

We The People

Program 122

Councilors Liable for Improper Loans



It's not often I'm lost for words but on this occasion I am. I've been looking into our Councils activity and in my view we are reaching a point where the State government should ask some very serious questions to GCCC. It appears Council doesn't like being asked searching questions and if you contact them on a sensitive issue you can bet your life the answer will be right out of Yes Minister. Freedom of information doesn't help as you have to be able to specify the exact document when you apply but of course you don't know what the exact document is because that's why you're seeking the information under FOI in the first place. The Councils CEO has presided over and probably championed many major projects over the years, yet it appears he is seldom effectively questioned. He also has the power to make any document or report confidential and out of the reach of the public. How can that be right and in the interest of the rate payers.

Let's just look at one very expensive item that's been mismanaged. The Councils so called ERP computer software purchase has been an unmitigated disaster by any measure. It's a failure, yet the Council is now considering a further request for around another \$60 million dollars for this lemon. Bureaucrats and Councilors met last week to discuss the ERP project and yes, you guessed it, the meeting is deemed confidential and the issue kept from us yet again. I believe its because the CEO has probably been the champion of this ill fated project and while it's true the Council vote on the expenditure, it's also true they have little idea what they are voting for. Remember the original budget was for about \$22 million and through inept management Council has spent around \$100 million or 5 times the budget. Are these people serious in representing us or are they just plain incompetent. So what have we got for the \$100 million plus and the answer is a big fat nothing.....zip.....zilch.....zero.....nada. Now it's about to get worse. The Mayor is on the record as having refused to consider the evidence that the matter is a mess. The Mayor said there would be no more money for the project, so why then is Council considering another \$60 million and now under a cloak of secrecy. I suspect I know what they are about to do so listen to this.

Capital expenditure is money allocated for major projects which endure. Operational expenditure is money allocated for ongoing operational matters. So in brief we have Capex and Opex. So far, as best we can gather, much of the failed ERP computer project has been correctly accounted for under Capex so we see that in the accounts but what if they slowly drip feed another chunk of our money into this folly through Opex.....bottom line is that they can effectively hide it. Now I admit I'm speculating here but I'm doing so with some insight and I'm not about to reveal my source. The answer to this is simple, let's just get the Mayor or better still the Councils CEO on air and have them explain it.

The question has to be asked who is running the GCCC and who is responsible. The Queensland Local Government Act Chapter 5 section 112 says that when Council borrows money and it's not for the good rule and government of the local government area, then the Councilors are liable. Councilors may have to pay back the borrowings plus interest and costs. Have no doubt there is a real liability on councilors to make sure projects they vote on are financially viable if borrowed money is used. At the moment the Council is borrowing a great deal.

Somewhere at some time surely someone must challenge the Councilors on the outrageous borrowings for all the thought bubble schemes currently underway. The rate payer wears the costs and the Gold Coast Council just keeps increasing charges to us to pay for their undertakings and poorly researched projects. It has to stop and now.

Until next time this is Kent Bayley