayor both be directly elected to strengthen support to the Mayor and enable a greater sharing of the workloads of office.

9) Appropriate, experienced resources be provided, at a level commensurate with those available in comparable Councils, to support the Mayor and Deputy Mayor in the performance of their roles and duties.

10) The accountability provisions of the Local Government Act be strengthened through the insertion of provisions to:

   - make it a responsibility of the chief executive officer to liaise with the mayor on the organisation's affairs and performance;and
   - establish a reciprocal obligation by councillors to work constructively with the Mayor to establish good working relationships and good governance of the Council; and
   - enable the removal of individual councillors, including the mayor, for reasons and in a manner similar to the existing provisions in the Act for the removal of all councillors.

11) An independent panel, chaired by an appropriately qualified external person, together with the Chief Executive Officer (as champion of cultural change) and a General Manager, be appointed for a period of two years to deal with staff complaints of bullying and harassment, including both current and outstanding complaints.

12) Action be initiated to consolidate Council departments in one central location to unify the organisation, deliver increased efficiency and productivity and release surplus assets for more economic uses.

TERMS OF REFERENCE AND CONTEXT FOR THE INQUIRY

CHAPTER 1

On 1 December 2015, the Minister for Local Government, Natalie Hutchins MP, appointed Mr Terry Moran AC (Chair), Ms Jude Munro AO and Ms Fran O'Brien QC as Commissioners to inquire into certain matters at the Greater Geelong City Council. The Commission is required to report to the Minister for Local Government by 31 March 2016.

The Terms of Reference of the Inquiry are:

To conduct an inquiry into the adequacy of the current governance structures at the Greater Geelong City Council in providing good government, with particular regard to the following matters:

a) Whether there is sufficient clarity in the respective roles and responsibilities at all levels within Council ensure good governance.
b) The efficiency and effectiveness of Council governance arrangements in delivering services to its constituents.
c) The relationship between matters identified in the Workplace Cultural Review and the governance arrangements of the Council.
d) Any factors that are impeding Council's ability to provide good government to its constituents; and

To provide a report to the Minister for Local Government containing:

a) the findings of the Commission; and
b) recommendations for action by the Minister for Local Government.

CITY OF GREATER GEELONG WORKPLACE CULTURE REVIEW 2015–16

The Commission was established under S.209 of the Local Government Act 1989 in response to the findings of a Workplace Culture Review at the Council initiated by former Chief Executive Officer Dr Gillian Miles. The Review was undertaken by Ms Susan Halliday, former Sex and Disability Discrimination Commissioner, following allegations of serious bullying.

Her report, which included the results of an independent Culture Review Quantitative Report by EY Sweeney, identified a number of themes from information collected on a confidential basis from employees, Councillors, community members, professional practitioners and business people.

Examples were raised with her of individuals being dissuaded or warned off from making complaints, fearing unfair treatment and reprisal, and forms of detriment or unsatisfactory outcome. Examples were also raised of some Councillors behaving unprofessionally and inappropriately, bullying people and repeatedly breaching their Code of Conduct by initiating contact with lower level employees and instructing them in the performance of their duties.

She also reported that some supervisors and managers would not risk speaking up to support employees and that the culture was seen to accept that, in certain circumstances, employee rights could be sacrificed given a supervisor's, manager's or Councillor's wants and interests.

The Councillor Code of Conduct was considered by many of those she interviewed to be very limited in its ability to ensure professional conduct and prevent bullying. Examples were raised of Council's inability to operate as a team including specific examples of rude, sexist, undermining and aggressive conduct. Concerns

were also raised about the limited understanding of basic governance principles and conflict of interest by some employees and a number of Councillors.

Issues were also raised with Ms Halliday concerning the treatment of women Councillors and employees and women in the community that reflected outdated and stereotypical views that belonged in the past. There were also examples of inequitable treatment of some of the more vulnerable, elderly, less articulate and less well-educated members of the community. Misuse of social media was also reported, with some appearing to engage in bullying via social media.

Ms Halliday has continued to work with the Council on the development of three Action Plans for Councillors, the Organisation and the Community to improve conduct and practice so that "all who represent the 'mind and will' of the Council, or act as the Council's voice, or have responsibility to oversee the rights and responsibilities of others fully understand and adhere to their employment law and ethical obligations and are, in turn, held to account".

Ms Halliday's Review undertaken at the request of Council was undertaken without the powers and protections available to the Commission of Inquiry. Her analysis and findings were nevertheless seminal in bringing into the light of day the nature and impacts of bullying and harassment at Greater Geelong City Council.

CONDUCT AND METHODOLOGY FOR THE INQUIRY

The Commission commenced on 4 January 2016 and invited written submissions relevant to the terms of reference as well as in response to the Commission's Framework for Good Governance in Local Government (Appendix 1). This was developed by the Commission to support an examination of the Council's governance structures and processes, which relate directly to the terms of reference.

The Commission conducted 56 private and public hearings, taking 109 hours of evidence. It also conducted two information sessions with staff and Councillors, three staff forums at which staff input was sought, and one intensive workshop with a 'diagonal slice' of staff from across the organisation. Over 300 participants attended these sessions. The Commission received 45 written submissions and subpoenaed a number of documents. In addition, the Commission analysed several thousand pages of documents.

The Commission gave public assurance, repeated prior to each interview, that the evidence given by interviewees, whether invited or summonsed to attend, would be treated in strictest confidence. This was important to ensure that witnesses gave frank evidence that could guide the Commission in its investigations, including the questioning of several summonsed witnesses.

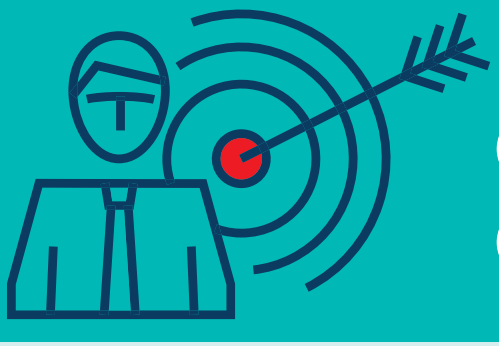
The Commission was conscious that, in making this commitment of assurance to witnesses, the witnesses felt able to rely on it. A number of witnesses gave very emotional testimonies and were plainly in fear of the consequences should their testimony ever become public.

Any evidence of egregious conduct was put to the relevant witness for response.

All interviews were conducted either under oath or affirmation. The Commission was supported by Counsel Assisting at a number of key interviews involving summonsed persons. The Commission was also supported by a small Secretariat of departmental officers and the Commission wishes to record its appreciation of the support it received.

THE DEFINITION OF BULLYING

The Commission adopted the following definition of bullying for its Inquiry consistent with contemporary legislation:



OVERVIEW OF BULLYING

WHAT IS BULLYING?

Workplace bullying is repeated, unreasonable behaviour that creates a risk to health and safety.

Unreasonable behaviour means behaviour that a reasonable person having regard to all the circumstances would expect to victimise, humiliate undermine or threaten.

Risk to health and safety includes risk to the mental or physical health of an employee.

In the public sector bullying risks diminishing the quality of governance by:

a) discouraging or suppressing frank and honest advice to elected officials and others;
b) discouraging or suppressing innovation in responding to the needs of citizens;
c) discouraging or suppressing a concern for efficiency and flexibility in the provision of these services; and
d) encouraging avoidance or excessive reliance on process (doing things by the book).

The following types of behaviour, where repeated or occurring as part of a pattern, could be considered bullying:

- Verbal abuse
- The use of bad, offensive and/or racist language
- Excluding or isolating employees
- Intimidation
- Assigning meaningless tasks unrelated to the job
- Impossible assignments
- Deliberately changing work rosters to inconvenience particular employees
- Bad-mouthing subordinates
- Criticism of performance on the basis of personal qualities
- Threats of report to superiors on no proper basis
- Finding fault when inappropriate to do so
- Disparaging or snide remarks
- Yelling, shouting or unnecessarily loud comments
- Threats of termination or non-extension of contracts where no proper basis to do so
- Exhibiting contempt as a substitute for soundly based disagreement
- Failing to treat colleagues and subordinates respectfully
- Using position to interfere in lines of managerial responsibility by insisting on the supply of information outside the managerial line of responsibility
- Using position to pressure change in views outside the managerial line of responsibility
- Aggressive expression of opinion
- Berating colleagues or subordinates

What is not bullying

- Spelling out work required of a person
- Reasonable expectations being set by a supervisor
- Appropriate discipline process
- Performance management processes
- Allocation of work in compliance with systems

STRATEGIC CONTEXT

The good governance and performance of the Greater Geelong City Council are important not only for the wellbeing and prosperity of its citizens, but also for the contribution they make to the state and national economies and competitiveness.

Geelong is the twelfth-largest conurbation in Australia, and the second principal city in Australia's second-most populous state. It is the gateway to the western Victorian region and arguably its regional capital. Geelong is the largest economy outside metropolitan Melbourne with a Headline Gross Regional Product (GRP) of $9.8 billion in 2014.

GRP grew by $1.39 billion in the period 2004–14. The growth rate was 1.53% per annum, which is significantly lower than Greater Bendigo and Ballarat. GRP per capita in 2014 was $43,661, which is the third lowest of all the regional cities and 25% below the state average.

Unemployment figures of people between the ages of 15 and 24 stood at 12.03% in 2011 compared with 11% for regional Victoria, but in Corio-Norlane unemployment was at 19.4%. It is likely that unemployment in this already-disadvantaged area of the City will increase with the closures of Alcoa and Ford.

Geelong has a number of strengths including a large and diversified economy, relatively high human capital endowment, quality education and health services, good innovation and research capabilities, transport accessibility including airport and port, access to Melbourne and coastal amenities.

However, Geelong has been particularly hard hit by closures in its previously strong manufacturing sector and faces significant structural transition issues, with pockets of socio-economic disadvantage and high levels of youth disengagement.

The City also has an ageing population and capacity and funding constraints connecting transport, water, energy and ICT infrastructure around new growth areas (for example, Armstrong Creek). Its population growth rate is outpacing the job creation rate and the City's established industries are declining in competitiveness, with skills gaps in key growth industries such as healthcare.

Notwithstanding these challenges, there are significant opportunities for the City with the emergence of transport and logistics-based industries, further research, development and commercialisation of advanced manufacturing, and growth in the education and training industries to meet increased demand for skilled labour.

The City's population continues to grow and significant government employers in the Transport Accident Commission and National Disability Insurance Authority have been located in Geelong. These flagship organisations are a significant economic asset for Geelong's future. Together with Deakin University, Australia's tenth-largest university by student numbers, they are an important part of the reinvention of Geelong's economy. The expansion of Avalon Airport and the roll-out of the NBN also present important strategic opportunities for growth and innovation.

Had Greater Geelong achieved economic and employment parity with Metropolitan Melbourne by 2011, it would have meant an extra 1,515 residents in the Geelong workforce, an additional 10,611 residents with a Bachelor degree or higher and an additional 22,357 residents having finished year 12 (Appendix 2). Improved participation and growth outcomes lead to more productive and liveable environments, greater innovation and competitiveness, improved conditions for the wider economy through increased community income levels, better aspirations for future generations and an improved community and economic profile.

FOCUS ON OUTCOMES

Council's strategic and financial planning has not been underpinned by sound, long term economic modelling. It is deficient in a number of respects including a lack of focus on the locational impacts of structural change, for example on the City's northern suburb of Corio-Norlane, which is already subject to significant intergenerational disadvantage. The issues facing Corio-Norlane will be magnified by the closure of Ford and associated component manufacturers.

Council needs to model and target more closely the longer-term impacts of economic restructuring, not least on City revenues. Its strategic planning needs to be better focused on long-term strategic outcomes, consistent with the objectives set out in the *Local Government Act 1989*.

The City Plan is significantly constrained by the four-year term of Councillors and the budget cycle. It is focused on projects, activities and what are, for the most part, outputs rather than outcomes. Other Councils have developed a long-term vision and a 20 to 30-year strategic plan. The lack of long-term vision and strategy in Greater Geelong is a significant impediment to appropriately targeted investment in the City's future growth. The Council's current planning model is at Appendix 6.

The Commission has developed an illustrative Outcomes Framework for Greater Geelong (see Appendix 5) that recognises the broad stewardship role of Council in managing resources and community assets for the municipality's future prosperity.

The indicators proposed for this outcomes framework are a starting point. They complement the existing set of efficiency, effectiveness and perceptual indicators required by the Local Government Performance Reporting Framework (LGPRF) and Community Satisfaction Survey (CSS).

Inclusion of a comprehensive suite of indicators is an exemplar of a mature measurement system and essential for democratic accountability and informed consent to initiatives taken by Council. Implementing the indicative set of indicators and measures will necessitate development of new data collection methods or enhancements to existing methods currently utilised by the Greater Geelong City Council. The final form of the framework and the full suite of indicators and measures should be developed once council strategy across all outcome domains has been settled.

The Framework focuses on six outcomes, which span the environmental, social and economic dimensions of performance. They incorporate specific standards and measures by which the Council can measure its stewardship. They would enable Council to track the health of the organisation, its governance and the broader environmental, social and economic conditions in the community.

The Framework recognises that taking an outcomes approach requires Council to measure the impacts of some factors over which it does not have full control. These include factors influencing 'quality of life' outcomes and social, environmental and economic performance. These indicators are critical for a full understanding of both the environment in which strategies and services are delivered and the needs of constituents.

There is a greater number of indicators for outcomes over which Council does have some influence and does have a range of levers that it can use to influence performance. These are defined within the Framework to be within Council's 'span of influence'.

The Framework identifies finally a range of outcomes for which Council has direct responsibility and control. These include many of the indicators related to resource usage, access to services and facilities, business and employment promotion and the transparency of council decision-making.

The Commission considers the lack of a comprehensive Council focus on long-term strategic outcomes to be a significant failure in its responsibilities for the good governance of the City. The illustrative Outcomes Framework, if adopted and developed further by the Council, would assist greatly in meeting that important gap in its strategic planning.

THE IMPERATIVES FOR TRANSFORMATIONAL REFORM

CHAPTER 2

GOOD GOVERNANCE

Governance is the framework of structures, rules and processes by which an organisation is directed and controlled. It is also the way in which organisational objectives are set, organisational decisions are made, powers granted, performances verified and accountability ensured.

Good governance at a local level requires strong vision, strategy, leadership, clear and timely decision-making processes and appropriate checks and balances. The structures, systems and policies to support them efficiently and effectively must also be in place. It also requires the right cultures and behaviours, good communications, capable Councillors and staff, clear accountabilities and effective risk management, monitoring and review.

Victorian local government legislation, regulation and practice guides set out a comprehensive approach to governance compliance requirements. The Commission also notes that the Local Government Act 1989 is currently under review.

At one level it might be considered that Greater Geelong City Council meets many of these compliance requirements, although the Commission has carried out a detailed assessment (a summary of which is at Appendix 3 and 4) that identifies a number of significant gaps and failures. However, good governance involves more than ticking off statutory compliance.

Good governance in local government, as in other comparable business and government organisations, is underpinned by visionary leadership and teamwork, by lived values and ethics, by respect at Councillor and organisation levels and between each. It is also underpinned by a shared commitment to plan, work, advocate for and achieve the best possible outcomes for the whole city and community. Good governance is a shared responsibility of the Mayor, Councillors, the Chief Executive Officer and the senior management team.

In conducting its investigation, the Commission developed A Framework for Good Governance in Local Government (see Appendix 1) and an example of a Governance Maturity Model with three practice levels: Best Practice Governance, Good Governance, and Poor Governance. The Commission used these Frameworks to assess the governance and performance of the Greater Geelong City Council including the policy, systemic and cultural factors that contributed to the bullying and harassment identified in the Workplace Culture Review and in the course of this Inquiry.

EXAMPLE OF A GOVERNANCE MATURITY MODEL

COMMISSION OF INQUIRY
INTO GREATER GEELONG CITY COUNCIL

BEST PRACTICE GOVERNANCE

- Meets all elements of the Framework and promotes continuous improvement
- Characterised by strong leadership; innovation; respectful relations between all parties; efficiency; citizen satisfaction; community engagement; advocacy; positive outcomes; excellent reputation; and stakeholder collaboration.

GOOD GOVERNANCE

- Meets most of the elements of the Framework
- Characterised by good leadership; functional relationships; low rates of complaints, HR issues including bullying or harassment; broad community support and engagement with Council; statutory compliance.

DESIRED STATE, WHERE COUNCIL SHOULD BE OPERATING WITH FOCUS ON CONTINUOUS IMPROVEMENT TO BEST PRACTICE THROUGH REVIEW, EVALUATION, EXTERNAL ADVICE.

POOR GOVERNANCE

- May meet some of the Framework but demonstrates significant failings
- Characterised by corrupt behaviours; dysfunction in relationships; bullying; harassment; poor communications; community distrust or disengagement; nepotism and fraud; and lack of disclosure of conflict of interest.

PROBLEM STATE, CORRECTIVE ACTION REQUIRED.

THE MAYOR AND COUNCILLORS

The Commission discerned through its many interviews, workshops, public hearings and document analysis that the Greater Geelong City Council does not exhibit the above characteristics. Council has no long-term shared vision or strategic plan and is largely bereft of teamwork by the Mayor and Councillors. The Council itself is badly fractured and its leadership erratic.

Councillors primarily pursue their own individual ward interests and appear largely incapable of taking a long-term and consistent city-wide view. There are unusual historic as well as structural reasons for this singularity of ward focus and these are explored in more detail later in this Report.

The Council's Administration has not provided an appropriate, competent and consistent level of support to the elected Mayor. This has exacerbated an already difficult and turbulent set of relationships between the Mayor and the Councillors. It has also been an important contributing factor to the damaged and dysfunctional relationship between the Mayor and the Administration. There is some evidence that a number of senior Council officers did not welcome the introduction of a directly elected mayoral model and have passively resisted it.

A significant number of Councillors also made it plain in their interviews with the Commission that they did not agree with or support the legislated role of a directly elected Mayor. These factors were at play in undermining the previous Mayor and have continued to manifest themselves with the current Mayor, whose management style has alienated most of his Councillor colleagues, isolated him from them and intimidated key members of staff.

It is in this environment of self-interest, self-preservation and lack of respect that a bullying culture has taken root with great detriment to good governance. The Commission has identified strong and extensive evidence that a number of Councillors have engaged in direct bullying and harassment of other Councillors, Council staff and community members.

Bullying and harassing behaviour by some Councillors towards other Councillors has not been called out and dealt with by the Mayor. The Councillor Code of Conduct has been largely honoured in the breach. Bullying and harassment by some Councillors of Administration staff, including junior officers, has also gone largely unchecked for a number of years, although the current CEO has taken a strong stand, including against bullying by the current Mayor.

A number of Councillors have also demonstrated a blatant disregard for their obligations under the Code of Conduct not to direct or influence staff in the performance of their duties and not to publicly criticise them. Numbers of staff below General Manager and Department Head level have indicated to the Commission that interventions, sometimes abusive and intimidatory, by Councillors are widely experienced. There is evidence also of criticism of officers by Councillors at public forums and via email and social media.

It is not surprising that the abject failure of the Mayor and some Councillors to model respectful behaviours has been mirrored by a number of staff members within the Administration. Bullying and harassment have not been recognised, monitored, reported and dealt with consistent with contemporary practice under workplace health and safety legislation.

THE ORGANISATION

The renewal of the Greater Geelong City Council will require not only major electoral reform, but also root and branch review and reorganisation of the Administration and its policies and practices. The Commission considers that the present CEO has done a good deal to 'rescue' the organisation and is respected by staff. This has been reported consistently to the Commission. He has also put in place a number of measures to restore a more respectful relationship between the Mayor, Councillors and staff.

However, these measures have been put in place in an organisation lacking organisational discipline and accountability. Agreed corporate directions or programs are not in all cases implemented within an acceptable timeframe or, if implemented, only after being re-litigated at senior management level.

Silo behaviour and the cultures that reinforce it are deeply entrenched. The view from staff was that this was getting worse. Engagement of staff with their managers was seen as very inconsistent. A number of staff saw mindsets at the top of the organisation as being "stultified" and "rigid".

Although the organisation has mechanisms in place for regular reviews of progress on key projects together with regular finance reports, this has not been effective in reducing the high level each year of capital carryovers. Councillors have expressed to the Commission their strong frustration with the time taken to bring projects to fruition and their feelings of powerlessness to do anything about it.

This long-standing issue and malaise also point to a lack of organisational discipline and a failure of leadership within some areas of senior management. The organisation appears to have tolerated underperformance in this area and others for too long without addressing its root causes.

There is no formal approach to leadership development and succession planning within the organisation. There is also no 360-degree feedback process at the top level of management. As a result, fresh thinking about modern management and leadership practices has not penetrated and influenced the prevailing culture.

Some managers have grown too close to Councillors in that their primary response to complaints by staff about Councillor behaviour appears to have been a desire not to rock the boat and to protect the Councillors concerned from any consequences of their actions. Staff have commented that in a number of instances their complaints went nowhere and they were offered instead sympathy and placatory comments.

It is plain that much remains to be done and that the cultural factors working within the Administration to the detriment of good governance and performance run deep. The Commission does not wish in any way to impugn the commitment of Council staff to deliver good services to the community, of which it is part. Nevertheless, a decade of poor governance, of unsettling and, at times, intimidatory relationships with a significant number of Councillors and more recently the Mayor have taken their toll.

There are high levels of anxiety on the part of many staff, an abiding reluctance to stick their heads up above the parapet and disbelief in the capacity and willingness of a number of their managers to lead and support them. This has undermined the willingness of staff to give frank advice and has led to second-guessing about what Councillors want in reports to Council. A well respected Geelong leader commented to the Commission that "Staff at Geelong are completely cowed. They put up the shutters and just do the work". The strongly entrenched silo behaviours between departments point strongly to a lack of corporate commitment by senior managers both to the organisation and each other.

The Greater Geelong City Council Corporate values of Integrity, Responsibility, Innovation and Respect were essentially developed by the former Mayor, Keith Fagg. They were not evolved through a process of consultation and workshopping with staff, and in the words of one staff member "they are put on walls but aren't acted on or lived". There are unfortunately no unifying vision, culture or shared values to restore the health of the organisation, to counter inertia and improve its performance.

Greater Geelong City Council is a key instrument for enabling the City to transform itself and create a new, sustainable future whilst retaining the things that make Geelong such an attractive place to live. The Council cannot effectively play that important enabling role without itself undergoing major transformation. The first major phases of this process will take at least two to three years.

"THE RELATIONSHIP BETWEEN MATTERS IDENTIFIED IN THE WORKPLACE CULTURAL REVIEW AND THE GOVERNANCE ARRANGEMENTS OF COUNCIL"

CHAPTER 3

The Workplace Culture Review identified not only the extent and nature of workplace bullying in Greater Geelong City Council, but also a number of related cultural and contributing factors, including the lack of support for staff to make a complaint, staff fear of unfair treatment or reprisal, managers mimicking or modelling inappropriate behaviours by Councillors contrary to the Councillor Code of Conduct, the Councillors not acting as a team, negative gender stereotypes and behaviours, and inappropriate relationships and use of media, including social media.

As the Inquiry progressed, it quickly became apparent to the Commissioners that the problems of the Council and its Administration went much wider. The dominant, self-serving cultures, attitudes and behaviours that have developed over several years within both the Council and some senior levels of its Administration have badly damaged the good governance of the City.

BULLYING AND GOVERNANCE

The Commission received very detailed and graphic evidence of the extent of bullying and harassment between Councillors, between Councillors and staff and between Councillors and community members. However, when asked to characterise their own behaviours or experiences, most Councillors resorted to terms such as "robust" or "forceful". When pressed it became apparent that this also sometimes involved shouting and bad language and the denigration of other Councillors and staff in public and to external parties, including through social media.

Numerous examples were also provided to the Commissioners of bullying and harassment of staff by some Councillors, of direct, inappropriate interventions in the advice and decision-making processes of the Administration, of regular abuse and swearing followed by, in some cases, short-lived expressions of contrition. In the words of one former Councillor, they would "ride roughshod" over staff to get what they wanted. Another comment was that staff would get "a fair barrage" if some Councillors did not get what they wanted.

The Mayor, who should set an example for Councillors and staff, has not modelled good behaviours and has been prone to using bad language towards and in front of staff and others on many occasions. The pattern of evidence on this is extensive and consistent. For example, evidence was given that when asked whether he wanted to be interviewed for a particular event, he retorted, "Where the f..k were you? I needed you to take photos, the f..king leader of the Opposition was in Geelong for the breakfast."

On another occasion, in relation to the observed activities of outdoor staff, he is alleged to have said, "Are they f..king dumb?" And to a staff member in relation to another executive, "Tell him to f..king do something instead of just talking about it". Evidence was also given that he yelled and swore at a junior staff member about some logo samples: "Tell them to just give me some f..king logos ... tell them I don't want all this other f..k shit, I just want some f..king logo ideas."

In another instance, it was alleged also that the Mayor told a staff member that the staff member "should be picking up dog shit" and belittled the person concerned later at a public event. Evidence was also given that he said, to another staff member "F..k me, I'm the Mayor, I don't need to be meeting with someone one week and then meeting with them the next".

On one notable occasion, witnessed by a number of people including Council staff, evidence was given that the Mayor abused and swore not only at the employees on a business premises, but also at Administration staff who happened to be present. The Mayor also threatened the proprietor that he would close the place down.

The business owner was approached the next day at officer level to offer an apology. Evidence was given that the proprietor said in response he "was not worried about his business, he was worried about Geelong". The Mayor advised the Commission that he had no memory of these events. The Mayor, whilst acknowledging to the Commission that he sometimes swore in his dealings with others, disputed the extent of reported swearing in the examples from sworn evidence put to him by the Commission.

It is also not unusual for some Councillors to engage in abusive behaviours. The Commission received evidence that in one case a Councillor told a staff member that if a particular project did not get up, "someone will hang from Queens Park Bridge". The Councillor concerned characterised the remark to the Commission as flippant, suggested that it was a very poor choice of words and that it was not the Councillor's finest moment.

Further evidence was received that another Councillor threatened that, if the staff member did not act in accordance with that Councillor's wishes, that staff member would be taken to a "dark place that she would not like". Evidence was also given that the same Councillor threatened another staff member that he would "tear her apart".

Another Councillor, used chain email and social media to demean the communications staff to a number of external parties as having a preference for "cakes, trees and circuses". She also used social media to retweet a description of a local citizen as a "Greek property parasite'. This egregious, racist comment undermined Council's reputation and community harmony.

Additionally, she used her position to harass and bully a former employee and spread what the Commission established to be unfounded and insidious rumours about the employee's family. The employee described in detail the impacts on him and his family. He told the Commission that "it destroyed me, I was suicidal". The former employee gave evidence that he sought help from senior management but met a reluctance to intervene or to provide him with access to reasonable professional advice. The Commission received evidence of many other examples of such unacceptable behaviour and language.

The Commission notes also that such conduct was not practised by all Councillors, but by a significant number to the detriment of good governance and the Council's reputation in the community. These unacceptable behaviours crossed party and independent Councillor lines.

The Commission also confirmed through its own investigations the extent of bullying within the Administration. One of the worst incidents of bullying given in evidence involved a pregnant employee who asked for the chemicals shed at her workplace to be ventilated. In response she was told by the manager on site, "Ventilation, I will give you f..ing ventilation". The manager then took to the walls of the shed with an axe. This occurred in front of a number of witnesses. No action was taken. The employee returned to work some two years later after the birth of her child and requested induction training. She was again abused and sworn at for her trouble in front of other staff. Her subsequent complaint was investigated but found not to be substantiated. The employee alleges that none of the persons present at this incident was interviewed but that a person, who was not present, was interviewed.

It is important in the context of this report to recognise that bullying and harassment, ugly and destructive as they are, are one very visible facet and symptom of a broader suite of cultural issues within the Council and its Administration. These include a lack of shared long-term vision, a n absence of respect, accountability, shared and lived corporate values, risk aversion, reluctance to shed old and inefficient ways of doing things, not supporting staff and resisting change.

The culture or cultures of the Council and its Administration intersect at many points with and reinforce governance structures and processes that are themselves well below best practice as described in the Commission's Governance Framework. None of those interviewed characterised City governance as best practice and most characterised it as somewhere between good and poor.

The underlying resistance to change within both the Council and the Administration expresses itself both passively and actively. A significant number of Councillors are not supportive of the directly elected Mayor model or the mayoral mandate and are driven by their own personal and individual ward agendas rather than any corporate agenda of the Council.

The divisions and antagonisms within the Council, detailed by many of the Councillors interviewed, as well as by several others with direct experience and insight, point very clearly to a level of disunity and dysfunction that inhibits the capacity of Council to deliver good government. There is strong evidence also of a loss of confidence in Council by key stakeholders within the community.

The Administration does not really have a single culture. There is not a culture of "One Council". It is not a unified organisation but rather a group of silos. This militates against unifying strategies or organisational reform. The Council has corporate values of Integrity, Responsibility, Innovation and Respect, but they are not strongly in evidence across the organisation.

There are good pockets of positive values and behaviours, including in Planning and more recently in Human Resources under its current manager, but overall the culture is poor and can be characterised as being individualistic, self-serving, fearful and partially paralysed at many levels. It is not courageous, energetic or innovative.

Although the current CEO has initiated a number of organisational and other changes, the entire Administration is in dire need of a major overhaul if it is to be an effective support to Council and the community in meeting the major challenges facing Greater Geelong.

THE MAYOR AND COUNCILLORS

At the Council election in 2012, residents in the City of Greater Geelong voted in their first directly elected Mayor, Mayor Keith Fagg. Greater Geelong is only the second city in Victoria to have a directly elected Mayor, following in the footsteps of the City of Melbourne. The second directly elected Mayor for the City of Greater Geelong is Mayor Darryn Lyons, who was elected in 2013. The other 12 Councillors of the City of Geelong are elected as the individual representatives of their wards. The total cost of office for the Mayor and 12 Councillors in 2014–15 was $1.38 m comprised of allowances and the costs of support staff.

The change to a directly elected Mayor was supported strongly by a number of prominent citizens and institutions in Greater Geelong. The Victorian Electoral Commission (VEC) has reported to the Minister for Local Government with options, including its preferred option for electoral restructuring in the City of Greater Geelong. The VEC has not commented on the position of elected Mayor or made any recommendation with respect to it.

Mayor Lyons was elected with the message of "vision, passion, change" and an eight-point action plan. Having been democratically elected by the residents of Geelong, he believes that he has a strong mandate to pursue his agenda for the City. As with his predecessor, Mayor Lyons has been undermined by many Councillors who effectively repudiated the legislated basis of the office. Such the lack of support for the Mayor crosses party and independent Councillors. In addition, the Mayor has received insufficient support from the organisation.

The current Councillor Code of Conduct has had no discernible impact on Councillor behaviour and the Mayor does not call Councillors to account. One Councillor described life in the Chamber as "a day in, day out dogfight". Another described it as "tense, almost paranoid". The lack of any active enforcement for breaches of the Code prompted one former

Councillor to describe it as "a toothless piece of paper". The Code is being updated as part of the Councillor Action Plan arising from the Workplace Culture Review and to reflect recent legislative changes.

The Commission considers it important to set out the factors that have contributed to this unhappy situation and has made a number of recommendations that together may enable a more productive and collegiate future Council.

CONDITIONS AND EVENTS IN THE MAYORAL OFFICE

There has been a long-standing and serious lack of advisory and administrative support for the Mayor. Both the present Mayor and his predecessor have been provided with minimal support by the City Administration. The Administration does not appear to have given serious consideration at any stage to the implications for Council operations of a directly elected Mayor or to the particular support needs of an elected Mayor.

There were two dedicated resources provided to support the current Mayor – an Executive Officer (Chief of Staff) and an Executive Assistant. There is additionally a Mayor and Councillors Support Unit of three people including a diary and invitations Manager, who services not only the Mayor, but also all of the Councillors. The Lord Mayor of Melbourne, in contrast, has approximately seven in his immediate office team: a Chief of Staff, a media adviser, two correspondence staff, an Executive Assistant, and a part-time driver.

It would be difficult to underestimate the demands on any Mayor in carrying out his or her mayoral duties for a major regional city. These include not only the usual demands of chairing and managing Council meetings and forums, but also advocating for the City, harnessing stakeholder support, working with and supporting the CEO and representing the City at numerous events and functions.

The pressures on the Mayor place a corresponding stress on the support staff. The Commission's view is that where work stresses are high, employees should be rotated through positions having regard to continuity of support for the Mayor.

There is strong evidence that the level of administrative support and advice to the current Mayor and his immediate predecessor has left a great deal to be desired. Neither had any prior local government experience and each had extensive private sector experience, where the Chief Executive and the Board have access to good levels of support. Both clearly experienced a level of culture shock on taking up office.

The needs of the current Mayor for strong support during his period of adjustment to the demands and rhythms of life as Mayor were decidedly not met, and his many requests for improved support went unanswered. The Commission could not avoid the conclusion, on the basis of the evidence provided from several quarters, that this may have been due to unreasonable resistance from some within the Administration.

Very consistent evidence was provided to the Commissioners that the Mayor frequently found the pressures of office and the lack of timely and adequate support very testing. Of particular concern to him and to his staff was the consistent inability of the Communications Team to provide him, through his Executive Assistant, with required speech notes and press releases that were sometimes not available until just before the actual event, and then found to be not of acceptable quality. This situation did not improve until the new CEO took action to improve organisational responsiveness to the Mayor, particularly from the Communications Unit.

The Mayor's frustrations were regularly vented on or in the presence of his own staff and the staff of the Mayor and Councillors support unit. Swearing and abusive behaviour featured prominently on many occasions, with junior staff the main recipients. This was made worse

by the cramped quarters of the Mayor's office. The absence of any soundproofing and the physical nearness of the Mayor and Councillors Support Unit and the Councillors' Lounge meant that others were often aware of these transgressions.

The very high work loads both in the office and out of hours together with the Mayor's bullying behaviours led in February 2014 to a junior member of his support team taking leave and seeking legal advice, which resulted in a letter from her legal representatives being sent to the Council setting out allegations of bullying and seeking a termination payment. The request was not accepted, but the Council wrote committing to a thorough investigation of the complaints and engaged Work Logic to undertake the investigation. Work Logic's report was submitted in August 2014.

In the meantime, the complainant was offered a position in the department from which she had been seconded to the Mayor's office some five years earlier. The offer of a position at a lower status and lower salary was not deemed by her to be commensurate with her former position in the Mayor's office and she resigned in March 2014, attaching to her letter of resignation details of her allegations of bullying against the Mayor. The Commission is of the view that this offer was poorly judged and poorly managed by the Administration.

In March 2014, another member of staff from the Mayor and Councillors Support Unit took over the diary duties of the officer who had resigned, although the vacated position was not formally filled. There was also some sharing of duties with the Coordinator of the Unit. The staff member concerned, who had previously known the Mayor for some years, continued to perform those duties for most of the next two years.

The work and personal pressures in the Mayor's office did not abate and the staff member concerned began to suffer extreme stress. She made several requests for support to senior managers, but again they went effectively unanswered. No attempt was made to restructure work within the office or to provide professional support to her.

In September 2014, following receipt of the Work Logic report, a senior manager wrote to the Mayor reminding the Mayor of his responsibilities under the Code of Conduct and the Occupational Health and Safety Act and requested that the Mayor moderate his behaviour. He also met with the Mayor on these matters.

The then CEO had earlier commissioned the Workplace Culture Review of the organisation by Ms Susan Halliday. Her Review detailing bullying and harassment involving both Councillors and staff was submitted in October 2015. This led to the present Inquiry, which was formally commissioned on 1 December 2014.

THE MAYOR'S THREAT OF DEFAMATION ACTION

On 30 November 2015, the Mayor engaged in a loud and abusive outburst directed at his Chief of Staff in the presence of another senior officer. This had a profound effect on the junior staff member responsible for his diary, who heard the outburst. As a result she took sick leave and did not return to work until early 2016.

It came to the attention of the Commission that the CEO wrote soon after to the Mayor advising him that, having regard to the deteriorating relationships between the Mayor and Council officers, he had decided to relocate staff away from the Mayor's office to another location in the building. The letter also advised that the Mayor was not to have direct contact with them and put a range of other conditions in place.

The Mayor replied through his solicitors rejecting the CEO's letter and threatening defamation action against the Council and the CEO should allegations of bullying against the Mayor ever be published.

The Commission decided to include a detailed account of these matters in its Report because the Commission finds it extraordinary that, notwithstanding a written bullying complaint against the Mayor, a formal letter of warning that was sent to him, the presentation of the Halliday Culture Review findings in August 2015,

and then subsequent further bullying behaviour by him damaging the health and wellbeing of another junior staff member, he nevertheless threatened defamation action against the CEO and the Council.

The Commission notes also the relative lack of urgency by the Mayor and Councillors to adopt the Culture Review Stage 2 Action Plan developed with the assistance of Ms Halliday. The draft Plan was presented to Council in February but adjourned for further consideration and is now being workshopped with Councillors. Finalisation of a new Code of Conduct is understood to be the first priority.

The Commission finds it regrettable in every way that the Mayor, who should lead and set standards of behaviour by his own example, should threaten defamation action against the CEO, who acted to protect the health and wellbeing of his staff. Two vulnerable junior staff members had suffered significant damage to their health. One had left the organisation and the other was relocated away from the Mayor to protect her.

The Commission considers that the CEO used his best endeavours to maintain a good and productive working relationship between the Administration and the Mayor, whilst standing up for his staff as was his duty. The Mayor's response, which was falsely premised and reflected, in the view of Commissioners, a misleading brief to his solicitors, failed to accept any responsibility for his own unacceptable behaviours. It also directly undermined and put at risk his ongoing working relationship with the CEO, which is critical to the effective operation of the Council and its capacity to deliver good government.

The Commission is also very concerned that, until recently, senior officers within the Administration effectively did little to support staff whose health and wellbeing were damaged by their experiences. Words of understanding and support were offered by several managers, including their direct supervisor, but nothing tangible was done. It was only the current CEO who took action to address the unacceptable work pressures on the office staff and to change office arrangements to protect them.

The reluctance of senior and middle management to deal promptly and transparently with complaints of bullying or harassment or even to acknowledge them as such, unless set out as a formal written complaint, was in direct contravention of the Occupational Health and Safety Act. There is no legislative distinction between formal or informal complaints. A complaint whether written or oral is a complaint to be dealt with. Had the complaints, whether oral or written, been dealt with promptly and fairly, the issues that gave rise to them may have been 'nipped in the bud' rather than, as in these cases, being left to fester and to cause psychological injury to the persons concerned.

'MY PATCH' – THE LONE COUNCILLOR

The single ward Councillor model has been in place in Greater Geelong City for over a decade. The directly elected Mayor model has been in place for about four years. The single ward Councillor heavily favours the role of the Councillor as the representative of that particular community. It places a singularly onerous burden because the only other Councillor technically with an electoral interest in that ward is the Mayor, who is elected by the whole of the City. The experience in other Councils is that multi-councillor wards provide the opportunity for discussion and shared responsibilities between Councillors.

When the single ward Councillor model is accompanied by other practices, processes and structures such as the portfolio system in which areas of Council responsibility are allocated to individual Councillors, the culture of the "lone councillor" looking after "my patch" is reinforced. In the case of Greater Geelong, this culture was also reinforced by the now discontinued 'ward funding' system, which allocated specific funds to each ward Councillor to dispense more or less unchallenged to projects within their wards, with relatively few constraints.

The Commission took a good deal of evidence that would suggest that the emergence of 'ward funding' in 2004 was in part attributable to the perception by Councillors, several of whom are currently members of

Council, that the Administration did not give sufficient weight to local community needs in assessing budget priorities. The absence until recently of a strategic priority-setting and ranking process for potential capital and recurrent expenditures generated considerable Councillor frustration.

'WARD FUNDING' AND ITS LEGACY

The Scheme, initially implemented as part of the 2005–06 budget, provided each of the ward Councillors with $400,000 to allocate to projects essentially at their discretion. This amount was increased to $600,000 per ward Councillor in 2009–10. A total amount of nearly $59 million was allocated to the Scheme over nine years.

The justification advanced for the scheme was that it was for projects that had been neglected in previous budgets. Following mounting criticism that the Scheme cut across priority needs in the wider municipality and lacked any transparency, it was discontinued in 2015 following legislative amendment to prohibit Councillor discretionary funds.

An investigation and report by the Local Government Investigations and Compliance Inspectorate in December 2014 found that the Scheme did not meet standards of good governance, exposed Council to reputational risk, potential fraud and corruption and was inconsistent with Council strategic planning. However, no evidence was found of any corruption.

The Community Concepts Grants Program that replaced it incorporates greater transparency, is administered by officers and is linked to Council priority areas in the City Plan 2013–17. The Program incorporates two grant rounds with public advertisement and formal application.

The Commission considers that 'ward funding' has left a discernible legacy of Councillor preoccupation with funding for their own wards rather than the priorities of the City as a whole. That legacy is exacerbated by Councillor frustration with the slow pace of project implementation. Substantial capital carryovers for projects are a persistent feature of Council budgets and are indicative of inadequate strategic planning, prioritisation, project planning and management of detailed implementation.

There is frustration also that the Finance department exercises excessive control over the shaping of budget bids, in some instances rewriting bids without any consultation with the originating department or agency. The Commission also noted in reviewing the current budget papers that, notwithstanding project assessment criteria including community health and wellbeing, the only projects included for 'above the line' consideration that met these criteria were projects brought forward and 'forced in' by Councillors.

The current processes for assessing and ranking budget bids are a substantial improvement on previous processes, but further refinement is needed to ensure that budget priorities and bids under consideration fairly and appropriately address Council's strategic objectives within budget constraints.

COUNCIL PORTFOLIOS AND 'WARD SOLIDARITY'

The allocation of portfolios to Councillors is not unusual in Victoria. Geelong City Council has 28 allocated functional portfolios. Importantly, the Mayor holds the Governance portfolio.

The portfolio system in Geelong City Council has effectively created silos of Councillor interest and undermined collegiality. A significant number of Councillors also expressed the view that the portfolio system discouraged active participation by other Councillors who would otherwise benefit from active debate of reports and recommendations brought to Council.

Commissioners were advised by Councillors that discussion and debate on reports, recommendations and resolutions presented by Portfolio holders were often limited and at the margins. Several Councillors expressed the view that this was in no small part due to the lack of any knowledge of the subject area, reliance

on the portfolio holder and the desire not to 'rock the boat' to the detriment of their own ward interests on which they might later need support. This was characterised as 'ward solidarity'.

The Commission considers that the current portfolio system, as institutionalised and practised in Greater Geelong City Council, does not serve the City well and works instead to discourage engagement and debate by Councillors on the key issues facing the City. It also works against the development of a more collegiate Councillor engagement and esprit de corps.

The Commission further considers that the present portfolio allocation system should be replaced by a Committee system that would promote the growth of Councillors as corporate decision-makers. A Committee system would also enable Councillors to develop closer working relationships and esprit de corps.

"WHETHER THERE IS SUFFICIENT CLARITY IN THE RESPECTIVE ROLES AND RESPONSIBILITIES AT ALL LEVELS WITHIN COUNCIL TO ENSURE GOOD GOVERNANCE"

CHAPTER 4

The Local Government Amendment (Improved Governance) Act 2015 introduced a number of reforms to improve the accountability of Councillors and to encourage improved standards of behaviour in order to strengthen council governance. The Improved Governance Guide for Councils published by Local Government Victoria provides guidance for councils, mayors and council administrations on the implications of the changes and how to administer them.

The roles of Councillors are set out in the Act. These are:

"a) to participate in the decision-making of the council; and

b) to represent the local community in that decision-making; and

c) contribute to the strategic direction of the council through the development and review of key strategic documents of the council, including the council plan."

The Act also describes what a Councillor must do in exercising this role:

a) consider the diversity of interests and needs of the local community; and

b) observe principles of good governance and act with integrity; and

c) provide civic leadership in relation to the exercise of the various functions and responsibilities of the Council under this Act and other Acts; and

d) participate in the responsible allocation of the resources of Council through the annual budget; and

e) facilitate effective communication between the Council and the community.

Few of the interviewed Councillors were able to articulate their roles and responsibilities to the Commission or their obligations to each other and the Mayor. Most struggled when asked by the Commissioners to make any assessment of Council performance against the eight key areas contained in the Framework for Good Governance or how to improve it. Opportunity was given to Councillors to come back to the Commission with any views that they might develop subsequently. Only the Mayor did so.

It became evident to the Commissioners that a significant number of Councillors do not understand their corporate roles and responsibilities as members of the Council consistent with the Act. They appear not to embrace their obligation to govern for the whole community or to do so with any long-term strategic perspective.

A significant number of Councillors also appear through their behaviours not to understand their proper roles vis-à-vis Council staff, how those behaviours can compromise the integrity and good governance of the Council and their responsibilities to ensure that the Council is a safe workplace for all.

CODE OF CONDUCT – COUNCILLORS AND THE ADMINISTRATION

Council has a Councillor Code of Conduct as required by the Act, but in many respects it has been honoured in the breach. A number of Councillors appear not to accept in practice that they must keep out of operational issues that are the responsibility of the Administration. A number of them are plainly driven to interfere because of their ward interests rather than the interests of the whole community.

The Commission received extensive evidence that some Councillors have been in the habit of delving into operational matters and seeking to influence or direct Council officers in the performance of their duties contrary to the Code of Conduct. Some Councillors also appear to regard Council staff as their front-line instruments for responding to community pressures irrespective of the appropriateness of any staff involvement.

One Councillor, for example, when pressed by a ward constituent to intervene in a dispute concerning an overhanging tree repeatedly pressured Council staff to attend and meet with the neighbour to resolve the matter. This was not within the responsibilities of Council staff, who nevertheless eventually complied with the Councillor's request. The Councillor in question maintained that he had no intention to have Council act or appear to act on behalf of a favoured constituent. The Commission found this explanation disingenuous.

Another Councillor has regularly engaged in abuse of Council staff and been called to account over it on more than one occasion. In one instance, the Councillor was warned by the responsible manager to desist from his abusive treatment of a staff member, but three months later the Councillor again abused the same staff member and received a letter of warning from the then CEO. That same Councillor also has a clear pattern of directing complainants to Council staff even when the staff have made it clear that they have no power or role to intervene.

In another instance, junior staff other than the responsible contact officer were repeatedly asked by a Councillor to discuss a tender with the principal of the company concerned, even though the tender was in progress. There is no suggestion that the Councillor stood personally to gain in any way from the tender. The Councillor's motivation seemed rather to transfer to staff the pressure being applied to him by the tenderer, who was ultimately unsuccessful. The Councillor concerned should have refused immediately to become involved in any way other than to direct the tenderer to the designated contact officer for the tender.

On another occasion, a Councillor known, according to another Councillor, for "going off his cruet" became so aggressive at a community meeting that the Police had to be called. The Councillor was reported to the Commission as being very "shitty" with a fellow Councillor and the then CEO for some time afterwards.

THE MAYOR AND COUNCILLORS

The respective roles and responsibilities of Councillors and the Mayor under the directly elected Mayor model have been, since its inception, a major source of friction within the Council. It was put to the Commission that any model of local governance can be made to work provided there is the requisite goodwill on the part of those involved. Such goodwill as may have existed when the current elected Mayor, Darryn Lyons, came to office appears to have quickly dissipated.

The Commission is of the view that this cannot simply be attributed to personality and factional conflicts, although there is ample evidence of their impact on Councillor relationships and behaviours. The Commission was advised of the "bad blood" that exists between several of the Councillors.

A strong underlying issue in Geelong is the widely divergent views amongst the Councillors about the position of directly elected Mayor, ranging from those wedded to the model of a Mayor elected from the Councillor ranks to some who would strengthen the directly elected Mayor model with the addition of a Deputy Mayor and Councillors elected on a whole of electorate ticket. As

opposed to Councillors, most stakeholders indicated strong support for a directly elected mayor.

Some Councillors have expressed the view that the Mayor cannot be accountable to them unless he or she is elected from their ranks. In the Greater Geelong context, there is some evidence that ward funding and other poor practices were able to flourish in part because the Mayor elected by Councillors was beholden to them. One Councillor told Commissioners that there was a group within the Council that would blow up the directly elected Mayor model if it could. A former Councillor described the current situation as being like "two centres of power" within the Council.

One Councillor told the Commission that the move to an elected Mayor had thwarted the ambitions of several Councillors hoping to be elected from their own ranks and that a number of Councillors had written to the government of the day expressing their opposition to the directly elected Mayor model before it was introduced.

Although the directly elected Mayor model has met resistance and not worked as hoped in Greater Geelong, it has worked successfully in Melbourne City Council and a number of other jurisdictions including South Australia, Queensland, Tasmania and in some municipalities in New South Wales. The Geelong electoral system is being examined as part of the Local Government Act review.

There was a strong view amongst most of the Councillors and others interviewed that the Council at all levels has not been well prepared for the directly elected Mayor model. The current Mayor, for his part, was not well prepared to work within a local government environment and particularly with 12 elected ward Councillors who did not necessarily share his passion for his eight-point plan. The Mayor acknowledged to the Commission that he had not invested sufficient time within his busy initial schedule or thereafter to be briefed thoroughly on his new role and the key issues facing Council.

Working constructively with Councillors is a critical role for the Mayor, requiring clear role differentiation between the Mayor, the Mayor's office staff, the Deputy Mayor and Councillors. Good communication between all parties is the basis of trust. There is little doubt that there is currently no clear and understood differentiation of roles; nor is there any apparent goodwill that would enable the Council to work together collegiately, irrespective of their different political philosophies and allegiances.

One of the keys to good communication between mayors and councillors is for sufficient time to be set aside for private conversations, whether individually or in groups. The Mayor eschews meeting one-on-one or in small groups with his Councillors. Opportunities for such informal discussion are limited to a once-monthly unminuted discussion and a Councillor dinner before each Council meeting, which the Mayor may or may not attend.

The adage "criticise privately and praise publicly" is not a typical way of working in the Greater Geelong Council. The evident breakdown in relationships between the Mayor and Councillors is not conducive to a productive strategic discussion that might positively influence their collective thinking about long-term planning for the City.

Council does not have a Councillor Charter; nor does it undertake any performance self-assessments. Although not a requirement of local Councils in Australia, a number of Councils now have such a Charter, which is developed and refined with each new Council term. A Councillor Charter spells out roles and responsibilities for each Councillor and their Mayor and their desire to work together, and is written as a set of commitments. Each Councillor signs up to it just as Councillors are now required under the Local Government Act to sign up to the Councillor Code of Conduct.

In a high-performing Council, the Council as a group holds each other to account using the Charter. It goes beyond a Code of Conduct and is aspirational but achievable. It takes Councillors beyond statutory compliance towards best practice in local government.

The Commission considers that such a Charter would be beneficial in making the transformational governance changes that will be necessary in the way the Council now operates.

THE MAYOR AND THE CEO

A properly functioning relationship between the Mayor and the CEO based on a clear understanding of the roles and accountabilities of each and on mutual respect and good communication is essential for the proper functioning of Council at all levels. The appointment of two Mayors and four CEOs in four years has not been conducive to the development of stable local government in Geelong.

Recent amendments to the Local Government Act 1989 specifically make it the responsibility of the CEO to manage the day-to-day operations of the Council in accordance with the Council Plan, and to support the Mayor in the performance of his or her role. The CEO's responsibilities are also expanded to include managing interactions between Councillors and staff and to implement and enforce protocols to manage interactions between Councillors and staff.

The Commission recognises that the exercise of these responsibilities in Geelong has been a challenge for successive CEOs. Much hinges on the willingness and capacity of the Mayor, Councillors, the CEO and senior managers to work cooperatively together. The relationship between the current Mayor and all others in Geelong Council has deteriorated significantly.

The current CEO has endeavoured to work cooperatively and supportively with the Mayor, but the Mayor has not respected the CEO's responsibilities for ensuring the health and wellbeing of staff providing support to the Mayor. These matters have already been set out in some detail.

The Commission considers that, whilst there may have been some singular factors at work in the Greater Geelong Council situation, there needs to be a much clearer legislative specification of the respective accountabilities of the CEO and the Mayor. The 1989 amendments to the Local Government Act 1989 still leave considerable uncertainty in relation to the respective roles of Mayor and CEO.

The CEO is accountable to the Council for its overall operations. The Council sets policy and makes decisions that govern those operations. The CEO is responsible for ensuring that the Administration implements Council's decisions and provides advice to Council on policy and matters on which Council may need to make local laws. The CEO seeks guidance from the Mayor between meetings on urgent issues and the Mayor has a responsibility to consult with his or her colleagues as necessary.

Although these basic precepts and divisions of responsibility are widely recognised and practised in many local government jurisdictions, there would be merit in amending the Local Government Act to include a specific provision making it a responsibility of the chief executive officer to liaise with the mayor on the organisation's affairs and performance.

A further amendment to include a reciprocal obligation by Councillors to work constructively with the Mayor in establishing and maintaining good working relationships and good governance would improve not only the operations of the Council, but also working relationships with the Administration. Accountabilities of the individual Councillor, including the Mayor, would be strengthened by a legislative power to enable the removal of individual Councillors, including the Mayor, for reasons and in a manner similar to the existing provisions in the Act for the removal of all Councillors.

An Executive Charter agreed between the Mayor and the CEO could also complement any legislative amendment and set out their respective responsibilities, agreed performance outcomes, how they will interact with each other and with Councillors, staff and the community.

CHECKS AND BALANCES

A key role for any Council is to receive regular reports from its CEO on organisation health and performance. Until action was taken recently by the current CEO, Greater Geelong City Council had not received such monthly reports, which are important for Council, as for most business-focused organisations, to monitor organisational progress and to identify any issues requiring Council attention.

Council also receives Quarterly Financial Reports, a Risk Management Quarterly report through the Audit Advisory Committee and special reports from time to time. Council also signs off on the Annual Report.

An analysis of Council reports (Council Papers February to December 2015) indicates that there is no reporting to Council on the progress of Council decisions. It is important for Council to monitor the implementation of Council decisions and to keep pressure on the organisation to act and deliver in a timely manner.

There is currently no requirement for the CEO to consult with Councillors about senior executive remuneration. Council has no remuneration policy, so the normal check and balance on remuneration-setting powers is not in place. The Commission considers that Council should establish a Remuneration Committee to recommend remuneration policy to Council and to consult with the CEO on executive remuneration.

COUNCILLOR INDUCTION AND PROFESSIONAL DEVELOPMENT

Councillors receive two days of induction training by the Manager Service and Council Business and are also provided with induction handbooks as part of that process. However, there is no structured follow-up or refresher training to 'on-board' Councillors, particularly over the critical first six to 12 months when a number of them, as new Councillors, will be trying to find their feet.

A number of Councillors commented in their evidence to the Commission that they knew quite a lot about some areas of Council responsibility in which they had prior experience, e.g. sport and recreation, but had little direct knowledge or understanding of other important areas such as planning. The Council portfolio system, as it operated in Greater Geelong City Council, did not assist them in any wider understanding or familiarity, limiting their capacity to contribute more widely.

Councillors are offered the opportunity to undertake the Company Directors course offered by the Australian Institute of Company Directors (AICD), but the Commission was advised that few of the current Councillors had completed the course, one of them through his own company rather than the Council. Other Councillors have attended training offered through the Municipal Association of Victoria (MAV).

Some Councillors appear to actively reject the need for professional development and others appear reluctant to embrace the need for it.

The Commission is of the view that structured, ongoing training should be offered to all Councillors to improve their capabilities to perform their roles and responsibilities. As occurs in many other Councils, the Council should undertake self-assessment of the Mayor, with individual Councillors and the Mayor and Councillors as a team. This would assist the development of professional development and training plans tailored to the needs of individual Councillors.

"THE EFFICIENCY AND EFFECTIVENESS OF COUNCIL GOVERNANCE ARRANGEMENTS IN DELIVERING SERVICES TO ITS CONSTITUENTS"

CHAPTER 5

Council governance across many of the critical domains is poor. There are few areas in which governance meets or exceeds the standards of good governance as set out in the Commission's Framework for Good Governance in Local Government. Key areas in which governance is deficient include direction and leadership, culture and behaviour, decision-making and capability. There are also significant shortcomings in structure, systems and policies.

Council also does not rate highly against the Principles and Behaviours for Good Governance, which are based on the Good Governance Guide. Leadership by the Mayor and Council is effectively broken. There has also been conspicuous leadership and management failure in some quarters of the organisation.

There is insufficient accountability for performance. Poor performance and underperformance have been left unchecked for some considerable time. The prevailing cultures of Council have permitted selfish and self-serving behaviour by Councillors and in some quarters of the Administration. Harassment and bullying in direct contravention of workplace safety laws have gone largely unchecked.

Council decision-making is not transparent, timely or efficient and is not based on any long-term vision and strategy. There is no comprehensive stakeholder engagement strategy to support good governance and good decisions. The Council has no diversity strategy and gender representation within Council itself and senior management is poor.

The building of trustful relationships and good communications is not evident within the Council, between the Council and the Administration and between the Council and the community. There is no effective media and communications strategy to support the building of collaborative external relationships.

Council's portfolio systems are not conducive to good decision-making. The scope of the existing Committee system is not adequate for Council to deal effectively with the full range of its responsibilities. The Council Plan, although meeting the statutory requirement, lacks any long-term vision and strategy. The lack of a long-term vision and strategy and any strong focus on measurable outcomes is a critical impediment for Council in meeting the demographic and economic challenges facing the City.

The illustrative Outcomes Framework for Greater Geelong (Appendix 5) prepared by the Commission identifies six key outcomes spanning the environmental, social and economic dimensions of performance. The analysis of key performance indicators for those outcomes highlights Council underperformance in areas that are critical to the future social and economic development of the City.

It is unsurprising, therefore, that although Geelong has the largest economy outside Melbourne with a Headline Gross Regional Product of $9.8 billion in 2014, the City's growth rate over the period 2004–14 was 1.53%, which is significantly lower than that of Greater Bendigo, Ballarat and Wodonga. GRP per capita over the same period was $43,661, which is the third lowest of all regional cities and 25% below the state average.

Had Greater Geelong achieved economic and employment parity with metropolitan Melbourne in 2011, this would have meant an additional 1,515 Geelong residents in the workforce, an additional 10,611 residents with a Bachelor degree or higher and an additional 22,357 Geelong residents having finished year 12. These are very significant issues for a City already facing not only major economic restructuring, but also serious skills shortages in its workforce.

There is extensive global research, including by the OECD, on the growth dynamics of regional cities. Literature research (Dr. Chris McDonald et al: 'Accelerating Regional City Growth in Victoria: Evidence and Policy Approaches') highlighted human capital factors as the most important factors to explain growth performance, with the largest impact on regional growth coming from increasing the proportion of people completing secondary school. It also highlights that higher unemployment numbers may result from workers transitioning from manufacturing and lower skilled migrants who have not been absorbed into the workforce.

The review also suggested that integrated investments in human capital, business innovation, international engagement and infrastructure that build on the unique competitive advantages of each city are likely to accelerate growth. Benchmarking indicates that higher growth of Victorian regional cities is associated with connectivity to internet and communications (ICT), accessibility to the City within the region and to Melbourne, and increasing population density and participation in social networks.

The Commission is strongly of the view that the City needs to develop a long-term vision and strategic plan to guide and integrate its investments so as to accelerate growth and better exploit its natural competitive advantages. Council should lead and engage extensively with the community including its major institutions and organisations to develop such a plan.

The inability of the Greater Geelong City Council to provide visionary and strategic leadership and the good governance to support it may have been one of the factors leading successive State Governments to establish overarching regional and planning advisory bodies for Geelong and the surrounding region. In parallel with action to transform the Council, there would be benefit in the State Government reviewing the plethora of planning bodies for the City and the region with a view to rationalising them.

It has never been the intention of the Commission, nor has the Commission seen it as its proper task, to undertake a full-scale management and organisational review of Greater Geelong City Council. There can be little doubt, however, that Council needs a major overhaul of its governance, structures and practices if it is to provide the vision, leadership, governance and capability required to secure its future and deliver efficient and effective services to its constituents.

REFORMING GREATER GEELONG CITY COUNCIL

Governance must be fit for purpose. In the case of the Greater Geelong City Council, that purpose must be firmly focused not only on the delivery of a range of direct services to the City's constituents, but also on meeting the major economic and demographic challenges that the City faces.

These include the major structural changes occurring with the decline of the City's manufacturing base, including the closure of Alcoa and Ford, declining workforce participation, critical skills shortages and the urgent need to diversify the City's economy. Geelong's population is projected to grow from 225,000 in June 2014 to 290,000 within 20 years. For Geelong, fit for purpose governance must be best practice governance.

Best practice is not evident in the current lack of organisational discipline and accountability across the City's administration. Agreed corporate directions or programs are not in all cases implemented within an acceptable timeframe or, if implemented, only after being re-litigated at senior management level.

Senior managers have not dealt promptly with a number of significant issues. These have included conflict between managers and the need for an events and media protocol to govern support for the Mayor and Councillors. These matters took between six and fifteen months to resolve. This sluggish response exacerbates frustration and contributes to the departure of talented people from the organisation.

Silo behaviour and the cultures that reinforce it are deeply entrenched. The view from staff was that this was getting worse. Engagement of staff with their managers was seen as very inconsistent. Staff saw

the mindsets at the top of the organisation as being "stultified" and "rigid".

They also commented that there was great reluctance to change and that no cultural change program had been implemented in a decade. Issues from the amalgamation of Councils to form the Greater Geelong City Council are still being referred to 20 years later. The prevalence of silo behaviour is also evident in the extensive use of nearly 50 different logos across the organisation.

The Manager, People and Organisation Development does not appear to have received universal and active support across the senior management team to introduce needed reforms. The Commission has established at interviews with some senior managers that their views about the role of human resources and the role of the HR Manager position within the Senior Executive Group belong in the past.

Such views are redolent of another time when the importance of human resource management for organisational health and performance was not recognised as it is now in contemporary management. These matters need to be addressed and remedied. The Commission has brought this to the attention of the current CEO.

Although the organisation has mechanisms in place for regular reviews by senior executives of progress on key projects together with regular finance reports, this has not been effective in reducing the high level each year of capital carryovers. This long-standing issue and the malaise it creates, not least for Councillors, points to a lack of organisational discipline and a failure of leadership within some areas of senior management. The organisation appears to have tolerated underperformance in this area for too long without addressing its root causes.

Staff have also complained of people being appointed to management positions primarily based on length of tenure and technical skills and performance rather than their people management skills. There is no formal approach to leadership development and succession planning within the organisation. There is also no 360-degree feedback process at the top level of management. As a result, fresh thinking about modern management and leadership practices has not penetrated and influenced the prevailing culture.

A number of managers appear not well-equipped to pursue efficiency improvements or to manage poor performance and underperformance, let alone deal with emerging bullying behaviours. A number of staff have commented that cultural "road shows" and training on bullying and how to deal with it had not made much difference. Evidence was provided to the Commission on the impacts of bullying on performance:

"It's noticeable sometimes in some obvious ways such as absenteeism, … the concept of pre-absenteeism is also relevant when you get people not being fully effective, so that's kind of the first symptom of these things, but what it has also bred… is a lack of trust, a fear to act in a way that you would characterise as doing the right thing… I mean broadly following the organisation's policies and procedures, etc., but also doing the right thing from a judgement perspective and a values proposition perspective where people might not do that out of some form of fear.

"[For] people who have been in local government a long time, particularly people who feel local government is their only real career option… they might not act in a way that otherwise they may do, because they feel intimidated, because they feel it might upset someone or because they might be bullied. It's not a feeling people [should] be having in the workplace."

Some managers have grown too close to Councillors in that their primary focus in response to complaints by staff about Councillor behaviour appears to have been to protect the Councillor from any consequence of their actions. Staff have commented that in a number of instances their complaints went nowhere and that they were instead offered sympathy and placatory comments.

The majority of staff attending a 'diagonal slice' workshop conducted by the Commission had experienced inappropriate intervention by Councillors and expressed the view that Councillors engaging in such conduct saw that "they can get away with it". A number of staff also commented that the current Mayor's extreme behaviours were "unprecedented" and had had "a profound impact on the culture of the organisation". Councillor "obsession" with the media was seen to be a significant factor influencing Councillor behaviours towards staff.

COMPLAINT HANDLING PROCEDURES

The Halliday Report recommended to Council, and Administration has begun to implement, an independent panel to deal with unresolved historic complaints of bullying. It is proposed that the panel be chaired by a suitably experienced person from outside the Council. The Commission is of the view that such an independent panel, which should include the Chief Executive Officer, as the champion of cultural change, and a General Manager could also act as the means by which current or upcoming staff complaints could be dealt with internally.

This would act as a confidence builder for staff and a standard-setting mechanism for employee conduct. The Commission does not see this as a permanent review panel, second-guessing senior staff decision-making on workforce issues. It would be an interim mechanism for perhaps two years while standards of conduct are established, understood, implemented and enforced. This would send a strong message of executive leadership in dealing fairly and promptly with complaints.

CULTURAL TRANSFORMATION

It is plain that much remains to be done and that the cultural factors working to the detriment of good governance and performance run deep. The Commission does not wish in any way to impugn the commitment of Council staff to deliver good services to the community of which it is part. Nevertheless, a decade of poor governance, of unsettling and, at times, intimidatory and abusive relationships involving a significant number of Councillors and more recently the Mayor, has taken its toll.

There are high levels of anxiety on the part of many staff, an abiding reluctance to stick their heads up above the parapet and disbelief in the capacity and willingness of a number of their managers to lead and support them. The strongly entrenched silo behaviours between departments point strongly to a lack of corporate commitment by senior managers both to the organisation and each other. Co-location of central staff from several locations around the City would assist in breaking down silo behaviours.

The Greater Geelong City Council's corporate values of Integrity, Responsibility, Innovation and Respect were essentially developed by the former Mayor, Keith Fagg. They were not evolved through a process of consultation and workshopping with staff and in the words of one staff member "they are put on walls but aren't acted on or lived". There are unfortunately no unifying vision, culture or shared values to restore the health of the organisation, to counter inertia and improve its metabolic performance.

The human resource systems of the organisation to support cultural transformation are unsatisfactory and require major updating. Information on diversity, turnover and capability are not readily available to Council management. An HR information system such as HRIS has yet to be funded and introduced. The current HR system is largely transactional and based on payroll. It does not support or enable workforce planning for the organisation. There is no current workforce plan.

Embedding good employee practice requires organisational investment in learning and development programs. Many employees commented in workshops conducted by the Commission on their own lack of skills to do their jobs. A Corporate Training Calendar is widely available for use by managers and Coordinators, but appears not to be widely available to other employees.

The Commission considers that increased organisational investment by the organisation in the training of its employees is essential to lift both performance and morale. Training programs also need to be developed within learning and development frameworks such as workforce capability analysis and change management. These do not appear to exist in the Council.

The Commission also notes that there has been no formal approach to leadership development or succession planning and a tendency to recruit from within rather than going to market for the best candidate. Staff turnover is low. A not uncommon practice identified by staff was for preferred individuals to be appointed on a temporary basis until they had established a substantial claim to the position, and then to appoint them substantively.

Staff commented in workshops that some projects that did not have strong business cases and that were not properly resourced were nevertheless approved to proceed even though an engineer's report may have advised against them. The centralisation of project management has made some improvement to internal processes, but a thorough systems review is needed that also considers the cultural factors inhibiting improved performance.

Monthly reporting to Council by the CEO is standard practice in high-performing Councils and comparable private sector organisations. Its absence until recently in Greater Geelong City Council has limited Council's ability to exercise the kind of critical but constructive scrutiny that would increase pressure on the organisation to deliver in an efficient and timely way. It has also encouraged inappropriate Councillor interventions down to junior officer level. The action taken by the current CEO to institute such regular monthly reporting is to be welcomed.

The current CEO has also instituted a number of contemporary management reforms from which to develop a more comprehensive reform program. However, this will require major cultural and attitudinal shifts by a number of senior and middle managers and strong support from all staff and the relevant unions. Any reform program will wither if there is not a universal commitment to good governance, performance and accountability within the Council and across the organisation.

The reform process is likely to take some years to implement, to win the confidence and support of staff and to overcome the deep distrust that has built for such a long time. Through workshops and interviews with staff past and present, it has become obvious that although many staff remain committed to their jobs, there is a pervasive anxiety and suspicion in many parts of the organisation. This was instanced by the significant number of staff who declined to fill out the EY Sweeney Culture Survey for fear that they might be identified through the bar code on the survey.

It is not surprising that such anxiety should be so prevalent. Staff read their newspapers, talk to each other about bullying, about the lack of responsiveness to complaints, the lack of management support, about less than transparent recruitment processes and about the promotion of staff to management levels for which they do not have the requisite skills.

The prevailing culture observed by and reported to the Commission is one in which staff consider it prudent not to speak up, not to resist intervention and bullying by Councillors and not to give frank and candid advice that may only cause them grief. In such an environment, innovation and better ways of doing things are at a discount not a premium. This ultimately affects not only the quality of advice to Council, but also the quality of service delivery to the Greater Geelong community.

COUNCIL LEADERSHIP

Strong, ethical leadership will be essential to drive the major governance and organisational reforms that are needed. It is clear that the Mayor and the Council have proved incapable of providing that quality of leadership. The disunity, lack of long-term vision and unacceptable behaviours of the Mayor and a number of Councillors weigh heavily on the organisation. This has been felt not only at senior management level, but also down through

the organisation as evidenced by the extensive staff feedback to the Commissioners.

In successful Councils, the Mayor and the CEO support each other's leadership and do so visibly so that staff at all levels and the community can have trust in their good working relationship and mutual respect for the organisation that supports them and the Council as a whole. When leadership fractures, staff lose confidence and focus on the jobs that they are there to perform and the services they are meant to deliver.

The progressive deterioration in the relationship between the Mayor and the organisation, the blatant undermining by the Mayor of the CEO's efforts to protect the health and welfare of his staff, together with the disintegration of the Mayor's relationships with his Councillors have badly damaged Council leadership. This has become highly visible both internally and externally to the Council, with a loss of key stakeholder support.

The Commission considers that the incumbent CEO brings ethical and experienced leadership to the task of reform and has won strong support from his staff. It is highly desirable that he support the Administrators in establishing the reform process.

VISION AND LONG-TERM STRATEGY

The City Plan has elements of a vision for Geelong, but it is essentially a Corporate Plan explicitly designed to "guide the City of Greater Geelong's activities during the term of our current Council". The Plan meets the Council's statutory obligation, but it is not compelling and does not look to the horizon of Geelong's new future. It is not a long-term strategy that identifies the evidence-based choices to be made for the future and to drive the economic prosperity of Geelong.

The City has some 250 strategies and plans, a number of which are not referenced in the City Plan and with no apparent funding provision in the Council's financial planning. Council's financial analysis is insufficient for the developments and changes planned for Geelong over the longer term, including the major growth planned for Armstrong Creek. Council's Financial Resource Plan presents only a four to five-year horizon and financial projections are relied on from years four to ten.

The key projects identified in the City Plan as top priorities for lobbying are the land 400 defence project, a convention centre, a new Yarra Street pier, the East West traffic movements project and the Northern Arts ,Recreation and Community, Health and Wellbeing Hub (ARC). However, the rationale for these projects is not spelt out, the City Plan fails to 'join the dots' and they do not sit within any long-term vision.

It is currently estimated by Council that the unrecognised cost of its five major developments is in the order of $20 million per year. This is compounded by developer contributions shortfall of approximately $25 million and an infrastructure renewal gap of approximately $13 million. Evidence provided to the Commission indicates that Council's decision-making for long term developments to accommodate significant population growth and economic growth is based on inadequate understanding and recognition of its longer-term financial impacts.

A Financial Sustainability Review by CT Management Group in 2013 concluded that "The City of Greater Geelong is a financially sustainable organisation. However it faces challenges with its capacity to deliver the capital works program"and services in the long term future. The review also concluded that "a strategic change in direction is required to sustain Council's financial position into the future – the current investment in services and capital is not sustainable" and that "the choice between investment in growth, legacy investment in infrastructure, growing service demands and economic development are all competing priorities that cannot be sustained within the current funding framework".

The Commission considers that the development of an evidence-based, long-term vision and plan should be a critical high priority for Council to drive improved asset planning, investment and service delivery for Greater Geelong. The City of Greater Bendigo, for example,

has developed a long-term vision for the City following a process of extensive community engagement.

Greater Bendigo 2036 paints a vision for the City around the three main themes of liveability, productivity and sustainability. It sets long-term directions and outcomes and quantifiable targets (e.g. "In 2036, the City of Greater Bendigo will have a work participation rate of 68% and an unemployment rate in the lowest 10% of any towns"). The document projects future population growth and specific targeted strategies around transport connections, skills availability, education and employment.

The Commission considers that the Greater Geelong City Council could beneficially examine the processes followed by the Greater Bendigo Council in shaping its long-term plan and strategies.

PLANNING, REPORTING AND ACCOUNTABILITY

The City Plan acts as a corporate plan with cascading annual departmental business plans for the Council's 26 departments. Implementation of strategic plans is managed and monitored in various key documents of Council. The City Plan update is a key document. Council departmental business plans are monitored and reviewed to ensure delivery of actions. Risks identified on the Risk Register are linked through the Council Management Information System and included as matters to be actioned on Departmental Business Plans.

Regular quarterly reports are brought to Council on City Plan progress. The Audit Advisory Committee also submits regular reports and the Annual Report comes to Council for sign-off as required by the Act. However, until recently there has been no monthly CEO report to enable regular monitoring by Council of organisational health and performance.

The Commission considers that in developing a long term strategy for the City, Council needs to review and rationalise the excessive number of supporting plans and strategies to achieve a sharper focus on priorities for investment and service delivery. This would reduce the complexity of financial planning and also strengthen accountability at all levels. The capacity for Council and the Administration to monitor some 250 separate strategies with unclear linkages and no apparent prioritisation between them is moot and of little strategic value.

Council also needs to develop specific outcome-focused performance measures based on sanguine judgements about matters over which it has direct control, matters that it is well placed to influence and matters that are beyond its control. This would assist Council to concentrate its efforts and resources to where they can achieve the maximum value. Appendix 5 to this report is an illustrative Outcomes and Performance Measures Framework, prepared for the Commission, which could be developed further by Council.

WORKFORCE PLANNING AND PERFORMANCE MANAGEMENT

The Council employs some 2,500 staff across its 24 departments. The management group lacks diversity – only one of six general managers is female. Of the 24 departmental heads who report to the General Managers, only seven are female. This broadly matches the lack of gender diversity amongst the Council members. Of the 12 ward Councillors, only three are women.

Diversity, including gender, ATSI, CALD, LGBTI and disability is essential to a healthy democracy and to a healthy organisation in touch with its diverse constituency. Monocultural organisations tend to lack creativity and innovation. These are the very qualities that the City needs to support the transformation of Geelong's economic base and to achieve the City's full potential.

The Commission has observed, however, that the City has no Diversity Strategy and no Workforce Plan. Human resource systems are unsatisfactory and information on diversity, turnover and capability is not

readily available to Council management. Information systems for human resources such as HRIS have yet to be funded and introduced. The HR system is largely transactional and does not support workforce planning.

These deficiencies in HR resourcing and workforce planning are long standing and may reflect the low priority given to HR within the organisation prior to the appointment of the current Manager, People and Organisation Development. The Manager, People and Organisation Development position now reports directly to the CEO, but is still not a member of the organisation's Executive Leadership Team.

The Commission considers, particularly in light of this report and the behaviours that first prompted it, that the Manager, People and Organisation Development should become a member of the executive team. Human resource management is not an adjunct of organisation business, but an important key to organisation performance and delivery of high-quality services to the Greater Geelong community.

The Commission also considers that one of the highest priorities for a revamped human resource management approach must be reform of the largely moribund or non-existent performance management systems across the organisation. This was without doubt a major area of negative feedback at all levels from senior management to field operations.

Managing of poor performance and underperformance is critical to an organisation's overall performance and directly affects the quality of service delivery. There is extensive evidence that poor performance has been badly managed for a long time. It has become a chronic issue affecting staff morale at all levels. Many staff reported at workshops and in interviews that this issue was bedevilling workplaces, creating immense frustration and friction and causing good staff to leave the organisation.

There is a strong correlation between poor performance management and bullying in that each thrives in the absence of respectful relationships. Many managers are reluctant to have open and frank conversations with underperforming or poorly performing staff because of their perception that they will not be supported. As one field manager put it, "that means you end up managing to the lowest common denominator".

A recent HR initiative is for managers now to be trained in 'having difficult conversations' This is a valuable starting point, but the more pressing requirement is for the introduction of a consistent, well-understood performance management system across the entire organisation. This is essential for mature governance and a prerequisite for improved service delivery. The Commission considers that a consistent, organisation-wide performance management system should be introduced as a matter of high priority.

The Manager, People and Organisation Development will have a key role to play in supporting the organisational transformation recommended by this Report, but consideration could be given by the CEO, as champion of the reform process, to the appointment of a senior manager, reporting directly to him, to ensure effective coordination of the program of key reforms.

"ANY FACTORS THAT ARE IMPEDING COUNCIL'S ABILITY TO PROVIDE GOOD GOVERNMENT TO ITS CONSTITUENTS"

CHAPTER 6

In the preceding chapters of this Report, the Commission has identified a number of factors impeding the Council's ability to provide good government to its constituents. Prominent amongst them is the gradual breakdown of good governance both within the Council itself and the Administration. The non-acceptance and lack of support by a number of Councillors for the legislated, directly elected Mayoral model effectively represent a rejection of the will of the Parliament.

The issues faced by the current Mayor and his predecessor may not have become so challenging for both of them had they been properly supported by the Administration, including appropriate administrative and advisory support. That this did not happen reflects poorly on senior management.

The Commission considers that the current individual ward representative electoral structure has worked to the detriment of good governance in Greater Geelong and should be replaced by a multi-member ward structure. The role of directly elected Mayor needs to be strengthened by making the Deputy Mayor position also directly elected. This would better share the burdens of office now borne by the Mayor. The Commission has made recommendations to this effect.

The self-serving attitude of a number of Councillors and their unwillingness to work constructively together or with the current Mayor around his mandate has been damaging. It has had a profound influence on the capacity of the Council to provide the concerted vision and leadership essential to good government. It has also had an inevitable adverse impact on the confidence and trust of Council officers and their ability to deliver good service to the people of Greater Geelong.

These factors have been exacerbated by the disregard of several Councillors for the Councillor Code of Conduct. A number of staff have been subjected to bullying, harassment and abuse. In effect, these behaviours have become normalised and staff have learnt, for the most part, to acquiesce and keep their heads down. This has been a demoralising experience for many of them. Others who have stood up to these pressures have not been well supported by management.

The health and wellbeing of a number of staff have been compromised in the process. Regrettably, in a number of instances, staff have not been supported by senior and middle managers, who have chosen to placate rather than act or, worse still, given seeming priority to protecting the transgressing Councillors.

The current Mayor's inability to build constructive relationships with Councillors has made matters worse. Although there is no doubting his commitment to the betterment of the City and his drive to deliver good projects and good outcomes, his personal style and intolerance for Council processes have alienated key support both within and external to Council. His abusive treatment of staff, including those directly supporting him, and his behaviour externally in at least one notable instance have brought him no credit.

These factors together have wrought considerable havoc on the capacity of Council to deliver good government and have constituted an almost perfect governance storm for the Administration. The Commission considers that the present Mayor and Council are a major impediment to the good government of the City and has framed its recommendations accordingly. A fresh start is needed.

It is impossible to separate the failure of leadership and governance by the Mayor and Councillors from the serious decline in governance within the Administration. It has been said to the Commission

that the fish rots from the head. A number of senior and middle managers appear to have acculturated to the behaviours of the Mayor and Councillors and have lost focus on their ethical and performance responsibilities, particularly to their staff.

Their collective failure to acknowledge and deal promptly with staff complaints about bullying and harassment was a dereliction of their duties under workplace health and safety legislation. These managers have asked employees, who have complained about poor behaviour, whether they wanted to make a 'formal' complaint. The Commission is resolute in its view that the provisions of the Occupational Health and Safety Act mean there is no such thing as a 'formal complaint'.

Mere knowledge creates an obligation for a supervisor or manager to address an issue raised by a staff member. No 'official complaint' is necessary. The duty of care on all officers necessitates an active response by any person in a management position.

A number of senior managers have also failed to provide the leadership and resolve required to harness the energies of a disparate organisation of some 2,500 people across several locations. These failures of leadership have contributed to organisational lethargy and staff discontent.

Silo behaviour is very entrenched in the Administration and is inimical to the development of shared values and any unified approach across the Administration. The dispersal of central departments over nine different locations has not assisted. The Commission was advised that Council sold a block of land that had been earmarked as the site for a future corporate office for Council. This action shows a lack of understanding by Councillors of contemporary human resource management practice.

There is general recognition of the corporate advantages of co-locating Council officers who are not delivering services from more remote locations. This is particularly the case in Greater Geelong, where there is such entrenched silo behaviour. Consolidation of buildings also frees up assets, liberates funds for higher-value purposes and stimulates the local economy. The Commission considers that Council should reactivate examination of options for consolidating its central functions.

The Commission has also highlighted the critical absence of a longer-term vision and strategic plan for Greater Geelong. The City Plan is essentially a four-year corporate plan of inadequately integrated projects and activities. The City needs a visionary, integrated, 20 to 30-year strategy that looks to the planning horizon and identifies what Council must do, or influence others to do, to secure the City's future. Without it, Council will always be driven in large measure by the four-year terms of Councillors and the budget cycle.

Through its many interviews with key stakeholders in the City, the Commission identified a number of other factors that also need to be addressed if Council is to move forward and deliver good government. There is a plethora of planning, advisory and other business or community-based organisations in Greater Geelong all with a view, but not necessarily a shared view, on what is required for the City's success.

Council has lacked a comprehensive stakeholder management plan and the capability to draw these organisations together in common cause. Council cannot be an effective state, national and global advocate for the City without the support of key stakeholders. A reference group of major stakeholders, reflective of the City's diversity, could greatly assist the development of a longer-term strategic plan for Greater Geelong. State Government should also consider reviewing the number of planning bodies for Greater Geelong and the surrounding region with a view to rationalising and refocusing them towards a longer-term vision and strategic plan.

Council has a relatively small number of standing committees and makes extensive use of s.86 committees under the *Local Government Act 1989* to draw on the capacities of external bodies and stakeholders to contribute their knowledge, insights and

expertise to Council strategic and service planning. However, the use of s.86 committees needs to be more strategically targeted than is presently the case.

Other factors that make good government challenging arise from the nature of Greater Geelong itself, with its spread of rural, seaside and urban constituencies. Each of them has its own unique characteristics demanding individuated planning and service delivery within a city-wide context. The Council has struggled with this complexity, which will continue to be a factor challenging future Councils in planning, designing and delivering good government to the whole of the community. This emphasises again the importance of a longer-term vision and strategic plan developed in consultation with the many communities of interest living in Greater Geelong.

Attention must also be drawn to the influence of local media on Council decision-making and behaviours. It was reported to the Commissioners that a person formerly prominent in local media had been known to observe that in media terms there were only two games in Geelong – the Geelong Football Club and the Council. Whilst this statement may contain some considerable licence, there is no doubt that Council comes under intense scrutiny from local media, and in particular the *Geelong Advertiser*, which played an important role in bringing to public attention the issue of bullying within the Council.

This is very healthy in any democracy, but a number of Councillors and staff indicated that local media coverage generated a high level of attention and reaction and diminished attention to the strategic issues facing Council and the community. Council needs to improve its communications with the media and with other prominent stakeholders and to commit additional resources, if necessary, to bring it about. An effective media and communications strategy would be a good start.

APPENDICES

A FRAMEWORK FOR GOOD GOVERNANCE

APPENDIX 1

OUTCOMES	Social, economic and environmental viability and sustainability of the municipality: conscious of the changing needs of citizens and planning to deliver benefits to them.	Resources are used efficiently and effectively and services provided to best meet the needs of local community: efficiency in the delivery of council services with a positive recognised impact on the GGCC	Quality of life is improved for local community	Business and employment opportunities are promoted: Consistent with agreed directions at the state and national level a plan for the future of Geelong in economic, social and environmental terms.	Services and facilities are accessible and equitable	Transparency and accountability in Council decision making: good relationships across Council and between Council and administration

DRIVES OUTCOMES

POLICIES, PROCEDURES, SYSTEMS, GUIDELINES AND FRAMEWORKS

Direction and Leadership
- Vision
- Budget
- Corporate Plan
- Clear definition of Council's purpose and desired outcomes through Council Plan and Strategic Resource Plan
- Protocols on communication between Council and administration staff
- Financial Sustainability
- Councillor Charter

Culture and Behaviour
- Appropriate corporate culture
- Inclusive employment practices that reflect gender and CALD community
- Employee culture surveys
- Diversity in Councillors and Senior Management
- Staff engagement
- Complaints handling process

Structure, Systems and policies
- Established Committee Systems
- Whistleblowing protections and processes
- Robust Finance and HR systems
- Electoral system and structure

Decision Making
- Well defined functions and responsibilities and related protocols
- A strong governance team and governance processes
- Formal schedule of delegations
- Use of external expertise
- Record of decisions and implementation plans
- Evidence based decisions
- Effective Committee Structure

Communications and Community Engagement
- Community engagement Plan
- Stakeholder engagement Plan
- Communications Strategy
- Open data policy
- Social media policy
- Media engagement

Capability
- Induction training
- Training in systems, policies and procedures
- Behaviour training – bullying, diversity, discrimination
- Skilled staff
- Management of poor/under performance
- Resources and support for Mayor and Councillors
- Talent attraction and succession planning

Risk and Compliance
- Overview and scrutiny bodies – audit, purchasing and contracting, risks plans
- Fraud control
- Audit Committee (S139)
- Codes of conduct for Councillors and Council Staff
- Councillor conduct panel
- Gift and Benefits Policy and Register for Councillors and Council Staff
- Corporate Risk Framework
- Legal compliance
- Incident management plan
- Privacy protocols and policy
- Checks and balances

Monitoring and Review
- Real accountability to stakeholders through reporting and monitoring frameworks
- Performance reviews of staff
- Regular self-assessment of Councillors and staff
- Annual Report
- Quarterly Financial Reporting
- Exit interviews and reporting

Principles and behaviours for Good Governance in Local Government (based on MAV Good Governance Guide)

1. **Good Governance is accountable:** obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the community it represents.
2. **Good Governance is transparent:** People should be able to follow and understand the decision making process – to see clearly how and why a decision was made and what information, advice and consultation council considered.
3. **Good Governance follows the rule of law:** This means decisions are consistent with relevant LEGISLATION or common law and are within the powers of council.
4. **Good Governance is responsive:** Local government should always try to serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.
5. **Good governance is equitable and inclusive:** all community members feel their interests have been considered by council in the decision making process. All groups, particularly the most vulnerable should have opportunities to participate in the process.
6. **Good governance is effective and efficient:** Local government should implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for their community.
7. **Good governance is participatory:** anyone affected by or interested in a decision should have the opportunity to participate in the process for making that decision.
8. **Diversity:** In gender, ethnicity and age that reflects community through representative structures, consultative structures and employment practices.
9. **Build and sustain good relationships:** between Mayor and Council, Council and administration.
10. **Build trust:** establish good communication, clarify roles, keep an outward focus.
11. **Decision making:** establish good processes through committees, be clear on delegations to ensure decisions balance community and municipal interests, are consistent with the Strategic Plan and take account of financial implications, are within the powers of Council and recognise natural justice principle.
12. **Act with integrity and impartiality:** be honest and diligent, avoid conflicts of interest, treat people with respect, act lawfully and show leadership.

KEY PERFORMANCE INDICATORS	Measures to be developed based on LG Performance Reporting Framework and GGCC data	Measures to be developed based on LG Performance Reporting Framework and GGCC data	Measures to be developed based on LG Performance Reporting Framework and GGCC data	Measures to be developed based on LG Performance Reporting Framework and GGCC data	Measures to be developed based on LG Performance Reporting Framework and GGCC data	Measures to be developed based on LG Performance Reporting Framework and GGCC data

TOWARDS PARITY IN THE GREATER GEELONG REGION— AN ECONOMIC ASSESSMENT OF THE GREATER GEELONG MUNICIPALITY

APPENDIX 2

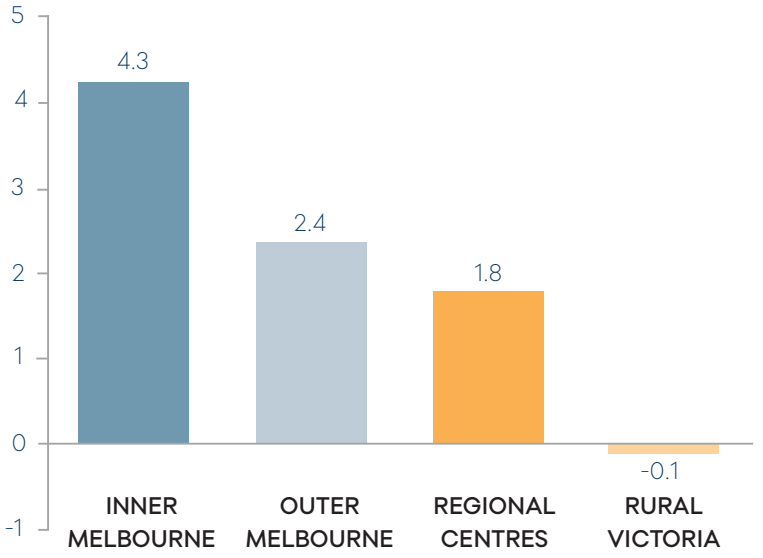
Prepared by Department of Economic Development, Jobs, Transport and Resources

ECONOMIC DEVELOPMENT

SIX CRITICAL POINTS ABOUT VICTORIA'S ECONOMY

1. INNER MELBOURNE HAS BEEN THE MAJOR DRIVER OF GROWTH; SUPPORTING JOBS FOR COMMUTERS FROM SURROUNDING AREAS

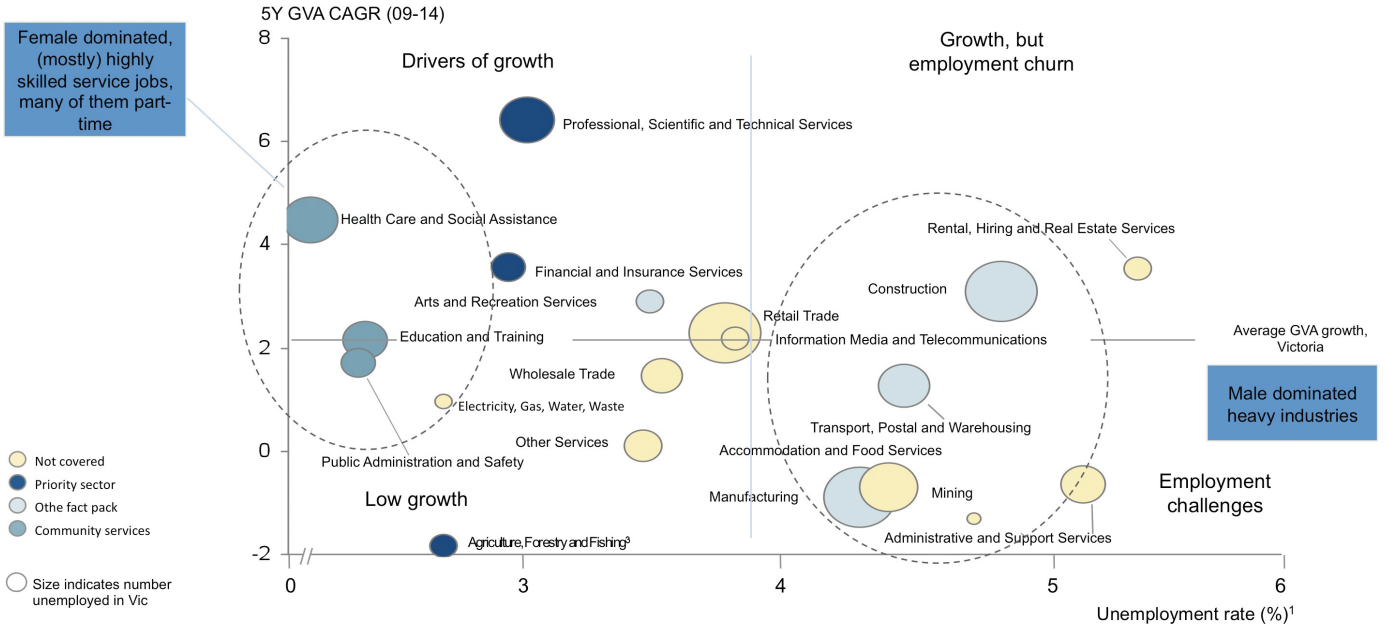
Fastest economic growth over the last decade has been in Inner Melbourne
Average annual growth in GRP1 , 2004-2014 (%)



Source: NIEIR data 2014, BCG analysis.

2. FASTEST GROWTH SEEN IN PROFESSIONAL AND COMMUNITY SERVICES EMPLOYMENT SHIFTING FROM MALE DOMINATED BLUE COLLAR TO FEMALE DOMINATED SERVICE JOBS

Victorian GVA growth and unemployment industry, rolling average 2013[2]

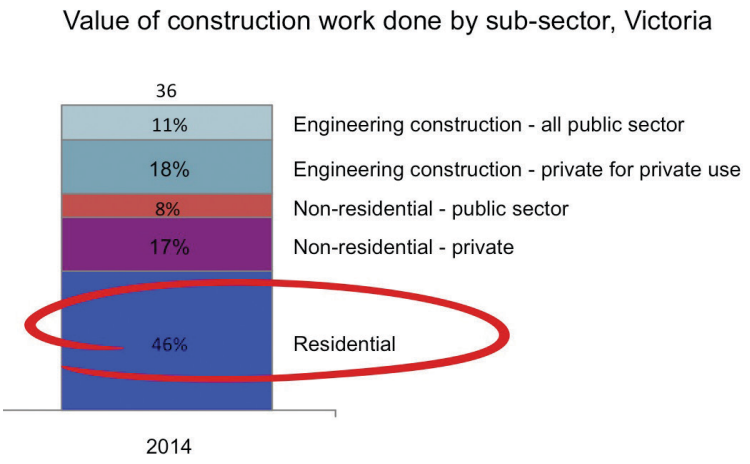


1. Defined as last industry of employment for unemployed persons, and total employed in sector and unemployed persons as workforce total
2. Using February 2013 – November 2013 4-quarter average
3. The positioning of agriculture, forestry and fishing is highly dependent on the time period taken, given the seasonal nature of the industry; over a 10 year period, growth would have been close to the state average

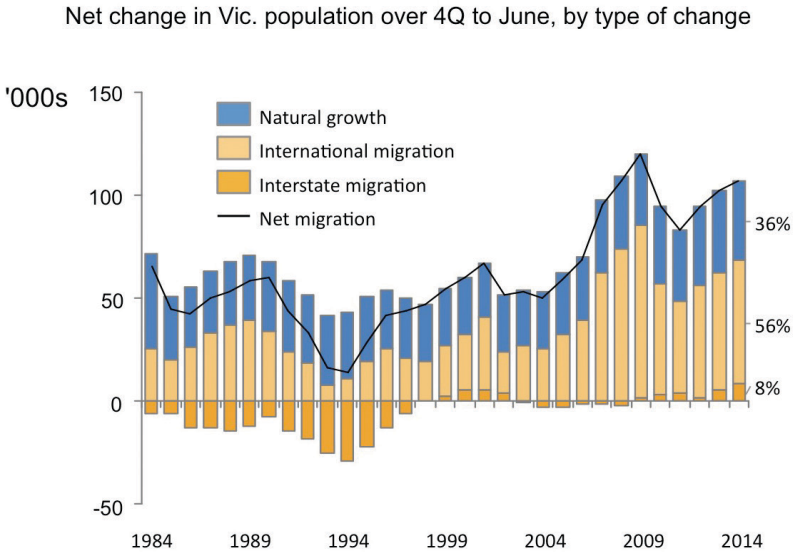
Source: ABS 6291.0.55.003 employment and unemployment data

3. RISKS FOR THE CONSTRUCTION INDUSTRY WHICH IS DOMINATED BY HOUSING AND UNDERPINNED BY MIGRATION DRIVEN POPULATION GROWTH

46% of construction value is residential, with 19% under influence by public sector



Greatest driver of population growth is international migration at 56% of net growth



International immigration is the key to maintaining growth in the construction sector

Source: ABS Population data – net population change by category, Victoria; Victorian Department of Planning; ABS Value of Construction work done by type of construction and sector

4. ONGOING STRUCTURAL SHIFT AWAY FROM MANUFACTURING, WITH CHALLENGES ASSOCIATED WITH REDEPLOYMENT OF LOWER SKILLED MANUFACTURING WORKERS

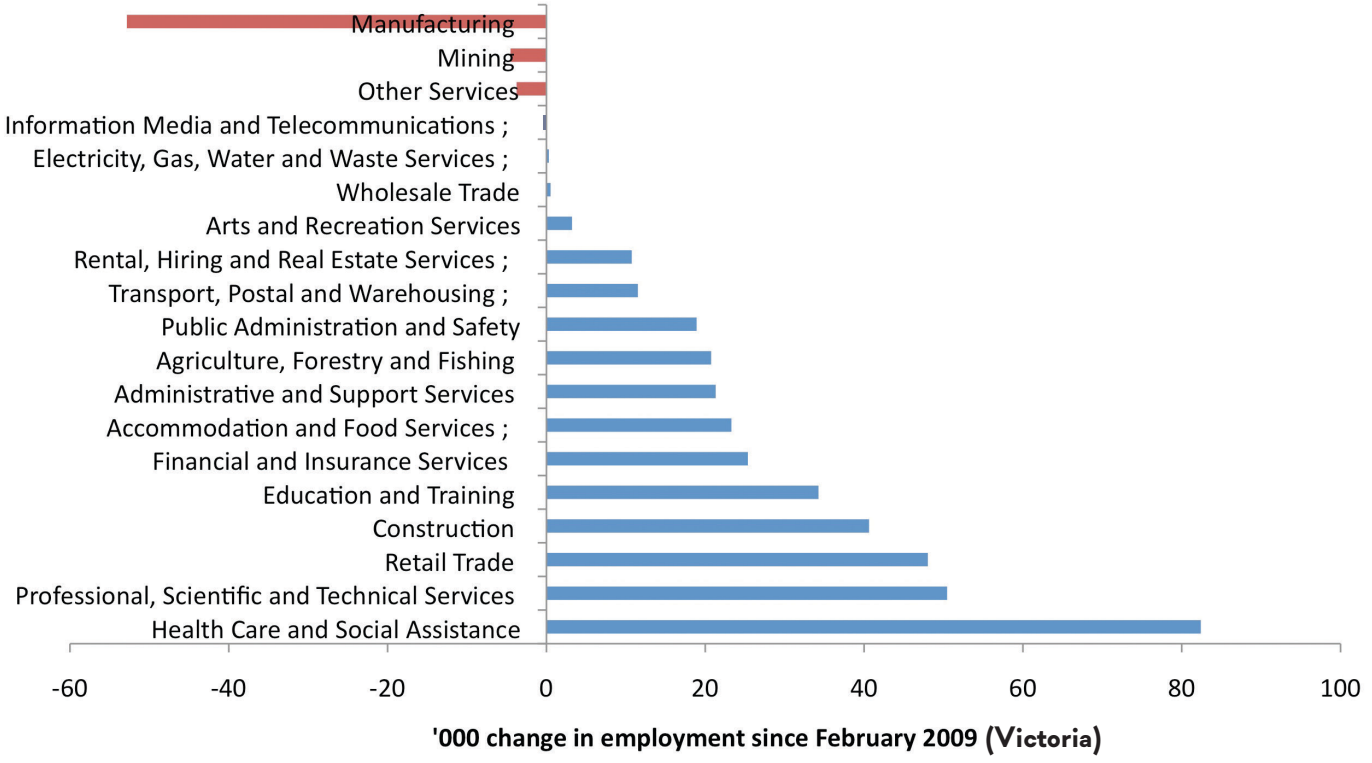
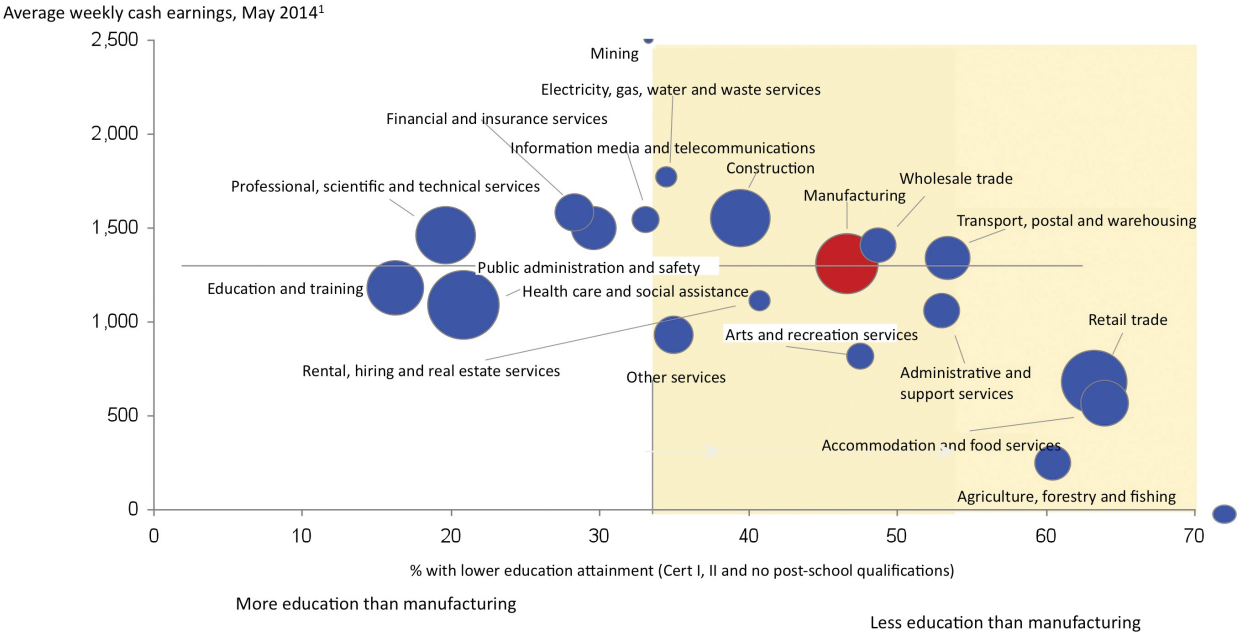


Figure looks at change in employment for each sector from February 2009 to November 2015

Source: ABS 6291.0.55.003 Labour Force Australia, Detailed, Quarterly Table 05. Employed persons by State,Territory and Industry division of main job (ANZSIC), downloaded March 2016

4. CONTINUED

Earnings and skill level by sector, 2014, Victoria

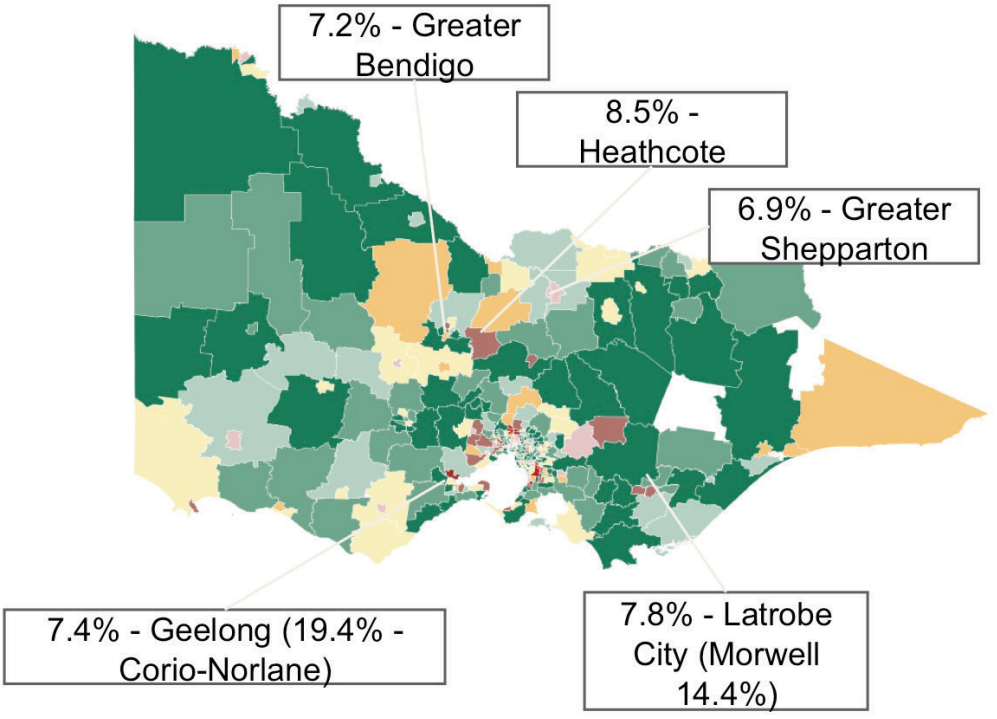


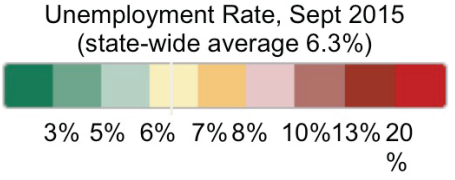
1. Not reported for agriculture, 2012-13 Industry data used instead – wages and salaries per employee divided by weeks per year

Source: ABS 8155.0; ABS 6306; ABS 6227

5. HIGH UNEMPLOYMENT IS CONCENTRATED IN POCKETS. THERE ARE LARGE VARIATIONS IN UNEMPLOYMENT ACROSS REGIONS, OFTEN SPECIFIC LOCAL FACTORS AT PLAY

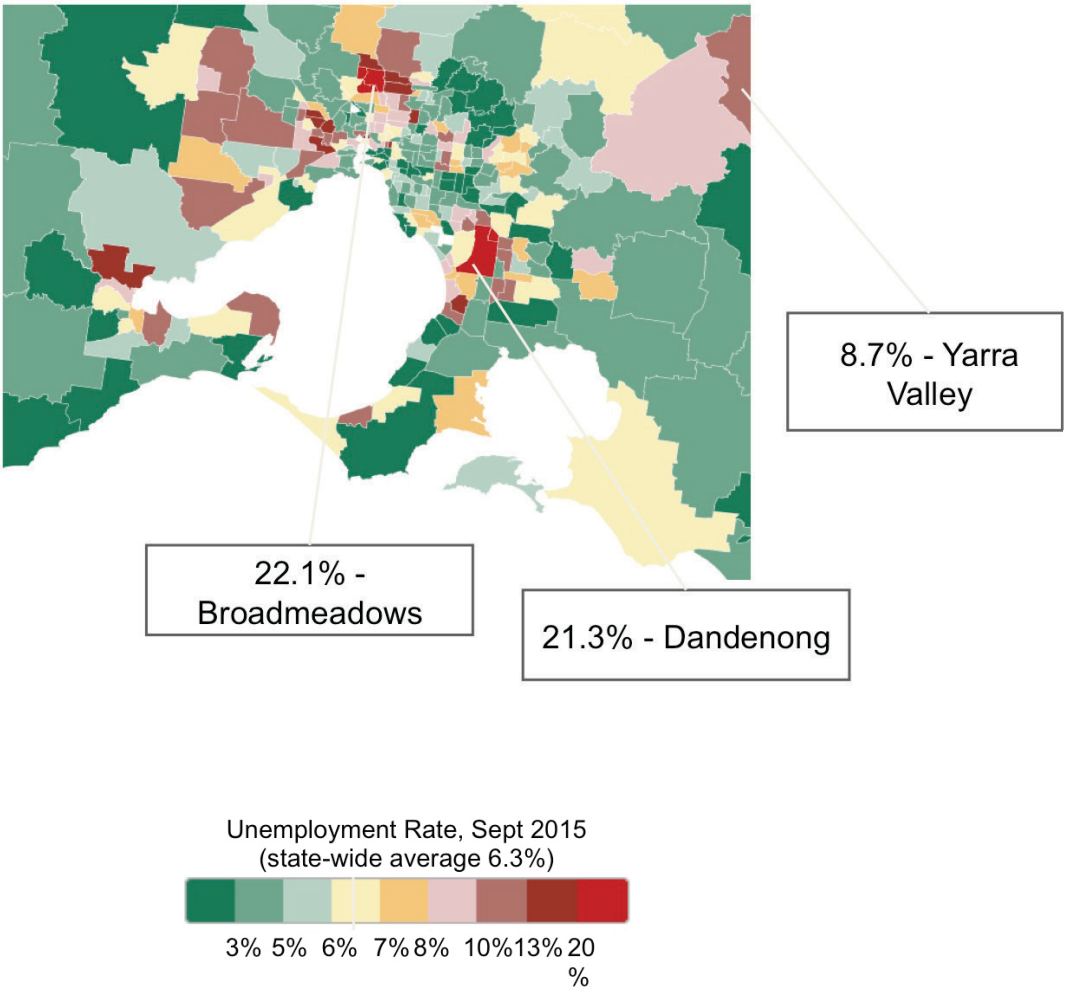
Low rural unemployment but high unemployment in regional centres





5. CONTINUED

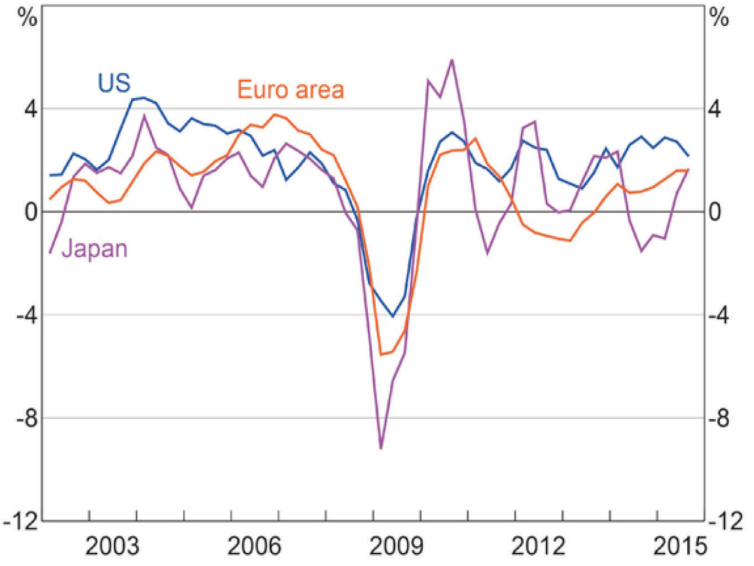
Significant unemployment disparity in parts of greater Melbourne



Source: Commonwealth Department of Employment Small Area Labour Markets (SA2), Sept 2015.

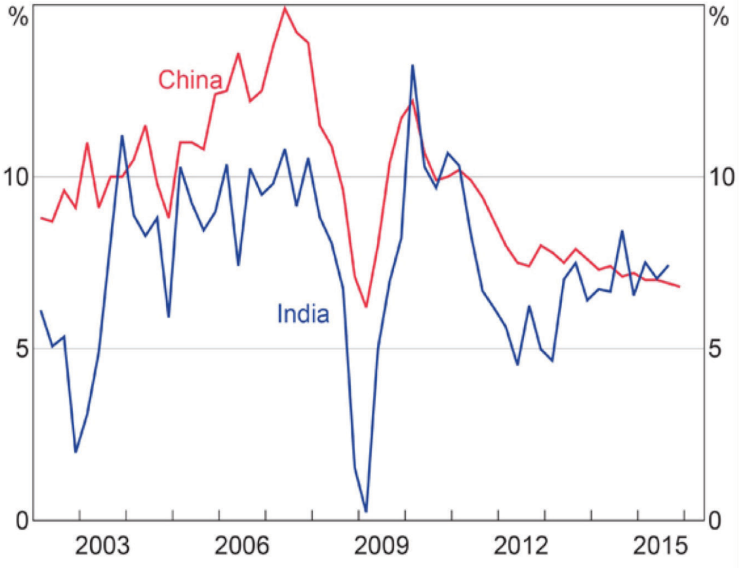
6. CHINA, CHINA, CHINA
ASIA IS BECOMING THE CRITICAL DRIVER OF GROWTH

GDP Growth – Advanced Economies
Year-ended



Source: Thomson Reuters

GDP Growth – China and India
Year-ended

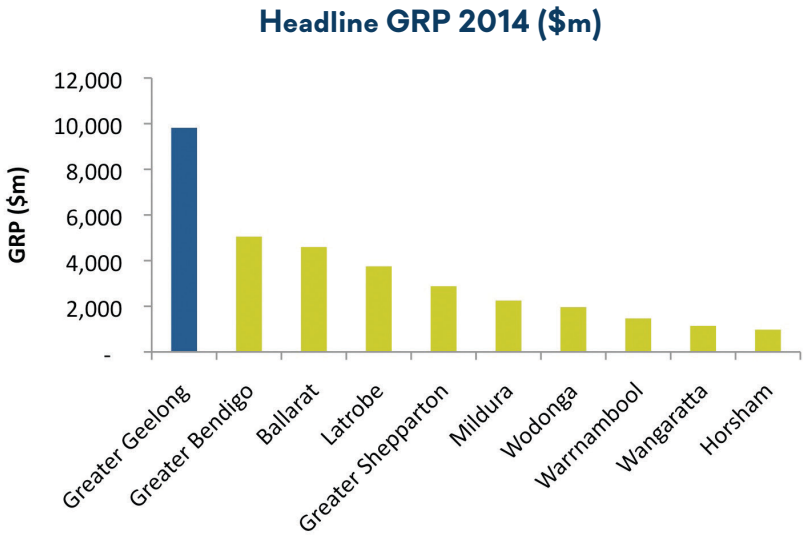


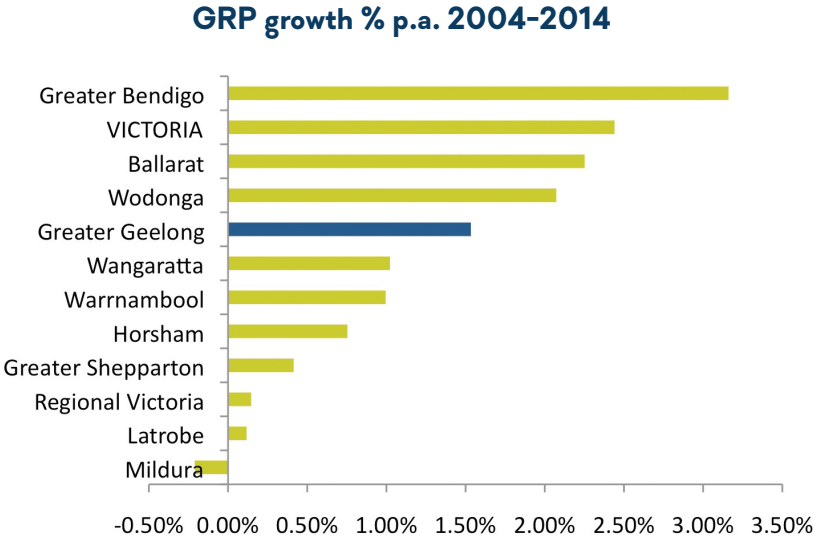
Sources: CEIC Data; RBA

GEELONG: LARGEST REGIONAL CITY ECONOMY

Geelong is the largest economy outside metropolitan Melbourne with a Headline Gross Regional product (GRP) of **$9.8 billion** in 2014.*

GRP grew by **$1.39 billion** in the period 2004-14. The growth rate was **1.53%** per annum, which is significantly lower than Greater Bendigo and Ballarat.





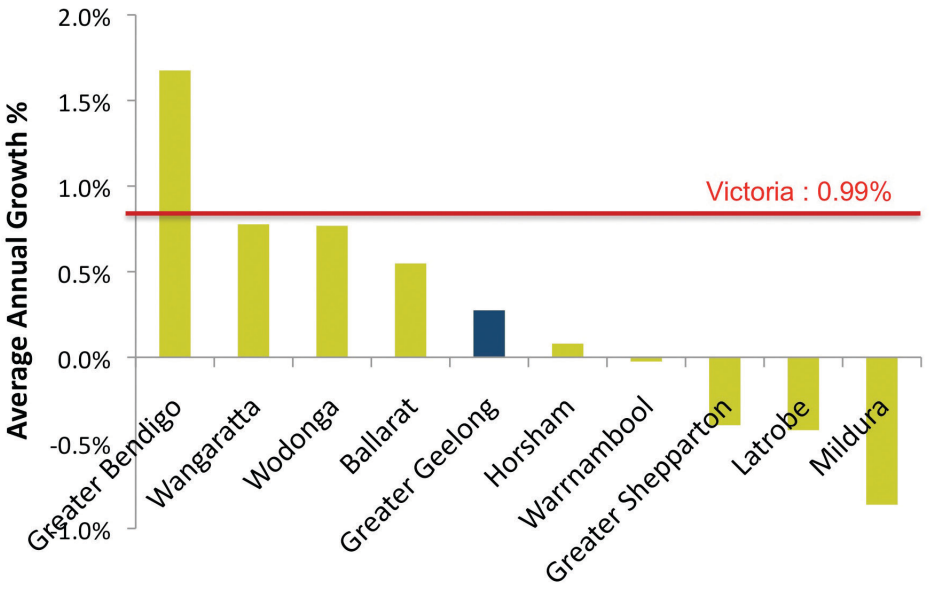
* Headline Gross Regional Product shows the value of the economy, generated by the workers within the area regardless of where they live, after taxes and dividends leave the area (DEDJTR 2016).

GEELONG GROSS REGIONAL PRODUCT PER CAPITA

Annual growth in GRP per capita averaged **0.3%** for the period 2004-2014, the fifth highest growth rate of the regional cities.

GRP per capita was **$43,661** in 2014 which is the third-lowest of all regional cities and 25% below the state average.

Growth in GRP per capita 2004-14

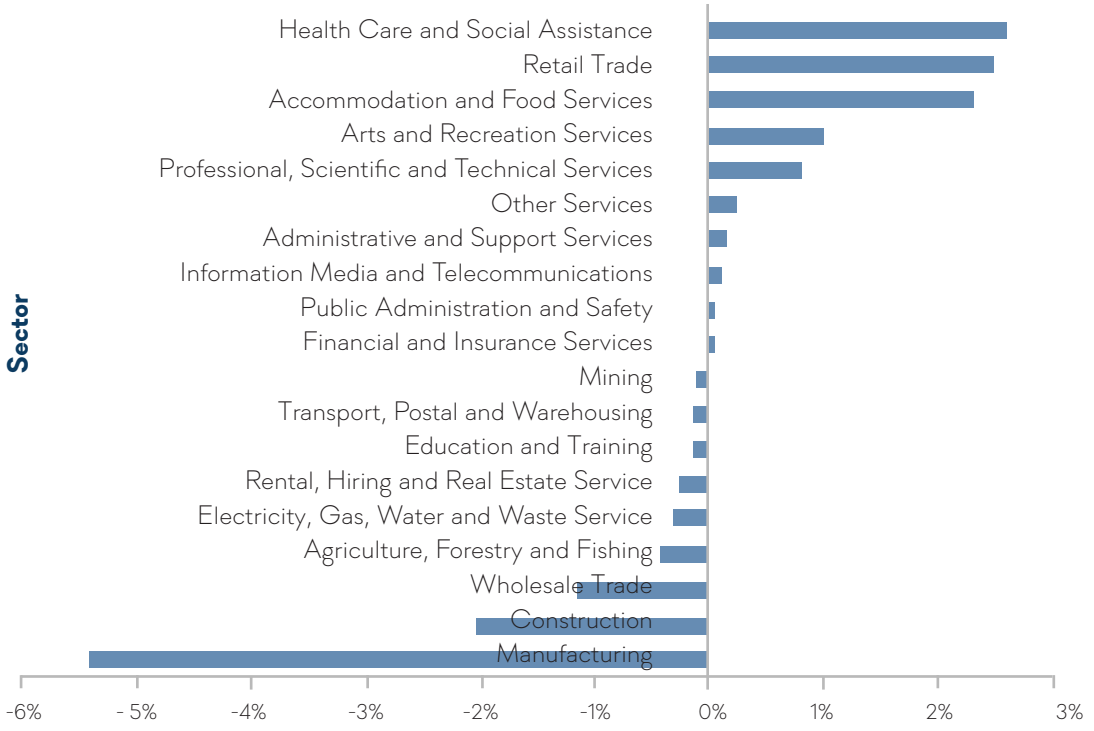


Source: NIEIR 2015

GRP per capita 2014	
Wodonga	$51,590
Latrobe	$50,961
Horsham	$49,747
Greater Bendigo	$47,263
Ballarat	$45,857
Greater Shepparton	$45,563
Warrnambool	$43,950
Greater Geelong	$43,661
Mildura	$42,512
Wangaratta	$42,270
VICTORIA	$58,409

GROWTH OUTLOOK

Industry employment projections for Geelong Region, change in percentage share, 2011-2031



Source: NIEIR 2013

2031 Projected Top 6 industries by employment:

1. Health care
2. Retail trade
3. Construction
4. Accommodation and food services
5. Education and training
6. Manufacturing

Invest Victoria also identified:

- Food processing manufacturing, including dairy, seafood and meat processing
- Agriculture and agribusiness
- Tourism and tourism-related services
- Renewable energy

GEELONG

STRENGTHS

- Large and diversified economy compared to other regional cities
- Relatively high human capital endowment
- Quality education and health services
- Innovation and research capabilities – health, biotech, engineering etc.
- Transport infrastructure endowment (e.g. airport, port accessibility)
- Industry capabilities of key research centres at Deakin and CSIRO
- Accessibility to Melbourne and coastal amenities as a strong lifestyle attractor

CHALLENGES

- Structural transition issues (skills mismatch) in some manufacturing sub-sectors
- Pockets of socio-economic disadvantage and high levels of youth disengagement
- Ageing population
- Capacity and funding constraints (connecting transport, water, energy and ICT infra) around new growth areas
- Population growth rate outpacing job creation rate
- Declining competitiveness in established industries
- Skills gaps in key growth industries (i.e. health care)

OPPORTUNITIES

- Emergence of transport and logistics based industries
- Further research, development and commercialisation of advanced manufacturing
- Growth in education and training industries to meet increased demand for skilled labour
- Continued population growth (forecast to be higher than state average) and capacity to meet it
- Relocation of government agencies
- Avalon airport expansion
- NBN roll out

BENEFITS OF GROWTH PARITY ARE WELL RECOGNISED

Improving participation and growth outcomes will lead to:

- More productive and liveable regional cities and regions.
- Greater innovation and competitiveness due to more diverse businesses and workforces
- Improved conditions for the wider economy through increased community income levels
- Better aspirations for future generations
- Improved community and economic profile.

WHAT PARITY REALLY MEANS

If economic and employment parity with Metro Melbourne had been achieved in 2011, it would have meant an extra:

- 1,515 Geelong residents in the labour force
- 10,611 Geelong residents with a Bachelor degree or higher
- 22,357 Geelong residents having finished year 12

The gap in numbers is likely much larger in 2016 due to weaker economic conditions and ongoing/future closures of key employers in the region.

AN ASSESSMENT OF GREATER GEELONG CITY COUNCIL AGAINST THE FRAMEWORK FOR GOOD GOVERNANCE

APPENDIX 3

OUTCOMES

Social, economic and environmental viability and sustainability of the municipality: conscious of the changing needs of citizens and planning to deliver benefits to them.	Resources are used efficiently and effectively and services provided to best meet the needs of local community: efficiency in the delivery of council services with a positive recognised impact on the GGCC	Quality of life is improved for local community	Business and employment opportunities are promoted: Consistent with agreed directions at the state and national level a plan for the future of Geelong in economic, social and environmental terms.	Services and facilities are accessible and equitable	Transparency and accountability in Council decision making: good relationships across Council and between Council and administration

KEY PERFORMANCE MEASURES
Detail in Appendix 5

• Municipal water and energy use and resource recovery • Revegetation	• Service plans • Efficient and effective service delivery across all LGPRF service areas, financial performance and sustainability measures • Long term financial, service and asset strategies in place • Service mix meets community need	• Long term planning for services and growth	• Quality built environment • Community services and facilities • Open space • Customer and regulatory services • Utilisation of services in relevant • LGPRF service areas	• Plans for growth of target sectors and structural adjustment • Destination promotion • Services to business • Advocacy	• Civic participation • Access to representatives • Partnerships with other local governments and state and federal government • Stakeholder relationships • Standards of decision making • Promotion of and adherence to organisational policies and protocols • Workplace behaviours • Council reputation • Equal opportunity • Staff engagement • Partnerships

DRIVES OUTCOMES

POLICIES, PROCEDURES, SYSTEMS, GUIDELINES AND FRAMEWORKS
Detail in Appendix 4

1. Direction and Leadership
- 1.1 Vision and long term strategy
- 1.2 Budget
- 1.3 Corporate Plan
- 1.4 Financial sustainability
- 1.5 Councillor Charter
- 1.6 Role of Councillors and Council employees and communication protocols

2. Culture and Behaviour
- 2.1 Appropriate corporate culture
- 2.2 Inclusive employment practices that reflect a diverse community
- 2.3 Employee culture survey
- 2.4 Diversity in Councillors and Senior Management
- 2.5 Staff engagement
- 2.6 Complaints handling process
- 2.7 Customer complaint management system

3. Structure, Systems and policies
- 3.1 Established Committee Systems
- 3.2 Whistleblowing protections and processes
- 3.3 Robust Finance system & Robust HR system
- 3.4 Electoral system and structures

4. Decision Making
- 4.1 Well defined functions and responsibilities and related protocols
- 4.2 A strong governance team and governance processes
- 4.3 Formal schedule of delegations
- 4.4 Use of external expertise
- 4.5 Evidence based decisions
- 4.6 Record of decisions and implementation plans

5. Communications and Community Engagement
- 5.1 Community engagement plan
- 5.2 Stakeholder engagement Plan
- 5.3 Communications Strategy
- 5.4 Open data policy
- 5.5 Social media policy
- 5.6 Media engagement

6. Capability
- 6.1 Induction training
- 6.2 Training in systems, policies and procedures
- 6.3 Behaviour training – bullying, diversity, discrimination
- 6.4 Skilled people
- 6.5 Management of poor/ under performance
- 6.6 Resources and support for Mayor and Councillors
- 6.7 Talent attraction and succession planning

7. Risk and Compliance
- 7.1 Overview and scrutiny bodies – audit, purchasing and contracting, risk plans
- 7.2 Council procurement
- 7.3 Fraud control
- 7.4 Audit Committee (S139)
- 7.5 Codes of conduct for Councillors and Council Staff
- 7.6 Councillor conduct panel
- 7.7 Gift and Benefits Policy and Register for Councillors and Council Staff
- 7.8 Corporate Risk Framework
- 7.9 Legal compliance
- 7.10 Incident management plan
- 7.11 Privacy protocols and policy and confidentiality
- 7.12 Checks and balances

8. Monitoring and Review
- 8.1 Accountability to stakeholders through reporting and monitoring frameworks
- 8.2 Performance reviews of staff
- 8.3 Regular self-assessment by Councillors
- 8.4 Annual Report
- 8.5 Quarterly Financial Reporting
- 8.6 Exit interviews and reporting

Principles and behaviours for Good Governance in Local Government
(based on the Municipal Association of Victoria (MAV), Victorian Local Governance Association (VLGA), Local Government Victoria (LGV) and Local Government Professionals (LGPro) Good Governance Guide)

1. **Good Governance is accountable:** obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the community it represents.
2. **Good Governance is transparent:** People should be able to follow and understand the decision making process – to see clearly how and why a decision was made and what information, advice and consultation council considered.
3. **Good Governance follows the rule of law:** This means decisions are consistent with relevant LEGISLATION or common law and are within the powers of council.
4. **Good Governance is responsive:** Local government should always try to serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.
5. **Good governance is equitable and inclusive:** all community members feel their interests have been considered by council in the decision making process. All groups, particularly the most vulnerable should have opportunities to participate in the process.
6. **Good governance is effective and efficient:** Local government should implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for their community.
7. **Good governance is participatory:** anyone affected by or interested in a decision should have the opportunity to participate in the process for making that decision.
8. **Diversity:** In gender, ethnicity and age that reflects community through representative structures, consultative structures and employment practices.
9. **Build and sustain good relationships:** between Mayor and Council, Council and administration.
10. **Build trust:** establish good communication, clarify roles, keep an outward focus.
11. **Decision making:** establish good processes through committees, be clear on delegations to ensure decisions balance community and municipal interests, are consistent with the Strategic Plan and take account of financial implications, are within the powers of Council and recognise natural justice principle.
12. **Act with integrity and impartiality:** be honest and diligent, avoid conflicts of interest, treat people with respect, act lawfully and show leadership.

Red text indicates the view of the Commission that Greater Geelong Council is performing or delivering poorly
Amber text indicates the view of the Commission that Greater Geelong Council is performing adequately but there are concerns
Green text indicates the view of the Commission that Greater Geelong Council is performing to expectations or beyond expectations

SUMMARY ASSESSMENT OF THE GREATER GEELONG CITY COUNCIL AGAINST THE FRAMEWORK FOR GOOD GOVERNANCE

APPENDIX 4

INTRODUCTION

The Framework for Good Governance in Local Government (Framework) and the Example of a Governance Maturity Model were developed by the Commission of Inquiry into Greater Geelong City Council (GGCC) to assist in the analysis of the quality of the Council's governance. Governance includes governance by the Council as the body politic and the senior executive leadership of the organisation.

This document provides an overview of the Commission's assessment of the Council's governance aligned to the Framework.

What is evident from the analysis is that while in some areas the Council performs well there are failings in a number of crucial areas. The 'traffic light system' used throughout the body of this evaluation report indicates green for good practice, yellow for areas of concern and red for poor performance against the Framework.

These failings paint a patchy picture of governance – glimpses of good against a backdrop of major areas for concern. This mixture of good and poor governance has impacted on the ability of Council to provide the high quality decision making and service delivery required for, and expected by, the Geelong community. The key pillars – direction and leadership, culture and capability are in the worst condition of all the pillars in the Framework. The Commission considers that the remedy for this malaise at GGCC will be no quick fix and will take a considerable amount of time and effort to address. Our overall assessment is that the GGCC lies to the poor governance end of the maturity model as outlined in the main report.

- Red dots indicates the view of the Commission that Greater Geelong Council is performing or delivering poorly
- Amber dots indicates the view of the Commission that Greater Geelong Council is performing adequately but there are concerns
- Green dots indicates the view of the Commission that Greater Geelong Council is performing to expectations or beyond expectations

1. DIRECTION AND LEADERSHIP

1.1 VISION AND LONG TERM STRATEGY

Description	Vision and long term strategy over 20 to 30 years is essential to any long term plan to respond effectively to the demographic and economic challenges facing Greater Geelong. A long term vision and strategy is based on credible modelling and assessment of likely scenarios for the City's future and viable, positive planning and investment options to meet them.
Assessment 	Council does not have a long term strategy for Greater Geelong. The City Plan is essentially a four year corporate plan driven by the four year municipal electoral cycle and the budget process. It complies with statutory requirements but essentially does not meet the City's needs and the Commission considers is a major failing of City governance.
Analysis	The City Plan 2013-2017 and its 2015/2016 update contain elements of a vision for Greater Geelong but it is unclear and not compelling. The City Plan is a Corporate Plan and not a long term strategy which identifies the evidence-based choices for the future and to drive the economic prosperity of Greater Geelong. There are also fragmented and incoherent approaches to asset management and community engagement in budget planning. Council's financial planning and analysis are insufficient for the developments and changes planned for in Geelong over a longer term horizon, given the impact of economic and structural change. Council's financial planning and analysis is not consonant with other planning by Council. Of the approximately 250 strategies and plans of the Council, it is estimated that there are approximately 20-30 that are unrecognised in the Council's financial planning. The 250 strategies are not underpinned by an overall strategy for the city.

1.2 BUDGET

Description	The Council budget allocates resources to meet the strategic priorities determined by Council. It must be consistent with available funding but also with Council's long term vision and strategy for the City.
Assessment 	The Council's budget process has been improved through a strategic evaluation framework but still lags best practice and continues to generate Councillor confusion and discontent.
Analysis	At its meeting on 12 May 2015, Council passed in principle the 2015-16 budget including the Capital Strategic Resource Plan and Rates Municipal Charges. The draft budget went out for community consultation in line with requirements under the Local Government Act 1989 (the Act). A strategic evaluation framework is used to evaluate community, Councillor and Council officer submissions and bids. Councillors have expressed frustration as to what they see as confusing aspects of the budget preparation process. Submissions from Council branches are changed by upper management and finance such that they become unrecognisable from the original. Councillors are frustrated by a lack of ready information about funding by wards to communicate with their constituents. Aspects of the budget development process have been confusing and unclear. The development of the budget bids / submissions evaluation framework is better budget practice, but needs to be shared with submitters.

1.3 CORPORATE PLAN

Description	The City Plan is, in effect, the Council Corporate Plan with cascading annual departmental business plans for the Council's 24 departments. The four year City Plan is a legislative requirement.
Assessment 	The City Plan meets legislated requirements.
Analysis	The City Plan complies with legislative requirements and provides a framework for the Council's business planning. However, the City Plan does not meet the need for a long term vision and plan to meet the major challenges facing the City.

1.4 FINANCIAL SUSTAINABILITY

Description	The Australian Local Government Association adopted the following definition of financial sustainability in December 2006: "A Council's long-term financial performance and position is sustainable when planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services".
Assessment 	A Financial Sustainability assessment was undertaken in 2013 by CT Management group. The report assessed that "the City of Greater Geelong is a financially sustainable organisation. However it faces challenges with its capacity to deliver the capital works program and services in the long term future". The Commission agrees with this assessment.
Analysis	The CT Management Group concluded that "A strategic change of direction is required to sustain Council's financial position into the future – the current investment in services and capital is not sustainable". The report identified options for Council to consider including identification of savings, efficiencies" and "reviewing the quantum, processes and priorities for capital investment and other resource allocation priorities". Subsequently, CT Management Group assisted with development of the Service Planning – Stage 1 report which aims to identify and analyse a range of services to guide decision making about services now and in the future. Some recommendations were adopted, including 2% savings implemented in current budget and service reviews were completed in high priority areas. Service plans were completed for 125 services in 2014. These defined the intended purpose, outcomes, customers, current and emerging issues, levels of service and potential savings for each service and established a long term financial projection for each service based on the Service Managers knowledge of growth and challenges that affect future service demand. Council's strategic and financial planning has not been underpinned by sound long-term economic modelling.

1.5 COUNCILLOR CHARTER

Description	A Councillor Charter spells out roles and responsibilities for each Councillor and the Mayor, their desire to work together and is written as a set of commitments. Each Councillor signs up to the Charter.
Assessment 	Council does not have a Councillor Charter. Although it is acknowledged that this is not a requirement of local Councils in Australia, a lot of councils around Australia now have a Councillor Charter which is developed and refined with each new Council term.
	In a high performing Council, the Council as a group of Councillors hold each other to account using the Councillor Charter. It goes beyond a Code of Conduct and is aspirational in its tone whilst being achievable. It goes beyond compliance to best practice governance in local government. In the Commission's maturity model for good governance, a Council with better practice good governance is characterised by innovation, citizen satisfaction, community engagement. It enjoys an excellent reputation and is openly collaborative with key stakeholders.

1.6 ROLE OF COUNCILLORS AND COUNCIL EMPLOYEES AND COMMUNICATION PROTOCOLS

Description	The LG Act requires that Councils adopt a Councillor Code of Conduct. The Code sets out principles, values and behaviours and the roles and responsibilities of Councillors
Assessment 	The Councillor Code of Conduct is honoured in the breach. A number of Councillors have not met their obligations under the Code with respect to each other, to staff and to members of the community.
Analysis	The Commission received evidence from Council officers and Councillors that indicated the protocol of Councillors not reaching down into the organisation for information or requested action has been breached on numerous occasions over many years. Some Councillors have regularly abused and directed Council officers, including relatively junior officers. Many staff feel intimidated, fearful and unable to do their jobs fully or give frank advice because of that fear. There is evidence of Council officers not providing objective advice but rather second guessing what Councillors will accept and putting up 'watered down' advice to the Council. The new Code of Conduct which is being developed in conjunction with Ms Susan Halliday will address the broadening of the legislation to incorporate complaints from the public and staff as well as all matters as per the Reforms Arising from the Local Government Amendment (Improved Governance) Act 2015 – A guide for Councils (LGV). Some of the reaching into the organisation by Councillors has emanated from frustration at the slow pace of getting things done, and by inadequate information supplied by the organisation.

2. CULTURE AND BEHAVIOUR

2.1 CORPORATE CULTURE

Description	Corporate culture refers to the values, beliefs and standards that characterise an organisation and guide its behaviours.
Assessment	The City Plan states that: "We aim to foster a culture that embraces a consistent set of behaviours that reflect what we all truly value and believe in to deliver effective and efficient outcomes for our community". The Plan characterizes these behaviours as Integrity, Innovation, Respect and Responsibility. The Council's corporate culture does not reflect these values and behaviours.
Analysis	The Council's culture overall is poor. It can be characterised as being individualistic, self-serving, fearful and partially paralysed at many levels. As a result it is not courageous, energetic or innovative. There is not a culture of "One Council" at GGCC. It is not currently a unified organisation but rather a group of silos and fiefdoms spread across the municipality. This militates against unifying strategies or organisational reform. It has not acted in recent years like a corporation. It lacks organisational discipline. The culture is generally said to exhibit a "reluctance to change" and to "not encourage the calling of (inappropriate) behaviours." There is extensive evidence of an entrenched bullying culture both at Council level and within the Administration that has gone unchecked for a number of years. The Commission has observed a lack of team spirit or 'esprit de corps' amongst Councillors. The Executive Leadership Team has failed to create opportunities for the Councillors to spend more time with each other or provide other mechanisms that encourage the Councillors to consider themselves a team.

2.2 INCLUSIVE EMPLOYMENT PRACTICES

Description	Inclusive employment practices reflect the diversity within the community.
Assessment	Inclusive employment practices reflect gender, CALD, ATSI, LGBTI and disability. The GGCC workforce is not reflective of the wider community, nor are its employment and human resource practices.
Analysis	There is evidence that recruitment practices are not always based on market testing and recruitment on merit. This undermines any attempt to reflect the broader community in the makeup of the Council's workforce. There also appears to be a reluctance to adopt flexible workplace practices; an essential element in attracting a diverse workforce. There is no corporate workforce plan or use of diversity targets. The Commission has the view that the Administration's performance on diversity for all groups is utterly lamentable. GGCC's overall employment and human resource practices are not sufficiently contemporary and where there are new approaches, they are not embedded in the organisation.

2.3 EMPLOYEE CULTURE SURVEY

Description	Employee culture surveys are conducted to assess the health of organisations.
Assessment	Until the previous CEO commissioned the EY Sweeney culture survey, no cultural survey had been undertaken for a decade. Mention is made in the corporate risk register of a plan to undertake an employee cultural survey back in 2013 but it was never undertaken.
Analysis	Executive leadership use tools such as employee culture surveys and 360 degree surveys to check up on the health of the organisations that they lead. Most organisations do these on a regular basis. The fact that this has not happened is a major failing on the part of the organisation's leadership. Best practice organisations share their findings with their employees and boards (and Councils in the case of local government). They decide on corrective action to take and report on progress. The Councillor equivalent to the employee culture survey is the Council / Councillor self-assessment survey. At GGCC, Councillors do not undertake such a survey.

2.4 DIVERSITY IN COUNCILLORS AND SENIOR MANAGEMENT

Description	Diversity in Councillors and senior management should be broadly reflective of community diversity including gender, CALD, ATSI, LGBTI and disability.
Assessment	No detailed assessment has been made of the diversity of the senior management group. However, on one key measure, gender, Council is not representative of the wider community.
Analysis	Of the six General Managers reporting to the CEO, only one is female. Of the 24 departmental heads, that is, of those who report to the General Managers, only 7 (about 30 per cent) are female. Of the 12 ward Councillors, only 3 (a quarter) are women. An inclusive approach to diversity, including gender, disability, LGBTI, ATSI and CALD (in fact all the elements of societal and organisational diversity) is essential to a healthy democracy and to a healthy organisation. Monocultural organisations tend to lack creativity and innovation. The latter qualities are the very qualities that GGCC needs to support the transformation of Geelong's economic base and to ensure the City's future.

2.5 STAFF ENGAGEMENT

Description	Staff who are engaged in the workplace are committed to their organisation's goals and values, positive in their approach and are motivated in their work.
Assessment	Staff engagement is crucial to an organisation's success. There is some evidence that staff engagement is less than satisfactory but this needs to be tested via appropriate survey tools.
Analysis	It is difficult to assess staff engagement in the absence of any comprehensive survey. The current CEO's practice of workplace visits and the recently appointed General Manager, City Services practice of regularly attending toolbox meetings have been welcomed by GGCC staff.

2.6 COMPLAINT HANDLING PROCESS

Description	An effective complaint management process is accessible, responsive, fair and transparent.
Assessment	The employee complaint handling process is widely seen throughout the organisation as cumbersome, unclear and unsupported by senior management and the human resources department.
Analysis	Extensive evidence has been provided to the Commission of the dysfunctionality of the complaint management system. The Halliday Report has recommended, and the Administration has begun to implement, an independent panel to deal with unresolved historic complaints of bullying. The panel is proposed to be chaired by a suitably experienced person outside Council.

2.7 CUSTOMER COMPLAINT MANAGEMENT SYSTEM

Description	An effective and efficient complaint management system is essential for continuous improvement in service delivery.
Assessment	Despite having an award winning customer service system, customer complaints are still not handled by the Council in a systematic manner. The executive team does not have regular discussion of customer complaint trends in order to analyse them and decide on service or process improvements.
Analysis	This is a mixed result and is assessed accordingly.

3. STRUCTURE, SYSTEMS AND POLICIES

3.1 ESTABLISHED COMMITTEE SYSTEMS

Description	Local Councils establish Committees to strengthen the quality of their analysis and decision making, to engage Councillors and the community across the spectrum of their responsibilities and to spread equitably the complex issues and burdens of office.
Assessment	GGCC has not established and used a systematic Committee structure to improve the quality of its considerations and decision making and to strengthen Councillor and community engagement.
Analysis	The Council does not use a systematic approach to its committee structure for its own business. It has a Financial Committee, an Audit and Risk Committee, a Planning Committee with a small number of Councillors, Central OH&S Committee and Culture Project Control Group. However minutes are not tabled at the next Council meeting and there is no reporting back to the main group of Councillors. This needs to be reviewed urgently. In a Council as in a board, committees can also improve the engagement of individual Councillors, use their talents and improve communication flows between management and Council as the body politic. The terms of reference for a committee should set out its role, membership, powers and delegations, major tasks and meeting schedule. The Australian Institute of Company Directors gives the advice that 'a general guide is boards should have less than half the number of committees as directors.' In a Council's case where there are 12 Councillors this would mean less than 6 Council committees. Committees can also be used by Councillors to monitor the performance of the organisation and undertake their scrutiny role. The Council has a responsibility to ensure the CEO is managing the organisation's resources and people in an effective and efficient way that meets statutory requirements and reasonable community expectations. Council has availed itself of the Act's provision to create Section 86 Committees. These can comprise Councillors, Council officers and / or external representatives. The Councillor portfolio system has been used to underpin which Councillors are on the Section 86 Committees.

3.2 WHISTLEBLOWING PROTECTIONS AND PROCESSES

Description	The *Protected Disclosure Act* 2012 sets out the requirements and actions to protect persons making protected disclosures and persons who may suffer reprisals in relation to those disclosures.
Assessment	Council has in place procedures to implement its obligations under the Protected Disclosure Act 2012. However, there has been some feedback to the Commission from staff that they are not confident they would be appropriately protected if they made a complaint.
Analysis	Council has Protected Disclosures Procedures which were approved on 17 July 2013 and brochures (available at customer service centres and online) that advise complainants on the process to follow, including contacts. Complaints are made to the Protected Disclosure Coordinator, or if it relates to the CEO or a Councillor, to the Independent Broad-based Anti-corruption Commission or to the Victorian Ombudsman. The Council website provides guidelines and procedures adopted to manage compliance with the Protected Disclosure Act 2012. Some Council officers have said that they do not trust the mechanisms for protected disclosures, find it very formal and get variable support from human resources.

3.3 ROBUST FINANCE AND HR SYSTEMS

Description	Robust Finance and HR Systems are contemporary, accessible and reliable and able to support effectively and efficiently all operations of the Council.
Assessment	**Finance systems**  **Human resource systems**  Finance systems are adequate and sufficient to enable the formulation of the budget and to monitor financial performance of the Council. Human resource systems are payroll based and transactional and not capable of supporting contemporary human resource management practice.
Analysis	Council has the following industry standard financial management and HR systems: • Oracle Financial • BIS Financial Reporting • CorVu Management Reporting • Pathway Property Customer Billing • Empower HR • IT and digital systems: The Deakin Data Centre houses 46 servers. There are more than 70 different software applications serving 1,300 daily users, over 1,000 mobile devices and another 1,000 desktop devices. The Manager Digital Information & Technology leads a team of 46 people covering the areas of information technology, information management (including records, archives etc.) and digital services with an annual expenditure budget of $11.1M. Multiple initiatives have been undertaken since May 2015 to improve the project management framework. This includes: • Project evaluation and business driver development • Project proposal and concept process system review • Contact management system development • Project checklist update Although finance systems are fit for purpose, the Human Resource system falls well short of that standard. Information on diversity, turnover, and capability are not readily available to Council management. Information systems for human resources such as HRIS have yet to be funded and introduced. The HR system is largely transactional (payroll) and does not support workforce planning.

3.4 ELECTORAL SYSTEM AND STRUCTURES

Description	The City's electoral system is currently based on 12 single councillor wards. This model was recently under review by the Victorian Electoral Commission. The Victorian Electoral Commission undertakes electoral representation reviews pursuant to section 219 of the Act of each Council before every third council general election. A review of the GGCC was completed and the final report was released on 16 March 2016. The Victorian Electoral Commission recommends Greater Geelong City Council consist of 11 councillors elected from three three-councillor wards and one two-councillor ward, in addition to the Mayor.
Assessment	The Commission's assessment is that the single ward councillor system has not served the city well. The Commission's view is that there should be multi-councillor wards to share representative responsibilities.
Analysis	**Single Ward Councillor System** The single ward Councillor system has been in place for over a decade. The directly elected Mayor model has been in place for about four years. The single ward Councillor heavily favours the role of the Councillor as the representative of that community. It underemphasises the strategic planning and guidance role of the Councillor. It places a particularly onerous burden because the only other Councillor technically with an electoral interest in that ward is the Mayor being elected by the whole of the city. When the single ward Councillor model is accompanied by other practices, processes and structures such as the portfolio system of distribution of areas for more intense familiarity by individual Councillors, the culture of the "lone Councillor" is reinforced. It detracts from Councillors thinking about the municipality as a whole including long term strategic thinking for the municipality. Single Councillor wards have had the effect of undermining good governance, compromising decision-making by trading off decisions for the common good in favour of ward interests and distorting resource allocation and rational priorities. This has led to Councillor and senior management relationships that have been destructive of frank advice and ingrained second-guessing by Council officers of future council decisions. **Directly Elected Mayor model** The directly elected Mayor model has been adopted in a number of States, that is, in South Australia, Queensland, Tasmania and in some municipalities in NSW. As the community becomes more familiar with the model they, and the key local opinion leaders, tend to get behind and elect people who have demonstrated leadership in local government, NGOs or in business. The crucial importance of local government leadership in regional centres necessitates Mayors who have an opportunity for continuity in leadership, that is four year terms. In GGCC the current system does not work because the Geelong community is not fully used to the system, some Ward Councillors have gone out of their way to undermine the directly elected Mayor, and the system does not encourage the Mayor to stand on a ticket. A directly elected Deputy Mayor voted in on the same ticket as the directly elected Mayor would strengthen the councillor leadership team.

4. DECISION MAKING

4.1 WELL DEFINED FUNCTIONS AND RESPONSIBILITIES AND RELATED PROTOCOLS

Description	Creating successful working relationships and fostering a sophisticated understanding of role differences are critical to good governance. Clearly defined roles in the Council is critical, including how each relates to and interacts with other roles and what the key responsibilities are.
Assessment	The Council has a Staff Code of Conduct and a Councillor Code of Conduct which are available on the website. The Councillor Code of Conduct has no clear statement of roles and responsibilities for Councillors, their relationship to Council staff or clear roles and responsibilities for the Administration and its communication /engagement with Councillors. This has contributed to confusion by Councillors and Council staff. Without an appropriate roles and responsibilities statement, it is difficult to ascertain when there has been a breach under the codes of conduct.
Analysis	Section 4 of the Councillor Code of Conduct includes a confused mix of roles, responsibilities and behaviours expected of the Mayor, Deputy Mayor, Councillors, the CEO and administration, portfolio holders and Councillors interacting with the community. Some Councillors do not appear to understand or appreciate their principal role and responsibility to govern for the whole municipality, including to have a long term strategic perspective, and that they must scrutinise the efficiency and effectiveness of Council operations as a group and not individually delve into operational issues or seek to influence Council officers. The Executive Leadership Team does not have a charter and a clear role in relation to Councillors, delivery against strategic and operational goals or relationships to stakeholders. In 2015, Local Government Victoria published the Reforms arising from the Local Government Amendment (Improved Governance) Act 2015: A guide for councils. This guide explains the changes to the Local Government Act 1989 arising from the Local Government Amendment (Improved Governance) Act 2015 which was passed by the Parliament in October 2015. The Guide is designed to give councils, councillors, mayors and council administrations guidance about the implications of the changes and how to administer them.

4.2 A STRONG GOVERNANCE TEAM AND GOVERNANCE PROCESSES

Description	A strong governance team includes clear roles and responsibilities for governance within a Council and mechanisms for supporting the interaction between clearly defined governance roles. Clear and consistent processes are needed to underpin good decision-making. These processes include the management of conflict of interest and delegations.
Assessment 	There is evidence of some unclear governance roles and processes, including how portfolios are determined, allocated and managed.
Analysis	The Council website has an organisational structure but no other supporting documentation about governance processes besides a governance page on the website outlining FOI, protected disclosure, privacy and an A-Z list of council policies. There are 28 portfolios for Councillors with no clear documentation about the process to determine, allocate or manage portfolios or reporting back to the Councillor group on progress, although the Councillor Code of Conduct includes four points about the role of portfolio holders. The Executive Leadership team check papers going to the Council. There is a Manager, Governance to advise on matters such as conflict of interest but it is unclear whether that role also advises on processes to review the health of governance at Executive and Council levels, including guidance on board type self-assessments for the Executive team and for the Council as a group of Councillors.

4.3 FORMAL SCHEDULE OF DELEGATIONS

Description	Council and its officers are able to delegate certain of their powers. This is governed by the Local Government Act 1989 and other laws such as the Environment Protection Act 1970.
Assessment 	There should be evidence of an instrument of delegations and relevant Council decisions, for example review of delegations. These are in place at GGCC. None of the instruments included a review date although under the Act they should be reviewed within 12 months of an election.
Analysis	Council engages Maddocks Lawyers to advise of amendments to legislation that affect Council, CEO and staff delegations. Recommended versions of delegations (provided by Maddocks) are adopted and assigned by position. Delegations are maintained through the Empower HR system and are available on the intranet. Delegations are reviewed twice a year when updates to the delegation package are sent out by Maddocks lawyers. These delegations include CEO to staff, Council to staff, etc. Delegations for S.86 committees are reviewed as required but at a minimum as per the Act after a new Council is elected. Additionally, the Council has implemented a web based system that is integrated with the staff payroll system, so all delegations as applicable are assigned to staff. The CEO delegations devolve powers to the lowest possible level which is good governance practice.

4.4 USE OF EXTERNAL EXPERTISE

Description	Councils are bound by their statutory objectives to 'ensure that resources are used efficiently and effectively and services are provided in accordance with Best Value principles to best meet the needs of the local community and to improve the overall quality of life of people in the local community'.[1] A council must also achieve continuous improvement in the provision of services for its community.[2] Engaging experts is often appropriate to meet these requirements, especially for complex issues such as flood and drainage and climate change, or where independent advice is appropriate.
Assessment ●	Council appropriately engages experts to assist it to deliver services for its community and provide appropriate advice for complex issues or those requiring independent scrutiny and advice.
Analysis	Council has demonstrated an appropriate use of external expertise. This includes an external review conducted by CT Management Group in 2013 looking at the Council's financial sustainability. On people related matters, external investigators have been used to examine bullying complaints.

4.5 EVIDENCE-BASED DECISIONS

Description	Regardless of their political views, Councillors must ensure that they consider all the available arguments and information before finally making up their minds on an issue. Councillors are not compelled to follow the advice they receive, only demonstrate they have considered it.[3] The Council's Administration are responsible for preparing frank and impartial advice for the Council's consideration in the form of reports containing recommendations.
Assessment ●	Council's decision-making is reflective of an adequate consideration of evidence and meets its statutory requirements.
Analysis	Council complies with its regulatory requirements in respect to Ordinary Meetings of Council, Committees, etc. Generally, papers and reports prepared for the Council in 2015 were good and they contained sufficient information upon which to make a decision. These included amendments to the Planning Scheme, new or amended policies and strategies, report backs from section 86 committees, quarterly reporting on financial management, City Plan progress and Audit Committee activities and submissions to the federal and State governments and peak bodies.

(Footnotes)
1 Section 3C(2)(b) and (c) of the Local Government Act 1989
2 Section 208B(d) of the Local Government Act 1989
3 Good Governance Guide 2013.

4.6 RECORD OF DECISIONS AND IMPLEMENTATION PLANS

Description	Council decisions and their implementation are recorded in the minutes of its meetings.
Assessment	As expected in any Council, the recording of Council decisions is good, however there is evidence to suggest inadequate record keeping practices and prioritisation of delivery plans.
Analysis	There is evidence to suggest that there is inadequate file notes for important employee related matters such as complaints. It also does not appear that prioritisation occurs in relation to implementation plans other than through the budget process. In fact, the Council has approximately 250 separate "strategies" with no prioritisation between them.

5. COMMUNICATIONS AND COMMUNITY ENGAGEMENT

5.1 COMMUNITY ENGAGEMENT PLAN

Description	Having a plan for community engagement is critical for any Council because a key feature of good governance is having the community's views included in the decision-making process.
Assessment 	Council has a Community Engagement Policy which outlines Council's approach to achieve its priority in City Plan to have an informed and engaged community. Like most Councils, there are examples of good community engagement practices and evidence to suggest that there could be improvements to the Council's community engagement approach.
Analysis	An example of a good approach to community engagement is the coastal adaptation program, a partnership between the GGCC, Borough of Queenscliffe, Bellarine Bayside Foreshore Committee of Management, Barwon Coast Committee of Management Inc, Department of Environment, Land, Water & Planning (DELWP) and Corangamite Catchment Management Authority. In 2014-2015, the organisations engaged on over 85 individual projects, allowing community members the opportunity to provide input into a broad range of projects, services, priorities and issues.

5.2 STAKEHOLDER ENGAGEMENT PLAN

Description	A stakeholder engagement plan is necessary to identify the critical individuals and groups who can influence the decision-making process and outcomes the Council is trying to achieve. It should include how and when they will be involved in the decision-making process.
Assessment 	The Council has no overarching stakeholder engagement plan endorsed by the Council.
Analysis	The Council has no stakeholder engagement plan endorsed by the Council and evidence received by the Commission indicates that the Council has an actively negative attitude to key stakeholders.

5.3 COMMUNICATIONS STRATEGY

Description	A Communications Strategy should be aligned to the Council's Stakeholder Engagement Plan and clearly identify the Council's key communications channels, activities and timing. This should include internal communications for Council staff. It is a critical tool to manage the Council's reputation and culture.
Assessment 	Council has only recently developed a draft City of Greater Geelong Communication Strategy (January 2016).
Analysis	Given the Strategy has been developed only recently, it has not been embedded in the organisation.

5.4 OPEN DATA POLICY

Description	An open data policy is an important tool for a Council to demonstrate it is capable of anticipating and responding to new and emerging technologies, as well as promoting continuous improvement in its services.
Assessment 	Council has policies and strategies which support an appropriate open data approach.
Analysis	The Data Access Policy has been approved by the Council and provides direction on the release, licensing and management of Council data so that it can be used and reused by the community and businesses. Council also commissioned a report "Digital Geelong: A digital leader in Victoria" in anticipation of how new, emerging technologies will impact business which made 19 recommendations. The Council has commissioned a digital strategy.

5.5 SOCIAL MEDIA POLICY

Description	A social media policy should outline what constitutes appropriate and inappropriate use, roles and responsibilities for managing appropriate and inappropriate use and outline the consequences of breaches of the policy.
Assessment 	Council has a social media policy and procedure, however practice relating to its usage is relatively immature. It is not effectively used to reflect a corporate position and some individual Councillors have abused this means of communication both in their dealings with other Councillors and members of the public.
Analysis	Council has had a social media policy and procedure in place since June 2011 and it has been recently revised and adopted. Monitoring of its appropriate usage by the Mayor and councillors and Council staff is not undertaken systematically and there is evidence of inappropriate use of social media by Councillors. Monitoring focuses on time / money spent on social media communication and reports are published online every six months. Breaches of the social media policy are dealt with on a case by case basis by the CEO (if involving a Councillor) or relevant manager (if involving staff).

5.6 MEDIA ENGAGEMENT

Description	Media engagement is a critical task for a Council and should be aligned to its Stakeholder Engagement Plan. It includes having a well-defined and resourced media function in the Council and clear policies and procedures to support effective media engagement and issues management.
Assessment 	Council has procedures in place to manage media issues, however there appears to be issues with the effectiveness of these procedures and their implementation.
Analysis	Council has developed a media issues management procedure which was approved in July 2010 which describes the City's procedure for identifying and managing potential media issues. Council also has a media liaison procedure which was approved in July 2010 which provides a formal process to ensure all dealings with media outlets are handled in an efficient and professional manner. Councillors have expressed frustration with the management of media issues, including the timely resolution of issues, acknowledgement at functions, primacy of speakers and photo opportunities at events.

6. CAPABILITY

6.1 INDUCTION TRAINING

Description	Good induction processes and training are designed to provide new staff and Councillors with the information they need, as well as getting them up to speed on how the organisation works. Induction processes are vital to ensuring that Councillors and new staff are productive as quickly as possible.
Assessment	Council has Corporate induction processes for new Councillors and staff. However there is room for improvement, particularly in terms of supporting staff working on specialist or technical projects.
Analysis	Corporate induction training is provided for employees and induction training is provided for new Councillors. However, staff reported issues with the induction process in a range of areas such as special project work, including appropriate handover.

6.2 TRAINING IN SYSTEMS, POLICIES AND PROCEDURES

Description	Training in systems, policies and procedures is vital to enable staff to perform their roles effectively. It is also important to support consistency in the way staff perform certain activities across the organization, enabling the efficient performance of an organisation's core operations.
Assessment	The Council's training supports the Council's basic operations, including how to use key IT systems, recruitment processes and performance management for Managers and Coordinators. However, access to the calendar is limited to staff with access to the intranet.
Analysis	The Council has a Corporate Training Calendar for use by Managers / Coordinators which is available on the intranet. However not all employees are able to easily access the intranet. The Calendar provides information on programs on offer. Training includes: • Corporate Induction • Corporate IT Induction • Management and Leadership programs • Recruitment advice • Qualifications to support staff career development • Personal development programs • Change management programs • Support Managers and Coordinators with the Performance Review process • Provision of external training opportunities through our many partnerships and industry connections • Retention and equity strategies

6.3 BEHAVIOUR TRAINING – BULLYING, DIVERSITY, DISCRIMINATION

Description	Behaviour training is an important way of ensuring staff are aware of what behaviours are appropriate and inappropriate in the workplace. It also ensures staff are aware of their professional and statutory obligations and liabilities in relation to the professional treatment of their colleagues and when engaging in recruitment practices.
Assessment 	Council offers behaviour training for staff including handling conflict and how to have difficult conversations.
Analysis	In 2015 more widespread, corporately provided training has been offered in handling conflict, and in having difficult conversations. An evaluation of the effectiveness of this training is yet to be done.

6.4 SKILLED PEOPLE

Description	The capability of the workforce is the most important factor contributing to an organisation's successful performance. Workforce planning and learning and development programs are essential tools for understanding the skillsets required of staff, skilling staff to perform their roles effectively and attracting talent.
Assessment 	**Council staff** The capability of staff is variable in critical areas such as leadership and management. There is no plan identifying the skills needed by staff and how these will be developed. **Councillors** The level of skill and knowledge amongst Councillors in GGCC is variable, especially in critical areas such as strategic leadership and advocacy which are key skills required for elected officials to perform their roles effectively.
Analysis	**Council staff** Evidence provided to the Commission suggested promotions into management positions were often based on technical ability and length of tenure in Council without the necessary people management skills or training. Workforce capability analysis is not undertaken by the Council so there is no plan for building the workforce the Council needs now and into the future. Evidence provided to the Commission also suggested a tendency to recruit from within rather than external candidates who might be better suited for the role. There is no formal approach to leadership development or 360 degree feedback process operating at the top layers of management. Managers are mostly ill-equipped to pursue efficiency gains within the organisation. In addition, some managers and supervisors are not sufficiently skilled to manage poor and underperformance, nor how to deal with emerging or entrenched bullying behaviours. **Councillors** The role of a Councillor includes advocacy for important issues, canvassing and representing the views of their community and making evidence-based decisions. There are many skills required to perform this role effectively. The capability of Councillors to perform their role as an elected official should improve over time with experience and through professional development opportunities. Some Councillors are not performing their role in a sufficiently strategic way, lack clarity about their role and have not undertaken the professional development opportunities offered to them. Other Councillors are operating at a more strategic level and have embraced key professional development opportunities. As a result of the differential skill level, the Council has not carefully analysed major problems affecting the city's future and chosen appropriate remedies carefully. At times, it has sometimes also manifested itself in a disregard for professional advice from the Administration.

6.5 MANAGEMENT OF POOR/UNDER PERFORMANCE

Description	Managing poor performance is critical to an organisation's overall performance and the morale of staff in any organisation. Poor performance can include inappropriate behaviour in the workplace.
Assessment	There is evidence that poor performance has been poorly managed over a long period of time, becoming a chronic issue for the organisation.
Analysis	Council has a Disciplinary Policy and Procedure which was approved on 17 July 2013. The purpose of this policy is to provide a process for addressing inappropriate behaviour by staff, including violations of organisational policies and procedures in a fair and equitable manner. The management of complaints, including bullying has been poorly managed across management and the senior levels of the organization for some time.

6.6 RESOURCES AND SUPPORT FOR THE MAYOR AND COUNCILLORS

Description	The resources and support provided to elected officials is crucial to their success given the importance and demands of their roles. Access to timely and quality information and advice, good diary management and staff with relationship management skills are key to the success of Mayors and Councillors.
Assessment	There were and currently are an inadequate level of resources dedicated to support the role of the Mayor and Councillors in an effective way.
Analysis	There are just two resources provided to support the Mayor which is inadequate given the size and importance of Geelong - an adviser (or Chief of Staff) and an executive assistant. The Councillor support team consists of three employees who are organised by function (e.g. correspondence). Resourcing for the Mayor has been inadequate since the first directly elected Mayor. Contrast this with the Lord Mayor of Melbourne who has approximately seven in his team - a Chief of Staff, a media adviser, two correspondence staff, an executive assistant and a part-time driver. The Mayor of Logan (population of 350,000) has five staff and no Chief of Staff. The Gold Coast Mayor (650,000 population) has 11 support employees - a Chief of Staff, 2 personal assistants, a media advisor, two international relations advisers, five policy / engagement officers.

6.7 TALENT ATTRACTION AND SUCCESSION PLANNING

Description	Talent attraction strategies and succession planning support an organization to plan for and create the workforce it needs now and into the future to be successful. They are tools that include an outline of the kinds of skills and qualities needed of the organisation's workforce, when and where these are needed and how these will be developed and maintained.
Assessment	There is no systematic succession planning undertaken by GGCC although there are pockets of practice across the organization and an acknowledgement that it should happen - a budget proposal is currently submitted for a new performance management, recruitment and talent system to include succession planning. There is no talent management strategy and turnover is low (less than 10 per cent).
Analysis	There is a perception that recruitment is not sufficiently merit-based, i.e. in the top layers of management, there has been lots of internal movement of people in positions but no genuine renewal of talent through external recruitment. Low staff turnover and a failure to attract the best talent at the most senior levels in the organisation has been attributed in part to the bullying and damaged reputation of the Council. With the range of public sector agencies established in Geelong growing, there is a broad labour market which should be drawn on to refresh the top and middle levels of management at the Council.

7. RISK AND COMPLIANCE

7.1 OVERVIEW AND SCRUTINY BODIES – COUNCIL, AUDIT, PURCHASING AND CONTRACTING, RISK PLANS

Description	Risk management provides the framework within which Councils identify risks, assess the level of risk and its potential consequences, implement risk management strategies and areas requiring continuous improvement.
Assessment 	Council's risk and compliance processes meet legislated requirements and are generally consistent with practice across the sector. However there are areas requiring further improvement to strengthen Council scrutiny.
Analysis	The Council's principal oversight of risk is through the Audit Advisory Committee which is appropriately constituted and reports quarterly to Council. The Council maintains and updates a Risk Register which is connected to Business Planning for any actions required by the Council's departments. Local Councils benefit from the oversight in Victoria of the Auditor General and the Ombudsman as well as Local Government Victoria. In addition, each Council is required to have its own independently chaired Audit Committee. In GGCC's case this has been in place since amalgamation. The Council itself is a scrutiny body. It has a responsibility to ensure the CEO is managing the organisation's resources and people in an effective and efficient way that meets statutory requirement and community and customer expectations. From the review of Council reports, it is evident that there was until recently no monthly report from the CEO to Council on the operations of the Council as an organisation. However the CEO has recently developed a detailed 'CEO Monthly Headline Report' to be circulated to Councillors starting in March 2016 and form part of the formal monthly Council meeting process going forward. This monthly report from the CEO would be normal practice in the corporate world, i.e. private companies. Such a report would, in addition to reporting on the activities of the CEO, include key performance data such as finances, workplace health, human resources and capital works. The KPIs would be accompanied by an analytical comment by the CEO. The report would also cover progress on other initiatives. There is no systematic approach to reporting to Council on the progress of Council decisions. This is important for the Council to monitor as it keeps pressure on management to deliver decisions in a timely manner. Periodic reports back to Council on its decisions are project-based, e.g. for projects such as master plan adoptions and large capital projects. Geelong Major Events reports on a regular basis to Council as does Community Grants program and Arts & Festivals Grants program. City Plan progress is reported quarterly.

7.2 COUNCIL PROCUREMENT

Description	The Victorian Local Government Best Practice Procurement Guidelines provide a set of principles and practices that represent the most efficient and prudent course of action for developing and maintaining best practice local government procurement processes.
Assessment	The Council's procurement policy and procedures are consistent with the best practice guidelines.
Analysis	Assessment of tender selection criteria, an appropriately qualified team to assess tenders and a proper audit trail are all evident in Council papers. However, the Commission identified one instance in 2015 when Council considered a tender in open Council and the minutes contain the detail of the names of all contractors, order of merit, details of the Council officers involved in the assessment process. The publishing of this information is arguably in breach of the Council policy which states that confidentiality should be maintained and is not consistent with best practice. In this case the tender related to a multi-stage construction and as a result required a level of confidentiality consistent with not undermining Council's future negotiating ability in any subsequent stage.

7.3 FRAUD CONTROL

Description	Appropriate Fraud Control policies and procedures are a requirement of all Victorian public sector organisations.
Assessment	Council has a Fraud Control and Reporting Policy.
Analysis	The policy states that a fraud control and risk assessment will be established and updated annually by the internal auditor. The Audit Committee charter states that the Committee should "oversee any subsequent investigation, including investigations of any suspected cases of fraud within the organisation".

7.4 AUDIT COMMITTEE (S139)

Description	The Audit Committee provides critical oversight of Council's financial reporting and risk management including internal controls.
Assessment	Council's Audit Advisory Committee is appropriately constituted and appears to perform its role satisfactorily and in accordance with its Charter. There are some issues with the scope of audit activities and with the adequacy of its reporting on organisation health.
Analysis	The Audit Committee has an independent chair. Membership of the committee comprises an independent audit chair, two other independent members, and two Councillors. The independent members have experience in finance, risk, and local government. The Audit Committee Charter includes the following: "The Audit Advisory Committee is an independent Advisory Committee of Council. The primary objective of the Audit Advisory Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development. The Audit Advisory Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner." The Council's internal audit function is carried out consistent with audit priorities and appears to be adequately resourced for its role The GGCC annual audit plan for 2015 (2015 Audit Committee papers) does not contain any reports relating to the human resource function within GGCC or related matters. The three year plan contains an item for employee and annual leave review. This is problematic in that the main Council scrutiny body is not receiving sufficient audit reports which provide a "deep dive" and analyse GGCC trends, data and benchmarks relating to the human resource function within GGCC. The quarterly risk management report does not break down data in a way that highlights types of injury such as psychological or mental health issues. All other reports were in order and contain sufficient information upon which to assess the function being audited such as contract variations to contracts.

7.5 CODES OF CONDUCT FOR COUNCILLORS AND COUNCIL STAFF

Note: See earlier section (1.6) on the Code of Conduct

7.6 COUNCILLOR CONDUCT PANEL

Description	An application may be made under Part 4 of the Local Government Act 1989 for a Councillor Conduct Panel in respect of alleged misconduct or serious misconduct against a Councillor.
Assessment 	The Councillor Conduct Panel has not proven to be a viable option for Council in dealing with breaches of the Code of Conduct or alleged misconduct.
Analysis	The review process currently included in the Code of Conduct has proven to be an unsatisfactory way of investigating and resolving complaints. The new model that has been recently announced will be of assistance but will not resolve the current range of bullying behaviours which are deeply ingrained and have not in the past been confronted by Council and by management. The Commission received evidence of breaches of confidentiality by Councillors who were parties to Code of Conduct investigations. A Code of Conduct adoption by a Council must include an individual Councillor sign up to the confidentiality of its supporting processes. This may increase faith of Councillors in the confidentiality and effectiveness of the whole process. In addition, signing up to compliance with confidentiality clauses in each individual case of a breach both for those who bring complaints and those who are alleged to have breached the Code of Conduct should be required. There must be consequences, such as suspension from attendance at a following Council meeting or suspension of the Councillor allowance for a period to demonstrate the seriousness of any breach of the Code's confidentiality provisions.

7.7 GIFTS AND BENEFITS POLICY AND REGISTER FOR COUNCILLORS AND COUNCIL STAFF

Description	All councils are required to establish and maintain a gifts and benefits register for Councillors and staff.
Assessment 	Council has a Gifts and Benefits Policy but there is some evidence that it is not always complied with by Councillors.
Analysis	Council has a Gifts and Hospitality policy available on the website and approved on 14 July 2015. This Policy applies in relation to all gifts or hospitality offered to, or received by, Councillors and Council Employees from external sources. A Gifts and Hospitality report is provided to the Audit Advisory Committee with details of all gifts and hospitality received during the six month period, e.g. 1 July 2015 to 31 December 2015. The Register, which was established in accordance with the Policy, is available for public inspection, and is to be reported to the Audit Advisory Committee. Evidence has been given to the Commission that the spirit of the policy is not always honoured by Councillors.

7.8 CORPORATE RISK FRAMEWORK

Description	Corporate risk management is an obligation of all Councils and is regularly audited by the Auditor General.
Assessment	A corporate wide risk register has been developed by Council. However, until the Halliday Report into bullying, no human resource issues other than workplace health and safety were contained in it. The corporate risk register has been transformed and now human resource related issues are given appropriate recognition and prominence.
Analysis	The Risk Management Quarterly Report provides an overview of current activity within the Unit to address WorkCover, Occupational Health and Safety and Insurance issues. The report also outlines other legal matters and claims, which are reported to the Audit Advisory Committee on a regular basis. Half yearly reviews are undertaken by the Coordinator of Risk Management with all the departments and run in two sessions: one on high and significant risks, the second on all risks on the register. The register is linked into the management system and risks incorporated into each department's business plan actions.

7.9 LEGAL COMPLIANCE

Description	All Councils must ensure they both understand and comply with their legislative obligations under both Commonwealth and State legislation.
Assessment	As evidenced in the Annual Report, most laws are complied with. However, there has not been full compliance with Occupational Health and Safety and the Council has not maintained a safe workplace for all employees.
Analysis	The Commission has established very clearly that Council has failed in its ethical and statutory obligations under the Occupational Health and Safety Act. Council has engaged Harwood Andrews to provide half yearly updates of legislation and regulatory amendments that affect Local Government.

7.10 INCIDENT MANAGEMENT PLAN

Description	An Incident Management Plan outlines how an organisation is prepared for potential disruptive or damaging incidents, such as a fire, assault, etc.
Assessment	Council does not have a sufficiently strong safety culture particularly in relation to psychological injury.
Analysis	Council's Workplace Incident Reporting and Investigation policy, which was approved 1 June 2015, describes the Council's workplace incident reporting and recording requirements and the process for accident/incident investigation. Occupational Health & Safety Issue Resolution Procedure approved on 12 June 2015 provides a formal process for the resolution of workplace health and safety issues in a quick and effective manner, as and when they arise. However, until last year, there was no inclusion of psychological incidents in OH&S reporting. Evidence was given that the number of work cover claims within GGCC was disproportionately low compared to other equivalent workplaces. There appears to be a lack of urgency in properly and speedily investigating and determining work cover claims.

7.11 PRIVACY PROTOCOLS AND POLICY AND CONFIDENTIALITY

Description	The Privacy and Data Protection Act 2014 sets out the requirements and procedures for protecting an individual's information privacy.
Assessment	Council's policies and procedures comply with the Act. There is evidence however that workplace practice has fallen short on a number of occasions.
Analysis	Council has an Information Privacy Policy which was approved on 9 June 2015 which sets out how to meet the Information Privacy Principles contained in the Privacy and Data Protection Act 2014 in regards to the management and handling of personal privacy. The Health Records Policy sets out how to comply with the Health Records Act 2001 in regards to the management and handling of Personal and Health Information. Both policies are available on the Council website. Evidence has been given to the Commission of managers inappropriately talking about employees in front of other employees. In other words, the policies exist but are let down by implementation. This is consistent with the findings of the Commission on GGCC culture, that is, that there is not a corporate wide culture that enables corporate programs or initiatives to be embedded because of resistance to change and entrenched silos. The Commission reviewed all 15 Council reports considered by Council in 2015 as confidential under the provisions of the Local Government Act 1989. These were all deemed to have been appropriately classified as confidential. They related to individual rates, land lease and sales, contracts, personnel, financial contribution, sponsorship and Audit Committee reports to Council.

7.12 CHECKS AND BALANCES

Description	Checks and balances are key to the design of good governance arrangements to support modern government. Control mechanisms prevent the abuse of power by ensuring their distribution and exercise are not concentrated with any one individual or group. They are also critical to ensure scrutiny of council's performance.
Assessment 	A number of checks and balances are either missing from Council governance or not implemented effectively.
Analysis	There is no requirement for the CEO to consult with Councillors about executive remuneration. Council has no remuneration policy. Executive remuneration is benchmarked against local government, with relativities to private sector, the Geelong region and internal factors. Any changes to executive remuneration are subject to review against these benchmarks and CEO approval. But the normal check and balance on remuneration setting powers in the corporate world is not in place in the Council. The Council assumes no regular monitoring role. A transformed approach to remuneration would provide for a remuneration policy set by the Council (not the CEO), a professional evaluation of work value for individual senior positions and a remuneration tribunal chaired by the Mayor or Deputy Mayor with two independent members which would set all remuneration within the executive levels with advice from the CEO. From the review of Council reports (Feb - Dec 2015 Council papers) it is evident that until recently there has been no monthly report from the CEO to Council on the operations of the Council as an organisation. This would be normal practice in the corporate world i.e. private companies. Such a report would in addition to reporting on the activities of the CEO, include key performance data such as finances, workplace health, human resources and capital works. There is no reporting to Council on progress of Council decisions. This is important for the Council to monitor as it keeps pressure on management to deliver decisions in a timely manner. Councillors do not regularly turn their concerns about operational performance in a branch or department into a request for a report or a change in a system or procedure. In addition, the Executive Leadership Team has not endeavoured to collectively understand and respond to the information needs of Councillors. There has been a considerable improvement in the check on Councillors interfering in the operational work of Council officers through the new CEO and General Managers raising concerns directly with Managers. The Mayor does not regularly meet with Councillors on a one on one basis. Mayors meeting on a one on one basis regularly with Councillors is common practice in other Councils across Australia. Apart from its team building role, such meetings allow matters of personal behaviour and its impact on others to be discussed between the Mayor and the Councillor.

8. MONITORING AND REVIEW

8.1 ACCOUNTABILITY TO STAKEHOLDERS THROUGH REPORTING AND MONITORING FRAMEWORKS

Description	Councils have a statutory requirement to continuously improve the provision of services for their communities. Key to this continuous improvement approach is performance reporting and monitoring, including through Annual Reports.
Assessment 	Council meets its statutory reporting and monitoring requirements.
Analysis	The Council's Annual Report provides a detailed level of performance data. The Know Your Council website includes comparative data for councils similar to Geelong and statewide averages, enabling the public to compare GGCC's services with those of other councils.

8.2 PERFORMANCE REVIEWS OF STAFF

Description	Performance reviews are an important way staff know what is expected of them, record how they will deliver against these expectations and held accountable for their performance and delivery. They are also important mechanisms to provide staff with feedback, including to improve their performance.
Assessment 	There is evidence that performance reviews are undertaken irregularly or inconsistently in parts of the Council despite having common tools to support a consistent process.
Analysis	The Commission heard evidence that suggests performance reviews can appear to be instigated by individual managers and supervisors rather than driven by a consistent corporate system. There is evidence that on occasion, performance reviews have been used to intimidate staff. In the past General Managers have undertaken 360 degree feedback surveys but not in recent times. There is an inconsistent and inadequate approach to executive performance reviews and management.

8.3 REGULAR SELF-ASSESSMENT BY COUNCILLORS

Description	Regular reviews are an important way for Councillors to understand how they are performing as individuals and as a team and consider the quality of their interaction with the Administration.
Assessment 	The Council does not have a self-assessment or "board review" mechanism in place.
Analysis	The lack of a Council self-assessment review is a significant failing in governance that is the responsibility of both Councillors and the Administration. Although this is not mandatory for Councils, the opportunity for self-reflection is regularly undertaken by boards on an annual or biennial basis. This reflects a failure of the Council's Administration to understand the role of the Council as similar to a board.

8.4 ANNUAL REPORT

Description	The Annual Report is a mandatory document prepared by all Councils detailing its performance for a range of important areas over the financial year, including its financial performance, service delivery and costs and staffing.
Assessment 	The Council's Annual Report meets its statutory requirements.
Analysis	The 2014-15 Annual Report is prepared in accordance with Section 131 of the Local Government Act 1989 and submitted to the Minister for Local Government in accordance with Section 133 of the Act. The Annual Report contains: • Report of operations • Audited Performance Statement (in accordance with newly legislated Local Government Performance Reporting Framework indicators) • Audited Financial Statements The Victorian Auditor-General's office audited the 2014-15 financial statements and found them to be a fair presentation of the financial transactions and position of the council.

8.5 QUARTERLY FINANCIAL REPORTING

Description	Quarterly financial reporting enables a Council to monitor and understand the impact its decisions have on the Council's financial position and address any financial risks.
Assessment 	The Quarterly Financial Reports are adequate, however the proportion of uncompleted capital projects is inordinately high in any year.
Analysis	Council prepares Quarterly Financial Report which includes: • Major variance to budget summaries on revenue and expenditure • Capital projects review • Salary related review • Cash balances • Future commitments • Reports are made available on Council website. Monthly Financial Report and Variance Analysis against budget go to the Executive Leadership Team. In addition, there are quarterly meetings between the CEO, Finance Manager, Capital Projects Manager, General Manager Strategy and Performance with key managers as appropriate to review the status of capital projects. Carryover of capital works is raised on a quarterly basis at ELT and will be monitored by the monthly reports to Council introduced from March 2016.

8.6 EXIT INTERVIEWS AND REPORTING

Description	Exit Interviews provide important feedback to any organisation.
Assessment	Council has an effective process for conducting exit interviews with departing staff.
Analysis	Council has a Departure Policy which was endorsed on 29 January 2014. The policy is intended to provide a structured approach to employee departures and ensure valuable feedback is collected from those leaving the organisation. Additionally, there is Departure Checklist and a Departure Survey. The survey is to provide feedback from staff members about their experience whilst working at Greater Geelong City Council. The Departure Survey is voluntary. The Organisation Action Plan developed by Ms Susan Halliday recommends monitoring of trends /themes from exit interviews.

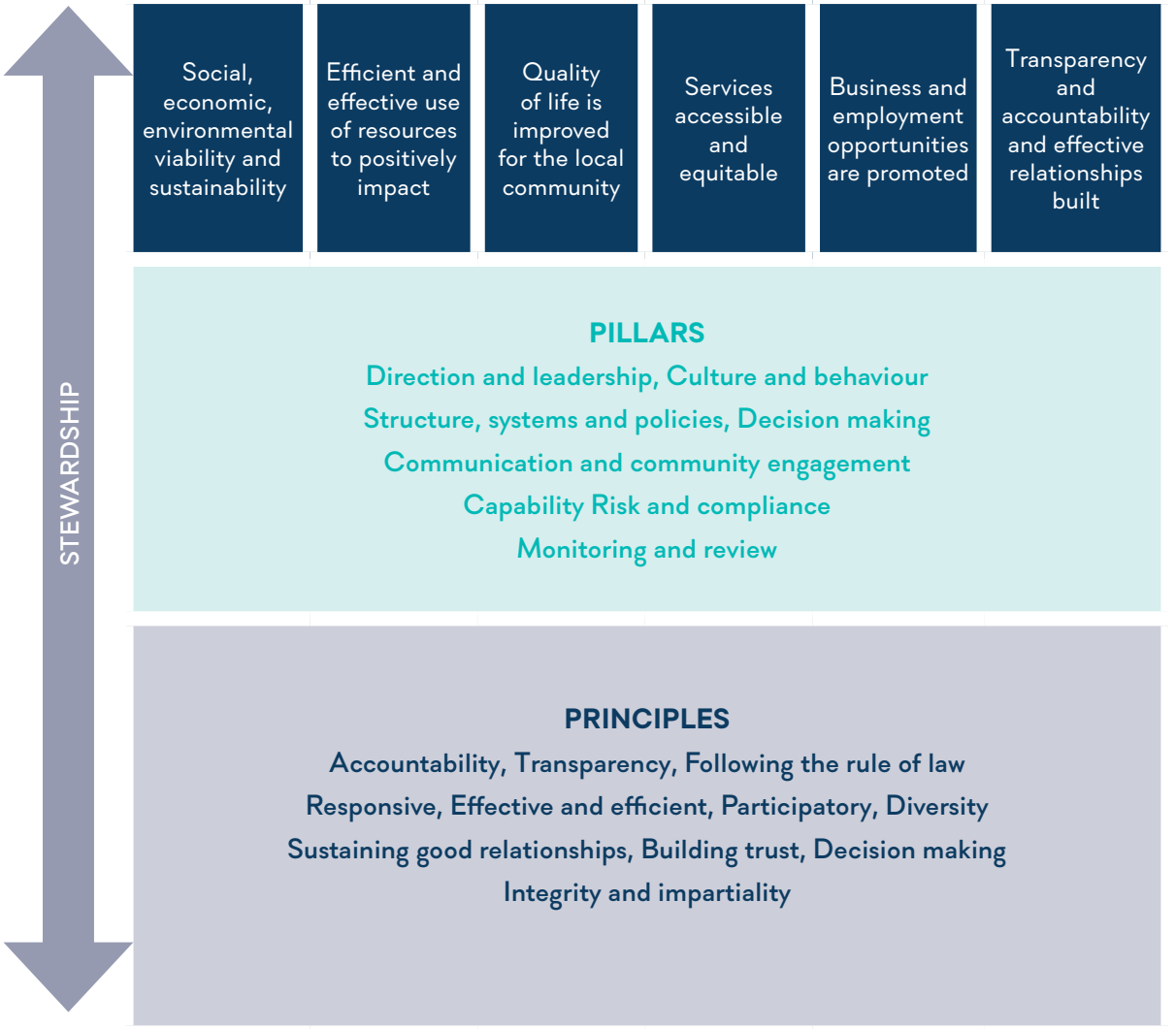
AN ILLUSTRATIVE OUTCOMES AND PERFORMANCE MEASURES FRAMEWORK FOR THE GREATER GEELONG CITY COUNCIL

APPENDIX 5

THE BUILDING OF A MATURE OUTCOMES FRAMEWORK...

- The Local Government Act 1989 articulates clear objects for local government which form the basis of the outcomes framework developed for the CoGG
- In order to ensure they are fulfilling the Acts' objects, roles and functions and exercising due care in utilising the powers conferred upon them, local governments need to work within a mature and comprehensive evaluative framework
- It is only through gathering and analysing information about the real world impact of government strategies, programs and approaches that governments deliver better services to improve outcomes in communities
- It is appreciated by governments at all levels that measuring performance by activity alone using metrics around outputs is not sufficient to understand how well they are meeting their charter. Outputs measures combined with information about inputs can tell governments about efficiency but cannot provide meaningful information about effectiveness.
- Because of the inherent limitations of output measurement, Governments at all levels are moving to develop and hold themselves to account against a comprehensive evaluative framework which combines output measures, efficiency measures, perceptual measures with evidence of the real world impact of government interventions.
- The indicators proposed for this outcomes framework are a starting point. They complement the existing set of efficiency, effectiveness and perceptual indicators required by the LGPRF and CSS.
- In preparing this indicative set regard has been had to the outcomes frameworks being used by other local governments. Detailed attention was paid to the outcomes framework developed by the City of Sydney and work done in the City of Melbourne.
- Inclusion of a comprehensive suite of indicators is an exemplar of a mature measurement system and is essential to democratic accountability and informed consent to councils' direction.
- Implementing the indicative set of indicators and measures will necessitate development of new data collection methods or enhancements to existing methods currently utilised by the CoGG.
- The final form of the framework and the full suite of indicators and measures should be developed once council strategy across all outcome domains has been settled.

MEASUREMENT FRAMEWORK RECOGNISES BROAD STEWARDSHIP ROLE

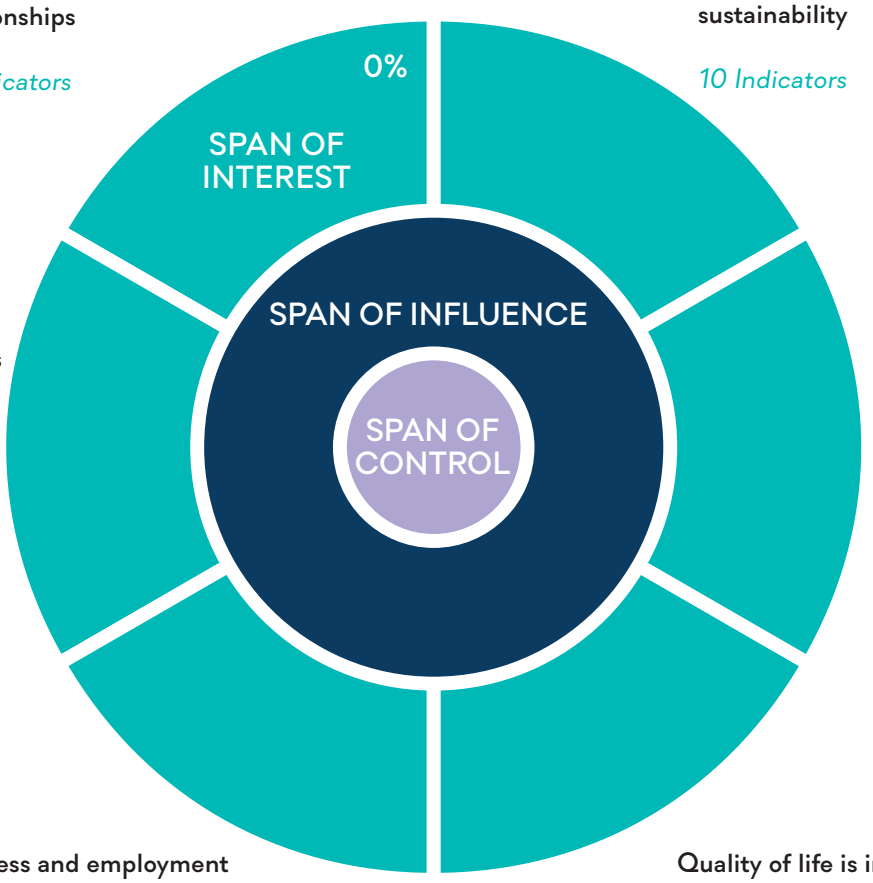


DRAFT INDICATORS OF PERFORMANCE

(SPAN OF CONTROL, SPAN OF INFLUENCE AND SPAN OF INTEREST)

Social, economic, environmental viability and sustainability	Efficient and effective use of resources to positively impact	Quality of life is improved for the local community	Services accessible and equitable	Business and employment opportunities are promoted	Transparency and accountability and effective relationships built
Municipal water and energy use and resource recovery	Service plans	Prevalence of disease	Quality built environment	Plans for growth of target sectors and structural adjustment	Civic participation
Revegetation	Efficient and effective service delivery across all LGPRF service areas, financial performance and sustainability measures	Community connectivity and resilience	Community services and facilities	Destination promotion	Access to representatives
Community safety	Long term financial, service and asset strategies in place	Community wellbeing	Open space	Services to business	Partnerships with other local governments and state and federal government
Community participation	Service mix meets community need	Community health	Customer and regulatory services	Advocacy	Stakeholder relationships
Community energy use, water conservation		Housing	Transport access	Growth of target sectors	Standards of decision making
Headline economic indicators		Road safety	Early childhood	Tourism	Promotion of and adherence to organisational policies and protocols
Demographic profile		Long term planning for services and growth	Utilisation of services in relevant LGPRF service areas	Industry diversity	Workplace behaviours
Youth engagement				Skills	Council reputation
Participation in labour force				Labour market catchment	Equal opportunity
Air quality				Educational institutions	Staff engagement
					Partnerships

OUTCOMES



Transparency and accountability and good relationships

11 indicators

Social, economic and environmental viability and sustainability

10 Indicators

Services and facilities are accessible and equitable

7 indicators

Resources are used efficiently and effectively

4 indicators

Business and employment opportunities are promoted

10 indicators

Quality of life is improved for local community

6 indicators

INTEGRATED OUTCOMES MEASUREMENT

Interest **9 Indicators** **(SOI)**	• An outcomes approach requires council to measure real world impact over some factors which it does not have full control • These are critical for a full understanding of both the environment in which its strategies and services are delivered and the needs of constituents across the municipality • These indicators focus on the longer term and towards strategic direction, their review is periodic as new information emerges
Influence **16 Indicators** **(SOF)**	• Across all the outcome domains in the framework council has a range of levers which it can use to influence performance and, while other factors may come into play in determining the actual outcome, council still plays a key role and should measure how effectively it plays that role. • These indicators focus on the medium term and management systems should anticipate regular review for efficiency and effectiveness of programs to feed into planning, budgeting and reporting cycles.
Control **25 Indicators** **(SOC)**	• These are the outcomes for which council has front and centre responsibility and control. • These are areas for which council has complete responsibility and accountability • These outcomes and output measures focus on tracking performance against deliverables and targets across the short, medium and longer term

COMPLEMENTARY INDICATORS – COMPLETING THE PICTURE

SOCIAL, ECONOMIC AND ENVIRONMENTAL VIABILITY AND SUSTAINABILITY

Indicator	Measure	Source	Comparator
Headline economic indicators – output	Gross Regional Product GRP per Capita	NIEIR 2015	SOF Trend Regional cities
Headline economic indicators – employment	Percentage of persons 15+ who are employed Percentage of persons 15+ who are unemployed Percentage of persons aged between 15 and 24 that are unemployed Unemployment by small area (suburb) Percentage people receiving unemployment benefit long term	Department of Employment, Small Area Labour Markets ABS Census 2011 Department of Employment SALM PHIDU 2014	SOF Trend Regional cities Melbourne Victoria
Headline economic indicators – population	Resident population Resident population growth Net regional internal migration (RIME) estimates	ABS 3218 ABS 3412	SOI Trend Forecast Regional cities Melbourne Victoria
Headline economic indicators -participation in labour force	Labour force participation rate for resident population 15+	ABS Census	SOI Trend Regional cities Melbourne Victoria
Headline economic indicators - Income	Median gross weekly household income at municipal and suburb level Rating on SEIFA Index of Relative Socio Economic Disadvantage and consider Vulnerability Analysis (VAMPIRE) Index	ABS census ABS Cat 2033 and AURIN portal	SOI Trend Regional cities Melbourne Victoria

- Span of Control
- Span of Influence
- Span of Interest

ENVIRONMENTAL INDICATORS

Indicator	Measure	Source	Comparator
Municipal energy use, water conservation and resource recovery	City of Geelong electricity annual usage and emissions City of Geelong ML water consumption Household waste diverted from landfill – measured as waste recovered through recycling, kerbside hard waste collection, organics and e waste as a percentage of total waste	City of Geelong internal management systems	SOC Trend
Revegetation	The percentage land area of the LGA which has vegetation cover Total area of land re-established with native species	CoGG - possible GIS- TBC CoGG survey	SOC Trend Regional cities Melbourne
Community energy use, water conservation and resource recovery	Total municipal wide residential energy use (average kWh per customer per day) Total municipal wide non residential use (average kWh per customer per day) Percentage of electricity from renewable sources City of Geelong ML water consumption	CoGG management and AusGrid data Barwon water	SOF Trend Regional cities Melbourne Victoria
Air quality	Number of days where air quality exceeded National Environment Protection Measure Guidelines	EPA	SOI Trend Victoria

SOCIAL INDICATORS

Indicator	Measure	Source	Comparator
Community Participation	Persons who are members of a community based decision making board or committee Persons who regularly participate in sporting events as either a spectator or participant Percentage of adults who volunteer	City of Geelong CSS ABS Census 2011 VicHealth Survey	SOF Trend Regional cities Melbourne
Youth engagement	Percentage of persons aged 15-19 not attending school who are fully engaged in work or study Percentage of persons aged 15-19 who regularly participate in sporting events Net migration between the ages of 15-24	ABS Census 2011	SOF Trend Regional cities Melbourne Victoria
Community Safety	Recorded offences per 100,000 population against the person Recorded offences per 100,000 for crimes against property Percentage of adult population who feel safe walking alone in the local area at night	VicHealth Indicators Survey 2011 Crime Statistics by LGA, Crime Statistics Agency	SOF Trend Regional cities Melbourne
Demographic profile	Proportion of population within working ages Proportion of the population 65 and over Proportion of the population aged 0-15 Aged dependency ratio	ABS Census 2011 ABS 3235	SOI Trend Regional cities Melbourne

RESOURCES USED EFFICIENTLY AND EFFECTIVELY TO MEET NEEDS OF LOCAL COMMUNITY

Indicator	Measure	Source	Comparator
Service mix meets community need	Unmet demand for local government services through life stages – early childhood, youth, families, aged Perceptions of effective advocacy for services needs to the broader community	Comprehensive CoGG survey and combined with service demand modelling proposed CoGG survey	SOC Trend
Service plans	Evidence service plans taking into account demographic profile of municipality and outcomes of service reviews	CoGG internal management	SOC Trend
Efficient and effective service delivery across all LGPRF areas	Efficiency and effectiveness of services in aquatic and sports facilities, animal management, food safety, home and community care, libraries, maternal and child health, roads, statutory planning and waste collection	LGPRF	SOC Trend Regional cities Melbourne
Long term financial, service and asset strategies in place	Independently audited	CoGG internal management	SOC Trend

QUALITY OF LIFE IS IMPROVED

Indicator	Measure	Source	Comparator
Long term planning for services and growth	Absolute change in population by suburb Long term service, asset and financial plans meets key needs of future population independently audited	ABS 3218 CoGG	SOC Trend
Community wellbeing	Rated wellbeing against Wellbeing Index Percentage of adults who consume the recommended portion of fruit and vegetables Percentage of children who consume the recommended portion of fruit and vegetables Percentage of children and adults participating in recommended levels of physical activity Life expectancy at birth by LGA	VicHealth Indicators Survey 2011 Victorian Population Health Survey 2008 Victorian Child Health and Wellbeing Survey 2009 ABS 1367.2	SOF Trend Regional cities Melbourne Victoria
Community connectivity and resilience	Households with internet connection Percentage of adults who feel part of a community Rated assessment of whether individual can get help when needed Percentage of adolescents who have someone to turn to for advice when having problems	ABS Census 2011 VicHealth Survey Adolescent Health and Wellbeing Survey 2009 DEECD	SOF Trend Regional cities Melbourne Victoria

QUALITY OF LIFE IS IMPROVED CONTINUED

Wellbeing	Rated wellbeing against Wellbeing Index	VicHealth Indicators Survey 2011	Comparator
Housing	Percentage of low income households with mortgage stress Percentage of low income households with rental stress High level residential care places per 1000 population /Low level residential care places per 1000 population Number of people who are recorded as homeless in the census Perceptions of effective planning for the housing mix taking into account community demographics	PHIDU Australia 2013 ABS Census 2011 CoGG survey	SOF Trend Regional cities Melbourne Victoria
Community Health	Proportion of the adult population that are obese Percentage of adult population that consume alcohol at risky levels Percentage of the adult population who smokes Immunisation rate Infant mortality by LGA	Victorian Population Health Survey 2011	SOF Trend Regional cities Melbourne Victoria
Prevalence of disease	Prevalence in adult population per 100,000 population of: coronary heart disease, diabetes or high blood glucose, cancer and asthma	Victorian Population Health Survey	SOI Trend Regional cities Melbourne Victoria
Road safety	Road traffic fatalities on local roads Road traffic major injuries on local roads Pedestrian fatalities and injuries on local roads	Crime Statistics Agency	SOF

SERVICES AND FACILITIES ARE ACCESSIBLE AND EQUITABLE

Indicator	Measure	Source	Comparator
Customer and regulatory services	Customer Service index – service delivery Customer Service index – getting through Overall customer satisfaction with customer service Percentage of building permit applications processed within statutory timeframe Percentage of planning permit applications completed within statutory timeframe	Internal management systems CSS Internal management systems	SOC Trend Regional cities Melbourne
Utilisation of services in relevant LGPRF service areas	Utilisation rates of services	LGPRF	SOC Trend Regional cities Melbourne
Open Space	Open space (Ha) per resident Residents rating access to open space as high	City of Geelong calculation CoGG survey	SOC Trend Regional cities Melbourne
Community services and facilities	Survey respondents satisfaction with access to recreation facilities, community facilities and other facilities at high or very high levels	CSS	SOC Trend Regional cities Melbourne
Quality built environment	Percentage of adults who are walking or cycling to work Kilometres of off road walking and riding paths Perceptions of quality of built environment for developments Perceptions of accessibility to alternative non-motorised modes of transport	ABS 2011 CoGG survey	SOC Trend Regional cities Melbourne
Early Childhood	Percentage of infants 0-11 receiving home visit from the child or community nurse in last 12 months Percentage of children fully immunised at 12-15 months	Annual population health survey Australian Childhood Immunisation Register	SOF Trend Regional cities Melbourne
Transport access	Travel time by purpose – work, social, education, shopping, other	DEDJTR	SOF Trend Regional cities Melbourne

BUSINESS AND EMPLOYMENT OPPORTUNITIES ARE PROMOTED: A PLAN FOR THE FUTURE OF GEELONG

Indicator	Measure	Source	Comparator
Destination promotion	Number of participants in trade missions inbound and outbound Value of generated business supported by CoGG	CoGG	SOC Trend
Services to business	Business support: business and investment enquiries Persons attending CoGG business events Development Assistance: Years of zoned residential land available against projected demand Prosperous Geelong: Number of enrolments at Deakin University and Gordon TAFE	CoGG	SOC Trend
Plans to support community through structural adjustment	Having strategic plans which manage vulnerabilities and leverage assets developed in consultation with key stakeholders including state and commonwealth governments Place based plans for structural adjustment for highly impacted suburbs Having supply chain plans in place for major industries	CoGG	SOC Trend
Advocacy	Community satisfaction with Council's Advocacy and representation on key issues facing Geelong Consistent advocacy through regional partnerships and with state and federal government on key issues	CSS survey question CoGG survey	SOC Trend Regional cities Melbourne

INDUSTRY DIVERSITY

Indicator	Measure	Source	Comparator
Industry diversity	Herfeindahl Index Total number of businesses Total number of small businesses and percentage of total Total number of medium businesses and percentage of total Total number of large businesses and percentage of total Total number of self employed and percentage of total	Calc on ABS jobs numbers Census 2011 ABS National Regional Profile 2008-12	SOF Trend Regional cities Melbourne
Growth of target sectors	For each target sector measurement of: Floor space as percentage of total floor space Employment totals and as percentage of total employment Number of businesses and as percentage of total businesses Export International/inter-regional value Import International/inter-regional value	ABS jobs numbers integrated into sector specific business survey to be developed NIEIR	SOF Trend Relevant comparator cities
Tourism	International visitors to LGA International visitor spend National visitors to LGA National visitor spend Percentage share of visits and visitor spend by top three international inbound tourism market visitors to Victoria	International visitor survey, National Visitor Survey Calculated using data from International Visitor Survey	SOF Trend Relevant comparator cities

LABOUR AND CAPITAL PRODUCTIVITY AND SKILLS

Indicator	Measure	Source	Comparator
Skills	Percentage of persons employed in highly skilled occupations as percentage of total employment Persons with degree or diploma qualifications Skills shortage by priority sectors	ABS Census CoGG survey and analysis	SOF Trend Regional cities Melbourne
Labour market catchment	Number of persons travelling to the municipality for work Number of persons travelling outside of the municipality for work Net effect of persons travelling to work Journey to work time	ABS Census 2011	SOF Trend Regional cities Melbourne
Educational institutions	Enrolments at TAFE Enrolments at Deakin Trainees and Apprenticeships	Enterprise Geelong	SOI Trend Regional cities Melbourne

TRANSPARENCY AND ACCOUNTABILITY AND GOOD RELATIONSHIPS
INTERFACE WITH COMMUNITY

Indicator	Measure	Source	Comparator
Civic participation	Percentage of adults who feel they have a say on important issues Percentage of adults who participated in engagement activities in the last 12 months Voter turnout for municipal elections Rated level of satisfaction as very high or high in engagement in the planning for the long term sustainability of the community	Proposed CSS question based on 'Indicators of community strength at the Local Government Area Level' 2008 DPCD VicHealth Community Indicators Survey 2011 VEC CSS proposed	SOC Trend Regional cities Melbourne as applicable
Access to representatives for advocacy	Percentage of adult population who note that they know how to contact their local councillors	CoGG survey	SOC Trend
Stakeholder relationships	Relationship rated as positive and constructive by key stakeholders in wider region including business and community groups, state and federal governments	CoGG survey	SOC Trend
Decision making	Planning decisions overturned at VCAT Record of concerns raised regarding governance by audit committee Record of minutes of special committees made public percent Record of management advice by LGICI following audits of any decision making processes Public attendance at council meetings and special committee meetings and or downloads of public recordings	CoGG internal management systems	SOC Trend

ACRONYMS

LGPRF	Local Government Performance reporting Framework
CSS	Community Satisfaction Survey
CoGG	City of Greater Geelong
ABS	Australian Bureau of Statistics
SALM	Small Area Labour Market
LGA	Local Government Area

CORPORATE – INTERNAL MEASURES

Indicator	Measure	Source	Comparator
Promotion of and adherence to organisational policies and protocols	Employee awareness of corporate policies including those relating to: Code of conduct Conflict resolution Protected disclosures Giving or receiving gifts or benefits Conflicts of interest Bullying and harassment Employees perception of consistency of practice and behaviours with the above policies (separately)	CoGG employee survey	SOC Trend
Workplace behaviours	Employee rated importance of and satisfaction with Communication on direction Teamwork Advancement opportunities Learning and development opportunities Formal training Engagement in work planning Contribution to council goals Level of respect within team and organisation Professionalism Integrity Demonstration of best practices in functional area	CoGG employee survey	SOC Trend
Equal Opportunity	Experiences of perceived discrimination by cause Demographic profile of workforce	CoGG employee survey	SOC Trend
Staff engagement and job satisfaction	Employees sense of connection to the organisation, being valued for their work, feedback, stimulation and motivation... Reputation of council	CoGG employee survey	SOC Trend
Partnerships	Record of cooperative partnerships with community organisations, providers and other governments and the rating of these by partners	CoGG employee survey	SOC Trend

CURRENT COUNCIL PLANNING MODEL

APPENDIX 6