



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 3 – FRIDAY 21 APRIL 2017
(DURATION: 25MINS)

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LEGEND

PO Presiding Officer – ALAN MACSPORRAN QC
CA Counsel Assisting – GLEN RICE QC
30 HRO Hearing Room Orderly – ISABELLA PATTON
W Witness – SHANE NEUMANN MP
LR Legal Representative – CATE HARTIGAN, instructed by CRH Law.

- HRO This hearing is resumed.
- CA Commissioner, in terms of program, there are three witnesses who can give evidence this morning, being Mr NEUMANN MP and Councillors STONEMAN and FLANNERY.
- 10 Mayor Allan SUTHERLAND is scheduled to give evidence today. His counsel is not available until later in the day, perhaps at 2 o'clock, so it may be, as with yesterday, that after the first three witnesses, there will be an interval. We'll see how we go.
- PO Okay. Thank you.
- CA I'm in a position to call the first witness, the Honourable Shayne NEUMANN MP.
- PO Thank you.
- 20 LR Commissioner, if I could announce my appearance. My name is HARTIGAN, initial C. I appear for the Honourable Shayne NEUMANN, instructed by CRH Law.
- PO Thank you. Mr NEUMANN, you have no objection to taking an oath?
- W None at all.
- PO Thank you. Could we swear the witness in. Thank you.
- 30 HRO Could you please stand and 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.
- 40 HRO In these proceedings.
- W In these proceedings.
- HRO Shall be the truth.
- W Shall be the truth.
- HRO The whole truth.
- W The whole truth.
- 50 HRO And nothing but the truth.
- W And nothing but the truth.
- HRO So help me God.

W So help me God.

CA Sir, Is your name Shayne Kenneth NEUMANN?

W Yes, it is.

CA You are the federal Labor member for Blair?

W I'm the federal member for Blair.

10 CA And the Labor member?

W I'm a member of the Australian Labor Party.

CA Blair takes in a large part of Ipswich, does it not?

W About 70 per cent of the population of Ipswich is in Blair, and the Somerset region to the north and west.

20 CA Does it also take in a number of divisions--

W It does.

CA --of the Ipswich City Council?

W It does.

CA You were elected first in 2007?

30 W That's correct.

CA Successfully contested each election since?

W I have.

CA Before we go on, you are appearing today in response to a notice to attend?

W I am.

40 CA Can I show you this document. I think it was served at your solicitor's. You may have seen it. Is that a copy of your attendance notice, Mr NEUMANN?

W Yes, it is.

CA Thanks. I tender that.

PO Exhibit 59.

50 CA Council elections in Ipswich are not party endorsed, are they?

W No, they haven't been for a long time.

CA You yourself are opposed to that, I think. Is that correct?

- W Yes, I have been for a long time opposed to endorsed teams in Ipswich City Council elections.
- CA I think there was some discussion of that, was there not, at an ALP conference, perhaps a couple of years ago?
- W There was discussion at a regional conference, in the middle of the second half of 2015.
- 10 CA And the discussion was about whether the Labor Party should run a ticket of candidates?
- W There was a motion at that regional conference as to whether the Labor Party should have an endorsed team in the Ipswich City Council elections in March 2016.
- CA And you didn't favour that?
- W I spoke against it strongly, and led the charge against that.
- 20 CA Why, Mr NEUMANN?
- W I've always taken the view that the people of Ipswich will vote for various candidates, Labor, Liberal, Green or whoever, but they don't want endorsed teams running in Ipswich City Council elections.
- CA Well, a number of candidates promote their candidacy on the basis of being independent; correct?
- 30 W They do.
- CA But within that, a number of them have either membership of a party or some other fairly obvious political alignment?
- W People are members of the Australian Labor Party, who are currently councillors or have been candidates in council elections, particularly in March 2016, that's true.
- 40 CA Do you have a view on whether that kind of alignment should be disclosed to electors for the purpose of a campaign?
- W In my experience, it is. What usually happens is one of the first questions you're asked, if you're a candidate, is, "What do you do for a living? Where do you work?" And the second question is almost invariably, "Are you a member of a political party?" That's been my experience over many years.
- CA So what's the content of independence, then? What does it mean?
- 50 W I think there is no endorsed teams, and certainly in Ipswich, in the March 2016 election, there was no decision made by the administrative committee of the Queensland branch of the Australian Labor Party to endorse a Labor team in Ipswich to run in that election.
- CA Since you're a federal member whose seat takes in a number of council divisions, can I ask you about something that has been expressed in the

course of this hearing. One view that has been expressed is that it's important, or at least desirable, in a federal member's interests, to counter the election of candidates perceived to be from the opposite side. Is that a view that you would hold?

10 W Mr RICE, my focus, can I say, in the lead-up to the March 2016 election was on my responsibilities both in terms of constituency, parliamentary and as a senior shadow minister in the Shorten Labor Opposition. It was not on the March 2016 election. That was my focus at that time, and that remained all throughout.

CA You gave support in various ways to a number of candidates, did you not?

W I did, and I fully disclosed those in my disclosure under the Queensland legislation.

CA I understand that. There's no issue about that. From what you say, though, that support was focused upon your own federal responsibilities?

20 W My support was focused?

CA Your support to these candidates. I mean, you mentioned that your focus throughout the 2016 election was on your responsibilities as a federal MP, and yet you're lending your profile, are you not, to the support of local government candidates?

W I supported people who were my friends, who I'd met through the Labor Party, some of whom I'd known for decades.

30 CA One of those was Ms Kylie STONEMAN?

W That's correct.

CA She had been an electorate officer in your office?

W She was, until she was elected as Councillor for Division 4 in March 2016.

40 CA And she had worked in your office, had she not, since you were first elected?

W That's not correct. She started working for me, as I understand it from my memory, about 2008. I was elected in 2007.

CA Yes, okay. Was her potential nomination a subject of discussion with you in the office?

50 W Yes. She had previously expressed to me that she wanted to - she had an interest in running for council in Ipswich. She'd done that - I'd known her for about a decade or so, and I encouraged her to run in the March 2016 election because I thought she'd be a good candidate and she would be a good councillor, and my observation and judgment and experience of her performance since that election is that that has been the case.

CA She, I think, made a decision to run quite a bit before the election. Is that your recollection?

- W Yes, she made a decision - I can't remember when she made a decision, Mr RICE. It would have been some time in 2015.
- CA Does about May sound correct?
- W I think it was around about the middle of the year. Somewhere in the middle of the year, I think.
- 10 CA Do you know whether she was campaigning - even though a campaign hadn't officially opened at that point, do you know whether she was campaigning from the point where she declared that she would run?
- W I don't think she would have been campaigning straightaway. I think she started campaigning later in the year. My observation is that she campaigned on her own time, on her own terms, and in her own way, and she gave up working for me in December, before Christmas, 2015, that is, she took leave. She handed back her key to me and to my office, and that she ran full time in her campaign until the March election in 2016.
- 20 CA I'd just like to recap, with your assistance, on what kind of assistance you did give to her and to some other candidates in the course of the 2016 elections.
- W Yes, fine.
- CA On election day, you were present and handing out How to Vote Cards for a number of candidates?
- 30 W That's correct.
- CA Was Kerry SILVER one of those?
- W Kerry SILVER was one of those.
- CA Kylie STONEMAN?
- W Yes, that's correct.
- 40 CA And Cheryl BROMAGE?
- W Yes, Cheryl BROMAGE as well.
- CA Darryl BALDWIN?
- W Darren BALDWIN, yes.
- CA And Andrew ANTONIOLLI?
- 50 W Andrew ANTONIOLLI.
- CA Are they all party members or Labor aligned candidates?
- W They're all members of the Australian Labor Party.
- CA And do you have personal relationships with them?

- W Yes. If you'd like me to outline, Mr RICE, exactly how I've known them?
- CA Well, are you friends with them?
- W They're personal friends of mine, every single one of them.
- CA Okay. Did you support by way of handing out How to Vote Cards, or in
10 any other way, candidates who weren't Labor aligned or members of the party?
- W I did. I actually voted for a candidate that wasn't a member of the Australian Labor Party, Charlie PISASALE. I live in his division.
- CA Well, that's tangible support, isn't it?
- W Well, I voted for him.
- CA Could I just ask you this perhaps once more. In terms of lending - well,
20 handing out How to Vote Cards, you're obviously visible to voters, you're known as the federal member, so you're lending your profile, can I suggest, to support for a particular candidate who's known to have the same political alignment as you; correct?
- W It would benefit a candidate because federal members and state members have a profile in their seats.
- CA Yes, yes.
- 30 W If a federal member or a state member of either major political persuasion was to hand out How to Vote Cards for a candidate in a council election, that's true, I accept that.
- CA In fact, it's fair to say, isn't it, you intended to lend your profile by way of assistance to the election of those candidates whom you assisted by handing out cards?
- W It would be fair to say that I was intending to give support and public
40 support to that particular person.
- CA Do you think that that has any downside for candidates in terms of potentially compromising their independence?
- W No, I don't believe their independence was compromised at all.
- CA You supported a number of candidates, whose names we've mentioned. Do you know how many booths you attended?
- W I attended Raceview. I attended Raceview State Primary School,
50 Cityhope Church at Ripley, Ipswich North State Primary School, and Springfield Central State High School.
- CA You also made some donations to various candidates?
- W That's correct.

- CA As you pointed out before, the details of those were set out in your disclosure returns?
- W They are.
- CA Perhaps I might just show you those and you can explain the circumstances.
- W Yes, I'm happy to do that.
- 10 CA I'll show you this one, firstly. You made a disclosure return in respect of each of the candidates whom you supported financially; correct?
- W Yes, that's correct.
- CA And the one I've shown you is a disclosure return pertaining to one or more donations in respect of Kerry SILVER?
- W That's correct.
- 20 CA I'll tender that disclosure return.
- PO Exhibit 60.
- CA On page 4, we see the details of two donations?
- W Yes.
- CA Relatively small in amount.
- 30 W Modest, I would call them.
- CA Modest, okay. Can you explain the circumstances of each of those?
- W I'll go to the second one first, because it was an auction item. I was invited to attend a fundraising/campaign launch for Kerry SILVER at Riverview Neighbourhood House in Riverview, in the heart of Division 3. I attended. There was a number of items that were being auctioned. I bid on one of those items, and I won, for \$100. And, Mr RICE, I can't even
- 40 remember the item.
- CA Okay.
- W My intention was to contribute to the campaign.
- CA Yes, okay. And the other?
- W The other is a mobile office. I think it's a great way to keep in touch with local constituents, to do mobile offices. I've done 65 of them since the
- 50 last federal election; I do hundreds of them.
- CA What is it?
- W Mobile offices. Get around to the different areas. I go to take my, you know, signs and banners around and I advertise in the local newspaper, whether it's the Queensland Times or the Somerset or the Kilcoy Sentinel

and I go around and people come and talk to me about issues such as Telstra, NBN, a whole range of issues.

I was doing one in Ripley, which is in Division 3, and I said to Kerry SILVER, "I'm doing a mobile office in an area that you're campaigning in. It's in your division. I'm happy to put a - pay for a joint advertisement in the Queensland Times." I paid for it. I disclosed it. And she came and we met local constituents together.

10 CA Can I just go through the others.

W Yes.

CA Well, perhaps without going through the other returns, you might just tell us whether donations you gave to the other candidates - STONEMAN, Darren BALDWIN and Steve FRANKLIN - were in the same category?

20 W No, they weren't. Darren BALDWIN was different from the others. The others were - I was invited, like a lot of people in the community, to campaign launches. They were for Kylie STONEMAN, Kerry SILVER and Steve FRANKLIN.

The donation to Darren BALDWIN was because I hadn't contributed - he's a personal friend of mine, I hadn't contributed, so I wrote him a cheque for \$300.

CA All your donations were modest in nature, were they not?

30 W I think it was less than \$2,600 in total, and it all came from my own Commonwealth Bank account, personal account.

CA One feature of the system, at least at local government level, is that disclosure returns such as you completed are prepared, and required to be prepared under the Act, up to 15 weeks after the poll. Do you have a view whether a system like that provides transparency of who's supporting candidates?

40 W I've always believed in real-time disclosure and I understand the Queensland Government and Electoral Commission has gone to that in terms of state disclosure. My understanding, Mr RICE, is there is a Bill currently that the Queensland Government is considering in respect of local government real-time disclosure. I think that'd be a good thing. I'd support that. I think it's unconscionable that we should have to wait for 18 months or two years after someone has made a political donation to discover that. That is not in the best interests of good government in a liberal democracy like Australia. I think it's important there be transparency and accountability and openness on political disclosure.

50 CA Does that translate to the electors having an interest in knowing before they vote as to who may be being supported and to what extent?

W I think it's important that they know that, and if there's real-time disclosure and you have to do it within seven days, in a case like this - you took me through one of them, people would have known and that is, I think, the direction that we've gone in Queensland. I think it's a good direction. And I think that if the Queensland Government pursued the Bill that

I understand that's currently being considered, that would be a good reform as well.

CA And to take another example, if a party is in fact supporting a non-endorsed local government candidate, that is something, in your view, that electors ought to know before voting?

W A party supporting a non-endorsed candidate?

10 CA Yes.

W It would be difficult, in a Labor Party context, can I say, because the party generally doesn't - wouldn't endorse and financially support, generally, non-endorsed candidates. The party has a very strong philosophical and historical view in relation to that; they would support Labor Party candidates only if they're endorsed.

CA So that example would be foreign to your Labor Party experience?

20 W It would be foreign to the culture of the Labor Party historically, for the Labor Party to do anything to the contrary. It's not something that is generally done, and I've been a member of the Labor Party for over 30 years and that's not something that's generally done.

CA In the absence of party financial support, local government candidates need to resort, to a degree, to the donation system, if I can call it that; correct?

30 W They have to seek donations from individuals or from wherever, or indeed use their own money.

CA Yes.

W And observation and experiences, you know, in being involved in political life in Ipswich is that candidates at a council level have often used their own money.

CA Okay.

40 W And I might add, Mr RICE, you're not serious about running for a seat at a state, local or federal level if you don't use your own money, to some extent, in running.

CA And to some extent, at least, candidates are often supported by way of donations?

W Candidates are often supported.

50 CA Which they can invite or even solicit?

W And they should disclose them.

CA Is that the best model for funding of local government, do you think? I say that because receiving donations can create its own problems of perception in the course of the councillor's term, do you agree?

- W It's possible if they do things that compromise their integrity and probity and impartiality, I would agree.
- CA And if they don't?
- W I think it's important that there be that openness I said about and transparency. I think the public demands and the public expects that that be the case. They should know what they get and who has donated to their campaigns. So disclosure is really critical.
- 10 CA Accepting that, do you have a view on whether the candidate's personal contributions, perhaps supplemented by donations, is the best model for funding of local government?
- W That's really a matter for the Queensland Government. You're asking me a question there, and I'm not an ethicist or a moralist or a university lecturer who's expert in political science--
- CA You don't have to express a view. I just wondered --
- 20 W I just think it's probably--
- CA --if you have one and if you're prepared to do so?
- W Well, I have always in my own campaigns put up my own money towards campaigns. It's really a matter for the Queensland Government if they want to do that, go down that way, that candidates disclose how much they, themselves, put towards the campaign.
- 30 CA You've made the point, I think, from your point of view, that disclosure is the key?
- W I think disclosure is really important.
- CA And transparent disclosure?
- W And transparency is absolutely critical.
- CA And timely disclosure?
- 40 W And timely disclosure. I agree with all that.
- CA That's the evidence, Commissioner.
- PO Thank you.
- LR Nothing arising, thank you.
- PO Thank you, Mr NEUMANN. Thanks for coming. You're excused.
- 50 W Thank you very much, Commissioner.
- CA I am reminded I didn't tender the disclosure return that was shown to Mr NEUMANN; I'll do that now.
- PO I thought you did tender it. It's Exhibit 60, I think.

CA All right. Someone's trying to confuse me.

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UNPROOFED TRANSCRIPT