

2 January 2024

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Minister Local Government  
Level 5, 4 Salamanca Place  
HOBART TAS 7000

Email: [nic.street@dpac.tas.gov.au](mailto:nic.street@dpac.tas.gov.au)

Dear Minister,

**RE: PROPOSED MANAGING CONFLICTS OF INTEREST OF COUNCILLORS – CENTRAL COAST COUNCIL SUBMISSION**

Central Coast Council (CCC) applauds the government in its attempts to build a more robust and modern local government sector through the recently released discussion paper titled *'Managing conflicts of interest of councillors – framework'*.

The proposed framework brings local government in Tasmania closer to other states. It does however, in our view, bring an overly heavy handed and unnecessary approach to what is not an industry issue rather, seeks to address the poor behavior of some.

Our new Chief Executive Officer (General Manager) has been a local government CEO/GM in New South Wales, Queensland and now Tasmania, and consequently has been able to appreciate the concerns of our councillors while also recognising the need and resulting actions from a strong governance framework.

Culture.

The culture of an organisation has been proven to add or detract from the bottom line. High profile successes and failures – GE, Enron and most recently PwC, are examples and have been attributed to culture. Culture is what is created from the messages that are received about how people are expected to behave. Culture is created and sustained by people, their values, needs, aspirations fears and behaviours. Dealing with people's emotions is never a linear process. Many local governments across Australia focus culture work on staff, failing to recognise the criticality of councillors on culture. Councils where councillors as a group either behave poorly, lack unity of values and are not a part of organisational cultural development programs in our experience will more likely become less cohesive and

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spend more time fighting than doing. This reflects poorly on staff, who tend to exemplify the modus operandi as set by those at the top, including councillors.

Our comments specifically related to discussion paper.

1. Page 7 of 24, item 5. *"In certain circumstances, it may be appropriate for the Council to overturn a councillor's decision to participate."* We feel that each councillor is entitled to express their views in the context of an agreed set of values. It would be culturally damaging to then alienate a councillor by either the chairperson (Mayor) or council deciding to muzzle a fellow councillor. This is also reflected on page 14, under *'Perceived and potential conflicts of interest'*, and until the Minister introduces guidelines on how assessments and judgements are made, and by whom (Mayor, CEO/GM, Council), the 'flexibility' or 'reasonable judgement' becomes quite subjective.
2. Page 15 of 24. Personal Interest Returns. It is stated here that *"Tasmania is the only jurisdiction that does not require councillors to lodge Personal Interest Return (PIR) that discloses and records interests held by councillors in property, corporations and business partnerships, membership of organisations, as well as sources of income."* The discussion paper then goes on to state *"It helps to ensure transparency and reduce conflicts of interest."* We note that such provisions, as you have stated existing in other states has failed to address the issue. Ipswich City Council and Logan City Council in Queensland, where recently Councillors were dismissed and a CEO jailed for five years (suspended after 20 months), along with the entire Wollongong City Council being dismissed in New South Wales for similar reasons and more recently in the same state Central Coast Council's very poor culture exhibited by the divide culturally between staff and councilors led to the dismissal of 13 councillors. One could argue that a similar cultural divide existed at Logan Cit Council given the then Mayor was found to have deliberately not disclosed to the CEO a matter of interest within the required reporting period of 30 days.

Within the proposed framework there is reference (page 15) to type of interest that must be disclosed in the PIR based on the *Registration of Members' Interests applied to Members of the Federal House of Representatives*. It is our understanding that the proposed *'Managing conflicts of interest of councillors – framework'* is significantly more onerous and invasive than that of our federal colleagues.

Furthermore, Central Coast Council believes the publication of private information of councillors on Councils webpage, open for anyone in the world to see is a heavy-handed position to take when jurisdictions such as NSW are not made public. If Councillors are to be required to disclose in PIR's personal



information such as bank holdings, land interests and so on, this information should be collected by the Chief Executive Officer/General Manager only and held and managed by them confidentially.

#### General

As previously stated, we welcome the focus on stronger governance, however, suggest there ought to be a parallel process in terms of setting punitive actions arising any breach. At the moment there is little to no strength in terms of penalties to councillors behaving badly in the local government act, whereas there exist multiple pieces of legislation in terms of penalties for staff behaving poorly. As such, strengthening the provisions in the local government act to provide greater accountability to all councillors is required.

We note the CEO Ipswich City Council was found guilty of corruption charges and jailed – we assume should the state seek to continue along this framework that senior executives – as they are required in other states – will also be required to undertake annual PIR's? If so, what provisions are envisaged to manage that process?

The proposed framework entails significantly more governance management, and we would anticipate the work of one full time senior employee. Tasmania's Central Coast Council has produced five annual budget deficits in a row, and while we are working tirelessly to reduce and improve where we can, we would anticipate that the state would fund the provision of a dedicated resource for each council.

Recognising the limitations of the local government act and various codes of conduct, Central Coast Council undertook a number of workshops under the leadership of our new CEO and Mayor to collectively and unanimously agree on a set of guiding values. Values that have input from each councillor and values that reflect the manner in which we will treat each other, our staff and our roles as elected leaders of our community. Values that are not the sole prerogative or duty of the Mayor, rather they set out how each of our councillors will behave and be held collectively accountable by other councillors, not just the Mayor. Perhaps consideration could be given to councils being required to adopt and apply organisational values to councillors, based on the six guiding principles, as set out on page nine of the proposed framework to "*encourage a culture of ethical behavior*". These then would logically require appropriate penalties for any breaches, yet we would anticipate a smaller number of breaches given the process to establish what values and their corresponding behavior, is at the prerogative of each council, and all councillors.

We would welcome the opportunity to discuss in person our views, concerns and suggestions and I can be contacted on 0458 888 040 or by email [cheryl.fuller@centralcoast.tas.gov.au](mailto:cheryl.fuller@centralcoast.tas.gov.au)

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Cheryl Fuller'. The signature is fluid and cursive, with a large loop at the beginning and a trailing flourish at the end.

Cr Cheryl Fuller  
MAYOR