




Speech By
Hon. Stirling Hinchliffe

MEMBER FOR SANDGATE

Record of Proceedings, 2 May 2019

MOTION

Dissolution of Logan City Council

 **Hon. SJ HINCHLIFFE** (Sandgate—ALP) (Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs) (2.00 pm): I move—

That this House:

1. notes the regulation approved by the Governor in Council on 2 May 2019 dissolving the Logan City Council under section 123(3)(a) of the Local Government Act 2009 and appointing Ms Tamara O'Shea as the interim administrator for Logan City Council under section 123(3)(b) of the Local Government Act 2009;
2. notes that the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs has tabled a copy of the regulation in the House in accordance with section 73 of the Constitution of Queensland 2001 and ratifies that part of the regulation which dissolves Logan City Council under section 123(3)(a) of the Local Government Act 2009 in accordance with section 75 of the Constitution of Queensland 2001.

As foreshadowed this morning, I have recommended to the Governor in Council that the Logan City Council be dismissed. The regulation made under the Local Government Act was agreed to out of necessity to ensure that the people of Logan have a functioning council. This action does not interfere with the relevant judicial proceedings. I wish to be very clear: the dismissal of the council is necessary because I have no other choice at this point in time under the Local Government Act.

From Friday, 26 April 2019 Logan City Council has been left with four non-suspended councillors. On or about 15 December 2019 Councillor Stacey McIntosh was charged with one count of stealing as a servant. On 26 March 2018 the Crime and Corruption Commission charged Logan City Council Mayor, Councillor Luke Smith, with perjury, official corruption and failure to correct his register of interests contrary to the Local Government Act.

On 21 May 2018 the Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018 was assented to, introducing the automatic suspension of councillors charged with an integrity offence or a serious integrity offence. Both Councillor Luke Smith and Councillor Stacey McIntosh, by virtue of their charges in relation to the disqualifying offences, were automatically suspended under the Local Government Act.

On 26 April 2019 the CCC charged the following councillors with fraud under section 408C(1)(e) of the Criminal Code: Councillor Luke Smith, Councillor Russell Lutton, Councillor Steve Swenson, Councillor Laurie Smith, Councillor Cherie Dalley, Councillor Phil Pidgeon, Councillor Trevina Schwarz and Councillor Jennie Breene. It is understood that the charges contained a circumstance of aggravation given it is alleged the fraud caused a detriment in excess of \$100,000.

On 26 April 2019 the CCC also charged Councillor Luke Smith with an offence under section 92A of the Criminal Code for alleged interference in recruitment and probation processes. These charges constitute serious integrity offences. Accordingly, upon being charged, these councillors were also

automatically suspended. Let me be clear: all of these individuals are innocent until proven guilty. However, as a result of the suspension of nine of the 13 councillors at Logan City Council, I have been left with no option but to dismiss the council.

Logan has a quorum of seven councillors. With only four councillors remaining, it cannot perform its responsibilities. Logan cannot pass a resolution and there is no mechanism under the local government legislation which will allow for this to occur. Importantly, as I mentioned earlier today, this means that council is unable to pass its budget for the 2019-20 financial year or appoint an acting mayor or pass a resolution to delegate matters to a standing committee or to the chief executive. In addition, the absence of a mayor or acting mayor means that the key responsibilities of a mayor cannot be performed. This is a situation which I cannot let happen. Immediate action must be taken to ensure that the ratepayers of Logan have a council which can function. Logan City Council must have a budget and it must be able to make decisions.

The Local Government Act is clear and it is for this reason that the Governor in Council has dissolved the Logan City Council and appointed an interim administrator until the March 2020 local government quadrennial elections. The appointment of an interim administrator until the March 2020 elections will ensure that the four non-suspended councillors can run at the next available election; the Electoral Commission of Queensland will have completed the boundary review for the Logan city local government election; Logan ratepayers are not asked to foot the bill for two local government elections within a nine-month period; and noting that under the Local Government Act by-elections are not held if a councillor position is made vacant with less than 18 months to the quadrennial election.

Further, the Governor in Council, as I say, has today approved the appointment of Tamara O'Shea as the interim administrator. Ms O'Shea has had a long, distinguished career as a public administrator, most recently serving as director-general of the Department of Local Government, Racing and Multicultural Affairs from January to May 2018. Prior to that, Tamara was the director-general of the department of national parks, sport and racing from July 2015 to December 2017. Her skills as a senior executive administrator managing government interests in complex and rapidly evolving environments while upholding high standards of ethical behaviour and high levels of business performance will be invaluable in the role of interim administrator and for the people of Logan. I am confident that, as with the appointment of Mr Greg Chemello as the Ipswich City Council interim administrator, the appointment of Tamara O'Shea will see the Logan community thrive during this period.

In the coming weeks it is my intention to appoint an interim management committee, just as I did for Ipswich City Council, to help the interim administrator to perform their responsibilities. It is my intention to offer the four non-suspended councillors—Lisa Bradley, Laurie Koranski, Jon Raven and Darren Power—appointments to this committee. I table a letter from Mr Alan MacSporran, chairperson of the Crime and Corruption Commission, supporting the appointment of the four non-disqualified councillors to the interim management committee.

Tabled paper: Letter, dated 1 May 2019, from the Chairperson of the Crime and Corruption Commission, Mr Alan MacSporran QC, to the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs, Hon. Stirling Hinchliffe, regarding Logan City Council [689](#).

Unlike at Ipswich City Council, where councillors who were not charged with offences seemingly looked the other way when faced with questionable practices, these four councillors at Logan actively called out the poor governance and integrity practices of the now suspended mayor and councillors. Mr MacSporran confirms that it is appropriate that these four councillors should be given the opportunity to continue to represent their community and should not be penalised with lost remuneration.

Other appointees to the interim management committee will also be made to provide expertise in required fields. I hope that today's actions will go some way to restoring the community's faith in local government and repairing the reputation of the sector. The reality is that the vast majority of councils across the state—and, indeed, councillors across the state—act with integrity to deliver fundamental services and good governance to their communities each and every day.

Yesterday this House saw the introduction of the second stage of Belcarra reforms designed to build on the government's commitment to improving integrity and accountability in the local government sector. In relation to the matter today, I want to acknowledge and thank the opposition for their support for this required action. The people of Logan foremost deserve a functioning council that can continue to provide services. Unfortunately, they find themselves in an extraordinary situation that needs to be addressed as quickly as possible in order to move forward with confidence. Actions such as these proposed today are integral to ensure that our communities are served by councils that are capable of acting in the best interests of those communities.