

DORSET COUNCIL

Board of Inquiry Closure Report

Collective closure of Council's administrative response

Report to	Council
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Prepared By	Director – Corporate Services
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Purpose

The purpose of this report is to bring together the record of Dorset Council's response to the Board of Inquiry and to seek Council's formal closure of that response.

The report does not revisit or reassess the Board's findings. It recognises the Inquiry as part of Council's history, while also recognising that the formal response required of Council has now been completed and should no longer sit outside ordinary Council business.

Executive Summary

The Board of Inquiry was one of the most significant governance events in Dorset Council's recent history. It followed complaints concerning Council, Councillors and senior Council employees, and led to the suspension of elected members, the appointment of a Commissioner, a formal Inquiry process, Ministerial Directions and a substantial body of implementation work by Council.

The Inquiry examined matters relating to statutory compliance, conflicts of interest, governance and decision making, use of legislative authority, and conduct and communications. The Board's final report was publicly released on 22 January 2025. It contained 70 findings and 22 recommendations. The Board did not recommend dismissal of the suspended Council, and elected members resumed their duties from 23 January 2025 under Ministerial Directions issued by the Minister.

The process required sustained organisational attention over a long period, while Council continued to deliver ordinary services and later worked through the required implementation, reporting and cost recovery matters.

After the report was released, Council's role shifted from participating in the Inquiry process to completing the actions required of it. Council completed all Directions requiring action by 31 December 2025. On 2 February 2026, the Minister confirmed that Council had satisfied the Ministerial Directions and that no further progress reporting was required.

The financial consequences of the Inquiry have also now been settled. The State Government has determined that Council is to pay \$356,442.66 toward the cost of the Inquiry over three annual instalments. This sits alongside Council's own recorded response costs, including employee time, legal advice, insurance excess and other costs associated with responding to the Inquiry and implementing the Directions.

This report brings the record together in one place. It acknowledges the Inquiry as part of Council's history, records the actions taken in response, identifies the financial and organisational impacts, and sets out how the relevant lessons and safeguards will continue through Council's normal governance and assurance work.

The matter now before Council is narrower than the matters considered through the Inquiry. The Directions have been completed, progress reporting has ceased, and the cost recovery position has been settled. Council is now being asked to formally close the separate response process while carrying the lessons learned from the Inquiry forward, enabling it to direct its current focus to the organisation, its people, service delivery and the Dorset community.

1. Background

1.1 Establishment and scope

On 26 July 2023, the former Minister for Local Government, the Hon Nic Street MP, established a Board of Inquiry into Dorset Council under section 215(1)(b) of the *Local Government Act 1993*. The Board members were Andrew Paul and Andrew Walker, with secretariat support from the Office of Local Government.

The Inquiry followed an investigation by the Director of Local Government into complaints concerning Council, Councillors and senior Council employees. Its Terms of Reference addressed matters including alleged improper use of legislative authority, statutory non-compliance, conflicts of interest, governance and decision making, alleged retributive action and inappropriate communications.

On 2 August 2023, the Minister suspended all elected members for the duration of the Inquiry. Mr Andrew Wardlaw was appointed Commissioner from 3 August 2023 to administer Council during the suspension period.

While the Inquiry was conducted by the Board, Council was the subject of the process and was required to respond to its requirements while continuing to deliver ordinary Council services. Council was notified of the Director's investigation on 21 February 2023, engaged legal support, responded to document and information requests, supported access to employees and records, and later responded to the Board's report and Ministerial Directions.

Council's response included 13 document requests, the supply of more than 1,500 documents, and the appearance of three then-current Council employees before the Board.

The Board's final report records that, as part of its Inquiry process, the Board received 63 public submissions, summoned 46 people to targeted appearances, considered thousands of pages of documents and heard oral evidence from more than 40 witnesses. Those matters are included here as context for the scale of the Inquiry. Council's own response is addressed separately in this report, including document production, employee involvement, legal support, implementation work and financial impacts.

The Board's initial report was provided to the Minister on 30 April 2024. On 16 August 2024, the Minister directed the Board to reconsider aspects of its report. A revised report was provided to the Minister on 18 October 2024, and the final report and Ministerial Directions were publicly released on 22 January 2025. Elected members resumed their duties from 23 January 2025 under the Ministerial Directions.

Council then moved into implementation and reporting. It completed all Ministerial Directions requiring action by 31 December 2025, and on 2 February 2026 the Minister confirmed that Council had satisfied the Directions and that no further progress reporting was required. The chronology below summarises the key milestones from Council's perspective.

1.2 Key chronology

Date	Event
December 2022	Director of Local Government commenced investigation.
21 February 2023	Council was notified of the investigation, received a copy of the “ <i>Draft Investigation Report</i> ” from the Director of Local Government and engaged legal support.
12 May 2023	Council endorse response to the Director of Local Government’s “ <i>Draft Investigation Report</i> ”.
26 July 2023	Board of Inquiry into Dorset Council established.
2 August 2023	All elected members suspended.
3 August 2023	Mr Andrew Wardlaw commenced as Commissioner.
30 April 2024	Board’s initial report provided to the Minister.
4 July 2024	Board’s initial report dated 30 April 2024 provided to Council by Minister with opportunity for submission.
25 July 2024	Council endorse submission to the Minister in response to the Board’s report.
16 August 2024	Minister directs Board to reconsider aspects of its 30 April 2024 report.
21 August 2024	Board provides Council with opportunity to make submission on its draft findings and recommendations report
19 September 2024	Council endorse submission to the Board on its draft findings and recommendation report.
18 October 2024	Board provides revised report to the Minister.
20 November 2024	Council endorse submission to the Minister in response to the Board’s revised report dated 18 October 2024.
22 January 2025	Board’s final report dated 18 October 2024, and Ministerial Directions publicly released. Commissioner’s tenure concluded at midnight.
23 January 2025	Elected members resumed their duties from 12.01 am.
24 October 2025	Minister invites Council to make a submission on costs associated with the Inquiry.
31 December 2025	Council completed all Ministerial Directions requiring action.
2 February 2026	Minister confirmed Council had satisfied the Directions, and no further progress reporting was required.
23 March 2026	Council endorse submission to the Minister in response to costs associated with the Inquiry.
28 August 2026	Minister advises Council on decision on costs associated with the Inquiry.
21 September 2026	Council accepted the final three year cost repayment arrangement.

2. Final Report, findings and recommendations

The Board’s final report became the formal record of the Inquiry’s findings and the basis for the Ministerial response that followed.

The revised report contained 70 findings and 22 recommendations. Its Executive Summary recognised that Dorset Council was in a sound financial position, had delivered operating surpluses and capital

works, and had generally well maintained public spaces and infrastructure. At the same time, the Inquiry focused on how Council performed statutory roles and functions, made decisions, managed conflicts and engaged with internal and external stakeholders.

Of the 22 recommendations, 12 were directed to the broader Tasmanian local government sector or State Government, rather than to Dorset Council alone. While Dorset Council was the council subject to the Inquiry, more than half of the recommendations sought changes beyond Dorset, including broader sector guidance, oversight, training and support. This context was relevant to Council's later submission on the proposed recovery of Inquiry costs.

The Board considered matters including statutory compliance, conflicts of interest, governance and decision making, alleged bias or improper use of legislative authority, and inappropriate behaviour and communications. The Board found that many issues reflected failures to have, or give effect to, policies and procedures supporting statutory obligations.

The Board was not satisfied that Councillor conduct had seriously affected Council operations and did not recommend dismissal of the suspended Council. The Board considered that a lack of understanding of roles, law and decision making procedures should be addressed through compulsory ongoing training and development.

From Council's perspective, the final report marked a shift from responding to the Inquiry process to responding to the outcomes of that process. The findings and recommendations informed the Ministerial Directions, which became the formal mechanism through which Council was required to address the matters identified.

This closure report does not reproduce or reassess each finding. The final Board report, Ministerial statement and Council's formal submissions remain the authoritative historical record.

3. Ministerial directions and Council's response

Following release of the Board's final report, the Minister issued Directions to Council, former Councillors and the former Mayor under section 225(2) of the *Local Government Act 1993*. The Directions became the formal framework for responding to the findings and recommendations that required action by Council.

Council reported quarterly on implementation and completed all Directions requiring specific action by 31 December 2025. Directions 2 and 7 continued to operate for the term of the Council and were incorporated into Council's adopted policy, procedure and procurement controls.

No.	Requirement	Council response and completion	Status
1	Conflict policy and procedure for Council-related planning applications.	Policy No. 69 and operational procedure adopted 21 July 2025 following legal review.	Implemented
2	External assessment of specified discretionary applications valued at \$500,000 or more where Council is applicant/developer.	Incorporated into Policy No. 69 and the related procedure adopted on 21 July 2025. Continued for the Council term.	Implemented, term-based

3	Review 2024/25 service rates and charges and table a report.	Workshopped 2 September 2025 and received and noted at 15 September 2025 Council Meeting.	Completed
4	NRE Tas training for relevant employees.	Training delivered 4 and 11 August 2025 and completion reported on 20 October 2025.	Completed
5	Procedure for planning permit conditions and section 63A obligations.	Received and noted 21 July 2025 following legal review.	Implemented
6	Procedure for functions under Division 5 of Part 3 of the Local Government (Building and Miscellaneous Provisions) Act 1993.	Received and noted 19 May 2025 following legal review.	Implemented
7	No additional work under the identified World Trail contract and compliant procurement of future trail works.	Operational teams instructed and compliance addressed through four quarterly reports. Continued for the Council term.	Implemented, term-based
8	Procedure to ensure lawful action under Part 18 of the Building Act 2016.	Received and noted 19 May 2025 following legal review.	Implemented
9	Procedure for Building Act infringement notices.	Received and noted 19 May 2025 following legal review.	Implemented
10	Quarterly then six-monthly reporting until Directions completed.	Reports presented 14 April, 21 July and 20 October 2025 and 19 January 2026. Minister discontinued further reporting ahead of schedule on 2 February 2026.	Completed

On 2 February 2026, the Minister confirmed that Council had fulfilled its obligations under the Directions and that no further progress reporting was required. The Minister also thanked Council for its cooperation and confirmed that Directions 2 and 7 continued for the term of the Council, notwithstanding the cessation of progress reporting.

4. Governance, the next phase of work and ongoing assurance

4.1 Governance and next phase of work

Implementation of the Ministerial Directions produced practical changes to Council's governance, compliance and administrative practice. These included:

- a formal policy and procedure for Council related planning applications and associated conflicts of interest;
- external assessment of specified high value discretionary planning applications;
- a documented review of Council's service rates and charges;

- training for staff relating to Crown land, Aboriginal heritage and nature conservation obligations;
- procedures for monitoring planning permit conditions and restrictions; and
- procedures governing statutory building and plumbing functions.

These actions addressed the formal requirements of the Ministerial Directions. They also reinforced a broader lesson for Council: good governance cannot rely on individual judgement alone. It depends on everyday systems that help people understand their responsibilities, feel safe and supported to raise issues early, monitor compliance and test whether controls are working in practice.

The purpose of Council's next phase of work is practical, but it also responds to broader themes that can be drawn from the Inquiry: trust and confidence, respectful conduct and relationships, integrity and impartiality, role clarity and boundaries, statutory compliance and procedural discipline, early intervention and accountability.

This is why Council's investment in and work on key internal services and systems is not separate from the lessons of the Inquiry. These are the systems through which those lessons become day to day practice. Clearer systems support trust because employees, Councillors and community members can better understand Council processes and the reasons for decisions. They support respectful relationships because people are less likely to be left navigating unclear or inconsistent pathways. They support integrity, role clarity and accountability because responsibilities, conflicts, advice, decisions and assurance are more visible and better documented.

Examples of current or emerging work include strengthening Council's HR capability, improving WHS systems and reporting, clarifying ICT service delivery and transformation priorities, reviewing records and corporate administration practices, and strengthening governance, risk and compliance oversight through management and Audit Panel reporting.

The controls introduced through the Directions will be maintained and developed through ordinary policy ownership, management oversight, legislative compliance monitoring, risk management, Councillor induction and development, and Audit Panel assurance. The next phase of work is supported by additional resourcing in the 2026/27 Budget Estimates, with initial actions reflected in Council's 2026/27 Annual Plan.

4.2 Carrying the lessons into ordinary assurance

Formal closure does not mean the controls, lessons or risks identified through the Inquiry fall away. It means they are carried into Council's ordinary governance and assurance arrangements, where responsibility sits with Council, the Executive Leadership Team and the Audit Panel rather than through a separate Board of Inquiry response framework.

Mechanism	Role following closure
Council	Maintain oversight of strategy, policy, significant risks, statutory responsibilities and community facing decisions.
General Manager and Executive Leadership Team	Own implementation, assign responsibility, monitor progress, escalate risk and provide management assurance.
Audit Panel	Provide independent review of governance, risk, compliance and internal control arrangements, including whether controls are operating

	in practice.
Legislative compliance monitoring	Identify statutory obligations, allocate ownership, monitor completion and report breaches or emerging compliance risks.
Policy and procedure review	Maintain scheduled review of controls introduced through the Directions and ensure they remain current, owned and used.
Risk management	Identify and treat governance, compliance, conduct, conflict-of-interest and decision making risks.
Internal and external audit	Test priority controls and systems through the annual audit program and risk based assurance activities.
Councillor induction and development	Support role clarity, conduct, conflicts, statutory responsibilities, meeting preparation and lawful decision making.
Records management	Preserve decisions, reasons, advice, evidence and the official record so Council can demonstrate accountability over time.

This approach avoids creating a parallel ongoing assurance structure after the formal response has been completed. It places accountability where it now belongs, with Council for oversight and decision making, with the General Manager and the Executive Leadership Team for implementation and escalation, and with the Audit Panel for independent assurance. It also ensures the lessons of the Inquiry are tested through ordinary systems rather than held separately from Council's day to day work.

5. Financial impact and recovery of Board of Inquiry costs

5.1 Summary of financial impact

The financial consequences of the Board of Inquiry include both Council's own response costs and the State Government's final cost recovery decision. The table below brings together the financial impact identifiable from Council's available records and the agreed State Government repayment arrangement.

Cost	Amount	Comment
Inquiry Costs	\$356,443	Payable in 3 annual instalments
Recorded employee time	\$41,261	Recorded for identified employee time directly attributed to the Board of Inquiry. This does not capture all indirect officer time, work that was delayed or displaced, or broader organisational impact.
Legal costs not covered by insurance	\$26,000	Incurred to support implementation of the Ministerial Directions and Council's response to the Minister's proposed and final recovery of Inquiry costs.
Insurance excess	\$5,000	Policy excess paid by Council in relation to covered Board of Inquiry response costs.
Response costs covered by insurance	Unknown	Amount not disclosed by Council's insurer. The insurer met all covered costs above the policy excess.
Total	\$428,704	

This figure does not capture all indirect officer time, work that was delayed or displaced, the full response and legal costs met by Council's insurer, or the broader organisational and community impact of the

process. It should therefore be understood as the recorded and payable financial impact identified by Council, not the full cost of the Inquiry to Council or the Dorset community.

5.2 Proposed recovery and Council's submission

The financial consequences of the Board of Inquiry were not fully resolved when Council completed the Ministerial Directions. Cost recovery remained a separate matter requiring Council consideration, a formal submission to the Minister and a final Council decision on repayment.

On 24 October 2025, the Minister advised Council that the total calculated cost of the Inquiry was \$364,127.80. The Minister proposed recovery of \$356,442.66 under section 229 of the *Local Government Act 1993*. The proposed recovery was less than the total calculated cost because the Minister excluded \$7,685.14 associated with Board remuneration incurred after the Board's initial report had been provided to the Minister. This followed Council raising procedural fairness concerns that the initial report had been provided directly to the Minister without Council first being given an opportunity to respond, and the Minister subsequently directing the Board to reconsider aspects of its report.

Council obtained external legal advice and endorsed a submission in closed session on 23 March 2026. It was submitted on 30 March 2026. Council sought no recovery of costs or, alternatively, recovery of a smaller proportion.

At a high level, Council's adopted position addressed the exercise of the Minister's statutory discretion, whether more proportionate regulatory options were available to address the issues raised through the Board of Inquiry, historical matters already addressed being retested, procedural fairness concerns, the fact that more than half of the Board's recommendations were directed at the broader sector or supporting State level changes, Council's full cooperation during the process, and the effect of transferring costs to Dorset ratepayers. The submission expressly stated that it was not a rejection of the Inquiry or its lessons.

5.3 Final decision and Council resolution

By letter dated 28 August 2026, the Minister advised that the State Government would proceed with recovering the full proposed amount of \$356,442.66 and accepted Council's request for a payment arrangement over three annual instalments of \$118,814.22.

On 21 September 2026, Council noted the correspondence, accepted the three-year payment arrangement, authorised the General Manager to implement it, approved a 2026/27 budget variation and requested this closure report.

Financial year	Instalment	Budget treatment
2026/27	\$118,814.22	The adopted budget included \$178,000 based on an anticipated two-year arrangement. Council reduced other expenses by \$59,000 to \$2,563,000.
2027/28	\$118,814.22	To be incorporated into future budget estimates and long-term financial planning.
2028/29	\$118,814.22	To be incorporated into future budget estimates and long-term financial planning.
Total	\$356,442.66	Settled amount.

The repayment arrangement can be accommodated within Council's existing long term financial planning and has no direct asset management implications. That accounting position should not be read as meaning the recovery was insignificant or uncontested. Council's submission raised matters of proportionality, the effect of transferring Inquiry costs to Dorset ratepayers, and the broader context that more than half of the Board's recommendations were directed to sector or State level changes rather than Dorset Council alone.

While the remaining instalments will continue through future budgets, the cost recovery position is now settled as a financial obligation rather than an unresolved Board of Inquiry governance matter.

6. Impact

The Board of Inquiry had impacts beyond the specific costs and actions recorded earlier in this report. Over an extended period, it required significant time, attention and judgement from Council's executives and employees while ordinary statutory responsibilities, service delivery, budget management, Council reporting and internal support functions continued.

Council continued to operate and deliver services during this period, but the Inquiry and its aftermath required substantial leadership and officer attention. Responding to the Inquiry, implementing the Directions, meeting legal and reporting requirements and resolving cost recovery added to broader organisational pressures and reduced the capacity available for internal improvement. Important systems supporting employees, risk, governance and community facing processes now require Council's focused attention. Formal closure will help Council redirect its capacity to those priorities.

Councillors were also directly affected. Elected members were suspended at the commencement of the Inquiry and, for much of the process, had limited information and support to navigate its personal and public impact. When they resumed their duties, the Inquiry's findings, public scrutiny and community expectations were still immediate. Several Councillors resigned during or after the process. The current Councillors have each shown courage in putting themselves forward to serve during a difficult period. They have taken responsibility for Council's response, implementation and recovery, alongside the important work of rebuilding trust and confidence with the community.

The community impact is more difficult to measure, but it should not be ignored. The Inquiry concerned matters of public interest that affected confidence in Council, community relationships and perceptions of the organisation. People may hold different views about the need for the Inquiry and its consequences, including the organisational disruption, cost, delay and personal impact associated with the process.

It is also appropriate to acknowledge that some people may have felt let down by Council's past conduct, processes or communications, and that the Inquiry process itself placed strain on individuals, relationships and confidence in Council. Those impacts cannot be fully measured through the matters considered in this report. They are part of the reason the lessons of the Inquiry need to be carried into the way Council now works, communicates, supports its people and serves the community.

Formal closure does not dismiss individual experiences or minimise the Board's findings. It recognises that Council has now completed the formal response required of it, that the financial aspects have been settled, and that the relevant lessons and safeguards are being carried into ordinary governance and assurance arrangements.

Council's next phase is to rebuild confidence through visible progress in its people, systems, services and engagement with the community. This means supporting employees and Councillors, strengthening the organisation's capability and giving the community clearer, easier and more respectful ways to engage with Council. Formal closure provides a clear point from which Council can focus on that work.

7. Lessons learned

The Inquiry and Council's response identified lessons at two levels. The first are lessons for Dorset Council about its own governance, systems, conduct, records and assurance. The second are lessons from the Inquiry process itself, including the practical support needed when a council is subject to an intervention of this scale.

7.1 Lessons for Council

The lessons for Council are not limited to the individual Ministerial Directions. They relate to the systems and behaviours that support lawful, transparent and respectful local government decision making. They include:

- governance responsibilities and decision rights must be clear, understood and consistently applied;
- actual, potential and perceived conflicts of interest must be identified early, recorded and managed transparently;
- significant decisions require clear records of evidence, reasons, advice, authority and follow up action;
- statutory compliance requires documented procedures, accountable owners, review cycles and active monitoring;
- Councillors and employees need credible, safe and practical avenues to raise and escalate concerns;
- policy and procedure controls must be embedded in day to day practice, not only adopted by Council;
- independent assurance should test whether important controls are operating in practice;
- Councillor induction and ongoing development must address roles, law, decision making, conduct, conflicts and meeting preparation; and
- internal systems such as HR, ICT, WHS, governance, records, compliance and risk management are core governance supports, not simply administrative functions.

7.2 Lessons from the Inquiry process

Council's experience identified lessons about the practical impact of a Board of Inquiry on the council subject to the process. An intervention of this scale requires a council to sustain ordinary services while also managing significant demands in responding to the Inquiry.

It also demonstrated the importance of planned transition and organisational recovery support at the end of an Inquiry. In this case, the final report and Ministerial Directions were released publicly on 22 January 2025, the Commissioner's tenure concluded at midnight that evening, and elected members resumed their duties from 12.01 am the following day. Council was required to move immediately from leadership

by a Commissioner back to elected Council governance, while the findings were public, expectations were high and the organisation was still digesting the implications of the report.

Council's experience identified several practical gaps in the transition arrangements. Earlier notice of the report's release, transition planning with the General Manager and Commissioner, temporary flexibility around meeting requirements while elected members were briefed, and clear guidance from the Office of Local Government would have supported a more orderly return to elected governance. Instead, Council relied on its own legal advice and internal resources to interpret the Directions and manage communications, Councillor re-entry, employee impacts and community expectations.

The conclusion of an Inquiry is a high-risk transition point, not simply an administrative handover. Elected members return to public decision making while employees support renewed governance arrangements and the organisation begins implementing the required response. If that transition is not planned and supported, the council may face additional governance, workforce and communication risks at the point stability is needed the most.

Future Board of Inquiry processes should treat organisational recovery as part of the formal process. This requires a planned transition from the Commissioner to elected governance, timely implementation guidance and practical support for Council, affected Councillors and leadership. The formal end of an Inquiry should mark the beginning of a supported recovery and implementation phase, rather than an immediate withdrawal of external support.

8. Closure and transition to business as usual

With the Ministerial Directions implemented, special reporting requirements concluded and the cost recovery position settled, there are no further actions that need to be managed through a separate Board of Inquiry response framework. The remaining matters are now ordinary Council responsibilities: administering the agreed payment arrangement, maintaining the controls introduced through the Directions, carrying the lessons into governance and assurance systems, and focusing on the broader organisational improvement work identified in this report.

Formal closure does not diminish the significance of the Inquiry, the Board's findings or the different experiences people may have had through the process. The Inquiry remains part of Dorset Council's history. It has and will continue to shape Council's governance, administrative practice, internal systems and understanding of the support needed for Councillors, employees and the community.

The purpose of closure is to draw a clear line under the separate response process, not to draw a line under the lessons. Those lessons will continue through policy ownership, management oversight, legislative compliance monitoring, risk management, Councillor development, records management and Audit Panel assurance.

Continuing to frame current organisational decisions through the Board of Inquiry after the required response has been completed risks keeping Council anchored in an exceptional governance process beyond its useful purpose. Council now needs to retain the record, safeguards and lessons of the Inquiry while directing current effort to its people, services, systems and community priorities.