



## CRIME AND CORRUPTION COMMISSION

### TRANSCRIPT OF INVESTIGATIVE HEARING

10 CONDUCTED AT LEVEL 2, NORTH TOWER, 515 ST PAULS TERRACE,  
FORTITUDE VALLEY WITH RESPECT TO

File No: CO-16-1664

HEARING NO: 17/0001

DAY 1 - TUESDAY 18 APRIL 2017  
(DURATION: 33MINS )

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#### LEGEND

PO Presiding Officer – ALAN MACSPORRAN QC  
CA Counsel Assisting – GLEN RICE QC  
30 HRO Hearing Room Orderly – JESSICA WINTERS  
W Witness – SIMONE HOLZAPFEL  
LR Legal Representative – R T COWEN, Tucker & Cowen, Solicitors

PO Who is your next witness, Mr RICE?

CA I call Simone HOLZAPFEL, spelt H-O-L-Z-A-P-F-E-L.

PO Thank you.

10 LR Mr Chairman, while that is being done, perhaps I should announce my appearance for Ms HOLZAPFEL.

PO Yes, certainly.

LR My name is COWEN - C-O-W-E-N - initials R T. I am a solicitor from Tucker & Cowen, Solicitors, and I appear for Ms HOLZAPFEL in relation to this matter.

PO Thank you, Mr COWEN. Were you here when I gave the opening remarks about a blanket direction to compel the answers so you didn't have to to claim privilege each time?

20 LR I was in the back of the room, thank you, Mr Chairman, and I understand that section 197 claim is being applied as a blanket claim to all witnesses' evidence.

PO Yes, thank you.

LR To save some time, I understand from some previous communications with the Commission's staff that there are likely to be two documents put in evidence to my client.

30 In view of your rulings earlier about redactions on essential documents, those documents are invoices and they contain bank account details. My client, if those documents do get tendered, would like the bank account numbers redacted --

PO Yes.

40 LR -- I suppose. There is opportunity for mischief with those and those don't seem to be a matter of public interest. My learned friend has already --

PO We have done that, I think, have we? Thank you.

Ms HOLZAPFEL, do you have any objection to taking an oath?

W No.

PO All right. Would you swear the witness in, please.

50 HRO Please take the Bible in your right hand and repeat after me. The evidence.

W The evidence.

HRO Which I shall give.  
W Which I shall give.  
HRO In these proceedings.  
W In these proceedings.  
HRO Shall be the truth.  
10 W Shall be the truth.  
HRO The whole truth.  
W The whole truth.  
HRO And nothing but the truth.  
W And nothing but the truth.  
20 HRO So help me God.  
W So help me God.  
HRO Please take a seat.  
PO Yes, Mr RICE.  
CA Is your name Simone Maree HOLZAPFEL?  
30 W It is.  
CA You are appearing under an attendance notice, am I correct?  
W Yes.  
CA Just have a look at this. Is that a copy of the attendance notice that you  
received?  
40 W It is.  
CA I tender that.  
PO That is Exhibit 9.  
CA Ms HOLZAPFEL, you are the proprietor, are you not, of a business  
called SHAC Communications?  
W I am.  
50 CA Is that an incorporated business?  
W It's a proprietary limited business.  
CA Are you a director of that company?

W I am.

CA You are effectively the person who owns it and runs it, is that fair to say?

W I am, yes.

CA You were born and raised on the Gold Coast; is that right?

10 W I was, I guess.

CA Educated, I think, at Bond University?

W Yes.

CA Your early career took you to Sydney where I think you worked for MLC for a while?

20 W Yes.

CA Did you start to take some interest in politics there?

W I did.

CA What side of politics?

W Conservative.

30 CA Did you participate actively in, say, the Liberal Party in New South Wales?

W I did. I was a Young Liberal.

CA Are you a member now?

W No.

CA Have you been?

40 W Yes.

CA Over what timeframe, can you tell us?

W I haven't been a member of the party since about 2010.

CA You left MLC, I think, and then sometime after took up a position with Mr ABBOTT?

50 W I did.

CA What was that position?

W Originally I worked in his office as an electoral officer.

CA You worked for him for a number of years?

W I worked for Tony for seven years; for the majority of that time as his press sec.

CA You left there about 2003, does that sound right?

W Yes.

CA You started your business of SHAC Communications in about 2005?

10 W Yes.

CA Do you have business premises at Bundall?

W I do.

CA Could you explain what kind of business it is?

W We provide media, public relations, graphic design, communications and government relation services.

20 CA To whom?

W To corporates. To individuals. Whoever needs our assistance.

CA From your background, do you have experience in election campaigning?

W Yes.

30 CA You participated in - in fact, I think perhaps more than participated in the campaign of Mayor TATE in 2008?

W I did.

CA Did you run his campaign?

W I worked with Mayor TATE as a candidate in 2008, yes. I didn't run his campaign, but I worked on the campaign.

40 CA Have you assisted with election campaigning for local government candidates?

W Yes.

CA And candidates in other elections?

W Yes.

CA State?

50 W State.

CA Federal also?

W State, federal and local government over a 20-year period.

- CA As part of your business or as an interest?
- W As part of my business and previously as part of an interest in politics.
- CA Having regard to your background, the candidates whom you assist, do they tend to be conservative?
- W Yes.
- 10 CA When I say "assist", I am talking about assist in a business sense, that is to say to provide a commercial service to them?
- W Correct. I provide a commercial service.
- CA You would know, wouldn't you, that candidates for, say, the Gold Coast City Council election are not party endorsed?
- W Correct.
- 20 CA So far as the 2016 campaign is concerned, did you assist with the provision of services to a number of candidates?
- W I did.
- CA They included the Mayor?
- W They did.
- CA A Kristyn BOULTON?
- 30 W Yes.
- CA Felicity STEVENSON?
- W Yes.
- CA Cameron CALDWELL?
- W Yes.
- 40 CA Gary BAILDON?
- W Yes.
- CA And Pauline YOUNG?
- W Yes.
- 50 CA Did you perceive them to be conservative aligned candidates, at least in terms of their politics?
- W They would be conservative candidates, yes.
- CA What kind of services did you provide?
- W Graphic design services in most instances.

- CA Do you, if requested, also provide advice on strategy, that is to say, how to campaign successfully?
- W Yes.
- CA And you promote your business, do you, as offering that kind of service?
- 10 W It's not promoted for providing that service, but we do offer it.
- CA And people are aware of it?
- W Yes.
- CA And come to you for that kind of advice?
- W Yes.
- 20 CA So you would claim to be able to provide expert advice to persons on how to conduct a campaign?
- W Expert is a terminology.
- CA Well, valuable advice.
- W Experience with political campaigns and being able to provide advice on how they might go about it.
- 30 CA An experience worthy of being paid for; correct?
- W Correct.
- CA And you are?
- W Yes.
- CA Take a candidate for a council election at the Gold Coast, what would a good campaign involve?
- 40 W A number of things. It involves good material.
- CA Printed material?
- W Printed material. It involves a good candidate who has a clear understanding of their local area, and it requires a candidate that's prepared to do a lot of work on the ground with their local community.
- CA What kind of printed material would you recommend?
- 50 W Obviously corflutes, How to Vote Cards, advertising, letters to your potential electors. Brochures.
- CA Do you, if requested, provide campaign budgets and cost projections, that kind of thing?

- W We give ballpark figures but not a set - it's an advice of what you would consider doing.
- CA Well, a candidate wants to win, of course.
- W Yes.
- CA How would you go about putting together a budget for a candidate?
- 10 W It depends on the candidate.
- CA In what sense, financial or in what way?
- W No, it depends on the candidate, whether the candidate is an incumbent, whether the candidate has an incumbent running against them, or whether they are a person that's relatively unknown to an electorate. It really depends on what their profile is and what their experience is with local government as to what they would be looking for in terms of a campaign.
- 20 CA How important is profile given that candidates are not party endorsed and can't then take advantage of that branding, as it were?
- W So name recognition and incumbency are the two most important things in local government.
- CA Does a person who is not recognised necessarily, or certainly not party endorsed, require steps to be taken to lift their profile?
- 30 W They need to do much more work than someone who has name ID in the local community, yes.
- CA Well, such a person would need to apply more resources to their campaign than, say, a sitting member who has--
- W Yes.
- CA -- an established name?
- 40 W Yes.
- CA Would that be your advice?
- W Yes.
- CA How would that be reflected in the way the campaign was conducted?
- W They would have to be much more engaged and publicly seen within the community. You would want them to do a lot of engagement door-to-door. They would need to advertise. They would need to send information to the electorate so that the electorate knew that they were there, and running for the Division that they were running for.
- 50 CA So perhaps more printed material?
- W Potentially, yes.

- CA Different types of printed material?
- W Yes.
- CA Are you able to assist with what you would suggest as a ballpark figure, or for the cost, of conducting a good campaign for a new candidate at the Gold Coast?
- 10 W Somewhere between 35 and \$50,000.
- CA And how would that be broken up in rough terms?
- W You'd spend probably 10 or so on direct mail. You'd spend another 10 on advertising. You'd spend 5 to 10 on corflutes and polling day. And you'd spend the rest on activities around brochures and other printed material that you'd hand out throughout the campaign, and obviously fees for professionals and printers, and things like that.
- 20 CA Do you provide a printing service?
- W No.
- CA Or is that sort of thing outsourced?
- W Outsourced.
- CA You provide recommendations?
- 30 W We have people that we use, yes.
- CA Do you make suggestions as to layout and content of printed material?
- W Yes.
- CA And in terms of meeting the clients' needs and working out what level of service they need and how to go about it, what style of interaction do you have with the candidates?
- 40 W Oh, you have a sit-down with the candidates and work out where they're at and what they're trying to achieve and what their key issues are that they want to run on, and then you make the assessment based on where they sit as to what they might need and give them a series of recommendations.
- CA Is that the sort of thing you would do early in the piece when they come to see you?
- W At the start.
- 50 CA Do they come to see you, to your business premises?
- W Yes.
- CA And have a discussion of the kind you've just mentioned?

W Yes.

CA Well, having worked out the parameters of assistance and goals, and so forth, how do you advance the campaign from there?

W Obviously they have their own campaign team that runs their campaigns and we provide our services throughout the process and deliver the agreed materials and other activities that they've asked us to provide.

10 CA In terms of ongoing interaction with the candidate, how does that take place? Are there any formal meetings, or how do you go about it?

W We might see them once a week but obviously email and phone because if you're a candidate, you want to be in your community as much as possible, not in meetings.

CA Were you personally involved in assisting the candidates whose names I gave you before?

20 W Yes.

CA You have other staff, I think.

W Yes.

CA How many?

W I have seven staff.

30 CA Are they all involved in the same sort of thing?

W No.

CA In terms of delivery of this kind of service that you've spoken about, there's you. Is there anyone else from your business?

W Another one of my staff and one of my designers.

40 CA You have another staff member called Alyson, I think?

W I do.

CA Alyson RICHARDS; correct?

W Yes.

CA Did she work for any of the candidates whose names I gave you?

50 W She did.

CA Which one?

W She worked with Kristyn.

CA Kristyn BOULTON?

- W Kristyn BOULTON and Felicity STEVENSON and Cameron CALDWELL.
- CA Can I ask you this: their campaign material --
- W Yes.
- 10 CA -- were there similarities in content or appearance, or were they individualised?
- W Individual materials for individual candidates, based on their views of what they wanted.
- CA Do you present them with, like, options, a number of templates, perhaps that style of thing, "Do you like this one or do you like that one?", or --
- 20 W No, there's no --
- CA What does the process consist of?
- W They're together. We sit down and they create their brand that they have a view about and what they stand for, and material is produced based on that and provided for approval.
- CA Provided for approval?
- 30 W To the candidate.
- CA They give you their ideas and you create something--
- W Yes.
- CA -- is that the way it works?
- W Yes.
- 40 CA And they decide whether they like what you have created or not?
- W Yes.
- CA And if they do, you go ahead and arrange printing and --
- W Yes.
- CA From your interaction with the candidates, whom I've mentioned, did there appear to be any commonality of local government policy amongst them?
- 50 W No. On issues that are city-wide, some but, no, mostly they were focused on their local divisional issue. And you can't have 15 views on some issues that are city-wide, so it's very hard for everyone to have a different view.
- CA Once the service is provided for the purpose of a campaign, do you

have ongoing contact with clients after the election is concluded?

W No.

CA The election demarks, does it, the conclusion of what you're asked to do?

W Yes.

10 CA I'll show you two invoices. Do you recognise those?

W Yes.

CA The first one pertains to the Felicity STEVENSON campaign and another pertains to the Kristyn BOULTON campaign?

W Yes.

20 CA Do those invoices reflect the amounts that you billed for services rendered to those candidates?

W Yes.

CA Being \$5,000 each?

W Yes.

CA I tender those two invoices.

30 PO That is Exhibit 10. Thank you.

CA The description in the case of Kristyn BOULTON is for "Design of communication services".

W Yes.

CA Can you give us some more detail of what that consisted of?

40 W The development of her brand and the development of election materials, including her corflute, brochures, advertising, a letter to the electorate and a How to Vote Card.

CA Well, do I understand you correctly that that fee that you charged was for the design of that material?

W Design and then provision of the, obviously, writing of the material, the project management of the printing and delivery to her, and advisory services around that material.

50 CA The figure of \$5,000 is obviously far less than the figure you gave previously as being a ballpark figure for the conduct of a good campaign?

W But that's just my element of the campaign budget, obviously. It's not her total budget. It's just my costs. Obviously printing, postage; all the other advertising and other associated costs are on top of that.

- That's just my cost.
- CA That's the provision of the material?
- W Provision of my services.
- CA And the candidate then distributes it. In the case of mail-out, there is obviously a mail cost and for advertising, there's an advertising cost?
- 10 W That's right. Printing costs; other costs.
- CA Do you know whether that was all of the printed material that she needed for her campaign, reflected in that invoice?
- W I believe so.
- CA Was that the idea from interaction with her, that that was what you would provide?
- 20 W Yes.
- CA Is it the same scenario for Felicity STEVENSON?
- W Yes.
- CA \$5,000 being -- once again, is that the cost of the same kind of material?
- W Exactly the same.
- 30 CA All of the printed material that she might need?
- W Yes.
- CA Which she would then go about and distribute?
- W Yes.
- CA And meet the cost of; correct?
- 40 W Yes.
- CA Can I ask you this: did any of the candidates whose names I gave you, pay another candidate's invoice, do you know?
- W Not to my knowledge.
- CA Can I ask you about Fadden Forum.
- W Sure.
- 50 CA What is it?
- W It's a fundraising arm of the Liberal Party.
- CA When you say it's a "fundraising arm", what do you mean by an arm?

- W Well, it's a fundraising entity of the LNP in Queensland.
- CA Do you know what kind of entity it is?
- W No.
- CA How does it work?
- 10 W As I understand it, you can -- it holds events, you attend, you pay donations to the fundraising.
- CA Have you been a participant in Fadden Forum activities in the past?
- W I have.
- CA From what you say, there are fundraising activities conducted?
- W Yes.
- 20 CA Such as what?
- W Events. You can attend an event at the Fadden Forum.
- CA Have you done so?
- W I have.
- CA How is the money actually raised?
- 30 W By donations.
- CA What is the mechanism? Yes. Can you explain that for us?
- W So you donate to the Fadden Forum.
- CA Is it a donation based on membership or based on event, can you explain?
- 40 W Both.
- CA Tell us a bit more.
- W You can donate and have an annual membership or you can attend event.
- CA Or both?
- W Or both.
- 50 CA What does an annual membership cost, do you know?
- W I don't.
- CA Have you been an annual member?
- W Previously.

- CA How do you get notified about an event taking place?
- W You get an email invitation.
- CA From whom?
- W From the Fadden Forum.
- 10 CA Well, is the invitation from a person, or not?
- W Usually Stu ROBERT who is the MP. It's on his behalf that send through the Fadden Forum.
- CA He is the Liberal member for Fadden, isn't he?
- W He is.
- CA Is it fundraising for his electorate?
- 20 W It is for the re-election of a Liberal government.
- CA How central is he to the operation of this Fadden Forum fundraising mechanism?
- W Part of the mechanism. He obviously has a team, as I understand, that work with him. It's questions you best ask him.
- CA I am just exhausting your knowledge--
- 30 W Sure.
- CA --if you don't mind. Does it issue invoices for membership, do you know?
- W Yes.
- CA Does it have a phone number?
- 40 W I believe so.
- CA Is that connected with Mr ROBERT's --
- W I have no idea.
- CA -- electoral office, do you know?
- W I don't know.
- 50 CA What happens to the money that gets raised, do you know, in terms of where it gets paid to?
- W It gets spent on election campaigns.
- CA For the Liberal Party?

- W Yes.
- CA Is it promoted as a Liberal Party fundraising mechanism?
- W Yes.
- CA The people who participate in it, do they do that knowing that that's what it is?
- 10 W Yes.
- CA How do they know that?
- W I think it's fairly clear in the material that's provided.
- CA What material?
- W Well, an invitation.
- 20 CA I see. Such invitations, as you have seen, do they indicate that it is a Liberal Party fundraiser?
- W Yes.
- CA On the face of any invitation that you get?
- W Yes.
- CA I will just ask you a couple of general things.
- 30 W Sure.
- CA We have already spoken about the fact that candidates for the Gold Coast are not party endorsed, but presumably they have party - well, not even necessarily party affiliation, they have alignments to one side of politics or another?
- W They may have.
- 40 CA Is the Gold Coast community ready for a political arrangement like the Brisbane City Council, do you think?
- W That's not for me to judge. That's for the community of the Gold Coast to make a decision on.
- CA It has operated on a non-party endorsed basis for a long time.
- W It has.
- 50 CA Do you see a case for change of that?
- W It's really up to the community to determine.
- CA You don't have a view?
- W I don't have a view.

- CA Do you have a view about prohibiting donations?
- W I think you create bigger problems when you prohibit donations.
- CA Such as?
- W Such as New South Wales where people attempt to hide donations, as opposed to disclosing them.
- 10 CA Do you have a feel for whether parties have an influence over candidates for the Gold Coast Council election?
- W Can you explain?
- CA Well, a political influence, a financial influence, over candidates?
- W Not in my view.
- 20 CA I gave you a list of names before of the candidates for whom you provided service. Pauline YOUNG was one.
- W Yes.
- CA Was she invoiced a larger amount, about \$11,000?
- W Yes.
- 30 CA What was the difference between services you provided to her as opposed to the two others?
- W We provided services to Pauline over a longer period of time. Came to see us in October. Pauline was not an incumbent candidate and was running against an incumbent councillor. Her approach, as a very strong community-based advocate, was she wanted to work over a very long period of time on her campaign, so we worked with her over a longer period of time, and that's why the invoice reflects a different amount.
- 40 CA It is probably about five months by the sounds of it?
- W Yes.
- CA Just one other thing. Apart from the printed material and other resources that cost money --
- W Yes.
- 50 CA -- a candidate needs volunteers to assist on election day; correct?
- W Yes.
- CA Do you know of any sharing of volunteers amongst candidates for the 2016 campaign? Do you know whether that occurred?
- W Well, volunteers, by their very nature, are volunteers.

CA Yes.

W And obviously in a local government campaign, you have divisional  
councillors that are running for election and you have a mayoral  
campaign at the same time. So, volunteers may determine of their own  
steam that they want to provide their help to either a candidate who is  
running in a divisional race and the mayor, or a mayoral candidate. So  
10 you will find volunteers that help more than one candidate, but that's  
their choice. The concept of sharing is - I don't think it's an accurate  
portrayal of - people determine they may want to help more than one  
person.

CA Okay. Are you aware of any direction being given to volunteers as to  
which candidates they are required to support on the day?

W I think you'd find it very hard for directions of those kind to be provided  
with any level of adherence. You know, volunteers are always  
important people because they give their time and, from my  
20 experience, volunteers will potentially help a mayoral candidate and  
a different divisional candidate from person to person, it may not be  
the same person, the people that are what you would think aligned in  
a particular way provide assistance to. It's a local government. There  
are no party structures. People will help who they choose to help.

CA Do you know of any of the political parties having assisted a candidate  
with provision of volunteers?

W No. That's not to say volunteers aren't members of political parties.

30

CA Like candidates?

W Correct.

CA That is the evidence, Mr Chairman.

PO Thank you, Mr RICE. Mr COWEN, do you have anything?

LR No, thank you.

40

PO There are no other applications to ask any questions of this witness?  
All right. Thank you for your time. You are excused.

LR May I be excused?

PO Certainly, Mr COWEN. Thank you for your attendance.

50