

7 December 2020

## **Public examinations into a regional housing project and employment roorts**

### **Transcript - Opening Address by Counsel Assisting, Ms Tse Chee Loo**

Roebourne is a small town in the north-west of Western Australia, about fifteen hundred kilometres north of Perth. It falls within the boundaries of the Ngarluma people. The bed of the Harding River runs through the town and the surrounding countryside, with its rocky escarpments, grassy plains and ochre tones, has a beauty unique to the Pilbara region.

In 1983, the death of 16-year-old John Peter Pat in a Roebourne police lock up became the catalyst for the Royal Commission into Aboriginal Deaths in Custody and brought the public's attention to the paucity of amenities in Roebourne and the conditions in the town. In 1991, in his report about John Pat's death, Commissioner Elliott Johnston, QC, outlined the devastation of Aboriginal culture in the area brought on by the expansion of the pastoral industry from the 1860s, large scale mining from the 1960s, the impact of alcohol, and the dislocation of people from the Roebourne Reserve to a state housing commission project known as 'the Village'.

Almost 20 years later, a report by the Department of Indigenous Affairs identified continuing social issues relating to alcohol abuse, poverty and violence in Roebourne. The report noted consistent community feedback that there was significant overcrowding in public housing which was contributing to family violence.

In August 2011, the President of the WA Police Union wrote to the Minister for Housing, the Hon Troy Buswell, outlining long-standing concerns about the standard and location of existing police housing. Police officers reported being subjected to harassment, vandalism and antisocial behaviour in and around their homes and indicated that they would leave Roebourne if a solution could not be reached. The President urged the State Government to act swiftly. He warned, 'there will be no police officers in Roebourne to police the town'.

By the end of that year, the Department of Housing had bought two blocks of vacant land on Hampton Street, on the slopes of Mount Welcome. After long delays, a purpose-built housing complex for police and their families finally opened in July 2014.

The person who signed the contract to buy the Hampton Street lots on behalf of the Department of Housing was Mr Paul Whyte.

There was more to the story than what had first appeared to be a standard land acquisition by a government department to build government housing.

The Commission's examinations over the next three days will raise the curtain on the saga of the Roebourne police housing complex and ask significant questions about what happened behind the scenes.

Was the land purchased solely for the benefit of the Roebourne community or was it purchased at a hugely inflated price for the benefit of Mr Whyte's gambling associates?

In January 2011, a real estate agent contacted the Department to advise that the Hampton Street lots were on the market. The Department didn't act. Instead, a couple from Melbourne, Mr Robert Ottone and his wife, bought the lots.

The Ottones paid \$440,000 for the lots in April 2011. They owned the lots for just over seven months and in that time made no improvement to them. The lots were not connected to essential water, electricity or sewerage services. In November, the Ottones sold the Hampton Street lots to the Department for \$700,000 under a contract that required further payments from the Department to the Ottones once the Department had developed the lots.

By January 2013, the Ottones had received almost \$1.3 million from the Department of Housing for the sale of the Hampton Street lots in a deal brokered by Mr Whyte.

Who was Mr Robert Ottone?

Was he a simply an astute investor who profited from a brief ownership of two vacant blocks of land on which he had made no improvements?

Or did Mr Ottone buy the Hampton Street lots as part of a corrupt scheme in which government funds were deliberately overspent for the personal benefit of certain individuals?

Mr Robert Ottone, a smash repairer in Melbourne, was friends with Mr Graeme Michell.

Mr Graeme Michell was friends with Mr Paul Whyte.

As well as being Mr Whyte's friend, Mr Michell was also Mr Whyte's bookie. For years, Mr Michell placed bets, allegedly worth millions of dollars, for Mr Whyte on different betting accounts around Australia.

In the years in which the Department bought the Hampton Street lots and developed the police housing complex, the Commission's investigation has uncovered hundreds of thousands of dollars moving between bank accounts controlled by Mr Whyte, Mr Michell and Mr Ottone.

The movement of these massive sums of money between Mr Whyte, Mr Michell and Mr Ottone, at the time when Mr Whyte acted on behalf of the Department of Housing in purchasing land from Mr Ottone, raises serious questions, which the Commission will explore during these examinations.

Over the next three days, witnesses will give evidence about the steps taken and decisions made when the Hampton Street lots were bought and developed for police housing in Roebourne. The Commission will consider whether there was adequate governance, transparency and accountability when public money was spent. The Commission will scrutinise whether public officers disclosed confidential information they obtained by virtue of their positions. Beginning with the first witness, Mr Graeme Michell, the examinations will shed light on the relationships between the key parties to the Hampton Street transactions.

More broadly, the Commission's investigation has raised issues about the culture within the Department of Housing at the time. In private examinations before the Commission, witnesses described Mr Whyte as being 'entrepreneurial' and 'creative'. He seemed to produce results. The Commission will explore whether a desire to cut red tape and bureaucracy, together with a reluctance to report suspected misconduct, may allow corruption to flourish because proper procedures and safeguards are disregarded. Cultural issues are not unique to particular agencies and, in that respect, there may be lessons to be gleaned by other departments in the public sector.

The Roebourne police housing complex was a much-needed solution to a volatile situation in the town, when the police were threatening to leave because of the problems with their housing. Around that time, the State government had committed significant funding to the Pilbara region, having launched its 'Pilbara Cities' blueprint in 2009. The government wanted to transform the

region by creating modern higher density centres, supported by all the services and facilities enjoyed in other Australian cities. In 2011, the Housing Authority had embarked on its 'Roebourne Rejuvenation Project' which involved demolishing or refurbishing existing social housing and constructing new housing for residents as well as employees of government and non-government organisations.

The community of Roebourne deserved the infrastructure upgrades and funding that was promised to it. The Government should be able to trust that its public servants, particularly those in senior positions, will carry out their duties ethically and for the benefit of the people of Western Australia. The State paid a hefty price for the Roebourne police housing complex. Almost a decade later, we hope that the experience was not in vain and that Roebourne can serve as a clarion call to vigilance across the public sector.