

## ECONOMICS AND GOVERNANCE SUBCOMMITTEE

#### **Members present:**

Mr LP Power MP (Chair) Mr ST O'Connor MP Ms KE Richards MP

#### Staff present:

Ms T Struber (Acting Committee Secretary)
Ms M Salisbury (Assistant Committee Secretary)

# PUBLIC HEARING—INQUIRY INTO THE DRAFT LOCAL GOVERNMENT (DISSOLUTION OF IPSWICH CITY COUNCIL) BILL 2018

TRANSCRIPT OF PROCEEDINGS

MONDAY, 30 JULY 2018 lpswich

### **MONDAY, 20 JULY 2018**

#### The subcommittee met at 9.00 am

**CHAIR:** Good morning. I declare open the Economics and Governance Committee's public hearing for the committee's inquiry into the draft Local Government (Dissolution of Ipswich City Council) Bill 2018. I would like to acknowledge the Jagera people on the land on which we meet. My name is Linus Power. I am the member for Logan and chair of the committee. We have a subcommittee for the purposes of this hearing. With me here this morning are Sam O'Connor, the member for Bonney, and Kim Richards, the member for Redlands.

On 17 July 2018, in accordance with section 92(1)(d) of the Parliament of Queensland Act 2001, the committee resolved to conduct an inquiry into the draft of the Local Government (Dissolution of Ipswich City Council) Bill 2018. The purpose of this hearing is to hear evidence from stakeholders to assist the committee with its inquiry. This hearing is a proceeding of the Queensland parliament and is subject to the standing rules and orders of the parliament. Any person may be excluded from the hearing at my discretion or by order of the committee.

The hearing is being recorded and media is present. Any media will be subject to my direction. The media rules are available from the committee staff if required. All of those present should note that it is possible that you might be filmed or photographed during these proceedings. I ask everyone to turn off their mobile phones or switch them to silent. Only the committee and invited witnesses may participate in the hearing. Witnesses are not required to give evidence under oath, but I remind witnesses that intentionally misleading the committee is a serious offence.

The inquiry that is being undertaken by the committee has come as a response to the matters uncovered, many of which have resulted in criminal charges now pending before the courts. The Legislative Assembly and its committee recognise that matters that are waiting or are under adjudication in all courts that exercise a criminal jurisdiction should not be referred to from the moment the charge is made against the person until the matter is resolved in the courts. All witnesses and members of the committee, therefore, are reminded not to take matters before the criminal courts in their evidence. The rule does not apply to civil actions before the court.

#### WENDT, Mr Wayne, Acting Mayor, Ipswich City Council

**CHAIR:** Good morning. I invite you to make a short opening statement, after which the committee members may have some questions for you.

**Mayor Wendt:** Good morning, Chair and members of the Economics and Governance Committee. Can I begin by acknowledging the traditional owners of the land on which this event takes place this morning and pay my respects to elders past, present and emerging. I would like to thank the committee for allowing me this opportunity to address you personally this morning. I want to point out that during this entire process I have tried to maintain a respectful and professional approach over the past few months. Given the limitations of time, I will briefly outline where we have been, where we are now and the deep concerns that I, our council, the legal profession and our community hold regarding this draft bill.

As my previous submissions have outlined, I have been in the role of Acting Mayor of Ipswich since 3 May this year, the Deputy Mayor since December last year and a councillor for division 5 within the City of Ipswich since March 2016. In recent times, the actions initiated by the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs, Stirling Hinchliffe, are, in my view, politically self-serving, cavalier in nature and legally reckless in practice. It is well known now that the elected representatives of Ipswich have been served with two show-cause notices under varying legislation that changed to include a public interest test. This was challenged in the Supreme Court, with the minister agreeing not to proceed until the court had its say. Based on our advice, the minister, faced with a strong legal case, withdrew and today, here and now, we find ourselves in front of this committee discussing an unprecedented abuse of parliamentary process and an outright denial of equality under the Queensland law. It is ironic and, sadly, almost comical that even those who have been charged in connection to the investigation to date have been afforded more rights under the law than the innocent elected representatives of the city of Ipswich that I lead.

Ipswich - 1 - 30 Jul 2018

Furthermore, I feel that to judge current councillors based on existing evidence is no different from the Gordon Nuttall and Merri Rose situations. I am sure you would not be aware, but I was a member of the parliament at that stage and I sat on that side of the table when those two ex-ministers were charged, convicted and given jail terms for their crimes. The funny thing is that, at that time, during those dark and unpleasant experiences and days I do not ever recall there being a desire for any other members of the parliament to resign or be dismissed. However, it would have been interesting to see the result of a public interest test had there been one in place at that time.

Having said that, the ramifications of this legislation go far beyond councils and councillors' employment status; it is now far more serious. The bill we are discussing today is one that deprives and undermines the principles of natural justice and rocks the very foundation of our legal and parliamentary systems. It is a desperate political agenda designed to rewrite Queensland's laws before any of the matters before the courts have been tested before a jury properly instructed by a judge. Further still, the investigation by the CCC is ongoing, with a proposed report and its findings still to be released, yet the minister has taken it upon himself to act as judge, jury and executioner before natural justice can even have a remote chance of being afforded.

By its own admission, this bill denies the most directly affected individuals an opportunity for procedural fairness and, therefore, it is no surprise that so many stakeholders across Queensland, including our council, other councils and senior figures in the legal fraternity, are concerned. Additionally, as reported widely in the media, there is the perception that the minister himself has taken direct guidance from the CCC via private briefings that are not available to other MPs or the opposition, prompting concerns from within the Queensland legal community and other local government authorities about the potential abuse of the parliamentary process and the separation of powers. The minister himself is quoted as saying on ABC Radio of 11 July –

I am acting on the advice that I have had from the chair of the CCC. The chair of the CCC wants me to take this action. I have been speaking to him about this matter.

This subsequently forced the chair of the CCC to release a rare statement of clarification in which, while acknowledging that the council will be dismissed, he fell short of supporting the drafting of any specific laws to sack the elected representatives of Ipswich City Council. Since then, at the recent estimates hearing, Alan MacSporran QC has advised that it was a matter for the government. Again, take a moment to consider that all of these steps had been taken prior to any judgements being handed down for matters currently before the courts.

While these unorthodox interactions between the minister and the CCC have raised deep concerns, the bill will also see the people of Ipswich lose their elected representatives, their voice in local government. Under the proposed lengthy administration period, I have no doubt that this will be of significant detriment to our residents, who will be forced to deal with a non-elected entity who reports solely to the state government and not them. Democracy for the people of Ipswich is not a right that anyone should be able to take away—not for a day, not for a month and certainly not for over a year.

Again, I urge everyone here today, regardless of party lines, to carefully consider the agenda behind this bill, the impact that it will have on innocent individuals and the ramifications for our democracy and, most significantly, the residents of Ipswich. Fundamentally, this bill sets a dangerous precedent of allowing a minister of the Crown to apply guilt by legislation. I welcome any questions that you may have. I would like to thank the committee for your time this morning.

**CHAIR:** Thank you very much, Acting Mayor. I have a few questions for you. You understand—and I hope the public understand—that local government in Queensland is set up and created by the Local Government Act.

Mayor Wendt: That is correct.

**CHAIR:** In that way, the analogy that you have drawn about your time in the state parliament and the role of local government is very different in that the councils of Queensland are set up under an act of the state parliament. Would that be fair to say?

**Mayor Wendt:** That is entirely true, yes. There is no constitutional recognition of councils and I do not see that coming in the future. I have heard that comment said many times—that councils are a creature of state government. I think that downplays the importance of councils, to be honest. Having been on both sides of the table here, I can say that I have much more enjoyed this side of the fence, based on the fact that your opportunity to deal with local complaints and issues can be resolved much more quickly. Yes, it is no doubt that what you have said is correct.

lpswich - 2 - 30 Jul 2018

**CHAIR:** Thank you. I certainly did not wish to downplay the role of councils. I think they are a very important part of Queensland. Within the Local Government Act there is the capacity for councils to be dismissed. That was true of the Local Government Act and has been standing for some time; would that not be true?

Mayor Wendt: That is correct.

**CHAIR:** If a council were dismissed, it did not necessarily imply any sense of guilt on individual councillors under the act. There is no test that all councillors have to be guilty of some action for them to be dismissed in any version of the act?

**Mayor Wendt:** I am surprised at what you are saying. This is exactly our argument that we are using.

**CHAIR:** One of the reasons I put these forward is for you to be able to put your views forward on these ideas and concepts. I am putting questions to allow you to put forward your views.

**Mayor Wendt:** Of course. The analogy that you have drawn is quite true. I find it not only unfair but also unjust that the existing legislation—and if we take a couple of steps back, our council was provided with a show-cause notice back on 3 May, I believe, which provided a number of details about things that the minister at that stage considered to be concerning with the council. I have it here that he sought to remove the Ipswich City Council by advising that we were incapable of performing our responsibilities, that we had seriously and continuously breached local government principles, that we were not providing high-quality leadership, and a couple of other things. We provided a response to the minister in regard to those issues which states quite categorically that those things were not true and that we were able to demonstrate quite clearly that, in fact, we are able to do all of those things.

Using your argument with regard to legislation, the minister then decided that, morally and legally, he couldn't dismiss a council based on the evidence that we had provided. He provided us with a second show-cause notice on 29 June which had similar concerns but then also introduced the public interest test. Again, we are in the process of responding. By the way, we were given only nine days—six or seven business days—in regard to that particular show-cause notice. We are in the process of developing a response in which, again, we were quite categorically, 100 per cent sure that we were able to provide the minister with clear evidence that we could answer that public interest test. Our advice was at that stage that we were going to have insufficient time to provide that response. Hence we sought some action by the Supreme Court to allow us to challenge the veracity of those particular allegations. Hence that is where we have found ourselves to this very point today.

Now, it would seem from our perspective that the minister has had two goes at trying to show cause why we should be dismissed. On both occasions we were prepared to provide a response. We find now that the minister has changed the rules and said, 'Okay. I can't dismiss you under those guidelines.' You have to realise that this council is one of the most financially sustainable councils in Queensland. This council has, in my response to you that you may have read, over two or three pages of awards it has won in only the last two years. This council has one of the highest growth rates not only in Queensland but also in Australia. The number of things that are occurring out here set up this council as a model. There are aspects of this council that the previous mayor, Andrew Antoniolli, and I were in the process of trying to work through, particularly in relation to company structures and those things. I must admit, I think it was worthwhile us reviewing those. Councillor Antoniolli was elected on a platform of transparency and accountability. Part of that was the process of introducing 19 new governance aspects that he was going to implement, and I can say that they were all implemented.

In addition, we also had Gary Keller from Reinforcements Management Consulting, who was the acting CEO for some time. He provided us with a governance review prior to Andrew Antoniolli being elected. All of those aspects were implemented. Four of the five companies are in the process of being wound up. If anybody knows how long it takes to wind up a company, they know it can take six to 12 months and we have been doing that for the last six months. The last company that has remained, ICP—the previous mayor had already given an undertaking that that particular company would not be wound up until the completion of the CBD development project. There are a number of things that we have been doing in that period of time.

**Mr O'CONNOR:** I think it is helpful to remind all of our witnesses at the outset that you do enjoy parliamentary privilege. As you would have noted, there is no appeal right in the bill. Other than your written submissions, I guess this is essentially it. This is the only opportunity to put your case forward. Mr Mayor, do you have particular issue with that lack of appeal right within the bill that is coming up?

Ipswich - 3 - 30 Jul 2018

Mayor Wendt: I am not a lawyer, but from what I understand this is unprecedented, so to say I have a problem with it is an understatement. Everybody knows I joined the Labor Party in the late eighties after Fitzgerald, based on what I saw had been a period of mistrust with our governments, unfairness by our governments and a number of actions like that. Over 25 years ago I made the decision to put my hand up and stick with what I thought was my conscience, being fair and transparent, in making sure that, if I ever decided, I would be in a position where I could help people in my own community. To see a bill like this, which has extraordinary and unprecedented powers—you will hear more about that, of course, and you have seen some of the submissions already—really makes me question my faith and beliefs.

**Mr O'CONNOR:** Those issues with governance that got you into politics: have you seen any of that within the council, just getting back to the reasoning for this bill?

**Mayor Wendt:** That is a very good question. I joined just over two years ago. Can I say that I have used every opportunity in that period to tell people how good an organisation I believed it was. These allegations and these charges, which have come up in the last 12 months particularly, I think it is fair to say from my perspective came out of the blue. I worked closely with Paul Pisasale, as councillors do. It is funny, though, as councillors are unlike parliamentarians, where you will meet 15, 16 or 17 times a year in parliament from Monday through to Friday. You spend nearly a week together, eat together, sleep in the same building and go to meetings all day, every day. Council is quite different. I found it quite strange in that we only actually meet as a group probably four times a month, at most. They are all out in their divisions doing their own thing. We do not see as much of each other as parliamentarians do, which I found quite strange. That makes it easier for people, particularly with influence, to be able to do some things that you might not be aware of.

I found it quite odd, and I certainly had no appreciation of what had occurred by either the mayor or those charged—that is, the previous mayor, Paul Pisasale. I assume that is what you are talking about. I saw no evidence of those things, because councillors are not in the building together on a regular basis. Having said that, you also have to understand the powers that the CCC used over a very extended period to gain that evidence, through recordings, phone tappings and a number of other things.

Mr O'CONNOR: You saw no inappropriate conduct—

Mayor Wendt: No and my reputation—I have a very—

**CHAIR:** The member for Bonney's question is possibly leading down the line of asking about the evidentiary basis of the issues that are before the criminal courts. I caution the member for Bonney and also the mayor. It is difficult to ask and answer these questions with the parliamentary rules about sub judice. Member for Bonney?

Mr O'CONNOR: Please continue.

Mayor Wendt: I was just going to say-

**CHAIR:** Sorry: asking whether somebody has witnessed actions actually leads to those issues. I rule the question out of order, if I was not making that clear. Can you ask another question, member for Bonney.

Mr O'CONNOR: Do you expect to be the subject of any charges?

**Mayor Wendt:** Myself? No; 100 per cent no. I have lived in this city all of my life. I have had an extended career in a number of areas. As I was about to say before, my reputation is one of the things that I hold dearest in regard to my city. I love this city and I have done a lot of work in this city for various areas. No. I think you would find the same with the other councillors. That is probably one of the tragedies of this whole situation, that my reputation is possibly sullied by this, but that is why we are here today.

**CHAIR:** Acting Mayor, reading through your submission and also from your evidence here today, you seem to state that you have a lot of confidence in the governance and processes of the Ipswich City Council. I will put the question for you to answer: were you shocked about the level and depth of the allegations that were made against council?

**Mayor Wendt:** You are talking about the charges, I assume? I do not really have any—my view is that the charges—

CHAIR: I guess you have to step very carefully and I may have—

Ipswich - 4 - 30 Jul 2018

**Mayor Wendt:** Yes. One of the travesties here is: if one, two or three of those who currently have charges are found not guilty, how does that leave this whole situation? The lightning rod for this particular piece of action was the previous mayor, Andrew Antoniolli, being charged on 3 May. The minister went very hard that night on TV, and the Premier did the following day, saying that this has to stop. My view is that that made it extremely hard to work back any other possible options.

I actually went to the minister. I wrote to the minister on 30 May. I assume you have that document, which was a mediation opportunity where the council resolved that we would cease to undertake our decision-making roles for a period of between three and six months and that we would continue to carry out our normal day-to-day duties but we would also then ask for an adviser—exactly what this current situation is—to come in for a period to do, if you want to call it, forensic audit or review or analyse the council operations. If after three or six months it was found that there were some anomalies, the councillors were happy to walk away.

**CHAIR:** To that effect, you are suggesting that section 123(2), that there be a suspension, would be a more appropriate process under the act?

**Mayor Wendt:** A suspension I think entails—that is probably not what I was saying, no. A suspension, I believe, would say that councillors are removed from their roles entirely. My fear, and the fear that I think you will hear from other councillors and members of the community that I talk to, is that people will have no ability to speak to or seek support from anyone or have someone to advocate on their behalf. Our proposal was about having councillors return to their offices—not meet, just do their constituency duties, which is representation and passing those things through to a mayor with an adviser. After that, an adviser has three to six months to determine, 'Hey look, this is actually pretty clean.'

CHAIR: Would that have required the parliament to put forward new legislation?

Mayor Wendt: No. That could all have been handled under the current legislation.

CHAIR: In that case, the council would voluntarily not meet?

**Mayor Wendt:** That is correct, yes. We had that quite categorically all written out on 30 May. I am prepared to provide this to you.

**CHAIR:** There would be no administrator, so it would not be under that section of the act. There would just be someone appointed to review—

**Mayor Wendt:** An adviser. We did not use the word 'administrator'. We used the word 'adviser' or a number of advisers. I am an accountant and auditor by trade, so an adviser and administrator are pretty much the same things in some regards. This seemed to be an opportunity for the minister to obtain 100 per cent guaranteed satisfaction that either things are not what they should be or things are what they should be. It then does not allow our community to be without a council for over 18 months.

**CHAIR:** A council, in that case, that would voluntarily choose not to meet to put anything or make any changes, even if there were urgent issues that evolved in council?

**Mayor Wendt:** Point 1 says, however, practical details may need an appropriate regulation to be able to work through to ensure that all statutory decision-making responsibilities under the Local Government Act are complied with, for example, approval to not hold monthly meetings. We could move a resolution, which would mean you would not hold monthly meetings. Matters mandated by the act to be decided by only resolutions of the council—so there is a way that you can get around that—and other matters dealt with under delegation should not be affected. I think there was a mediated possibility here. I really do. I am surprised it was not taken up. I think it would have been the best outcome for everybody concerned. It would also provide the opportunity for certain charges to be heard, maybe as early as September. Again, if it proves to be not guilty or no charges stand up, that just indicates that this is going a very bad way. It really is going down a bad way. The mediated outcome is something that we would certainly be pushing and have pushed for a long time.

**CHAIR:** Obviously, you were a state member of parliament when the Local Government Act was looked at. The ability for the state government to suspend or dissolve local governments was part of that act at that stage, although changes have been made, I acknowledge.

Mayor Wendt: Yes.

**CHAIR:** You obviously acknowledge that under some circumstances ministers should take the decision to recommend to the parliament that a council be dissolved, but your argument is not in the case of Ipswich now?

Ipswich - 5 - 30 Jul 2018

**Mayor Wendt:** In the appropriate circumstances where there is evidence to prove—exactly as the legislation says—the council is doing the wrong thing. The minister did show us that. He provided us with a show-cause notice exactly under that legislation, to say, 'I am thinking about dismissing you under this legislation, based on these things.' We provided a detailed submission. It is 150 pages. We said, 'In fact, these are incorrect. These are all the things we have done. These are all the awards we have received.' It is categorically stated that the legislation does not stand up. The minister then had to reinforce the legislation with a show-cause notice. Again, we were in the process of showing that this is not correct. We were able to do all these things. As I said, the very first day this occurred the minister went very hard on TV and made it extremely difficult for him to walk it back. I know the man personally. He is a good man. I am so disappointed that we have got to this situation whereas a mediated outcome could suit everybody.

**Ms RICHARDS:** Thank you for your presentation, Mayor. In reviewing the CCC's submission, it points to, in the last pieces, that have been some systemic failures within the governance and framework of council. Their own very report commissioned by Gary Keller outlines 19 actions and a total of 26 recommendations, I would like your observations on the relationship between what the CCC is saying and what you as a council have identified in terms of those systemic issues.

Mayor Wendt: That is a great question. I am glad you asked it, because that relates to things that happened 12 months ago or more. The day Mayor Andrew Antoniolli came in, or a couple of days later, he was handed a document by Gary Keller. It was the governance review. That was done during the mayoral by-election period. That was done by our previous CEO. He had that prepared. There was an ability for us—we had a document to go forward from Andrew Antoniolli: this is what we need to do and these are a number of governance recommendations. Andrew Antoniolli also came in with his list of 19 recommendations, which included shutting the company down, improving our council's code of conduct, getting independent members on boards, which we have done as well. There was a whole suite of things. A lot of the things we are talking about and the things that the CCC is talking about are prior to this. That is what needs to be understood. The only issue that I understand has happened since the mayor came in is that they have talked about a particular aspect which is before the courts. All of that other stuff has happened beforehand. We have made enormous changes. This is stuff I have been involved in all my life. We have made enormous changes in the last nine to 10 months.

**Ms RICHARDS:** Within those actions, there are some substantial pieces of work required to actually call them completed in their process, on my observation. I would be interested to understand how the Ipswich City Council plans to take forward the compliance of monitoring the outcomes and the performance of those actions as suggested.

**Mayor Wendt:** If we are talking about the same documents, particularly the document by Gary Keller's company, which is Reinforcements Management Consulting, my understanding is that it would be either all completed or mostly completed. Mayor Andrew Antoniolli's 19 recommendations that he wanted to come in as his mandate, again, have all been completed, to my understanding. We have done a lot of that work already. I challenge the CCC to find where we are not doing those things now or things that are yet to be completed. From my experience, this organisation has come a very long way.

**Ms RICHARDS:** I do not think there was anything yet to be completed on that report; it is stating that those 19 actions have been completed?

**Mayor Wendt:** Have? That is right, yes. As I said, we have come a very long way. That is why I think we are getting into a situation where we are throwing the baby out with the bathwater.

**Ms RICHARDS:** Has a plan been developed on how you intend to monitor? Given that these issues are systemic in terms of council governance, what is the plan moving forward?

**Mayor Wendt:** We have appointed a new CEO, Sean Madigan, ex-detective, who has been with the organisation only a couple of years. That was an enormous step forward. The gentleman who sits behind me to my right was extremely well versed in governance and he has already made it his credo to ensure that everything in those documents, and more, is actually being done.

It is fair to say that in the last eight or nine months, but particularly in the last three or four since the charges to Andrew, it has been difficult to get any real traction because of the media coverage regularly. There is a fair bit of angst in our community. As I said when I started, I have tried to be very professional and respectful of this whole process. The last thing I would want to do is appear in an event like this, which is something our city does not need. I think we have gone a long way down that line, particularly our CEO, and there are other actions that we want to take as well, but we are really in a holding pattern at the moment. If we had the ability to go back to our opportunity to have an lpswich

- 6 - 30 Jul 2018

adviser, where our councillors were able to work with those people, I am sure we could provide 100 per cent certainty, not only to the adviser but also to the minister and the government. That was always my target.

**Mr O'CONNOR:** You talked before about just how extraordinary this legislation is in that it has never been done before. Do you have a view on why the minister would not be using the existing powers he has and would instead be introducing specific legislation?

**Mayor Wendt:** I think it is quite obvious. The existing powers do not allow him to dismiss the council, because the evidence that he has used to try to dismiss the council has not stood up. We were able to provide refuting evidence which quite clearly shows this council is sustainable. This council is winning awards. This council has a number of governance aspects it has changed. There is no doubt that if you went back two years, to when I started here, there would probably be a different picture.

**Mr O'CONNOR:** Do you think it would factor in that the existing legislation has the provision that it is parliament's intention for a fresh election as soon as possible, whereas this bill has 2020 as the date with an administrator until that point?

**Mayor Wendt:** The 2020 date I think leaves the city unrepresented for an extended period. I was up at Limestone Park yesterday with our Park2Park run—2,000 people running, probably 5,000 people there to attend. A number of people spoke to me and said they cannot believe the way this has ended. It will be difficult for us to advocate. It will be difficult for people like myself to represent people in our community. Our community groups fear how they are actually going to communicate upwards or receive funding. This council does some amazing work with our community groups and our sporting organisations. I do not know how that is going to continue. I really do not.

**CHAIR:** Mayor, we spoke earlier of systemic failures of governance in this council at the same time it was winning awards. Can you see how the minister might be concerned that the council itself is not the best institution to overcome the systemic failures it had previously?

Mayor Wendt: I think it comes back to the previous question in some respects in that I would suggest, after what I have seen in regard to the media reporting and the charges that have been laid on a number of people—and I know it is often quoted 15 councillors and council employees. Well, that is not true and we have tried to point that out a number of times. There are only seven ex council employees involved in that 15. The other eight I have never heard of and have never met in my life. I do not know who they are, and I think most councillors would be the same. We do not know who those people are. These are nefarious things that have been happening outside. You would know the details. I know probably some more of the details than you might. It is bizarre that we have got to a point where our people are going to be disadvantaged and our councillors are being disadvantaged. I suppose I have just come to the point where a lot of us are just over this. We have provided evidence every time we have been asked. We have been respectful. We have provided alternatives, mediated outcomes, which I think would have been great for the minister and our community, but we have come to this point.

**CHAIR:** Thank you very much, Mayor. The time we have allotted for questions has taken a bit longer. We appreciate your feedback into the process.

lpswich - 7 - 30 Jul 2018

#### BROMAGE, Ms Cheryl, Councillor, Ipswich City Council

#### MORRISON, Mr David, Councillor, Ipswich City Council

#### SILVER, Ms Kerry, Councillor, Ipswich City Council

**CHAIR:** I invite each or any of you to make a short opening statement, after which committee members may have some questions for you.

**Councillor Bromage:** I want to thank the committee for the opportunity to address you all here today. If the government is sure that the undertaking of this action is right, why not let this be tested in court? Two show-cause notices and multiple media reports have been found to be full of falsehoods and innuendo. Why remove people who are without charge while the proceedings are taking place? What will become of the government if any of these charges are dismissed? The court proceedings would have provided the government with an opportunity to save face.

With this court action that is tomorrow, we will be seeking court costs from the state. I hope that the public is appraised and the outcome published of the cost to the taxpayers of Queensland that they have incurred during this action to dismiss the council. Why after the second attempt to make changes to the act did the government not make some changes that will hopefully help with these matters? What people who are outside local government do not understand is that councillors are unable to be involved in operational matters and rely on the reports and advice that are presented by senior council officers that are true, accurate and not put together to undertake fraudulent activities. There is a level of trust that must exist. Councillors are unable to seek advice and speak with people below a senior manager's level. We have had this policy in place for some time and it has now been enhanced by a red box flowchart that identifies the staff by name to remove any confusion.

It is also clear that the mayor is the only one with the extra powers that are not afforded to councillors. Under section 12(4)(d) he has the power to direct the chief executive officer and senior executive employees, in accordance with the local government's policies. Paragraph (e) states that he can undertake performance appraisals of the CEO annually. As you can see, there is no reference to councillors.

The previous government also removed the requirement to record the directions that are given by a mayor to the CEO and senior staff, so no record of these directions are kept. This has potential to allow decisions that have been made without the knowledge of councillors, as the senior management and the CEO have financial delegations that allow them to enter into contracts, make land purchases and make decisions such as termination payments without the need for a report to go to council or to inform councillors. Also the act cannot take action on councillors for crimes they have not committed that are not judged as an integrity offence. Why have these flaws not been picked up in the correction, rather than making the removal of a council seem a pure political action?

The community would be badly served by the unnecessary departure from the fundamental principle of the presumption of innocence to which every citizen is entitled until they are tried and convicted. The people who have been charged have the opportunity to clear their name whereas we are left, as are our families, tarred and have suffered the shock, trauma and humiliation over this whole event—every person who has been adversely mentioned in the show-cause notice, being seven from Ipswich City Council and not the 15 that are deemed to be innocent until proven guilty in a court or tribunal. I am not here to defend or comment on those who have been charged, and the court may make a finding of all charges to be dismissed. People applying guilt by innuendo or association should understand that it should not provide a foundation for any conclusion of guilt of people and the loss of their democratically elected position. The people of Ipswich exercised their right to vote in March 2016—they made their choice—but it seems now that their vote means nothing in local government.

I heard at the parliamentary committee last week that Mr MacSporran will hand down a report into the findings of the governance and transparency of council. I welcome his report, but from what we have heard via the media it includes the actions of people who are no longer employed, and changes have already been made to the culture and behaviours within the city. Also, the report should contain the number of complaints the CCC had received, decided did not meet their threshold and referred back to council to resolve. One matter involves two people who have now been charged. One wonders what could have occurred if this matter was dealt with back then.

Is there not some concern of proceeding with this bill before all court action has been finalised and that the accused's right to a fair trial is not prejudiced? Would it not be in the best interests of the commission that it should defer making a report to parliament during the currency of proceedings and

Ipswich - 8 - 30 Jul 2018

then all of the outcomes can be included? I understand the role of the CCC is to act as an agent for changing the situation once it has been revealed, but in this final report is it not desirable that the people are told and documented if there are no adverse findings against them? The cynic in me thinks this report will be handed down on 21 August.

The people of Ipswich need representation by their elected councillors. Events and support for community groups will be hurt as well as there being a removal of significant knowledge in the city. In my role in emergency management I will not be there to help residents in their time of need. As the deputy chair of the LDMG I have significant knowledge of the systems, processes and networks which are important to do with any natural disaster. This role will no longer exist and significant experience will be lost to the community.

I feel really sorry for the community of Ipswich. They will be the poorer for this decision, and if it takes a couple of months to sink in once their customer service levels have diminished they will be outraged. Other Queensland councils should be very nervous, as we are just the start of the state government's seeming takeover of councils in Queensland. Please consider not implementing this bill. It is unfair, unjust and undemocratic and it goes against the basics of common law. Thank you.

**Councillor Silver:** First of all I would like to acknowledge the traditional owners on the land on which we have gathered here today. I bring with me their spirits in advocating for the City of Ipswich in this what I would call unprecedented and, to be perfectly honest, draconian piece of legislation that actually breaches the rights and liberties of the City of Ipswich as well as its people. I refer to my submission at paragraph 3, which states—

Section 7, subsection 2 paragraph (b) identifies that rights and liberties are again breached as I or any other Councillor is now unable to run in any other Local Government election until 2024.

Will this Parliament-

and this committee-

give assurances to the people of Ipswich that this Parliament will not allow the Government to change the boundaries of the City of Ipswich until post the 2020 election to ensure that Councillors who are affected by this legislation are assured of the their rights and liberties to seek election in the City or locality that they live? Furthermore this Bill also breaches the rights and liberties of the Ipswich Councillors to move to any other locality and seek nomination to that Council until 2024, this breaches the rights of an individual to seek employment as an elected official in their local community.

I personally feel that that is actually very discriminatory and it gives me grave concern about what future plans the state government has for the City of Ipswich and perhaps the breakup or formulation of other cities in surrounding areas.

I would also like to bring to the committee's attention that this year Ipswich had a net operating surplus of \$7 million. We anticipated \$3 million. In my opinion, administration would be brought in to a council where there is insufficient evidence to depict that we cannot meet our bills. That is generally what our councillors would be looking after—making sure that we are able to meet our bills and our obligations to ensure good governance is upheld. We have done that by meeting all of those 19 recommendations. We are also making sure that we have appropriate staffing levels in those areas. I find that we are serving the people of Ipswich with integrity by making sure that those things go through. If we had rested on our laurels for the last 12 months and said, 'Oh, well, too bad. That's just how things are in Ipswich,' that would not be good enough, but we have not. We have actually taken it upon ourselves to make sure that those things are happening.

I do believe that the councillors who are sitting here before you today have no hesitation in making sure that we continue that process and making sure we are now open and enlightened to things that happened in the past. We cannot undo the past, but what we can do as a city is move forward. Bringing in an administrator is not necessarily going to be the best thing because they are not going to be thinking about what happens in 2026; they are going to be thinking about their job, their role, and not necessarily the strategic direction of this city.

We have 20-year infrastructure plans and future direction planning for the cultural and civic development of this city. All of those things need people to guide them and direct them, and I do not believe an administrator will have that in the forefront of their mind in addition to also advocating for those people where administration problems occur. I have previously detailed in my submission to Minister Hinchliffe that I have had residents come up to me and say their mail went missing and they wanted their \$30 discount. I know my role. I will look at a rates notice and say, 'There is something wrong here. There is an issue here.' I will send it through for a review and the review comes back that council has made an administrative error back when that old-age pensioner—her husband passed away and we made an administrative error there. That was fixed up. That person is no longer going to have the benefit of that advocacy role because somebody sitting at a counter or an administrator will say, 'It does not meet that. Too bad, so bad.'

Ipswich - 9 - 30 Jul 2018

Our role is to advocate, like you do for your constituents if it was an education matter or a health matter. We in council also advocate for those residents. I ask this committee: is one person or a company going to actually be caring about the people who live in this city, making sure they have access to what is fair for them to have in their city?

**Councillor Morrison:** Thank you for the opportunity to address the committee. I, too, recognise the traditional owners of the land. I will give a little bit of background about the division I represent, which is division 1 in the city. It represents the industry of Carole Park, which is one of the largest industrial precincts in the city. It also represents the suburb of Camira, one of the largest master planned developments happening in the country, that of Greater Springfield. My parents bought land there in 1966 when they were all dirt tracks. There was no water, and when they purchased the land there was also no electricity. I grew up in the area, I have raised my family in the area, I married a local lady from the area and, indeed, my grandchildren are growing up in the area as well

To tell you just a little bit about myself, I have some of the largest developers in my division and the largest developer within this country, I have not asked anybody for one dollar towards my election campaigns. All election campaigns have been self-funded and I have kept that distance from developers since I was elected in the year 2000.

One of the objectives of the bill before you as a committee is to resolve concerns relating to Ipswich City Council and provide the Ipswich community with certainty. I note also in the bill before you that there is only one possible way listed to achieve that objective, and that is to dissolve the Ipswich City Council and appoint an interim administrator. The bill goes on to say that there is no other possible way. I find that very disturbing, actually. I do not believe that dismissing 11 democratically elected members, who only went to the people just over two years ago, is the only possible way to resolve any problems foreseen in the Ipswich City Council.

We do not want to be at war with the state government; we acknowledge, as our mayor did, that we are an extended arm of the state government. We want to work with the state government. I believe that in the 18 years I have been elected I have seen evidence that we very successfully work with both the state government, regardless of their political colour, and the federal government to achieve great outcomes for the city.

I believe if the state government do see problems within the city of Ipswich they can appoint supervisors—as many as you want—to report daily, weekly, monthly back to the state government, to various ministers, with what they see. I believe this council is operating very well. As we have heard, 19 recommendations were brought to us as an audit that went through council. We have implemented them all. I believe that if you had an auditor go through your personal life or even through the state government, they would bring recommendations to you. We said, 'Yes, we will adopt every single one.'

Just to reinforce—this is my understanding—in relation to the second show-cause notice that was issued to us by the minister, our internal and external legal advice was to challenge that in the High Court. There was no other way. We did that. That was challenged—the judge was willing to hear it the day it was set down in the High Court—and it was the state government that asked for an extension for that to be heard. I believe the judge parked it for a couple of hours while the officers went to and fro with the minister. When the minister came back he gave his word that nothing would be done with that appeal until it was heard in the court tomorrow, 31 July. Three or four days later, that submission of the state government was withdrawn from the court and that gave council no opportunity for the court to hear it.

My fellow councillors and I were willing to accept the decision of the judge. If they said there was reason for us to be dismissed, we were willing to walk. However, if they believed there was no reason, we thought it would allow the government to save face to say, 'We are abiding by the court system,' which we all honour. People in this country have fought and given their lives for the ability to defend their actions in a court. We have been given no opportunity. Clause 6 of the bill before you says that there is no appeal, there is no recourse and the decision cannot be quashed in any way. I have never heard of that in my life. I think that goes against the whole practice and ethos of what it is to be an Australian. Everybody should have the right to defend a charge against them.

It is possible that on 21 August 10 councillors here can be without a job; we will be sacked. I have worked in many places in my life and have never been sacked. I treasure the role that I have representing the City of Ipswich and I try to do that with as much integrity as I can. Every councillor here, like I said, was only elected just over two years ago. They have a passion for their community. Their community elected them and they work very hard for their community.

lpswich - 10 - 30 Jul 2018

**CHAIR:** Thank you very much. This might be a question that any of the councillors might wish to answer. Councillor Silver put forward that a strategic direction for the long term of the council was an important part. One of the concerns I have is that the governance of the council, and the confidence that the people have in that governance, is vital to that strategic direction. Do you have any concerns that that strategic direction is undermined if the governance and the confidence in the governance of the Ipswich City Council is not fully restored?

**Councillor Morrison:** I know we all live in our own echo chamber, as it were, and people speak to us and usually say what we want to hear, but I can say that very few people to whom I have spoken in the community want the council to be dismissed. By far the majority of people who speak to me have confidence in council, they have confidence in their elected members and they have confidence in the direction that Ipswich is going—by far.

**CHAIR:** You did not really address the governance issues and the confidence. Council has had systemic problems with governance, but the same council would be the institution to give confidence for the long-term strategic direction by ensuring that its governance problems were fixed up.

**Councillor Morrison:** I say we have had for years an internal audit system within council. We actually pay external auditors to sit on that internal audit committee.

CHAIR: You are confident that that has worked so far?

**Councillor Morrison:** I certainly have confidence in the operation of council. Not only that, we are audited by the state government every year. My question is: if there were all these red lights with the governance issues you are talking about, why have they not been revealed over the years? Why is it just coming to a head now with this investigation—

**CHAIR:** With respect, Councillor, in your 18 years of service, does some of that not fall to the councillors who are intrinsically involved in the structure of the council?

**Councillor Morrison:** If the reports of the audit committee flagged those things, yes. However, if they are not flagged by the internal audit system or the external audit system, how do we know?

Councillor Bromage: We have also made changes to our policies and procedures during this time. They have also been reviewed by the CCC because we wanted to make sure that it met their ideals of where we are moving forward. We have worked with them right along the way with these changes to policies and procedures. They have come out of some of the suggestions they have made to us where there are deficiencies. Every councillor was fully supportive of that, as was the staff. Some policies were set up many years ago. Yes, there are deficiencies—I think there are in any policies and procedures in any organisation—but we have made those significant changes to quite a handful of policies and procedures. Like I said, the two in question that I can recall are our community donations and grants procedures. That was actually sent to the CCC for advice and they provided it back. That then was enacted through council and passed.

Ms RICHARDS: Thank you for your presentation. Talking about the strategic direction and the 19 actions that have been completed—I think that was around April this year that that process occurred—

Councillor Morrison: All completed in May.

**Ms RICHARDS:** All completed in May—that really validated in my observation the fact that there are absolutely systemic issues in the council's governance. As has been alluded to in Mr MacSporran's submission, the investigation revealed the following governance and cultural issues—

An improper use of power and influence for personal benefit;

A lack of oversight and accountability for expenditure and public resources;

Inappropriate relationships between Council and the private sector, in particular property developers and contractors;

Use of mechanisms that allowed avoidance of scrutiny of actions and decision-making;

An inability or unwillingness of council officers to stand up to inappropriate instructions or behaviour ...

Failures to report suspicions of corruption, including by successive Chief Executive Officers;

Instructions to council officers to breach—

CHAIR: Member-

**Ms RICHARDS:** Sorry. That lists out what are alluded to be very systemic governance issues. Being very long-term councillors, Councillor Morrison and Councillor Bromage, could you give us some insight into your observations over your time that has been longer than a decade within the Ipswich City Council?

lpswich - 11 - 30 Jul 2018

**Councillor Bromage:** I think most of those issues that you have raised there are staff matters, where the direction is actually set by the CEO for the staff to follow. The majority of those issues that you raised about staff not following procedure, the payments and things like that are not a councillor's role. He has not been able to make the distinction between our role and the management's role of council. You are removing the councillors, but all those staff who were put through all those policies, procedures and payment issues remain, so where is the change?

**CHAIR:** Are you making reference there to—you earlier spoke of section 12(4)(d) and (e).

**Councillor Bromage:** Yes, that is correct. **CHAIR:** Would you like to expand on that?

**Councillor Bromage:** Under that power the mayor has directional powers, so he can give a direction of any type to a staff member and a senior manager. As you know, the ability to record that decision for everyone to see is not in the act anymore whereas it previously was. We feel that there are a lot of decisions that are made outside of council's and councillors' knowledge as well. Some of the actions that you have seen and the charges—there were two elected officials and the rest are all staff. Apart from the current mayor, the actions and the so-called charges—

CHAIR: Remembering the sub judice rules. You may be straying. I know it is difficult.

Councillor Bromage: Basically, they do not involve council decisions.

Mr O'CONNOR: How long have you all been members of council, just out of interest?

Councillor Bromage: Fifteen years.

Councillor Morrison: Eighteen years.

Councillor Silver: Just over two years.

**Mr O'CONNOR:** In that time have you seen any evidence of failings of governance or any inappropriate activities, particularly the longer serving councillors?

**Councillor Morrison:** No. We receive monthly reports that come to committee. Obviously those reports have an executive summary, a detailed report and then recommendations by the professional officers. That is what we see. As Councillor Bromage said, if there have been inappropriate dealings with staff, we do not get down to that level. There would be married couples sleeping together tonight who are having affairs outside their marriage that the other partner would not be aware of. There are things that would happen in any organisation that people would be unaware of.

Mr O'CONNOR: The elected members know—

Councillor Bromage: In my 15 years I have challenged a lot of decisions that have been made around the table and I have actually put in complaints. One particular issue was about a decision around the Ipswich Hockey Association. There is a confidential report on that matter. After an investigation it was referred to the CCC. The CCC referred it back to council to investigate itself in that matter. The end proceeding was that the internal audit decided that it was a manufactured outcome. The whole process was questioned by a number of councillors, including me. As you can see, there was no will through some people within that organisation to make those changes. We have tried to stand up to them. We have tried to bring things forward, but you have to understand that we cannot give direction to staff. We cannot do those sorts of things that the mayor can do. We have raised significant issues throughout the years. We have reported issues to the mayor or to the CEO, to the internal audit and also to the CCC.

**Mr O'CONNOR:** What about something on the level like Ipswich City Properties? I think we saw last week \$50 million of ratepayers' money squandered, essentially.

**Councillor Bromage:** Have a look at the minutes from this year for the payments. I did not support any of them.

**CHAIR:** Councillor Morrison, you effectively conceded that councillors have not had the capacity or have not been able to engage with the systemic governance issues that you addressed earlier this year and the ongoing ones. How would people have confidence that councillors are going to do that in the future? What role would they have in re-establishing—you are almost making the argument that we need an administrator to put in place those governance issues.

Councillor Morrison: In what way am I making those statements?

**CHAIR:** You have said that in the 18 years you have been there nothing has been flagged so you had nothing to do. In that way it seems you are making an argument—

Ipswich - 12 - 30 Jul 2018

Councillor Morrison: No, no.

CHAIR: I am giving you the chance to refute that, but that is the way I heard your answer.

**Councillor Morrison:** What I am saying is that in any organisation at any level there could be things happening that people at this level have no knowledge of. I dare say within the state government there could be things happening that you would have no knowledge of. That is just the way of life. If there are things that are flagged that are of concern—like Councillor Bromage said, if there are recommendations brought to us by officers, we have good debate within the committee. I would say that 90-odd per cent of the time those recommendations are taken on board, but there are times when the council would vote against those recommendations.

**CHAIR:** When it comes to governance issues, you only act when the officers give you a recommendation?

**Councillor Morrison:** That is the decision that council makes—an officer's recommendation. If we observe anything untoward, we would report that to the appropriate manager.

**Councillor Bromage:** We do challenge those. We have to make sure that it actually works and that it stands up to rigour as well. In terms of governance issues, a lot of issues are discovered along the way. We make sure that we look into them. We have a policy and administration board that goes through all of those policies. We go through them and make sure that there are checks and balances and that they meet the requirements of the acts that they refer back to. Once it has gone through that rigour, it goes through to council to have the full discussion. We do look at those issues. We do that every month, so it is not something that is done on an ad hoc basis.

**Ms RICHARDS:** Could you give me your observations on the acceptable request guidelines policy for Ipswich City Council? Could you talk a little bit more in detail, Councillor Bromage, about the red box structure that you mentioned in terms of post implementation?

Councillor Bromage: Prior to the red box, which is a flow chart that has been put in as part of the governance review, there was a structure put in place where councillors could only talk to a certain level of staff. Prior to that, there was the potential that junior staff could feel a bit intimidated in providing a response to a councillor. If it was wrong advice that they provided then the staff member felt a little bit worried about that. The red box is a flow chart that has the CEO at the top, the senior managers, the chief operating officer and then down a couple of levels in terms of who the councillors are allowed to seek advice from. Then we can implement it from there. In a way it is a protection for councillors but it is also a protection for staff.

Ms RICHARDS: What are your thoughts on the acceptable request guidelines?

**Councillor Bromage:** I think those guidelines are okay, but with councils new issues emerge at any time so they need to be flexible. They are constantly under review as well through the policy and admin board.

**Mr O'CONNOR:** Councillor Morrison, in your submission you talked about an ultimate way of achieving the policy objectives. Did you want to talk a bit more about that? I know you have had some issues with the process.

Councillor Morrison: Like I said, the bill before you only gives way to address what are called problems within the city and give the city stability, and that is to dismiss council and appoint an administrator. Another way is for the state government to keep the council but appoint an administrator or a number of administrators to observe the practices that are happening within the City of Ipswich and report back to the state government. I believe that they would be pleasantly surprised. In appointing an administrator you are actually dismissing approximately 170 years of combined councillor experience around the Ipswich City Council table. I do not care how experienced or how qualified the administrator may be, if that is the line you go down. There is no way that he or she could know the city like the 11 elected members, who have been elected by their community to represent their community. I know the Springfield area back to front, but I would not know Rosewood, I would not Karalee and I would not know Brassall or Collingwood Park. You rely on the elected members who know those communities very well to bring that knowledge to the table.

**Councillor Silver:** One of the things I put in my submission to the minister was about education and learning, knowing where you have gone wrong and fixing those sorts of things. When we talk about having an administrator or an adviser, part of that role should be about educating us about where the systems broke down to enable what occurred. I was very distressed one day when I asked Gary Keller, 'How does this occur?' In order for me to move forward, I need to know where it broke down. The terminology he used upset me greatly because I had never heard it except when it comes to people taking advantage of children, and that was the term 'grooming'. I have been here two years Ipswich

- 13 - 30 Jul 2018

and I am glad to say that that was not part of my education. I have a grandchild in this city. She was born the day that my poll was declared. I know that I want to work and continue to work for the benefit of the city, whether it is in this role or in other roles.

One of the key points of this is the education of any councillor who comes into this role. One of the grave things about this legislation is that it removes the ability for our council to learn as a whole. In 2020 there will be another election. There is no reason I would not get elected, but what are you teaching me from this, except to read things—not how to be aware of those things and how they operate? What Ipswich city needs is a little more education for the councillors. I have been attending a lot of governance training at the LGAQ. I enrolled in that course. That was one of the things that I wanted to do. There are councillors from across the state who have attended that course. For me, what I hear and see around the room is that one of the issues we have across this state is that there is limited training and limited education of councillors in relation to this. That is not just Ipswich city; it is systemically across this state.

When I became a councillor I was supposed to receive training from the department of local government. I asked several times for that training. I went to Gary Keller after all of this was happening and I said, 'We still have not had it. David Martin has been elected. We should have that training.' It was not until then that the department came back out and did it. I feel that our council has not been supported by the state government in its roles and responsibilities to local government in this state in this regard. Sorry, I made a statement there.

**Ms RICHARDS:** I think it is very interesting to observe the composition of the council as it sits now. Councillor Morrison, you just referred to the years of councillor experience sitting around the table in terms of education. I am curious to hear a little bit more about Gary Keller's comments to you in terms of the broken system and system failures.

Councillor Silver: How it happened?

Ms RICHARDS: Yes.

Councillor Silver: He used a term called 'grooming'. As we all know, I thought about that term in a way that is generally about children. When you look at how grooming occurs, it is usually certain individuals. It is not about everyone within a group. They only target certain individuals where they can manipulate and things like that. I firmly believe that that has been the situation here. When the people before you come to you and say, 'We are not aware of this,' that is because those individuals may in fact have been selectively doing what they were doing and knew how to do those things—just in the way that a paedophile grooms a child.

**CHAIR:** On that basis, going forward, don't we need someone from outside in order to break up this system of manipulating individuals? We have seen that councillors have not been able to make a difference and break up this systemic failure.

**Councillor Silver:** I am sorry. I do not understand the context. Are you saying that councillors could not observe that?

**CHAIR:** We did not see councillors act to break up those systems when people were being influenced or led down a path towards inappropriate actions.

**Councillor Silver:** Twenty years ago, or probably longer than that, we did not understand even how grooming was happening with children. You have to understand how that happens to learn from it and to move forward. In this instance we have actually seen the things that have happened. We have put in place all of those recommendations. We do get together the morning before our policy and admin committee meetings. We do have those conversations.

I think what we have learned from this as well is about collectively coming together a little more frequently, making sure that we are looking more closely at those things and having that radar about yourself and understanding—make sure you are questioning things and do not be fearful of standing up to something. I have tried to do the best that I can in my short time here to question things when they come before us. It does not mean that what somebody is saying to you is right or wrong; it just means that you should feel empowered to ask questions.

**Mr O'CONNOR:** You have noticed governance issues and raised those issues or any inappropriate dealings?

**Councillor Silver:** It is about reading through those policies. There were policies in place, but they needed to be tightened up. They needed to be tightened up so that things could not slip through. I did not specifically notice that person doing something wrong because obviously I would have reported it. From my personal perspective as a local councillor—there seems to be a lot of talk about

Ipswich - 14 - 30 Jul 2018

perception. That seems to be the word of the day—it is perceived to be wrong; therefore, it is wrong. Perception is something that is an individual thing. For me, I make sure that if I am meeting with a developer I bring a town-planner from council to sit with me if they are going to talk to me about something. I never canvassed developers for donations. I received one, but I have to make sure that, if there is an application for that, I record my conflict of interest.

I have seen in my time within council that we are declaring our interests in things. We were very detailed about where we were declaring conflicts of interest in council matters and things like that. I think we have probably had one of the first council meetings after the new legislation was brought in about conflicts of interests. We have actually gone through and done process. We are doing the best that we can. There is probably more to learn, and that would be with any council. What needs to happen before 2020 is educating councillors on the processes that they need to know.

**Councillor Bromage:** If you look at the people who have been charged, you can see that there was a clique at the top end. That is what I referred to—

**CHAIR:** Councillor Bromage, I apologise deeply, but we do have a legal process and inferring things about those who have been charged is sub judice.

**Councillor Bromage:** I want to refer back to the section in the act that I read out before about the contact between the CEO and the mayor. As you understand, if the mayor is responsible for your performance appraisal—

CHAIR: As a general principle.

**Councillor Bromage:** Yes. If the mayor is responsible for your performance appraisal, wouldn't you want to do everything you can to make that person happy and vice versa?

CHAIR: That is a section of the act that was changed in the previous—

**Councillor Bromage:** No, it was not changed. That is why I am wondering why it was not changed.

Ms RICHARDS: In 2012.

CHAIR: So that section was added in 2012?

**Councillor Bromage:** Yes. I think that leads to some of the questions that you have about governance issues and transparency issues and the correlation between the two.

**CHAIR:** And in that way is a responsibility of the parliament.

**Ms RICHARDS:** I want to get your observations on something. The fundamental reason for local government's existence is that it is an elected body and it is responsible for good rule. Each of you has spoken about your passion for your own area and that you are head down in your own area. Can you talk a little about how you work as a collective? We heard earlier about city strategy. How does that work for you as a collective, given that you are all focused on your own areas?

CHAIR: Very quickly, because I do want to move on to the second panel of councillors.

**Councillor Morrison:** Very quickly, part of our oath when we take office is not just to represent our division but also to represent the whole city. As part of my submission I have attached the last two quarters of our planning quarterly reports that show the city is in great shape. When we hear that there is no confidence in the city, it shows that we are growing as a city by almost 8½ thousand people per year. We have over 4½ per cent growth rate. That is not just within the residential area. We are also very well positioned and growing in the job creation area as well for commercial space.

Technically, all 11 councillors are independent, even though some belong to particular political parties. In my experience, there are times when the vote goes down to five-six. We have very healthy debate, but what we do as a council, even if we voted against it, is we accept the decision and we move on for the benefit of the whole city.

Councillor Silver: As somebody new coming in, there seems to be this idea that it is a closed forum. I think that is because what councillors do is negotiate in a way that is a win-win for the community. If something does not seem like it is beneficial to the wider community, you will get a document from the officers and they will bring it up to you. Councillors will look at that and go through those plans. If there seems to be some unfairness about it, then councillors have that debate. It is not always necessarily in the council chambers or at committee. We have our working groups, which is where we sit down with officers and selected councillors to try to get the very best outcomes that we can when we are proposing new things for our community. I have seen a lot of debate between councillors and a lot of heated discussion, but I also know that we do, as David said, put that aside because we are trying to work on strategies that will effect a greater outcome for the city.

lpswich - 15 - 30 Jul 2018

**Councillor Bromage:** In my role as chair of infrastructure emergency management, I consult regularly with councillors and state and federal members. I bring them up to date with current projects and ask what projects they are looking at in their area to understand the needs throughout the whole of the city because, as we have heard, we are elected from our own division but we represent the whole of the city. I go out and do a lot of consultation with all the councillors as well as state and federal members, because I believe if we are all on the same page we are all on the same journey to get the best result for the city of Ipswich.

**CHAIR:** Thank you very much, councillors. The time allotted has expired. I really appreciate your passion for the city and the information you have given us.

Ipswich - 16 - 30 Jul 2018

IRELAND, Ms Sheila, Councillor, Ipswich City Council

MARTIN, Mr David, Councillor, Ipswich City Council

STONEMAN, Ms Kylie, Councillor, Ipswich City Council

#### TULLY, Mr Paul, Councillor, Ipswich City Council

**CHAIR:** Good morning. I invite each of you, or any of you who choose to, to make an opening statement, after which committee members may have questions for some of you or all of you as a panel. I do not know if you have decided an order amongst yourselves. Who wants to go first?

**Councillor Tully:** I am happy to kick off. I want to touch on three items very briefly that I have referred to in my submission. I will probably take less than 30 seconds or a minute on each one, but I need to restate them not for the purposes of repetition but because of importance.

Firstly, my submission is that the process the government is looking at is fundamentally flawed. It is a denial of natural justice and it is unfair against the 10 sitting councillors against whom there are no accusations or allegations or, indeed, the one sitting councillor who has not been found guilty and who is entitled to the presumption of innocence. I note in the *Courier-Mail* today and as part of a submission to this committee that the Queensland Law Society makes fundamentally the same sorts of comments. It also notes that in proposed new section 6 of the bill there is a removal of the right of judicial review, which it says is fundamental within Australia to enable matters of this nature to be reviewed

The next matter I have referred to is proposed new section 7 of the bill and, in particular, section 7(2). Section 7(2)(a) specifically states that a sitting Ipswich city councillor once dismissed is entitled to stand at the March 2020 quadrennial election. There appears to be an unusual provision which I have sought legal advice on which says that that same Ipswich city councillor may not be nominated as a candidate for any other local government election until after the period mentioned in subsection (1). The period mentioned in subsection (1) is the conclusion of the 2020 quadrennial election. It would seem like an odd result that a sitting councillor in Ipswich could recontest the 2020 Ipswich election, but if they chose to go and live in Rockhampton, Townsville or Mount Isa they could not contest the 2020 election or, indeed, any other of the 76 councils in Queensland. My submission is that that is an extremely odd provision. We live in a democracy, and if a person chose to move on in their life and move to another local government area in the near future and was on the roll for another city, why couldn't they stand there if they could stand in Ipswich? I would specifically ask the committee to recommend that either paragraph (b) be removed or paragraph (a) be expanded to state that a sitting councillor could stand for any local government council in Queensland in 2020.

The other submission, before I go on to a fourth point which is not in my submission, is in relation to the entitlement to fair and just compensation. By definition, if there are no accusations against a large number of sitting councillors—all 10—it is an unfair dismissal. There is no accusation, no allegation and there should be compensation written into the bill as an amendment to the bill.

I have suggested—and there are other ways in which this could occur—either two weeks pay for each year of service or pay out until the March 2020 election. That would allay a lot of concerns which have been raised about the fairness or otherwise of the process. Without going into the details of why and wherefore or how this all came about, that would strongly send a message that the parliament is protecting persons against whom no allegations have been made.

The last matter I wish to raise is in relation to section 170 of the act. I came in only a few minutes ago and I think Councillor Bromage was generally referring to this particular provision. It was a provision inserted in the act in 2012, and this used to not be the provision. Every councillor, including the mayor, previously was prevented from directing staff and it was an offence for them to give such direction. Section 170 was amended in 2012 to provide that the mayor may give a direction to the chief executive officer or senior executive employees. That was the government of the day choosing to basically install the American system, where strong mayors prevailed and they could give directions to the CEO or individual staff.

At the time I raised an issue about the absence of any requirement to record any details of such directions that were given. I find that abhorrent, and I still do, that there could be a secret arrangement between a strong mayor and a CEO whereby directions are given—unknown to any of the other councillors and not recorded anywhere—and there is no way of easily finding out if an officer was acting under direction under section 170 of the act—which still exists in the act. I strongly lpswich

- 17 - 30 Jul 2018

believe—and I know we are just talking generally—that if you look at how a lot of this stuff may have evolved or may be conducive to some of the issues that have arisen it is that very provision in the act

I still do not know (a) why the minister of the day brought it in or (b) why when it went through committee hearings there was no provision for recording that. To me, that seems extremely odd. I will leave it at that, but I think that is a fundamental provision that needs to be changed, not through this legislation. It probably goes some way to explaining the sorts of networking and arrangements that can exist unbeknown to other councillors.

**CHAIR:** To clarify, you are making reference to this bill in that you have made 19 governance changes. There is a responsibility on the state government, you are inferring, to make that governance change for the future.

Councillor Tully: Yes, by an amendment to section 170.

Councillor Stoneman: I want to thank the committee for the invitation to speak today to the draft legislation about dismissing Ipswich City Council. In my submission to the committee I highlighted concerns around the government's clear intentions of dismissing Ipswich City Council since 3 May using any means necessary. Further, I included my two earlier submissions to the showcause notices addressing the various charges. I have not been interviewed by the CCC in relation to any of these charges or been witness to any alleged crime. In fact, most of the charges relate to a time I was not even a councillor.

I believe that this committee needs to be informed to report to the government. The CCC needs to finalise its investigation to ensure the committee's report is fair and just. I note that the CCC has lodged a submission to this committee in regard to findings during its investigations. Once again, the goal posts have been shifted. Can the CCC provide evidence in regard to its submission that every councillor who is being dismissed engaged in this behaviour?

Since being elected in March 2016, at no time have I ever instructed council staff to breach policy and procedures. At no time have I ever used my position to influence any decision for personal benefit. At no time have I ever been abusive to council officers. I agree with Mr MacSporran's quoting of the act that all councillors are responsible for being accountable to the community for the local government's performance. That is why I am proud to be a councillor who fully supported the reintroduction of the code of conduct and also supported many governance reforms to ensure a change—a change to governance and a change to the culture that once was.

I believe that council employees who once thought it was taboo to speak out are now finding it easier to do so with a new CEO and changes to the executive. I ask this committee, when making deliberations on this bill, to make an informed decision. Show me the evidence that supports my dismissal. Show the division 4 residents why their vote no longer counts. Show the community why someone with charges gets suspended, yet councillors who have done nothing wrong are dismissed.

Ipswich City Council is a fabulous organisation full of wonderful staff who believe in outcomes for the community's benefit. If I thought that my leaving the organisation would help those staff, I would resign in an instant. I ask this committee to carefully consider the evidence before them and not report on previous terms, to isolate each and every councillor and report accordingly so that the current government can see this bill for what it is. I call it unfair dismissal.

Councillor Ireland: Thank you, chair, and committee. Thank you for the opportunity to speak. I also acknowledge the traditional owners of the land. In my opinion, nothing will be gained by sacking the 10 councillors who, as I have today, have no charges laid against them. If the minister were concerned about public perception, he would enact legislation for Ipswich city to return to the polls. One mayor and two CEOs who have charges against them are no longer serving this city and one mayor is awaiting a fair trial. It is a pointless exercise that serves no purpose except to make the city's residents suffer through a lack of democratic representation.

The CCC had investigated mayor Paul Pisasale on two previous occasions and there was were no public findings on those, so we presumed that there was no evidence to go on. In my opinion, the Audit Office has obviously failed the council in that it did not come to the councillors and make us aware of some of the findings that are in the report.

**CHAIR:** I just warn the councillor to be careful about previous evidence, or the time of gathering evidence in that you may be breaching the parliament's rules on sub judice. Just be careful where you are going with this.

**Councillor Ireland:** Thank you. My question is: if mayor Andrew Antoniolli is cleared of the charges—am I breaching anything there? No. If he is cleared of his charges—they do not stand up—what happens to the 10 councillors' reputations? We are not getting a chance to defend anything lpswich

- 18 
30 Jul 2018

against us. My question is: what happens? There is no natural justice. It is not Australian. It has been trial by media for us. The show-cause notices gave us an opportunity to go to the Supreme Court to answer what we presumed may have been charges that we had to answer, but that was taken away from us as well.

On a personal note, you are seeking via legislation to sack me after 14 years of working for my community, which includes a very large resettlement area of Sudanese and Congolese. In Springfield Lakes and Springfield Central I have a very large multicultural population that I have been working very closely with to try to help them assimilate.

You are sacking me for no good legal reason other than that which exists through this legislation. By this measure, you have damaged my reputation, caused pain and suffering to me and my family, and there are no convictions recorded against anyone at this point in time. Thank you.

**CHAIR:** Councillor Martin?

**Councillor Martin:** Thank you. I would like to thank you so much for the opportunity to speak before you today. I would also like to address the elephant in the room and suggest that you look very much like Eddie McGuire. I just throw that out there before we start.

CHAIR: I do not know whether that is an insult or not, but we will move on.

**Councillor Martin:** Nobody else has brought it up. I know everybody is thinking that. I would like to say that, just over 12 months ago, I was minding my own business. I am a schoolteacher. Paul Pisasale was riding the crest of a wave of being arguably the most popular person in Australia, but certainly the most popular politician. Eighty-five per cent, 87 per cent of the people of Ipswich voted him in. Now, all of a sudden, with the allegations of what has happened, there is a stigma that everybody knew he was corrupt. My big question is: if everybody knew that, how did he continue to get in with 85 per cent, 87 per cent of the vote?

I am totally politically independent. There was a mayoral election following Paul Pisasale's resignation. Andrew Antoniolli was elected, I dare say, in September. Shortly after that, I put my hand up and I thought, 'Yes, I might have a crack.' I love this city. I have lived here all my life. I am 53 years of age. I really believe in the city. I saw the stain of what was happening and I thought, 'I want to make a difference in this community,' as I dare say all elected officials like to think that they can make a difference. I put up my hand and I was elected in late October.

So that you understand, I am potentially getting sacked for something that allegedly happened before I started in an organisation by people who were removed from an organisation before I started and even subsequent charges laid against people were at a time, again, before I started in the organisation, yet I am getting sacked. I just find it quite extraordinary that I am looking down the barrel of getting sacked for those allegations.

It is an absolute privilege and honour to serve in this community. I believe that I have put my heart and soul into that in the past nine months. I find it quite extraordinary what is happening. Since I got elected to council, as I said, there was a stigma. In fact, Mr MacSporran came out last week and said that since October 2016 the CCC has been investigating the Ipswich City Council. Since July last year, when charges were first laid, the whole council—and, I dare say, the city—has suffered somewhat from the tarnish of that, which I find really sad.

With regard to the minister, I believe that, if he had his time again, he potentially would have chosen his words somewhat more wisely. He was quite harsh right from the outset and pretty well gave himself no opportunity to do anything other than sack the council. Since I have been elected, as my colleagues have said, we have enacted 19 charges to increase transparency and accountability and bring about change in this council. I am quite proud to serve on the council.

When I was elected, in terms of governance and accountability with regard to things happening in the mall, we then brought in an independent auditor, McGrathNicol. We investigated some things and we have changed in terms of what we are doing. As the mayor has suggested, we meet as a council once a month. We talk about policy and administration. It is the same as any organisation with good governance: things get reviewed.

I would like to say that, in terms of where we are going, I believe we are going in the right direction. I really do. Some of the systemic allegations are allegations. Twice we have had a show-cause notice and I believe that we have been able to say, 'These are not quite accurate at all.' Certainly, I believe that the minister backed himself into a corner right from the outset. From the words he used in the first place, I do not think that he has any other option other than to sack the council.

As the Acting Mayor said from the outset, I believe he gave a good opportunity to bring in a panel, an adviser, an administrator—whatever you want to call the persons in charge—and review governance and the organisation of the council and have councillors work back in their individual Ipswich

- 19 - 30 Jul 2018

offices with their local constituents and work forward from there. I would really like to challenge that, if the CCC has been here since October 2016, if they have allegations or they say that there is systemic corruption, with each councillor they go to their office and go through their records. They have access and the ability to phone taps, wire taps and our emails. Check everything and either give a clean bill of health or charge the individuals. I seriously think it is an outrageous travesty of justice that we are all being labelled as corrupt and the council is potentially getting sacked.

In terms of a functional council, as was said earlier, we operated last year on a surplus budget. Only a matter of weeks ago the Acting Mayor put this year's budget forward and it was unanimously accepted. I believe that a dysfunctional council would be something like Mackay, where they could not agree on their budget. I think that the Ipswich City Council is doing a great job. Thank you for the opportunity to be here this morning.

CHAIR: Sorry, did you want to add something, Councillor Tully?

**Councillor Tully:** Yes. I have just been given a copy of a letter by Acting Mayor Wendt from him to Minister Hinchliffe on 30 May, which I would like to table. It relates to a proposal that the committee may not be aware of in relation to the appointment of advisers. I have heard the terminology used here today about administrators and advisers. Clearly, there would be advisers and not administrators. An administrator involves a dismissal of councillors. If I could table that? That was just for the record.

CHAIR: Certainly. We have to move a motion to table it. Do you have copies?

Councillor Tully: I have only just the one and you can have that one.

**CHAIR:** We will examine it and then move a motion to table it. I have a question. Councillor Martin seemed to infer that systemic failures of governance in the council needed to be applied to everyone. Would you agree that this is not necessarily making any allegations against any councillors, but instead putting forward the proposal that putting an administrator in place is the best way to ensure that everyone can have confidence in the governance of lpswich?

Councillor Tully: I might kick off with an answer to that.

**CHAIR:** I do not necessarily think that you are going to agree with that, but I just wanted to put that to you.

**Councillor Tully:** We have a new CEO. We have adopted 19 fresh policies. In a general comment, with many of these issues—and I will not dwell on charges and so on—the Ipswich City Council has a high level of delegation to officers in relation to town planning applications and contracts that are awarded. It seems to me that a lot of the information in the public domain in the last year or so has involved situations where the councillors could not possibly know. If officers had the ability to deal with tenderers, or contractors to the council, that does not come to the council for ratification. It does not come to the councillors. The councillors are not involved. In many ways, it defies logic to suggest that any councillor would have a reasonable suspicion that that was occurring.

Having thought about it carefully, this could be happening in any council in Queensland where officers have significant delegated powers at a very high financial level. How would councillors ever know? It is like in a workplace. If things are happening in any workplace about individuals, it is almost impossible to know what they are doing in their private lives or in their private time. No senior officer of the council is going to come to councillors and say, 'By the way, I've done something wrong,' or, 'I've had improper dealings with a particular developer or contractor to the council.' There is no way in that high scheme of things that we would know.

The other thing is all of the training that we receive. The legislation says that we do not get involved in day-to-day operational issues. There are good reasons for that. Councillors under the act set the policy direction of the council.

CHAIR: Including governance policy, Councillor Tully.

**Councillor Tully:** Correct, but I think it defies logic how, if someone was acting illegally and secretly, we could find out that information when it was allegedly only found out by the CCC using wire taps, telephone taps and so on.

**CHAIR:** Councillor Tully, we just need to be careful about discussing the evidentiary nature of anything that is before a criminal court.

Councillor Tully: I am just trying to explain.

CHAIR: I understand.

lpswich - 20 - 30 Jul 2018

**Councillor Tully:** Certain information seems to have come out that could never be found out without the legislative basis for an investigative body to find out.

CHAIR: I understand.

Councillor Tully: Thank you.

Ms RICHARDS: Just leading on from that, it is obvious that the council has been able to identify substantial systemic issues given that in April this year you completed the implementation of 19 changes. To say that the council could not be aware that there are issues in the system does not reconcile with the fact that, as a collective, you have engaged Gary Keller to develop a framework that says, 'These are the issues' and these have now been completed. It is recognised by the council that there are deep systemic governance issues.

**Councillor Tully:** Yes. That is an interesting situation because, even with those changes in policies, a rogue officer could still keep secret any unlawful dealings with third parties. We have identified areas where it might occur, it could occur. The delegations remain substantially the same. Councillors' contact with developers is subject to disclosure and the keeping of records and things like that. If you had a rogue officer, even if we had changed 100 policies, that possible illegality or improper dealings would still not come to light whatever policies you run.

**CHAIR:** Councillor Tully, it is almost as if you are making an argument that councillors are not adequate to put in governance structures that can make a difference here and that we need an administrator to make those changes.

**Councillor Tully:** No, I am making a general comment that, in any local government, if things are happening at a subterranean level it does not matter what policies you have. If people at an officer level want to go around them, it would be very difficult, whatever policies you had, to be able to detect that.

**CHAIR:** Would it be true to say, though, that there can be better governance policies put in place and lesser governance policies put in place by councils?

**Councillor Tully:** Generally, I think we have gone probably to the extent that we can reasonably go. The tranche of policy changes that we have made certainly have tried to identify the circumstances that have arisen. I do not believe any councillor in any council in Queensland could truthfully say that they would know what officers might be doing in their private time.

**CHAIR:** I am going to have a quick read of this before we table it, due to the nature of some of the sub judice things, but I have been told there is not a general problem. I call the member for Bonney.

**Mr O'CONNOR:** Does the openness and transparency that you are talking about extend to using private emails for council business? I know you have had some issues around that yourself.

**Councillor Tully:** The newspapers have incorrectly reported that. You have a reporter on the *Queensland Times* who is hell-bent on trying to make allegations against me, including twice in four days saying that I have not responded, because I have not been contacted by that person—if you are relying on false reports like that. As most people do, I have a private email address. I use that. I have not, in all the recollection that I have, ever used a private email address for official business.

**Mr O'CONNOR:** To all councillors: are there any failings in governance or suspicious conduct that any of you noticed? I know, Councillor Ireland, you have not been there for too long. Has anyone noticed anything that you have raised issues with over the years that you have been in council?

Councillor Ireland: The only one that I also voted against was the Ipswich hockey club.

Mr O'CONNOR: Which Councillor Bromage mentioned before?

**Councillor Ireland:** That is right, yes. **Mr O'CONNOR:** Councillor Tully?

**Councillor Tully:** I agree with that particular one, the hockey club, where they were paid over \$1 million unknown to councillors, under delegation. I find that absolutely extraordinary. The officers never came back to us. It had been discussed with councillors and a procedure was put in place that bypassed the councillors. I cannot think of anything improper that I have actually seen, or illegal.

**CHAIR:** Councillors should be aware that anything that is possibly part of a case or cases going forward for criminal action, unfortunately, we are asked not to put on the record because of the rules of the parliament about sub judice. Do we agree to table the document put forward by Councillor Tully?

lpswich - 21 - 30 Jul 2018

Mr O'CONNOR: I just ask: do you have a response from the minister to that proposal?

**CHAIR:** Member for Bonney, I recognise you. Councillor, the question is: do you have a response from the minister?

Councillor Tully: No, I am informed by Councillor Wendt that we do not.

**CHAIR:** I note that Councillor Martin said that the city has suffered from a tarnish. We all regret that that has happened to the great City of Ipswich. We are looking for the best way forward. I put to you that is not the best way forward to make a clean break from this period and put an administrator in place, to ensure that that tarnish is removed from the City of Ipswich?

**Councillor Martin:** I would like to question how an administrator will remove the tarnish, because bringing in an administrator seems to suggest that there is something systemic happening within council. Twice, with two show-cause notices, we have shown that that is not the case. It was before the courts. In fact, if you have a look in the submissions, the Law Society has written quite a scathing letter with regard the minister's response. I believe that an administrator potentially comes from out of town, as Councillor Morrison alluded to before. Each of us serves in our own community. I live just up the road. I know my community quite well. I believe I certainly have the interests of my community and the people here at heart. I really do. I do not think an administrator does.

Even just last week, some of our council staff, for example, were getting abused. At our call centre, particularly. It is quite unfair that when people ring up if they potentially do not get their own way they leave with a message saying, 'That's right, you are corrupt. If I give you some money, will you change it?' We even had a council worker a couple of months ago who had a bottle thrown at him while he was out pushing a mower. He was told, 'You're all corrupt'.

**CHAIR:** Councillor Martin, I do not necessarily think that answers the question. You are suggesting that there are no systemic problems in council at all?

**Councillor Martin:** No, your question was that an administrator will clear that up. I am saying that an administrator will come from out of town and will be indicating that certainly there is corruption here and we need an administrator. That is what you suggested. That was your question I thought, sorry.

**CHAIR:** For instance, Councillor Martin, it has been a considerable amount of time since you put in place those 19 changes in governance. You are putting forward evidence that the people of Ipswich perhaps do not have confidence in their council; that the tarnish has been removed.

Councillor Martin: For the last three months, we have been under the threat—it has been hanging over our head—that council is going to get sacked. That certainly has not helped the confidence or anything of Ipswich. That is from the minister with his dealings, I think, of 3 or 4 May. That was when he was quite scathing on television and in parliament, that he wanted the city council removed. We have had that over our head the whole time, plus the fact that Mr MacSporran came out last week and said that since 2016 the CCC have been investigating the Ipswich City Council. Those matters certainly are not doing anything to help the reputation of Ipswich.

CHAIR: Other than those two issues, there has been no problem with Ipswich?

Councillor Martin: Other than those two issues?

CHAIR: Yes.

**Councillor Martin:** I am suggesting that there is a little bit more than 'other than those two issues'. I am suggesting that they are quite scathing. The remarks that Mr MacSporran has made have done nothing to help this situation, at all. In fact, as I was starting to say, an administrator, I believe, coming from out of town potentially would have no knowledge of what is happening here. Just last week there was an article in the paper about that, and the minister responded, about the fact that council staff were being harshly treated. People who have the Ipswich City Council logo on their sleeves are often getting abused in the street by people, just by virtue of the fact that they work for the Ipswich City Council, which is so unfair. The minister actually responded to that and said that he was sending an open letter to the 1,500 people who work for Ipswich City Council. I have spoken to a number of staff who have not yet received that letter. I am just saying, because we live here, we understand what is going on and an administrator certainly will not be doing anything to help the reputation of this city.

**CHAIR:** With respect, Councillor Martin, you seem to indicate that there has been no systemic problem and there is no ongoing governance issues that councillors should be highly aware of, and that it is all the fault of outsiders making accusations. Is that the position you are putting forward to this committee?

lpswich - 22 - 30 Jul 2018

**Councillor Martin:** I am sorry, I do not know that I said that. I said that there were allegations of systemic corruption. As I said, we have had two show-cause notices in which I believe we have been able to articulate that the actual things thrown at us are not the case. The minister, by virtue of the fact that he issued a second show-cause notice, seemed to indicate from the first show-cause notice that he agreed with us that he could not dismiss us for that. The second show-cause notice was before the court and he chose to withdraw that and actually gave us no right of anything, as has been explained, too.

**Ms RICHARDS:** Councillor Martin, council's own admission in implementing those 19 actions clearly validates that there are systemic governance issues within the Ipswich City Council. Would that be fair to say?

**Councillor Martin:** As I said, I have only been here nine months. Since I have been here we have implemented those changes.

**Ms RICHARDS:** But in implementing those changes and engaging Gary Keller to conduct such a thorough review that has highlighted that quantum of action on very deep systemic issues, are you saying that they did not exist prior; that there is not a history of systemic governance issues within the Ipswich City Council?

**Councillor Martin:** As I said, I have been here nine months. It is hard for me to comment on the past. It is hard for me to say. However, that is what I am saying: Gary Keller was here and my understanding is that Gary Keller was more than satisfied with the direction we were heading and where we were going, so we have implemented those. Using your argument, why are we then being dismissed to bring in an administrator if those 19 recommendations have been implemented and we have brought in new governance?

**Ms RICHARDS:** My question was: does the report not validate that there have been systemic governance issues within the Ipswich City Council?

**Councillor Martin:** As I said, that was a time before I started. Since I have been here, we are bringing those in. You should be asking somebody else.

**Councillor Stoneman:** I am more than happy that the buck stops here. That is why I was really wrapped about the idea of the governance review and implementing them. From them there were further—Mr Keller also found another six or seven—

Ms RICHARDS: Twenty-six.

**Councillor Stoneman:** Yes—to carry on with, as well. My understanding is that they are progressing. I think that is a never-ending story. There will always be governance things that we need to be looking at and implementing.

**Ms RICHARDS:** Could you talk a little bit more about the process of that ongoing compliance and the monitoring of those 26 recommendations?

**Councillor Stoneman:** I will talk about the charges, as in some of these charges have not actually come to court, so therefore—

**CHAIR:** So far so good; we just need you to be careful.

**Councillor Stoneman:** Yes, I am—therefore, we do not know the full details. All we know is what we have actually read in the media. We do not have the full details of how that occurred to be able to put in place policy that allows that never to occur again.

**Ms RICHARDS:** I go back to my question: in terms of the 19 with the additional taking it up to 26, as councillors what is your process for ensuring ongoing compliance and the achievement of those performance outcomes that that document would be suggesting you guys need to change in terms of Ipswich City Council governance? What is it that you are doing as councillors to ensure that there is a successful outcome from those recommendations?

**Councillor Stoneman:** I guess they are being reported on by the CEO each time, as to the progress and that. I have included in my submission the most recent one that came out with all the completed pieces, as well as some in progress. We never had before a CEO report, as such, to each council meeting. We now have the executive's secretariat report, which actually highlights things that have been brought up through either audits or other areas. That has been able to show us the progress of what is occurring.

Ms RICHARDS: That has been since May?

Councillor Stoneman: Yes.

Ms RICHARDS: But not prior?

Ipswich - 23 - 30 Jul 2018

**Councillor Stoneman:** No, I do not believe—maybe a little bit before May, but it is a new system that was put in place. All I am saying is that I get that there were problems before. I was a community member jumping up and down about some of these things. I get it. But I just do not understand that you cannot—I know that some people are saying, 'You're talking about yourself only'. This is affecting our lives individually. Even though we are a council as a whole and we have stepped up and we have made changes and I believe that we are continuing to make those changes, it is unfair dismissal.

**Mr O'CONNOR:** Councillor Tully, just in terms of governance values, you mentioned you did not use a private email for official business?

Councillor Tully: No, I did not. I said the exact opposite.

Mr O'CONNOR: So you did not use it for-

Councillor Tully: I have no recollection of ever using a private email for official business.

**CHAIR:** Member for Bonney, I probably know the direction this is going in. We are here to look into the really difficult situation of the Ipswich City Council. Unless you have something that is really relevant to the act that we are actually looking at, I ask you to examine what for the councillors is the possibility of losing their positions as councillors. Focus on that, please.

Mr O'CONNOR: Do any of you expect to have any adverse findings from the CCC?

Councillor Ireland: No.

Councillor Stoneman: Definitely not.

Councillor Martin: No, not at all. Sorry, are you talking individually?

Mr O'CONNOR: Yes.

Councillor Martin: No.

Mr O'CONNOR: But the council, potentially?

**Councillor Martin:** There are charges obviously before people, so I cannot speak on behalf of that. In terms of me personally, no; no way.

**CHAIR:** I move to table the paper. All those in favour? Against? I declare it tabled. Moving on, I hope we have seen that there are significant problems of governance and that you did make considerable changes and got an individual report. This is your opportunity to say, as councillors, that you have the best plan to implement that and, as Councillor Stoneman said, guilty or not guilty, it does not matter; there may be lessons to be learnt from the evidence presented. Are there any comments that you want to put forward about why councillors are the best people to improve the governance of the Ipswich City Council going forward? I put that really wide question for you to answer.

**Councillor Tully:** I will start. We have a bit over 1,000 square kilometres and 10 councillors representing divisions of approximately 12,000 to 14,000 voters. If an administrator is appointed, a lot of people do not realise that council meetings would still continue. One person, namely the administrator, would come to the front of the room and there would be no other people voting on any of the proposals being put to council. There might be, at a typical council meeting, 100 to 150 items that the administrator would propose and then immediately declare them carried. Council meetings might last for one or two minutes. That is not democracy. That is not a way forward. That is not an appropriate way for a council to represent a community.

There are only three councils in Australia where councillors have suburban electorate offices as opposed to full-time councillors who are in the main council administration building, that is, Brisbane, the Gold Coast and Ipswich. We are very close to our communities. We are out there every day talking to individual members of the community. It might be a simple issue about a dog complaint, it might be other more complicated issues that they need to talk to and see councillors about. They will not have that opportunity. They will be talking to bureaucrats. They will not have, as was alluded to before, almost 170 years of experience with the 10 or 11 councillors who are closely involved in the community—very closely involved, whether it is sporting groups, community groups, welfare groups or whether it is Mr and Mrs Average in the community who just want the help of their elected councillors. It is a very powerful position that we are in.

We have identified issues that have needed to be moved forward with, in terms of those 19. I tell you, having one person as an administrator, even if they have some advisers with them, is not the way local government or representative democracy should occur in any council in Australia.

lpswich - 24 - 30 Jul 2018

**CHAIR:** Do any other councillors want to comment? I was asking about the argument about governance structures and how they could be best implemented going forward. Does anyone want to comment? All right.

The time allotted for the hearing has expired. That concludes the hearing. I thank very much all the witnesses who participated in the morning's proceedings. I note their passion for the City of Ipswich. We all want the best outcome for the City of Ipswich. I thank our Hansard reporters. The transcript of these proceedings will be available on the committee's parliamentary website in due course. The video of the proceedings will be accessible for anyone who wants to view it on Parliament TV in due course, because we have to take it back and process it. I note that no questions have been taken on notice. We have a second hearing starting at 1 pm at Parliament House. If anyone wishes to view that, they can come as a member of the public to the parliament or view it live on Parliament TV. I declare this public hearing for the committee's inquiry into the Draft Local Government (Dissolution of Ipswich City Council) Bill 2018 closed.

Subcommittee adjourned at 11.01 am.

lpswich - 25 - 30 Jul 2018