

SHIRE OF CARNARVON

Grievance

MR V.A. CATANIA (North West Central) [9.40 am]: My grievance is to the Minister for Local Government. I have with me the “Shire of Carnarvon 2013 Probity Compliance Audit Report”, which I will refer to and which I know the minister has read or had a glance at. In Carnarvon we have a problem. The Shire of Carnarvon has become dysfunctional and is no longer trusted by its community to deliver the services to the ratepayers that it is charged with delivering. Instead, it has become wasteful and secretive in hiding its many poor decisions from public scrutiny.

Two recent projects that have caused the town enormous financial pain are the redevelopment of the main street, Robinson Street, and the construction of a new Fascine wall. Both these projects have suffered from poor management, weak leadership and a reluctance by some councillors and the shire president to make their actions and decisions transparent. Instead, ratepayers see their money being continually wasted on expensive ad hoc repairs, remediation works and maintenance that would not be necessary if the council had applied the necessary level of integrity to ensure that the funds appropriated from the shire budget or from the state government were spent in the manner intended.

More than \$17 million from the state government royalties for regions fund has gone into the Robinson Street revitalisation and the Carnarvon Fascine wall projects. Robinson Street has been ripped up and repaired three times because of the faulty work undertaken and the failure of the supposedly well-experienced and fully qualified staff employed by the shire to oversee this project who did not understand the impact of the below-standard work that was being performed; it will now need to be repaired again. Worse still, the council signed off on the works performed, effectively indemnifying the contractor from remediation of the substandard final product that was delivered, and then paid a confidential settlement to the Curnow Group of, I have heard, up to \$270 000, of which no-one has been able to see the details. This project has had a disastrous effect on the viability of many small businesses operating along the affected stretch of Robinson Street. The tourist trade has diminished during the peak season; the locals have been unable to navigate the fences, bollards, detours and roadworks, and have vented their frustration at council workers and shop owners; and businesses have closed, leaving empty shopfronts. This signals a slow, relentless death of the commercial district for the people who visit. But it gets worse.

The Carnarvon fascine wall is another of those projects that the Shire of Carnarvon has stumbled and bumbled its way through. The Robinson Street saga pales in comparison with the fascine wall saga, which has become an embarrassment that will undoubtedly saddle the ratepayers of Carnarvon with debt for decades. In 2013, a new 800-metre fascine wall was constructed with funds from the royalties for regions program. The Carnarvon business community queried the shire about whether the appropriate materials were being used, even before construction began, but were assured by the shire president that the wall was being constructed to last for 50 years and that he had the assurances of design engineers and contractors that this was the case. Funnily enough, only three short years after the shire president gave those assurances to the people of Carnarvon, we now apparently have a report that states that immediate remediation of the fascine wall must be undertaken to reduce the ongoing corrosion, which inevitably will cause issues with structural integrity and, therefore, wall safety. I say “apparently” because we are unsure exactly what the reports state because the reports have been made confidential by the shire president and councillors to avoid further public scrutiny of their actions. My office has spoken to the acting CEO to request access to these reports, but, unfortunately, the verbal agreement to supply them to me to ascertain some level of understanding of the impact of this faulty work has been overturned by the shire president to further avoid the scrutiny that I am asking the minister to undertake.

The community is unable to see what damage has been done, what has been delivered by the contractors and what the long-term financial implications will be for the ratepayers and residents. I continue to refer to residents as well as ratepayers because the reduction in services that will be required due to the ongoing wastage of shire moneys will have an effect on them, too.

This brings me to recent actions undertaken by the Shire of Carnarvon to avoid further public scrutiny of this expensive saga. The recent ordinary council meeting was due to be held on Monday, 25 July as scheduled, but the shire president called a special council meeting one week prior to that to address only two agenda items. Item 1 was a vote to hold the meeting in private and item 2 was to allocate \$611 628.77 for the remediation works for the fascine wall. This equates to 14 per cent of the Shire of Carnarvon budget for 2017–18 to repair the fascine wall that the shire president assured the people would last for 50 years. This meeting was called in secret, without public knowledge of the issue that was to be discussed and the implications that it would undoubtedly have for the town. This could easily have been put on the agenda that was publicly available and councillors could have moved into a private session to discuss the matter in full view. Instead, the shire president and councillors used the cover of darkness to deliver a \$611 000 blow to the people of Carnarvon. Only one councillor dissented, and even requested

that his dissent be made publicly available in the minutes. The rest just went along with the abuse of trust of the people of Carnarvon.

This money will not be used to mow verges, fix potholes in the streets or provide support to valuable community programs. The shire president even says that he is unaware of any community concern over the issue. This is coupled with numerous complaints from Shire of Carnarvon staff of bullying by the shire president and former CEO that get brushed aside without action being taken. This complete willingness by some councillors and the shire president to avoid any level of public scrutiny must be challenged. I suggest that an investigation as thorough as that conducted in Exmouth would serve the Carnarvon community better.

I have with me the probity report, which clearly states —

The probity audit was not an exhaustive examination of all matters. Many of the matters on their own may not be serious issues. However, when considered together, the extent of non-compliance with the Act at both Council and officer level that was identified in the three days that the audit was undertaken is of significant concern.

I ask that the minister suspend the Shire of Carnarvon so that the October elections can be held with peace of mind and the community can understand what is actually going on.

MR D.A. TEMPLEMAN (Mandurah — Minister for Local Government) [9.47 am]: I thank the member for North West Central for his passionate grievance this morning about the Shire of Carnarvon. I have a couple of preliminary comments. It is important to note that the town of Carnarvon is a very important and wonderful part of Western Australia, so it is concerning when issues are raised about the governance of the local government. I appreciate the member's concern. As he is aware, there is a history to a number of these projects and a number of the associated issues that he has highlighted this morning, including the fascine wall and the Robinson Street works. He did not mention the other issue that has attracted widespread public attention—that is, the blowholes reserves management plan.

Mr V.A. Catania: I didn't have enough time.

Mr D.A. TEMPLEMAN: The member did not have enough time. He should have asked for his time to be extended!

Of course, as he highlighted, a number of these issues date back some time, including prior to this government coming to power in March 2017. I will very quickly go through some of the key points and then make some comment about the member's assertions about and request to suspend the council. It is important to note that many of these concerns, which date back to 2012, have been extensively investigated by various probity agencies, including the department itself, which has responded to a number of the concerns that have been raised, and also issues were raised with the Corruption and Crime Commission inquired.

Mr V.A. Catania: But it never investigated them.

Mr D.A. TEMPLEMAN: I will come to that. The Australian Competition and Consumer Commission and Deloitte also carried out a number of investigations of complaints that had been received by various agencies, including the Australian Securities and Investments Commission. A number of those reports found no evidence of corruption and misconduct, which was one of the member's concerns. He made assertions during his comments this morning about the shire president and a number of councillors. His last comment about the recent provision of \$600 000 for ongoing correction works for the Fascine are examples of his concern. The member quoted from the probity report. Again, I have read the report, including the quote that the member highlighted about the probity not being exhaustive on examinational matters, which is referred to on page 42. It is important to note that there were 26 recommendations in that report. The information I have is that those 26 recommendations have been implemented to the department's satisfaction. If the member has any evidence that highlights that that has not been delivered, I urge him to let me know. I would welcome that.

The member also noted that in May 2013, the department notified the Corruption and Crime Commission of alleged misconduct by shire staff. In November of that same year, the CCC found no evidence to support those allegations. In 2014, the department investigated a series of complaints from several residents relating to a number of allegations of corruption and serious misconduct et cetera. The department concluded that although there were examples of poor procurement practice at the shire, no misconduct by councillors and staff was established that could lead to prosecution. I understand that staff who also administered the original tenders for the projects that the member highlighted are no longer at the council.

The governance review program, with the Australian Institute of Company Directors, has been completed. This program was implemented to assist in upskilling elected members and executive staff in effective community leadership, understanding financial reports and budgets et cetera. I am advised that there is no evidence of either a breach or an offence under the act. In the department's view, the shire's governance is functional and does not require investigation for further breaches. That is the advice I am getting. The member's is of the contrary.

I am going to Carnarvon at the end of this month. I remind the people of Carnarvon—I certainly urge the member to remind them too—that we have elections in two months. I am not saying that there is no concern in that community, because I have received a lot of correspondence on this issue and the member is advocating on behalf of those people. The plea now is for the people of Carnarvon to stand up on 21 October, when the local government elections are held, and have their say.

Mr V.A. Catania: They will, minister. But \$600 000 of ratepayers' money is being used to try to patch up a mistake made by the Shire of Carnarvon. That is the concern.

Mr D.A. TEMPLEMAN: As the member would be aware, under section 5.23 of the Local Government Act 1995, councils have the power to close meetings to the public in certain circumstances and situations. The decision resulting from the discussion is required to be recorded in the council minutes.

Mr V.A. Catania: What about the reports being made public?

Mr D.A. TEMPLEMAN: It is a matter of the public record in terms of the considerations. The Freedom of Information Act still applies.

I urge the people of Carnarvon to have their say in October, and make sure that they vote and make sure that those people who want to make a positive contribution put themselves forward as candidates. That is crucial. That is what good governance is.