



Speech by

**Hon. JUDY SPENCE**

**MEMBER FOR MOUNT GRAVATT**

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Hansard 16 October 2003

**DISSOLUTION OF PALM ISLAND ABORIGINAL COUNCIL**

**Hon. J. C. SPENCE** (Mount Gravatt—ALP) (Minister for Families and Minister for Aboriginal and Torres Strait Islander Policy and Minister for Disability Services and Minister for Seniors) (3.11 p.m.), by leave without notice: As required under Section 75 of the Constitution of Queensland 2001, I move—  
That the House ratify the dissolution of Palm Island Aboriginal Council.

This regulation, which purports to dissolve the Palm Island Aboriginal Council, was made earlier today by the Governor in Council pursuant to section 20 of the Community Services (Aborigines) Act 1984. Although the purpose of the regulation is to dissolve the Palm Island Aboriginal Council, the Constitution of Queensland Act 2001 requires that it be ratified by the Legislative Assembly before it can take effect. Until then it has the effect only of suspending the Palm Island Aboriginal Council. So it is a matter of the utmost urgency that the regulation dissolving the council is ratified, enabling the Governor in Council to appoint an administrator to continue the operation of the council. Following the ratification of the dissolution regulation, I intend to immediately recommend to the Governor in Council the appointment of an administrator. Let me explain the context for this action by the government.

On 28 May 2003, I issued a notice pursuant to section 15 of the Community Services (Aborigines) Act 1984 requesting that the Palm Island Aboriginal Council show cause why it should not be dissolved. Section 20 of the Community Services Act empowers the Governor in Council to dissolve an Aboriginal council if the minister is satisfied that the council has acted unlawfully or corruptly; has acted in a way that puts at risk its capacity to exercise properly its jurisdiction of local government; or is incompetent or cannot properly exercise its jurisdiction of local government.

In issuing the show cause notice, I had significant concerns about the ability of the council to properly exercise its jurisdiction of local government. Among the most serious concerns I held was that the council was insolvent and there was evidence of serious mismanagement of essential services, community services and business operations by the council. There is inherent instability and ongoing conflict among elected councillors and there has not been a permanent council clerk appointed for over 12 months. The third acting council clerk has only just been appointed this week. However, the council has not been able to demonstrate in its submissions that it is currently solvent.

PricewaterhouseCoopers conducted an independent assessment of the council's response on behalf of the department. PricewaterhouseCoopers concluded that it was unable to determine the council's financial position from the information provided by the council. No organisation can operate effectively and accountably under these circumstances. The membership of the council has been unstable since the elections in March 2000. Out of the nine members elected then, six councillors have resigned, including a former chair. In excess of 50 council meetings were held in the 2001-02 financial year, which typifies the council's inability to make effective and binding decisions and to resolve matters promptly.

Council minutes are so poor it is difficult to know what decisions the council has made from time to time. There is a lack of process in staff appointments and the significant overstaffing of council's operations has meant the council is spending well beyond its means. A recent appointment of an acting council clerk ended in conflict in recent weeks with the appointee resigning and leaving the island. The council's Coolgaree Bay Tavern lost over \$100,000 in 2002-03. Residents have been unable to obtain cash from the council-run Commonwealth Bank agency and there have been complaints from residents that mail is opened illegally by staff within the council-run Australia Post agency.

The council has struggled to deliver on major infrastructure projects and it has only been through the assistance of the Australian Army that this vital work has progressed recently. There is a backlog of critical infrastructure work that has not progressed, including government accommodation units, community housing, and operations and maintenance of water and sewerage facilities. The lack of activity also threatens the continuation of employment and training programs at the island and it is vital that opportunity for continued and meaningful employment is not lost through a lack of will by the council.

There is considerable public unrest within the community resulting from the poor or non-existent service delivery in many of the council's community and municipal functions. The elected council has not demonstrated that it is willing or able to address these issues, and the level of conflict among councillors has meant that the needs of the community are not being met. The opportunity was provided for the council to reassure me that the issues of concern which I raised were being effectively dealt with. The council has simply failed to provide that assurance.

After careful and thorough consideration of all relevant information, including the advice of PricewaterhouseCoopers and the Crown Solicitor, I came to the view that council has acted in a way that puts at risk its capacity to exercise properly its jurisdiction of local government. Under section 20 of the Community Services Act, that is one of the grounds for me to be satisfied that the council should be dissolved. Following dissolution of a council, the Community Services Act requires an administrator to be appointed. I will be recommending to the Governor in Council the appointment of an administrator with the necessary skills and experience to return the council to solvency and restore an acceptable level of service delivery in the community.

The period of administration will be until a new council is elected in March 2004. The proposed administrator will be an experienced insolvency practitioner with extensive experience in managing diverse businesses and organisations, including Aboriginal corporations. The administrator's key tasks will be to implement systems and procedures to support good corporate governance, improve service delivery and ensure the council's future financial viability. It would be unrealistic to expect an administrator to resolve all of the council's problems within the six-month period of administration. However, I am confident that the administrator will make immediate improvements in the delivery of essential services and will lay a very solid foundation for a new council to be elected in March 2004.

The ongoing problems at Palm Island leave the government with little alternative but to exercise its power to intervene. The state's power to intervene in local government exists as a safeguard for the interests of residents such as those at Palm Island. It is a sad day when the government finds itself in the position of having to intervene in this way. The dissolution of a council and the appointment of an administrator is, of course, a measure of last resort. The situation at Palm Island illustrates the wider problems of accountability and poor governance affecting Aboriginal councils across the state.

Last week in this House, I announced the government's plans to overhaul the current system of community governance in Aboriginal communities. We will be legislating to introduce the best practice standards for strong, accountable local governance applicable to other local governments across the state. We will also be boosting the level of support for councils to improve their capacity to deliver good governance. With the implementation of these reforms, it is my hope that situations such as that at Palm Island will not arise in the future. The government is committed to being proactive to avoid a recurrence of the problems at Palm Island. In the meantime, however, it is our obligation to the residents of Palm Island to intervene on their behalf.