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INDEPENDENT BROAD-BASED ANTI-CORRUPTION COMMISSION

MELBOURNE

TUESDAY, 15 DECEMBER 2020

(45th day of examinations)

BEFORE THE HONOURABLE ROBERT REDLICH AM, QC,

AND DEPUTY COMMISSIONER DAVID WOLF

Counsel Assisting: Mr Michael Tovey QC
Ms Amber Harris
Mr Tam McLaughlin

OPERATION SANDON INVESTIGATION

PUBLIC EXAMINATIONS PURSUANT TO PART 6 OF THE INDEPENDENT BROAD-BASED ANTI-CORRUPTION COMMISSION ACT 2011

Every effort is made to ensure the accuracy of transcripts. Any inaccuracies will be corrected as soon as possible.

1 UPON RESUMING AT 1.03 PM: 12:54:22PM

2 COMMISSIONER: Good afternoon, Mr Shanahan. 01:03:35PM

3 MR SHANAHAN: Good afternoon. 01:03:38PM

4 COMMISSIONER: Are we ready to proceed, Ms Harris? 01:03:39PM

5 MS HARRIS: We are, Commissioner. 01:03:42PM

6 COMMISSIONER: Yes, thank you. 01:03:44PM

7 <PHILIP SHANAHAN> 01:03:45PM

8 MS HARRIS: Good afternoon, Mr Shanahan?---Good afternoon. 01:03:45PM

9 By way of background, I understand you've got extensive 01:03:49PM

10 experience in relation to local government and you 01:03:52PM

11 currently advise local government in relation to good 01:03:56PM

12 governance, performance management and leadership 01:04:01PM

13 development; is that right?---Among other things, yes. 01:04:04PM

14 And you've advised over 50 of Victoria's councils in relation 01:04:07PM

15 to those areas?---That's right. 01:04:13PM

16 You've had more than 20 years experience as a CEO of many 01:04:16PM

17 different councils. Can you take us through the councils 01:04:22PM

18 that you were involved with and the time periods?---I can. 01:04:26PM

19 I began as a CEO or as a shire secretary, as we used to 01:04:31PM

20 call them, with the Shire of Portland based at Heywood in 01:04:35PM

21 1976 and stayed there until 1980, when I moved as CEO to 01:04:39PM

22 Portland City Council and stayed until 1987. I then took 01:04:46PM

23 the role as chief executive in the state sector, state 01:04:52PM

24 government sector, a statutory authority called the 01:04:57PM

25 Latrobe Regional Commission, so an amalgamation of 01:05:00PM

26 councils doing coordination and other work. Protecting 01:05:03PM

27 brown coal reserves, that was some misguided work I did. 01:05:09PM

28 Then I went back to local government in 92 to 01:05:15PM

29 Broadmeadows, now Hume. I followed that in 1994 at 01:05:18PM

1 Maribyrnong for five years and finished my full-time work 01:05:21PM
2 at Darebin City Council for seven years and retired from 01:05:26PM
3 full-time work in 2005. I've since consulted, as you 01:05:29PM
4 mentioned, and had a few stints as an interim CEO when 01:05:36PM
5 there was a pause or a vacancy in the office for some 01:05:42PM
6 small rural councils and my most recent stint was a more 01:05:45PM
7 lengthy stint of eight months back at the City of Darebin 01:05:50PM
8 three years ago. 01:05:53PM
9 So fairly extensive experience in local council then?---Yes, 01:05:54PM
10 probably as much as anyone's had, I think, 31 years of 01:05:57PM
11 rural, provincial, outer metro, inner metro, middle city. 01:06:01PM
12 You've provided a written submission to IBAC which canvasses 01:06:07PM
13 themes including the role of councillors, the role of the 01:06:14PM
14 CEO, conflicts of interest, voting blocks and planning. 01:06:17PM
15 I tender that submission, Commissioner. 01:06:22PM
16 COMMISSIONER: Yes. That will be public forum exhibit 5. 01:06:27PM
17 #PUBLIC FORUM EXHIBIT 5 - Written submission of Mr Philip 01:06:29PM
18 Shanahan. 01:06:33PM
19 MS HARRIS: Thank you. Mr Shanahan, in your view what is the 01:06:33PM
20 role of councillors?---It's not just my view, I think it's 01:06:36PM
21 the view established in the Local Government Act, which is 01:06:44PM
22 to govern, to take decisions which govern the 01:06:46PM
23 municipality. In fact, the very narrowness of that 01:06:50PM
24 description in the Act, and it's not much different to the 01:06:56PM
25 old Act in 1989 or the new Act of 2020, it only provides 01:06:59PM
26 councillors with a decision making role. It provides them 01:07:04PM
27 with some things they should take into account when they 01:07:09PM
28 make a decision, but in fact the legislation has always 01:07:12PM
29 almost assumed or pretended that once a month at a council 01:07:21PM

1 meeting councillors come out of a hole in the ground and 01:07:24PM
2 vote and then after the meeting they go back down the 01:07:28PM
3 hole. It doesn't sort of break up their role into some 01:07:32PM
4 other functions or activities which I think the community 01:07:37PM
5 and others understand they might undertake, which would be 01:07:43PM
6 some kind of leadership role, some kind of representative 01:07:46PM
7 role representing constituents somehow or other, those 01:07:50PM
8 kinds of roles. So the role is to govern, is to make 01:07:57PM
9 decisions in the long-term best interests of the 01:08:00PM
10 municipality. 01:08:02PM
11 In your paper you break down what it means to govern into three 01:08:03PM
12 steps. Could you outline those for us?---Yes, kind of, 01:08:08PM
13 yes. Sorry, yes, I can. Well, I think the first thing is 01:08:15PM
14 to have a view about what success looks like; in other 01:08:19PM
15 words a preferred future, a vision, some people call it a 01:08:23PM
16 vision and that's a bit scary, a bit offputting, visions, 01:08:27PM
17 but a preferred future, an idea of what they'd like to do, 01:08:31PM
18 what they'd like to achieve. The second step would be to 01:08:34PM
19 work out a plan to get there, and the third step would be 01:08:38PM
20 to ensure the plan's working and that there's an alignment 01:08:42PM
21 between the council's policies and protocols and 01:08:46PM
22 procedures and the strategy and therefore the vision. So 01:08:51PM
23 it all comes from a preferred future, a plan to achieve it 01:08:56PM
24 and then a process of aligning things that council does, 01:09:01PM
25 operations, processes, protocols, with that preferred 01:09:05PM
26 future. 01:09:09PM
27 In your experience over time, how has the role of councillor 01:09:12PM
28 changed?---It's a remarkable change in a very short 01:09:18PM
29 period. When I say a short period, let's talk about 40 or 01:09:25PM

1 50 years. The role now demands what I just outlined, that 01:09:30PM
2 councillors need to be able to develop a shared view about 01:09:38PM
3 a preferred future and plans to achieve that. When 01:09:42PM
4 I began in local government the role was not so complex, 01:09:50PM
5 rather simpler. There was no preferred vision, there was 01:09:54PM
6 no preferred future. There was only the present and it 01:09:57PM
7 related to serving the community with services they needed 01:10:02PM
8 or wanted and so it was much more transactional. In fact, 01:10:07PM
9 in the old days if a ratepayer bumped into a councillor 01:10:16PM
10 and had a problem, the only answer would be, 'Write a 01:10:23PM
11 letter to the council,' and the letter would arrive and 01:10:26PM
12 the councillors, all of them, would discuss the letter. 01:10:31PM
13 So, councils of the 70s and even parts of the 80s, 01:10:37PM
14 I think, were a lot more like a small club that you might 01:10:41PM
15 have to be involved in in your community with the school 01:10:45PM
16 or the, I don't know, a small club, you know. We'd do 01:10:49PM
17 inward correspondence, we'd talk about - what generated 01:10:54PM
18 our thinking was what people wrote to us. We never wrote 01:10:57PM
19 down on a piece of paper what we wanted to be like, what a 01:11:02PM
20 preferred future, what success looked like as an 01:11:05PM
21 organisation or as a charter. So I think that's the 01:11:07PM
22 biggest change, the complexity. 01:11:10PM

23 I also put in my written submission a very big 01:11:13PM
24 change and that was the change between who we were 01:11:18PM
25 electing. So, councillors of yesteryear were often and 01:11:25PM
26 more often than not community leaders, people who had a 01:11:30PM
27 track record of leadership in their communities, and it 01:11:37PM
28 was not uncommon for me to have nine or 12 councillors in 01:11:41PM
29 a small rural council and all of them would chair half a 01:11:45PM

1 dozen local organisations, whether it was the farming 01:11:49PM
2 organisation or the soil conservation process or the 01:11:55PM
3 Rotary or the Apex or the Chamber of Commerce or whatever, 01:12:00PM
4 the cricket club, the football club, sports clubs. But 01:12:04PM
5 they all had a track record of that, and so they brought 01:12:07PM
6 community leadership to their role and often as not had a 01:12:10PM
7 fairly sophisticated understanding of the need for team 01:12:16PM
8 work, respectful behaviours, debate, dialogue. They used 01:12:19PM
9 simple old-fashioned techniques to pay respect. They 01:12:27PM
10 would shake hands before the meeting with their councillor 01:12:31PM
11 colleagues, they would shake hands after the meeting. 01:12:34PM
12 They would lose the debate and move on. They understood 01:12:37PM
13 the best behaviours to achieve some kind of coordinated 01:12:47PM
14 council activity. 01:12:51PM

15 The problem with them of course was, and if I go 01:12:53PM
16 back to the very first council, the Shire of Portland, 01:12:55PM
17 I often say to people I had 12 councillors there in a 01:12:59PM
18 population of 8,000 people. How many were male? And of 01:13:03PM
19 course the answer was 12. And how many were over 60? The 01:13:07PM
20 answer was 12 . How many were farmers? The answer was 01:13:11PM
21 12. So they didn't look anything like our community, 01:13:14PM
22 which was just a normal community with young people and 01:13:17PM
23 other professions and so on and so forth. So the big 01:13:22PM
24 change has been we now have a much more diverse local 01:13:27PM
25 government sector. Women have made giant strides over the 01:13:29PM
26 last 15 years and are approaching the 50 per cent 01:13:36PM
27 representation in local government. Young people are 01:13:40PM
28 regularly getting elected to councils, it's quite 01:13:43PM
29 encouraging, and all kinds of professions and all kinds of 01:13:46PM

1 interests. So the diversity has arrived, but I don't 01:13:50PM
2 think the community leadership has stayed with us and that 01:13:57PM
3 a whole bunch of changes to the way we receive information 01:14:03PM
4 in society has meant people don't need community 01:14:06PM
5 leadership credentials to get elected. They need to be 01:14:09PM
6 known one way or another. 01:14:13PM

7 That was not possible in the old days. People 01:14:15PM
8 got their information from one source, the local newspaper 01:14:20PM
9 or local information from a local newspaper and so 01:14:24PM
10 community leadership was a vital ingredient to get 01:14:26PM
11 elected. But that's not the case anymore. So, people 01:14:30PM
12 without any track record of achievement or even interest 01:14:33PM
13 in - I've coached many councillors whose first council 01:14:35PM
14 meeting is the first meeting of any kind they've attended 01:14:40PM
15 in their lives. And so this is a dramatic change over a 01:14:43PM
16 period of 40 years. 01:14:48PM

17 So with that change in diversity, what's your experience in 01:14:49PM
18 terms of councillors' capacity to perform their 01:14:55PM
19 role?---I guess I would argue I don't know that it's been 01:15:02PM
20 enhanced and the role has become more difficult or more 01:15:04PM
21 complex. What I think we've lost in community leadership 01:15:07PM
22 experience we have not gained across the board in terms of 01:15:15PM
23 either expertise or community leadership. You know, 01:15:18PM
24 I made a sort of a flippant comment in the written 01:15:25PM
25 testimony. A councillor who I deeply respected and who 01:15:28PM
26 has gone on to do some remarkable things in the sector 01:15:33PM
27 once told me that with a moderate budget he could get 01:15:36PM
28 Donald Duck elected to a council. So what he meant was, 01:15:40PM
29 you know, there's just a range of strings to pull to have 01:15:44PM

1 Donald Duck elected. Well, if Donald Duck can get 01:15:50PM
2 elected, I suppose we can get any kinds of people elected 01:15:54PM
3 who just want to participate in the sector. The scrutiny 01:15:57PM
4 is not very high, the apathy can be high. Many people 01:16:02PM
5 I speak to when I bump into them can't quite remember who 01:16:07PM
6 they voted for in their local government elections, the 01:16:11PM
7 preceding local government election, and to be honest as a 01:16:15PM
8 voter where I live I can't honestly say I do a much better 01:16:21PM
9 job, maybe a slightly better job but not a much better job 01:16:26PM
10 of understanding who I'm voting for, of actually getting 01:16:31PM
11 to the bottom, because they're not community leaders in 01:16:34PM
12 the broad sense of the word. They are people who wish to 01:16:35PM
13 become elected councillors. 01:16:38PM
14 One of the matters you've identified in your submission is the 01:16:41PM
15 complexity of the councillor role and the changes in the 01:16:44PM
16 complexity of the role and you say that we're now asking 01:16:48PM
17 much more of our councillors in the strategic space. Can 01:16:52PM
18 you explain what you mean by that?---Well, I guess without 01:16:56PM
19 breaking it all down, it's about asking them to form a 01:17:00PM
20 view about a preferred future and a plan to get there, a 01:17:04PM
21 strategic plan to achieve that future. The old days were 01:17:09PM
22 full of transactional things. 'The road needs grading as 01:17:14PM
23 soon as it rains, could my road be graded, yes or no,' you 01:17:18PM
24 know. It's a much harder question to say to a fairly 01:17:23PM
25 uninitiated and inexperienced group of people from all 01:17:27PM
26 walks of life, that diversity kicking in, 'Can we agree on 01:17:31PM
27 what a preferred future should be, what success looks like 01:17:35PM
28 and can we develop a sophisticated plan for the whole 01:17:38PM
29 organisation to work through that will achieve this 01:17:41PM

1 preferred future?' It's very daunting. I know as a 01:17:45PM
2 bureaucrat it's daunting for the bureaucracy to develop 01:17:48PM
3 that plan. It's not easy. It's not straightforward. So 01:17:52PM
4 that's the space the legislation asks councillors to work 01:17:56PM
5 in. 01:18:01PM
6 So, the legislation talks about long-term plans, 01:18:02PM
7 community plans, engagement with the community around the 01:18:04PM
8 plan. It talks about a range of principles that need to 01:18:09PM
9 be embodied in the work of the council. They're difficult 01:18:14PM
10 issues. The complexity is very high. So we're not 01:18:17PM
11 interested in today - well, we are - but the interest has 01:18:21PM
12 moved from today and being transactional to tomorrow and 01:18:23PM
13 strategic, having a goal and a plan to get there. 01:18:26PM
14 You say in your paper that you think the sector would be 01:18:30PM
15 improved if councillors brought a combination of 01:18:34PM
16 leadership and technical skills to their role, and you 01:18:39PM
17 think that there are some changes that can impact on that. 01:18:43PM
18 Could you explain what they are, please?---Yes, I can. 01:18:47PM
19 They're just ideas which might encourage a broader range 01:18:57PM
20 of capable people to seek to be councillors, drawn from a 01:19:01PM
21 paper I did a few years back and based on my neighbour at 01:19:09PM
22 the time who I regarded as a highly intelligent committed 01:19:12PM
23 community person where I live and wondered why she didn't 01:19:18PM
24 offer herself as a council candidate. And the three 01:19:23PM
25 reasons that she offered me were a combination of not 01:19:27PM
26 being able to go without wages for the number of hours 01:19:34PM
27 that the job seemingly entails, and not being prepared to 01:19:38PM
28 put up with bad behaviour, so disrespectful behaviour from 01:19:46PM
29 robust political opponents or councillors generally. 01:19:52PM

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And so I guess the things I think are worth thinking about for local government are: to encourage a broader - a better representation of high calibre people to run for council, I think they should be paid better. I think there should be fewer of them. I'm not sure we need nine councillors in a middle-sized metropolitan council. One of the funny things is that people still think - not people - many people still think you're better off in your community if you know a councillor. You might be better served if you know a councillor. You know, when the power goes off at my house I don't ring a board member of AGL, I ring customer service at AGL and the power comes back on. If the water main bursts I don't ring a board member of City West Water, I ring a customer service number, and that ought to be the case for a local government. Knowing a councillor shouldn't make any difference to you. So I think we've got enough councillors for what I call personal coverage almost, you know, so one comes from every sort of large neighbourhood. That's the idea of wards, just get a spatial distribution of councillors so that there's sort of a connection there in the community. So I'd have fewer, pay them properly.

The idea that a good councillor has to commit 20 or more hours a week to being a councillor seems to me to be fundamentally flawed. I don't think the directors at BHP give 20 hours a week. I don't know, but I'd be surprised if they did. You know, if we're asking them to play in the strategic space, then what are we doing for 20 hours a week? And it's a big disincentive for people

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like my neighbour to take the job on. They have family commitments and so on, or personal commitments. So less time, more pay, fewer of them, and I think, look, we've made some good steps towards better behaviour in terms of punitive measures and faster and more speedy action. I accept that we can't be arbitrary taking action against poor behaviour and disrespectful behaviour, but it is another disincentive for many people who might otherwise offer themselves.

They're the things, and the final one I threw in which is a bit heretical was compulsory voting in local government. I'm not sure that serves the sector well, in particular dealing with the problem I think I'm articulating which is a disconnect between the voters, the voters and the candidates. I think there's a disconnect, there's apathy, there's a range of candidates that we could do better with if things were different, and compulsory voting, I'm not sure that serves us that well. None of those should I say, sorry, I don't think any of them are a silver bullet. I think there's a contribution could be made to getting better in each step and I don't know how big that contribution is because we've not tried, we've not experimented, but finding some ways to make those things happen could create a better candidate pool.

DEPUTY COMMISSIONER: If I could just draw you back to the complexity of local government, so you've spoken about the councillor role becoming more complex over time. I'm interested in your view on the business of council as well and the increasing complexity in that, and of course the

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1 governance role and you've used the broad analogy for a 01:23:53PM
2 group of councillors and I'm interested in your views on 01:23:57PM
3 that governance roles that the councillors are required 01:24:00PM
4 under the Act to play?---Yes, well, many of the 01:24:03PM
5 services - I'll start again. We still deliver many 01:24:11PM
6 services which I wouldn't call complex, whether it be 01:24:14PM
7 waste or road maintenance or gardens or so on. But we 01:24:20PM
8 also now deliver a range of services where there is 01:24:26PM
9 complexity and what would assist councils in their work or 01:24:33PM
10 the organisations in their work is a deeper understanding 01:24:38PM
11 of some of the nuances of those businesses. 01:24:41PM
12 I recall a time not so long ago in one of my 01:24:46PM
13 acting roles where the leisure business run by the council 01:24:48PM
14 and in fact, yes, run directly with employees by the 01:24:54PM
15 council was struggling to be financially viable, or at 01:24:57PM
16 least it was viable but it was not generating huge returns 01:25:03PM
17 on large capital investments at leisure centres and pools, 01:25:06PM
18 and a conversation with one of the country's leading 01:25:13PM
19 leisure centre operators whereby the person I was talking 01:25:16PM
20 to suggested for only a very small investment in their 01:25:22PM
21 services, that is a bit of management and a bit of 01:25:26PM
22 tooling, there was something like a tripling of our return 01:25:29PM
23 on our investment. In other words, the private sector 01:25:33PM
24 company with businesses all around Australia running 01:25:38PM
25 leisure centres have a range of programs and software and 01:25:41PM
26 techniques which the council did not have and the 01:25:45PM
27 governing body certainly didn't have an understanding of 01:25:52PM
28 those issues. That would be - I wouldn't even regard the 01:25:55PM
29 leisure business as highly complex. It's just a 01:25:59PM

1 sophisticated sector that requires expertise. That's what
2 it requires.

3 So, there are many parts of our business where
4 councillors tend to take a fairly passive role. One would
5 be investing in technology. You know, they sign off a
6 technology budget each year which is probably 7 or 8 per
7 cent of the budget, something like that, 5, without any
8 deep understanding of what that would achieve, what the
9 payback might be. From time to time of course councils,
10 when we're confronted with running a complex business,
11 develop another structure outside the routine council
12 governance structure. So we might do a public private
13 partnership. We might corporatise the function and have
14 an advisory board with full council ownership. One of the
15 biggest municipal contracting services in Victoria is
16 Citywide, which does work for Melbourne City Council and
17 many other councils and of course it has an advisory board
18 which runs the business. It's wholly and fully owned by
19 Melbourne City Council. That model has been replicated
20 around the sector for other purposes and functions.

21 One of the things that people overlook too often
22 is that the powers of a council - sorry. The powers of a
23 council are largely unfettered and unregulated. So, the
24 Local Government Act tries to predict, tries to guess what
25 councils might like to do, and where there are issues of
26 fairness and equity and so on involved, where there's
27 principles involved, they will regulate that activity for
28 those principles, to achieve those principles. So the Act
29 tries to guess that councils, for example, would like to

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charge rates, property rates, to raise revenue to deliver services. No council is compelled to raise rates. It's just the simplest way we can think of to get revenue to deliver service. So if you want to raise rates, that's fine. But you've got to comply with sort of 40 pages of legislation if you wish to do so.

So the Act - all the legislation we've ever faced in local government tries to predict things councils might want to do and then if there are principles at stake it will regulate the activity. Putting that aside, the Act also empowers - provides a general competency for councils to do whatever they need to do in the long-term best interests of their citizens that is not prohibited by other legislation or the constitution, et cetera, et cetera.

So councils tend to do things - some councils do things other councils don't, run businesses that not everyone runs. At Portland we developed a geothermal energy business and provided energy to large businesses in Portland, the hospital, the big motel and so on, using hot water for energy. Sent out bills like an energy company. We didn't have to ask permission because we're legally empowered to do those things. We just had to comply with existing laws.

The same at Darebin, I recall, we were running dental clinics, so we employed dentists and nurses and clinics to do poor children, children from disadvantaged families, dental care. So, councils can do lots of things and often do, and often there's high complexity associated

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1 with those businesses. You wouldn't think an elected 01:29:44PM
2 council would be the best governors for a dental business 01:29:49PM
3 or an energy business or whatever. 01:29:53PM

4 MS HARRIS: Returning, Mr Shanahan, to the role of councillors 01:29:58PM
5 and their obligations, their legislative obligations, in 01:30:03PM
6 your experience how adequate is the training for 01:30:06PM
7 councillors in relation to their role and their 01:30:08PM
8 obligations?---Well, I'd probably only repeat there what 01:30:10PM
9 I did put in the written submission. We've just gone 01:30:18PM
10 through elections and people like me have probably been 01:30:20PM
11 busy in the last month doing what we call induction 01:30:23PM
12 training, so this is the initial training for councillors 01:30:26PM
13 to get them going in their roles. And I've always 01:30:29PM
14 thought, and it's probably happened again, really, and 01:30:34PM
15 I was part of it again this year, we give them a lot of 01:30:36PM
16 information very quickly and that's probably a due 01:30:40PM
17 diligence activity. You know, we can't let them start 01:30:43PM
18 their jobs voting in December if we didn't tell them about 01:30:46PM
19 lots of important constraints and requirements of them and 01:30:50PM
20 give them a basic working knowledge of what they're doing. 01:30:55PM

21 I would think the training would be much better 01:30:59PM
22 placed if we gave them a couple of months to work out how 01:31:02PM
23 they would understand what a preferred future looks like, 01:31:07PM
24 how we might get there and how they might work together 01:31:10PM
25 over the journey to achieve that; in other words, you 01:31:13PM
26 know, how that will play out when they disagree, how it 01:31:18PM
27 will play out on how they'll be a team when they can be 01:31:23PM
28 and when they need to be, and so on and so forth. 01:31:26PM

29 In your experience is there much follow-up training after that 01:31:28PM

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initial training?---That's a good question. I'm not sure what I'd measure it against. There are many training opportunities, many. They are conveyed to councillors and many councillors take advantage of them. When I say many, perhaps it's not a majority. Perhaps some. I don't really know. It's hard to get a measure on that. I think there's enough training opportunities to improve their skills.

Is that on a voluntary basis that they take that up, or is it a requirement depending on the council they are a member of?---No, it's entirely voluntary. I don't know of any council - I don't think I know a council that sets some kind of professional development plan for each councillor and then pushes them through it. It's pretty much voluntary.

Would you see a benefit in having, say, for example, annual refresher training, for want of a better term?---Yes, and I say yes because that occurs in many sort of high-performing councils at the moment. So, you know, the councils will try to write down somewhere in the first term how they're going to operate, how they're going to behave, how they're going to get on, what do they do when they have disagreement, what do they do when things go wrong, how do they call out bad behaviour, and then revisit their commitment to whatever they committed to down the track.

So, yes, there's plenty - I think there's kind of enough training. Maybe I think it's a bit overloaded at the front end. Maybe I think it's a little bit technical

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1 and that's partly caused by this need for diligence that 01:33:08PM
2 I referred to. We can't not tell them things, and yet 01:33:13PM
3 there's so much to take on board quickly and of course 01:33:16PM
4 councillors get elected in November and have to have a 01:33:19PM
5 long-term strategic plan and a budget in place by June 30 01:33:22PM
6 the following year with Christmas in between. And, you 01:33:27PM
7 know, I've visited two councils, two in recent times that 01:33:30PM
8 had all but - one council had only one returned councillor 01:33:38PM
9 and the other had two, so they're all newbies and they've 01:33:42PM
10 got so much to learn. 01:33:46PM

11 I think the mandatory training that councils are 01:33:47PM
12 required to take under the provisions of the Local 01:33:50PM
13 Government Act and set out in regulations by the 01:33:54PM
14 government is particularly rudimentary. 01:33:56PM

15 In your view should ongoing training or annual training be 01:34:03PM
16 mandatory?---I don't think so. I'm not sure that 01:34:08PM
17 would - I don't know how you'd make it mandatory. I don't 01:34:19PM
18 know - it would have to be some kind of professional 01:34:21PM
19 development. It would have to be copying a professional 01:34:24PM
20 development program where points are scored for training 01:34:28PM
21 sessions completed and we have to make it add up to five 01:34:31PM
22 points a year or something, and I'm not sure we do that in 01:34:34PM
23 elected - I'm not sure the Federal politicians have to do 01:34:38PM
24 training. I don't think they do. 01:34:40PM

25 Presumably some of that initial training relates to conflict of 01:34:41PM
26 interest situations. What issues have you observed in 01:34:45PM
27 relation to how conflicts of interest are managed and how 01:34:49PM
28 they're declared?---Well, a couple of things I suppose 01:34:55PM
29 that come to mind and that is, firstly, too often I've 01:34:59PM

1 been asked five minutes before a council meeting by a 01:35:05PM
2 councillor whether the councillor has a conflict of 01:35:08PM
3 interest in a matter before the council, and of course 01:35:12PM
4 I have to say, 'Well, I don't know and I can't help you 01:35:16PM
5 because I don't know your personal circumstances.' Why 01:35:19PM
6 they ask me that mainly is that if I said, 'I don't think 01:35:28PM
7 so,' then everything's all hunky-dory, or if I said, 'You 01:35:30PM
8 may have, yes, I think you probably have,' I don't know 01:35:36PM
9 how I'd reach that view, but if I did I'm sure then they'd 01:35:38PM
10 declare the conflict. 01:35:42PM

11 You see, the only person that can know the 01:35:43PM
12 totality of their conflict, given the nature of conflict 01:35:45PM
13 of interest, is the councillor themselves and often they 01:35:50PM
14 can't or don't reveal the totality of their interest. And 01:35:59PM
15 so if it's their third daughter's partner that will 01:36:02PM
16 benefit from a decision before the council and therefore 01:36:08PM
17 the daughter, how would I know? And would they remember 01:36:11PM
18 to tell me? And so that's the first thing, I'd say, that, 01:36:14PM
19 yes, they think the way out is to ask the CEO whether 01:36:24PM
20 they've got a conflict. 01:36:29PM

21 The second thing would be I've heard too many 01:36:30PM
22 councillors declare 'a conflict in item number 7 on 01:36:33PM
23 tonight's agenda, Mr Mayor,' at the start of the meeting 01:36:36PM
24 and then fail to tell the meeting the nature of the 01:36:40PM
25 conflict. So they think the big deal is they don't vote 01:36:44PM
26 and discuss the matter they've declared a conflict in; 01:36:49PM
27 when that item arrives on the agenda they leave the 01:36:53PM
28 meeting and would be called back to the meeting when the 01:36:58PM
29 item is dispensed with. But it's revealing the nature of 01:37:00PM

1 the conflict that would have more widespread impact on 01:37:05PM
2 other activities that they might engage in around that 01:37:09PM
3 matter. 01:37:11PM
4 What do you think accounts for that omission? Is it a lack of 01:37:14PM
5 understanding about what the obligation is?---It can be, 01:37:19PM
6 yes, and on other occasions it can be to their benefit, it 01:37:24PM
7 can be to their advantage that the nature of the conflict 01:37:30PM
8 hasn't been revealed, but they can proudly point to the 01:37:34PM
9 revelation they are conflicted and they didn't vote and 01:37:38PM
10 they didn't discuss it. But, as I said, that can then 01:37:41PM
11 give leave to a range of other conversations they can 01:37:48PM
12 have, whether it be with councillor colleagues or others, 01:37:50PM
13 about the very matter before the council, whereas if the 01:37:54PM
14 nature of the conflict was disclosed, the exact nature, 01:37:57PM
15 I think people would be much less willing to engage in 01:38:01PM
16 conversations around that issue. 01:38:04PM
17 In relation to that situation where a councillor does declare a 01:38:09PM
18 conflict of interest and then goes and talks to other 01:38:12PM
19 councillors about that very matter that they've declared a 01:38:16PM
20 conflict in, can you regulate against that 01:38:19PM
21 behaviour?---I think you could. I don't know how you can 01:38:28PM
22 enforce it and I don't know - it should be unlawful, 01:38:29PM
23 I would have thought, or, you know - yes, I think it 01:38:34PM
24 should be unlawful. 01:38:37PM
25 What suggestions do you have in terms of how the framework 01:38:38PM
26 around conflict of interest could be strengthened?---I'm 01:38:43PM
27 not sure I have any particular thoughts on that. I mean, 01:38:53PM
28 we've moved, as would you understand, from a legislation 01:38:56PM
29 which was very prescriptive and tried to identify each 01:38:59PM

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kind of conflict that a councillor might experience and replaced it with some principles of conflict, a very broad principle around what a fair-minded person might think. So we've gone from, you know, the strict definitions of what constitutes conflict to what a fair-minded person might regard as a conflict of interest. The broad principle model of 2020 will be supported, I think, with some regulations made under the Act by the minister to put some meat on those bones a bit and that's already begun with some regulations released just earlier this year and in time for councils to frame their governance rules and talk about how conflicts are declared. Interestingly, that's been one of the things that I think has been at least maintained and perhaps even strengthened, the nature of the conflict being devolved.

No, I don't know how we - there are other attempts to strengthen those provisions around all councillors filling out forms which describe people of interest in their roles and their lives and other issues of interest, so there's a register of matters which is kept up to date, relatively up to date during their term. That may help, who knows? I don't know. It's hard to predict how those matters will turn out.

Is it the case that it's still a bit early under the new regime to make any assessment as to how effective those changes are or have been?---I think so, much too early. The old specific and highly regulated Act around conflict was quite difficult for lay people to understand, quite difficult for me to understand, to be honest, except for

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1 the easy bits. The easy bits were easy and the complex 01:41:12PM
2 bits were very complex. I think it was very difficult for 01:41:16PM
3 them to follow. Many of them don't have an interest in 01:41:18PM
4 following it, only because they don't think they'll have a 01:41:21PM
5 conflict, the vast majority, and I guess there are those 01:41:23PM
6 who would have conflicts and I guess the complexity of it 01:41:27PM
7 just frightened them away a bit. Yes, I'm not sure. 01:41:31PM
8 We'll have to wait and see how a principled approach goes, 01:41:38PM
9 yes. 01:41:44PM

10 DEPUTY COMMISSIONER: I'm interested, Mr Shanahan, in that 01:41:45PM
11 relationship between the CEO and councillors and 01:41:49PM
12 particularly in respect to conflicts of interest where, as 01:41:52PM
13 you said, you get an approach from a councillor to ask 01:41:55PM
14 whether they have or haven't got a conflict of interest 01:41:58PM
15 and often there's, I understand, reluctance for CEOs to 01:42:00PM
16 provide that advice, for a range of reasons, and then the 01:42:04PM
17 flipside of when there may be a clear conflict of interest 01:42:06PM
18 occurring in a council meeting and then what are the 01:42:11PM
19 responsibilities of the council CEO in that respect and 01:42:14PM
20 some of the tensions that either scenario might 01:42:19PM
21 deliver?---Yes, I guess I always took the view, rightly or 01:42:23PM
22 wrongly, that what may have appeared to be a clear 01:42:28PM
23 conflict of interest emerging in a council meeting was 01:42:33PM
24 equally none of my business. When I say 'equally', it was 01:42:39PM
25 none of my business just like when they asked before the 01:42:48PM
26 meeting, 'Did I have a conflict,' and it was none of my 01:42:50PM
27 business. So, you know, I remember an example, simple 01:42:54PM
28 example, of council debating something to do with their 01:42:57PM
29 home care business and a councillor being an employee of 01:43:01PM

1 an agent, a not for profit agency, that delivered, among 01:43:08PM
2 other things, delivered home care and that had been raised 01:43:13PM
3 with me and I'd given some advice, general advice. The 01:43:16PM
4 general advice was an interest - you have a conflict in 01:43:23PM
5 relation to your employer if the matter before the council 01:43:26PM
6 crosses your public duty. So your public duty and your 01:43:31PM
7 private interest, there is a conflict if your employer is 01:43:34PM
8 in the same field, and the councillor chose to participate 01:43:39PM
9 in the debate. You know, may have been able to debate 01:43:43PM
10 that matter because it was speculative, the interest was 01:43:49PM
11 not direct, it was somewhat remote, there was no contract 01:43:51PM
12 on the table for our business, there was no tendering 01:43:55PM
13 process. You know, there was a vagueness and a remoteness 01:43:59PM
14 about the matter. 01:44:04PM

15 So, I've taken the view always that neither are 01:44:06PM
16 my business other than to say you arrange for the 01:44:10PM
17 councillors to access legal advice on any matter on the 01:44:13PM
18 agenda that they feel they could have a conflict, you do 01:44:15PM
19 training and you update them with the latest court cases 01:44:19PM
20 and the latest pieces of information about conflict that 01:44:23PM
21 you can, and they have a lawful responsibility to meet 01:44:27PM
22 their obligations under the Act. So I don't think we'd 01:44:33PM
23 leave them alone on the matter, but I couldn't see a role 01:44:33PM
24 for the CEO in trying to work out who had a conflict in 01:44:33PM
25 what. 01:44:46PM

26 So, in the case where there would be a glaring conflict of 01:44:46PM
27 interest and it was widely known so there was no dispute, 01:44:51PM
28 do you still see the CEO having no role in doing something 01:44:54PM
29 about that, or whose role is it?--Well, I guess anyone 01:44:57PM

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can take the matter, a bona fide matter to a local government inspectorate, to somewhere to investigate it and that's been done by CEOs where it's blindingly obvious. But it's usually done in hindsight, not - sorry, it's usually done subsequent to the error, subsequent to the speech or the vote or whatever it is, you know. I had a councillor last night, 'Blah, blah, blah, blah. This should be checked out.'

Look, I have argued in the paper or in the submission that I think there could be a role for what we could call an integrity officer who would take on some educating, teaching, facilitation roles around conflict which might be helpful. Across the board it might be helpful. I'm a bit unsure whether that would address wilful deceit and conflict. Yes, I don't know if it would address wilful deceit and I don't know how much it would help us detect people who had a mind to mislead the system in their conflict. But I think one of the problems about that relationship, the CEO relationship and conflict with councillors, is that too often the CEO is perceived as the gatekeeper or the policeman and there's no such role legislated, there's no such role - and the role is dangerous because there's too much we don't know or are not told.

The thing about a councillor saying, 'I'll tell you the circumstance, Philip. Have I got the conflict?' So they tell you the circumstance and you say, 'Look, as far as I'm concerned it does not represent a conflict of interest, but you may want to take legal advice about that

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1 before you act.' They've only shared half the story with 01:47:00PM
2 me, a third of the story. The bit they tell me I can form 01:47:05PM
3 a view on. The bit they don't tell me I don't know. So, 01:47:09PM
4 I think it's full of risks for someone to form a view that 01:47:15PM
5 there's a conflict without having access to the full 01:47:20PM
6 information, et cetera, et cetera, and I don't know that 01:47:23PM
7 the CEO is in the best position to do that. I think there 01:47:25PM
8 would be a potential for someone whose role it is to 01:47:28PM
9 facilitate and teach and develop strong understandings 01:47:32PM
10 about rules in an integrity officer being at arm's length 01:47:36PM
11 from both the council and the CEO. As you know, the CEO 01:47:40PM
12 is the only employee the councillors have. Everyone else 01:47:44PM
13 is an employee of the CEO. 01:47:50PM

14 COMMISSIONER: Mr Shanahan, you may have answered this question 01:47:52PM
15 in a way, but what point is there in a regime which would 01:47:54PM
16 require the councillor to give the CEO the reasons why 01:48:01PM
17 there's a conflict, but not have to do so if they're just 01:48:07PM
18 declaring a conflict to the councillors?---Can you say 01:48:13PM
19 that again a different way? I'm not sure I understand the 01:48:20PM
20 question. 01:48:23PM

21 Well, the regime required that if the councillor decides to 01:48:23PM
22 tell the CEO there's a conflict, they've got to tell the 01:48:27PM
23 CEO what the nature of the conflict is, but they don't 01:48:31PM
24 have that obligation if they're just declaring a conflict 01:48:35PM
25 to the council. What's the possible benefit of that 01:48:38PM
26 regime?---I still don't understand. The councillor does 01:48:43PM
27 have a requirement to explain the nature of the conflict 01:48:49PM
28 to the council. A councillor has an obligation to explain 01:48:54PM
29 the nature of a conflict to the council. That's a legal 01:48:59PM

1 obligation. My evidence was they often avoid it and no 01:49:04PM
2 one usually - often no councillor rises and says, 01:49:15PM
3 'Mr Mayor, Councillor Smith has declared a conflict of 01:49:19PM
4 interest at item 5 but has failed to declare the nature of 01:49:23PM
5 the conflict.' 01:49:26PM
6 Yes. I thought under the regime prior to the amendment of the 01:49:28PM
7 Act, the Act distinguished between the obligation to make 01:49:35PM
8 that disclosure to the CEO and an obligation in relation 01:49:42PM
9 to councillors?---No, I don't think so. Well, you may be 01:49:46PM
10 right. My understanding was if you weren't going to 01:49:51PM
11 attend a meeting, you were required to divulge your 01:49:56PM
12 conflict and the nature thereof to the CEO in writing. 01:50:01PM
13 But if you attend a meeting, so you weren't going to 01:50:05PM
14 attend, you still have to declare your conflict on the 01:50:07PM
15 matter before the meeting in that fashion to the CEO, yes. 01:50:10PM
16 I think the nature of the declaration has to include the 01:50:13PM
17 nature of the conflict in both cases. 01:50:16PM
18 All right. Thank you?---I think. Yes. 01:50:19PM
19 MS HARRIS: Mr Shanahan, you've referred already to the nature 01:50:22PM
20 of the relationship that exists between councillors and 01:50:25PM
21 the CEO with that sort of hiring and firing and 01:50:28PM
22 performance review function all sitting with councillors. 01:50:33PM
23 In your view does this create an integrity risk, that 01:50:39PM
24 relationship?---It can, yes. If there are other factors 01:50:43PM
25 at work inherent in the council, then there is an 01:50:54PM
26 opportunity to exploit that relationship by a dominant - 01:51:03PM
27 let's talk about some examples. You might have a dominant 01:51:08PM
28 dodgy group, that'll do, a dominant dodgy group who as the 01:51:12PM
29 dominant group hold the employment future of the CEO in 01:51:23PM

1 their hand and there would be - let's just say it is 01:51:26PM
2 possible that there would be a CEO who would care more 01:51:34PM
3 about their future employment prospect than complying with 01:51:36PM
4 the unreasonable requests of a dominant dodgy group. 01:51:43PM
5 DEPUTY COMMISSIONER: And I'm assuming then there's also the 01:51:49PM
6 flipside where that dominant group, if they had a CEO that 01:51:52PM
7 was following all the proper processes and regimes, then 01:51:56PM
8 that CEO might be subject to exiting from the organisation 01:52:04PM
9 and their employment at quite a quick pace?---Yes, I think 01:52:08PM
10 so. Yes, all those things have happened in anyone's 01:52:15PM
11 reasonable judgment in the last decade in Victoria. So, a 01:52:21PM
12 dominant dodgy group have brought employment contracts to 01:52:25PM
13 an end for pretty rigorous CEOs and we've had dominant 01:52:30PM
14 dodgy groups maintain employment for acquiescing CEOs. As 01:52:36PM
15 we've talked about, what we want I think is chief 01:52:49PM
16 executives to be fearless in their advice and frank in 01:52:54PM
17 their advice and observe proper process and requirements 01:52:57PM
18 and sometimes that puts them at risk if the dominant group 01:53:04PM
19 don't understand the importance of those things. 01:53:09PM
20 So I'm quite interested in what protections are available for a 01:53:12PM
21 CEO that might be subject to termination for matters other 01:53:18PM
22 than performance based and whether the contractual 01:53:23PM
23 arrangements are suitable or does there need to be some 01:53:29PM
24 sort of independent oversight or overview of that where a 01:53:32PM
25 fracture occurs and, as I said, for something other than 01:53:35PM
26 performance there's a move to terminate that CEO?---Yes, 01:53:38PM
27 yes. Well, look, I think we do. The suggestion I've made 01:53:44PM
28 is we need something akin to an audit and risk committee 01:53:51PM
29 with the responsibility of what we'll call CEO employment 01:53:55PM

1 issues or CEO employment matters, and a number of or a 01:53:59PM
2 majority of independent expert people on that committee to 01:54:06PM
3 ensure the CEO's performance is assessed against key 01:54:11PM
4 performance indicators that have been established in the 01:54:16PM
5 contract and against, you know, the right things and to 01:54:19PM
6 deal with all aspects of CEO employment. It works pretty 01:54:24PM
7 well in audit and risk. So audit and risk committees must 01:54:29PM
8 have a dominant number of independent experts, an 01:54:33PM
9 independent chair who's expert and a couple of councillors 01:54:37PM
10 normally and it's an advisory committee, and I'm not 01:54:41PM
11 really stuck on whether a CEO employment matters committee 01:54:44PM
12 is advisory or decision making. It's very hard to ignore 01:54:49PM
13 the advice. It's very hard for a council to ignore the 01:54:55PM
14 advice of an advisory committee on a constant basis. It's 01:55:00PM
15 a public process. There's plenty of transparency. 01:55:03PM
16 What would be the consequences if they did?---There's no direct 01:55:08PM
17 legal consequence, but I'm sure - it's like a red flag, a 01:55:12PM
18 whistle goes off. You've got an expert committee and you 01:55:17PM
19 keep ignoring your audit committee, you know, someone 01:55:20PM
20 would get stuck into them. I don't think it would go too 01:55:23PM
21 long before people would be wondering what the hell's 01:55:25PM
22 going on, and the same with a CEO committee. I guess 01:55:28PM
23 there might be 20 councils out of the 79 - I'm guessing - 01:55:34PM
24 20 councils who have a CEO employment matters committee at 01:55:38PM
25 the moment voluntarily, not required under the Act. My 01:55:43PM
26 experience, I've worked on four or five of those 01:55:46PM
27 committees as a chair, I think they work a lot better. 01:55:49PM
28 There seems to be a better understanding about what the 01:55:55PM
29 role is and how we go about it and using properly 01:55:59PM

1 established KPIs to measure performance. It's fair to say 01:56:02PM
2 across the entire sector it's only done moderately well, 01:56:09PM
3 but I guess that would be true of many sectors. 01:56:13PM

4 I remember, although it was in the 80s and early 01:56:15PM
5 90s, I remember being a state government CEO in a small 01:56:18PM
6 statutory authority for five years and no one spoke to me 01:56:21PM
7 about my performance for the entire five years. I know 01:56:24PM
8 it's 30 years ago, but I don't know if things have changed 01:56:28PM
9 much. So, I would prefer that there was some kind of 01:56:33PM
10 independent committee established to provide CEOs with a 01:56:36PM
11 bit more confidence and assurance that frank and fearless 01:56:43PM
12 is supported. 01:56:48PM

13 The other thing I think worth saying is that 01:56:49PM
14 there has been a move in recent years initiated by the 01:56:55PM
15 State generally, and pretty successfully I think, to stomp 01:56:59PM
16 out, you know, silly payments for contracts that are 01:57:04PM
17 terminated, and I support that. In fact, I'm quite 01:57:08PM
18 surprised, really, how effective the State in its own 01:57:13PM
19 Victorian public service has been in shrinking those kinds 01:57:17PM
20 of arrangements down to almost nothing, and I think that's 01:57:20PM
21 probably a direction still to head. In other words, what 01:57:27PM
22 I would say is - and I give you the example of 01:57:30PM
23 re-appointing a CEO after five years. That brings out 01:57:35PM
24 some of the politics better than the performance 01:57:39PM
25 appraisal. So, you know, a majority or nearly a majority 01:57:43PM
26 want to re-appoint the CEO because they think the CEO is 01:57:46PM
27 doing a good job, and a majority or nearly a majority want 01:57:50PM
28 to put an ad in the paper because they think they can get 01:57:53PM
29 a better one or a different one. Those circumstances are 01:57:56PM

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difficult because a decision to advertise the position rather than re-appoint the incumbent CEO represents some sort of stigma for the CEO. Does your next job application go very well when your last employer didn't even want to keep you on? That's what I'm saying.

So, you know, maybe we need to look at the contractual arrangements in a sort of a broader way. I wouldn't have an enormous problem with a legal requirement to advertise the job every time. That removes the stigma. I guess the stigma remains if you don't get rehired, but maybe you can say you weren't an applicant or something, I don't know. But you know what I mean, there is a stigma at the moment and we don't have a view in the sector by CEOs and by most public officials and by the community, I think, that it's kind of normal to sometimes change, it's kind of - there is a much stronger tradition of changing without stigma in other parts of the world. We've got a fairly public servicey model in our head which means - it's not a job for life clearly, but, you know, we don't seem to think that it's a five year contract, when it comes to an end that's the end of it, and there's nothing wrong with a new CEO.

MS HARRIS: That perhaps leads nicely into one of the questions from the public, Mr Shanahan, which is should there be tenure limits on CEOs?---I don't know. I think maybe. I think it's a maybe, and would it be two terms? Probably. What good comes of long, long terms? No, I haven't - I can only be guided by history. I don't think I've seen that work out as well as it should. Only

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1 occasionally. What it more often signals is something 02:00:10PM
2 cosy, not rigorous. 02:00:18PM
3 So are there advantages to that approach, do you think?---Yes, 02:00:22PM
4 there could be, yes. Well, as I said, I think I'd support 02:00:25PM
5 compulsory advertising every time, but it has to be 02:00:32PM
6 everyone doing it, you know, and that gets the sector and 02:00:37PM
7 the participants in the sector used to the idea that 02:00:41PM
8 sometimes we move on, sometimes we go somewhere else. A 02:00:44PM
9 strange thing in local government is that very few people 02:00:51PM
10 from outside the sector want to be a local government CEO. 02:00:53PM
11 I'm not sure why exactly. So it makes, I think, some 02:01:01PM
12 local government CEOs feel like they have a job, they are 02:01:08PM
13 a CEO in local government and if they were to lose that 02:01:15PM
14 job they mightn't be successful getting another job as a 02:01:18PM
15 CEO in local government. I think they hold the jobs too 02:01:20PM
16 close, too precious. There needs to be a more robust 02:01:24PM
17 attitude, I think, and I don't know what we could do to 02:01:28PM
18 foster that. So it would have the dual effect of 02:01:31PM
19 supporting them speak their mind and being frank and 02:01:34PM
20 fearless and not kowtowing ever to dominant dodgy groups, 02:01:40PM
21 but the evidence shows us that those who've stuck up for 02:01:46PM
22 proper process and good practice when we've got dominant 02:01:49PM
23 dodgy groups haven't always fared well. It's not 02:01:52PM
24 appropriate to give the examples, but they're out there 02:01:57PM
25 and we know them. 02:02:01PM
26 Is there merit then in also tenure limits for councillors, in 02:02:02PM
27 your view?---Probably not, but I don't know. I don't 02:02:06PM
28 know. I haven't really considered the argument. Lousy 02:02:17PM
29 councillors usually stay lousy and good ones usually stay 02:02:21PM

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good. It's funny with CEOs. I've had councillors say to me as I've done some hiring, recruiting for small rural councils their CEO, and they'll argue about the term of the contract and I've had many of them say, 'Why don't we make it for three or four years, not five years, because if they're no good, then, you know, it's shorter,' which I just say, 'I wonder how long do you think three years of a bad CEO is?' That's a weird thing to say. It's Irish. It's an Irish joke.

DEPUTY COMMISSIONER: If I can draw you back to that relationship between the CEO and the council and we talked earlier about the complexity of the business and perhaps the skills and capabilities vested within the administration as opposed to the board, which is a different model from a corporate model. There's tension around conflicts of interest and advice. Poor behaviour within a councillor group can always cause tension, particularly when the CEO is expected to intervene but has no powers to intervene, so it becomes a relationship management issue. And then one of the other significant issues we understand is where there's that councillor contact with staff at lower levels and how that is managed, and I'm really interested in that last point about what the legislation says and what happens in practice and the tension that is created in that environment?---Yes, because - yes. Well, the legislation is in place, but to invoke the legislation first the staff member and then the bureaucracy around the staff member need to make an issue of it. I see a good improvement in

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the protocols around councillor/staff contact over the last five, 10 years, and the last election again I've seen improvement. I've seen small rurals having a clear protocol around who the councillors approach and so on and so forth. But we also know that there's lots of informality and the power imbalance, the power differential not well understood by all staff, no matter how often we do some training, means it's problematic.

I don't know what more we could do, except one of the rules I had which worked okay, but it's just a dumb rule, was that if we have a protocol which says councillors take matters up at a certain level in the organisation with directors or whoever they're allowed to speak with and then subsequently someone below that level complains that they were directed or influenced, improperly influenced by a councillor on a certain matter, then they were. In other words, if you've breached the protocol about who you're talking to, then you must support the junior officer who's lodged a complaint that they were influenced or directed by the councillor concerned, because the councillor has breached the protocol of speaking where they shouldn't.

Look, I don't know what else we can do. I don't know. I guess that's been in legislation for a decade and I'm unaware of a prosecution, improper influence or direction, and yet as we speak this afternoon somewhere in a Victorian council a councillor is lobbying an employee about something, probably.

It leads nicely into the next area that we'd like to explore

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and it seems to me that that contact with staff is generally someone who has a decision making function within the council, in the grants area or local laws or probably most problematic and most prolific would be in the planning space. So we're really interested in the contact or the role councillors have in the planning space, their contact with the administration, their meetings with potential proponents and planning staff and how that actually works in practice given the legislation that's around as well?---Yes, I agree. You know, conversations like - the conversation begins with the junior planner and the councillor around, 'Have we received any submissions about the apartment block in Smith Street,' and the planner telling the councillor, 'Yes, 21 objections have been made,' and then the councillor moves to phase 2 which is, 'Oh, yes, you'll get more of those, though. No-one's happy about this. We're all very upset about this apartment block because it's far too high and it's far too bulky and the traffic chaos that will be caused,' et cetera, et cetera. So, we move from a reasonable inquiry about a councillor wondering whether submissions are being made about a planning application, which is actually public knowledge, so a visit to the council office can have the councillor or any member of the public read all the submissions that have been made about a block of flats or whatever it is, through to an attempt to influence the planning officer's report or decision. Often it might be a report. I think it's the same issue. It's the same issue we've been talking about.

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It's improper. It needs the planning officer to stand up and say, 'I think the councillor was trying to influence me,' and we get some traction on doing something about it. What would normally happen in that circumstance is the planning officer would probably tell their boss what happened, the boss would tell me, and I'd have a chat with the councillor about how improper that was, like a warning.

MS HARRIS: Can I ask then what role, if any, you think councillors should play in the planning process?---Yes. I talked earlier about the governing process and the vision, the preferred future that a councillor seeks. The strategic planning task, that is the spatial vision, the spatial vision of the city, is an inherent part of a strategic vision, the preferred future, and so for me councillors have a fundamental role doing the strategic planning for their municipality; that is, the planning scheme. I have no doubt that that is an absolutely fundamental part of having a preferred future that they want to work towards, and yet Operation Sandon and other decisions over the past decade show that that's a highly, well, contentious piece of work. It can be, especially in the growth corridors.

However, the second most important role responsible authorities, councils, undertake is what is called the planning permit process. So the planning scheme sets the rules and the goals and the vision, and the planning permits establish development rights, all kinds of development. I'm uncertain that councillors have

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1 such a role - I don't think councillors need to play the 02:10:21PM
2 role as decision makers when it comes to planning permits. 02:10:26PM
3 The fundamental question to be asked in relation to a 02:10:29PM
4 planning permit is, 'Does this application meet the 02:10:33PM
5 requirements of the planning scheme?' That's the 02:10:36PM
6 fundamental question to be asked, and I'm not sure that's 02:10:40PM
7 always the dominant factor in the decision. 02:10:42PM
8 Who should be making that decision then in terms of 02:10:48PM
9 applications?---I think that's a hard question. I think 02:10:51PM
10 someone with expertise. I landed on the chief planning 02:10:56PM
11 officer with a bunch of checks and balances that would 02:11:05PM
12 need to be developed. That could include, you know, 02:11:09PM
13 I call them citizens juries. It might be citizens with an 02:11:14PM
14 expertise formed for the purposes of handling certain 02:11:18PM
15 applications and changed regularly, so it's just a 02:11:24PM
16 revolving sort of thing. I'm conscious of, you know, 02:11:28PM
17 power corrupts and all power corrupts absolutely. The 02:11:32PM
18 chief planning officer, that's one person. You know, I'm 02:11:35PM
19 going to take it off nine or 12 and put it in the hands of 02:11:38PM
20 one. You know, I get it. But I think we can develop some 02:11:41PM
21 checks and balances to make that work. And I do so 02:11:48PM
22 because if we're not answering the fundamental question, 02:11:53PM
23 'Does the development proposal meet the requirements of 02:11:57PM
24 the planning scheme,' if we're answering that - if we're 02:11:59PM
25 determining a permit application for other reasons, then 02:12:04PM
26 we're not doing our job. And, you know, it's frequent 02:12:07PM
27 where a developer wants - I'll use the sort of hackneyed 02:12:14PM
28 story around medium density development or high density 02:12:19PM
29 development. So the planning developer wants to build a 02:12:22PM

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big block of flats. The community is outraged and stare
down the camera lens in the local newspaper photograph of
unhappy residents, and there will always be traffic chaos
and overshadowing and something, and there are lots of
objections. Usually lots of submissions or objections
means the matter is referred to the council for a
decision. All councils have a threshold - not all, sorry,
I take that back, some don't. But most councils have a
threshold where if there's this much concern it should
come to the council for a decision. If there's lots of
people upset, it seems to me that sometimes the council
are influenced by the number of objectors who appear to be
upset. I read an article in one of the newspapers - one
of the daily metropolitan newspapers just yesterday which
summarised a planning application for medium density
housing in Camberwell - I think it was Camberwell; it
doesn't matter - and there was a quote by the planning
officer concerned who was assuring people all of their
objections would be carefully considered in relation to
the proposal, carefully considered, and then as a
throwaway line, 'And we'd also check that it was
development that was allowed under the planning scheme.'
The throwaway line was the planning scheme. The very
carefully constructed story was really around, 'Well,
we'll carefully consider everyone's objection to this.'
I think it misleads people, you know. Anyhow, that's a
different issue. Sorry, where was I?
Perhaps if I could ask you this. You say at page 9 of your
submission that too often councillors make decisions

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against the recommendation of council officers and in support of the position of objectors. How do you suggest transparency and accountability in relation to those decisions can be improved?---Well, I think the transparency's fine because it's almost always a public decision. That's the fun of it. The public, you know, they come out clapping. They come out winning - well, the public who are directly affected. So I think the evidence shows me that, when a council ignores the advice of the planner and takes a different decision in relation to land use, appeals to the higher court, to VCAT, subsequently show the chief planner to be correct, in inverted commas, or seemingly correct and the council decision to be incorrect. My most recent stint as an interim CEO in a rapidly growing Darebin City Council produced some information which I have to say the information was interesting and I'll share that with you, but you need the context. The context is always, you know, relevant. The context was that out of 1,200 or so permits in a year 1,150 or 70 or something were made by the chief planner. The less contentious ones; let's put it that way. But that's a lot of permits that get processed, and very few of those went to appeal, very few, and hardly any that went to appeal were overturned, the chief planner's decision was overturned. I think the data I was shown of the last 60 permits the council resolved, something to that effect, 20 of which took a different decision to the one recommended by the chief planner, 19 of those were overturned at VCAT. So 20 times we have taken a view -

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1 and this covered a few years, not just my eight months, 02:16:38PM
2 yes, which really is pretty amazing; 20 times the council 02:16:43PM
3 has taken a different view and 19 times VCAT supported the 02:16:47PM
4 chief planner's view. Of course the democratic process 02:16:50PM
5 here, the good governance practice, requires the council 02:16:54PM
6 to support the decision - the organisation to support the 02:16:57PM
7 decision of the council at VCAT in all the ways that you 02:17:01PM
8 can imagine. So the council trots off to VCAT with sound 02:17:05PM
9 arguments why the council decision should be upheld at 02:17:12PM
10 VCAT, and supports that with appropriate expertise and all 02:17:16PM
11 the rest of it. Having watched that for 20 years I'm 02:17:21PM
12 convinced that too many of those important, larger 02:17:28PM
13 development decisions, the decision has been taken not 02:17:33PM
14 asking the fundamental question about compliance with the 02:17:39PM
15 planning scheme but taking into account a much broader 02:17:41PM
16 range of issues, including how people feel about the 02:17:44PM
17 development in their suburb. 02:17:49PM
18 When council makes a decision against the recommendation of 02:17:51PM
19 council officers are they required to give reasons for 02:17:54PM
20 that decision?---Well, a planning decision they are 02:17:58PM
21 required to give reasons to the developer and the 02:18:02PM
22 objector - sorry, yes. So reasons - yes, and it's common 02:18:06PM
23 practice in the sector for the chief planning staff to 02:18:10PM
24 develop the alternative proposition for the councillors, 02:18:15PM
25 so that if they do take that view at least you've got half 02:18:20PM
26 a chance of sustaining the case for it at VCAT. The 02:18:23PM
27 reasons are fundamental to the decision to support your 02:18:31PM
28 VCAT case. 02:18:35PM
29 In other jurisdictions they have adopted a planning panel 02:18:37PM

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process that removes councillors from the decision making
in planning. Is this a good model, in your
view?---I think so, yes. And again it's not every
planning decision. There's still a heap of planning
decisions to be taken by the chief planner for all the
routine stuff. It's the tricky ones and it's where we
ought to bring as much expertise as we can to bear on the
decision and ensure projects comply with - and of course
this is a bit of a - my position on it is a bit of a
closed circle thing where this will only work better when
councillors spend more time on the strategic city plan.
So that often the plan seeks to protect special local
features or seeks to enhance and protect and enable the
city to grow and develop according to the vision or the
preferred future. That work takes many years. The
average planning scheme amendment would be somewhere
between two and five years, average, and it's full of
research and well-constructed argument to get it through
the state bureaucracy, which prefers to have all the
planning schemes a bit the same. So it doesn't want 29
different metropolitan planning schemes. It sort of wants
one. You've got to do a lot of hard work to get the
Minister for Planning and his group to say, 'Yes, this
represents a nice piece of work.' That's where the focus
should be. The better we do that - there are councils in
Victoria who are putting all their energy into strategic
planning and have delegated all of their planning permit
powers to the chief planner. I attended one of those
councils in the last month doing some induction work and

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the council told me they had handled about three permits
over their term, three or four was the number. They
couldn't really remember, which is a very good sign to not
know exactly because that's how few they are doing. They
have a good working relationship with the chief planner.
So there's dialogue around planning applications that
attract widespread public interest. There's conversation
around those matters. And occasionally they get the
matter before council, but more often - well, hardly ever
does that occur. The chief planner acts on those
controversial or large permit applications. This council
is not a rural sleepy hollow. This council has major
planning issues, some associated with climate change,
coastal erosion, land titles disappearing, a whole range
of interesting planning problems. So it can work. I know
as you say in other jurisdictions across Australia we have
got lots of models to look at. Yes, I think we should.
I am aware of the potential for inappropriate and corrupt
behaviour when we talk about strategic planning, rezonings
et cetera. I think a similar opportunity exists for
planning permit corruption in a more modest but incessant
sort of way.

Do you think the planning panels is an effective way of
mitigating the risk of corruption?---I think if it is
structured correctly, yes. In other words, you know,
you've got the same old councillor team in four-year
terms. Most of what I would regard as possible corrupt
activity in the planning permit space isn't foolproof in
that, you know, how many votes do you need. So it can

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play at the margins and be effective, and it can be subtle
and be effective. It doesn't have to be outright, you
know, horrible corruption. It can be minor sort of
corruption; I don't know if you would call it that.
Whatever. It can be very subtle, and it's about just
turning the odds one way or another. So I can't see that
- panels might be changed from time to time, the content;
the membership of the citizens juries can be varied with
new expertise; we can have a panel to choose from and
assemble panels; they can advise the chief planner; an
integrity officer would have a role if such a position
existed in the sector. I think there's ways we could do
better.

If I could ask about a different topic now and that's en bloc
voting as opposed to voting blocs?---Oh, I see.

Could you explain - and you touch on this in your paper - what
it is in terms of what en bloc voting is?---I'm not sure
I'll get the right definition with the right title, but
one of the en bloc voting is a bunch of unrelated matters
are adopted or agreed to with one motion.

Is that common practice within local council?---No, not common.

Does it cause you concern?---Yes. It's poor practice.

What is it about it that causes you concern?---A number of
things. The first thing would be what's the point of
adopting proposals without debate. There's no
transparency. Debate creates transparency. It creates
publicity. It creates stories. Increasingly people are
watching council meetings. The numbers aren't staggering.
But, you know, every week thousands of people in Victoria

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watch a council meeting; tens of thousands, I think. So not to have debate on matters is silly. And if we are not going to debate an issue, why is it a council meeting? Every council in Victoria has delegated to its chief executive officer every power contained in the Local Government Act that it can delegate. So if we've got things that don't need debate why is council signing off on them? Why is council adopting them? The other part - and, you know, council meetings are sort of the mountain top of local democracy. It's the peak event for local democracy. It's not enhanced by bloc voting or en bloc voting or whatever you want to call it. And the other thing that disturbs me is you can contaminate even that simple - it's usually used as a process to save time. That was how it began, and it was very common in the 70s and 80s when - well, when the business was transactional. So going back to my original comment, 'We've just got to get through the work, you know, a good meeting - a fast meeting is a good meeting,' that was the old rule, and just bang it through because it was all routine stuff; it was transactional. But what's contaminated that is a couple of items in what appears to be routine aren't routine. They have been deliberately placed in that situation to avoid scrutiny, to avoid attracting attention. So I don't see any place for - if information or reports are to be noted or agreed or adopted in holus-bolus, find another pathway because councils frankly haven't got time to talk about unimportant issues. Most

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councils meet in decision making mode on average for
25 hours a year. If we were to make a list of things they
should talk about once every year, discuss, debate once,
our list would have 200 topics on it which gives I think
I worked out once, it gives each councillor about
43 seconds to discuss that topic of, say, homelessness, or
the topic of social isolation, or the topic of home care
or age care. You know, so we haven't got time to put
silly items en bloc in a council agenda.

How do you suggest that that practice be addressed?---I think
the answer is education. I know that's a bit of a
soft - that's a bit of a soft toy, education. But people
just need more exposure to best practice. I think there's
been relatively little best practice work done across the
sector over the last 20 years, relatively little. And,
you know, LGV have done some. Certainly the old
inspectorate did work around - particularly around CEO
contracts. The MAV's done some. But I think we could do
a lot more.

COMMISSIONER: I thought you were suggesting, Mr Shanahan, that
some of this should be delegated to the senior
officer?---Yes, well, I am and it has been, you know. So
most of the dross that is adopted when we do bulk voting,
10 issues in one motion, the CEO has the power to settle
all those things anyhow. He or she has been delegated
that power. They should use it. I would say the number
of times CEOs in Victoria use delegated power would be
very small; very. If I remove procurement, it would be
tiny.

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1 I think we were told at Casey that matters were not the subject 02:29:09PM
2 of motions in the public chamber unless a councillor 02:29:16PM
3 indicated they wanted to debate a motion, otherwise it was 02:29:25PM
4 all signed, sealed and delivered before council met in 02:29:30PM
5 public?---Yes, and that's - well, that defies all good 02:29:35PM
6 governance procedures we could think of. I mean, I'm 02:29:40PM
7 constantly in my work telling councillors in particular 02:29:42PM
8 that the purpose of a council briefing is to enhance the 02:29:47PM
9 quality of debate at the council meeting. In fact boiled 02:29:50PM
10 down to its simplest notion that's the only purpose of a 02:29:55PM
11 briefing, to enhance the quality of debate through 02:29:59PM
12 accessing information, asking dumb questions, getting to 02:30:02PM
13 the bottom of certain things so that when we get to the 02:30:06PM
14 council meeting we have got an enhanced informed debate. 02:30:09PM
15 And through debate we get transparency. There are still 02:30:12PM
16 council, not so many, but there are still councils 02:30:15PM
17 using - well, not so many, how would I know; I won't say 02:30:21PM
18 that. There are councils who are making decisions behind 02:30:24PM
19 closed doors and formalising that decision in the council 02:30:28PM
20 meeting, and it would therefore be some kind of breach of 02:30:32PM
21 a protocol or an understanding that a councillor might not 02:30:36PM
22 want to formalise it. The best example was the most 02:30:43PM
23 recent mayoral elections. So we have got now references 02:30:47PM
24 to David Wolf's old workplace where they are investigating 02:30:50PM
25 mayors being determined on Sunday evening over a beer or 02:30:55PM
26 whatever, a cup of tea, and the process being formalised 02:31:00PM
27 usually unanimously at the council meeting the following 02:31:05PM
28 night. And we have had some pretty green councillors 02:31:09PM
29 admitting to this, actually putting it in a press release 02:31:13PM

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so that everyone now understands, 'Well, we really thrashed it out Sunday night at Mary's house, but it was unanimous when we got to the council meeting Monday. How about that? Isn't that good?' Well, it's not so good. We're still getting that kind of behaviour.

So if can I just ask you on a more controversial point the role of party politics in the election of councillors which in turn leads to some of the en bloc voting, what role do you see for party politics at local council level?---I see a full role for it, the complete role. Yes, I don't know how you legislate or regulate it out. So even when there's not party politics - in fact my experience is the politics of idiosyncratic groupings is more dangerous than the party politics, if you know what I mean. So, you know, if I think back in the sacked councils cases, some of them, yes, the sacked councils that I can recall that I had worked with, that I worked for and with, it was idiosyncratic personality groupings, not party politics. Party politics is sort of more predictable to a bureaucrat. So I don't know how you regulate it. I think it's being going on since whoever, since the Greeks, since old times. It's politics, like-minded people forming coalitions to get the results they think are in the interests of the community. So the problem is - there are problems, of course, of course. So a council of nine with a 5/4 majority sometimes gets decisions taken by three. So a 5/4 majority, a dominant group who caucus, three beats two, then three beats six - sorry, three beats two, then five beats four. So three beats six. Yes, three

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1 beats six. 02:33:43PM

2 I think it was Professor Ryan who made the point yesterday that 02:33:43PM

3 unless the agenda of the party is understood, in other 02:33:51PM

4 words unless for the purpose of an election the party 02:34:02PM

5 makes clear what its agenda is in relation to the local 02:34:04PM

6 area, it's hard to understand what the value added is. 02:34:08PM

7 I mean, how common is your experience that that agenda is 02:34:17PM

8 made clear for the purpose of election?---Yes, that's an 02:34:20PM

9 interesting question because for the last 20 years, say, 02:34:25PM

10 maybe longer, the Labor Party, for example, in Victoria 02:34:32PM

11 did not endorse candidates. They were unendorsed. And in 02:34:36PM

12 fact longstanding Labor Party members who ran for council 02:34:42PM

13 where I worked often didn't disclose their membership of 02:34:46PM

14 the party and would much prefer to disclose presidency of 02:34:51PM

15 a local football club or junior sporting team. That's 02:34:55PM

16 changed at the last election. So we've had endorsements 02:34:59PM

17 for the first time in 25 years. My argument would be they 02:35:03PM

18 should have always endorsed candidates with a platform. 02:35:06PM

19 They should have done some of the voters' job for them by 02:35:11PM

20 saying, 'We've scoured our branch and here are the best 02:35:15PM

21 Labor candidates.' Conservative parties have seldom 02:35:18PM

22 endorsed candidates. I don't recall. And which party has 02:35:23PM

23 made - which political party has made the most gains in 02:35:27PM

24 the meantime has been the party that always throughout the 02:35:32PM

25 whole 25 years endorsed candidates, and that's the 02:35:35PM

26 Australian Greens. And the Greens platform to a large 02:35:38PM

27 degree is well understood by the community. So I think in 02:35:42PM

28 particular the Labor Party should return to its former 02:35:48PM

29 days of outlining an agenda, having policy positions on 02:35:52PM

1 some of the important issues and being very open about 02:35:58PM
2 their endorsed candidates. I think that would give 02:36:00PM
3 punters a proper choice or a bit of a choice, because 02:36:04PM
4 I don't think - well, all of my experience is anecdotal, 02:36:08PM
5 so I'm not basing it on any evidence, but I don't think 02:36:16PM
6 we've ever been more disengaged as voters. 02:36:20PM
7 I see the time. I just want to come back to a question I asked 02:36:27PM
8 you earlier. You caused me to go back and look at the 02:36:30PM
9 legislative regime, Mr Shanahan. So the position was, 02:36:34PM
10 until the most recent amendments, that if a councillor 02:36:38PM
11 declared the nature of their conflict of interest to the 02:36:45PM
12 CEO in private they did not have to disclose it to the 02:36:48PM
13 councillors. So, in other words, all they told - and 02:36:54PM
14 that's been the regime for a long time, 02:36:59PM
15 Mr Shanahan?---I haven't worked - - - 02:37:06PM
16 I just wondered what the rationale for that would be, that it's 02:37:09PM
17 okay to tell the CEO but not the councillors?---Well, it's 02:37:12PM
18 a question I think you're framing with a bit of a position 02:37:18PM
19 there because I agree; it's silly. But the whole point of 02:37:22PM
20 disclosing the nature of your conflict is so your 02:37:26PM
21 colleagues understand exactly what's going on, and that 02:37:30PM
22 would lead to a more discriminatory view by your 02:37:33PM
23 colleagues about whether they should chat to you about it. 02:37:36PM
24 You know, if it's your third cousin - it's your seventh 02:37:39PM
25 daughter's partner block of land next door, okay, we sort 02:37:45PM
26 of get it. Who would worry? You would probably have a 02:37:49PM
27 chat. But if it is about other things, well, you wouldn't 02:37:52PM
28 have a chat. So I think the disclosure should 02:37:54PM
29 be - I think in my submission I said we should be learning 02:37:57PM

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more not less about people who have a conflict, and I say that with respect to everyone's privacy. But you're in public office, and integrity is on the wane, as it were, and we need to swing that back around the other way.

MS HARRIS: On that point of conflict of interest, Mr Shanahan, there is a question from the public in relation to that that fits squarely in your area of expertise and experience, and the question is: would a requirement that councillors provide a written declaration of any conflict of interest at every meeting, whether a council meeting, portfolio meeting or briefing, promote integrity by increasing consistency of information provided?---Yes, that's possible. Yes, I would say that would improve integrity. The fact you had to do it in writing would give people pause for not proceeding with the nature of the conflicts for each as well as declaring the conflict. So my experience is councillors more often than not - and I say this having regard to sort of two groups of councillors, one who just want to do the right thing and one who might not want to do the right thing - but more often than not councillors declare the conflict and leave the conversation or the vote. That's been my experience. So it would make it very simple that if you make people put it in writing they are much more likely to completely comply with the requirements of the Act.

DEPUTY COMMISSIONER: One of the challenges there of course is those who are predisposed to corrupt conduct aren't going to write it down or notify anyone, and I go back to the issue around the conflicts of interest in planning matters

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and taking your point that if councillors are working on the business and not in the business so therefore not making those decisions then it mitigates the conflict of interest risk?--Absolutely. And I think the other - which I understand from my little bit of reading I have been able to do about your work over the last few months the other major issue which is not really related but somewhat related is all the incentives that the growth suburbs rezoning matters provide for inappropriate or corrupt behaviour. The numbers reported in Operation Sandon at your inquiry are staggeringly big numbers. That shouldn't be the case. I think we're miles behind in Victoria on a proper conversation around a betterment tax, a value capture tax, a betterment tax, and/or developer contributions. The sector's been promised a sort of formula rule of thumb set of developer contributions for greenfields development for 25 years, and so most councils keep putting off doing their own highly complex developer contribution scheme, which is usually three or four years work and an incredible guess about future demands on capital works, capital projects in an area, and a complex way of collecting the developer contributions have put it off in the hope of a formula, that is just a standard charge, a charge, a tax, a tax, and we still don't have a tax. I think for the whole 20 years New South Wales had that tax, the developer contribution tax. And so what most of the sector runs around doing - most, yes, perhaps most or half or nearly half - is reaching agreements with developers about contributions for infrastructure

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associated with greenfields development. But both a benefit tax and proper developer contributions would remove a great deal of the incentive from greenfields development inappropriate or corrupt behaviour.

MS HARRIS: Thank you, Mr Shanahan. I don't have any further questions, Commissioner.

COMMISSIONER: Very good. Mr Wolf? Mr Shanahan, thank you very much for your participation this afternoon. Your experience has added a bit of flesh, I think, to the bone. A lot of the time we can get caught up with arid principles and theories, and hearing of your experience and how it actually plays out in the local council domain has been very helpful. So I thank you very much for your attendance and your contribution. So I think that concludes the public forums and I'm pleased to say that concludes our examinations this year. So thank you. Thank you, Ms Harris. Thank you, Mr Wolf. And again I'm grateful for your contribution, Mr Shanahan.

WITNESS: My pleasure. Thank you.

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