



MEDIA RELEASE

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CCC AGAIN SHINES SPOTLIGHT ON LOCAL GOVERNMENT CORRUPTION – AND STRUCTURAL WEAKNESSES

The Corruption and Crime Commission's latest report into serious misconduct and corruption within a local government authority again underlines structural weaknesses in the sector.

The *Report on Matters of Serious Misconduct in the Shire of Exmouth* was presented to State Parliament today and focuses on the Commission's investigation into three aspects of Shire governance – the actions of the Shire CEO who 'was a law unto himself', the conduct of a Shire employee who benefited from his friendship with the CEO, and a million-dollar contract that has exposed the ratepayers of Exmouth to significant financial risk.

The Commission formed a number of opinions of serious misconduct and recommends that consideration is given to the prosecution of former CEO, Bill Price, and his friend and former Shire employee, Andrew Forte. The Commission's opinions are not a finding that a person has committed, or is guilty of, a criminal offence.

Importantly, the report spotlights the failure of a council to exercise oversight over its CEO.

Exmouth Council was quick to act by generously increasing the CEO's leave entitlements immediately after it was advised that the Commission was conducting an investigation.

In contrast, when the Commission informed the Shire President that the CEO had admitted significant lapses in judgment including misuse of a credit card, Council took no immediate action.

The Commission's investigation has exposed issues associated with the culture of Exmouth Council that have been addressed by the interim management of the Shire led by Commissioner Ian Fletcher.

Exmouth is the latest in a series of more than 10 regional and metropolitan local government authorities to have attracted the Commission's interest in recent years, relevant issues of which were examined in a comprehensive *Report on Misconduct Risk in Local Government Procurement* delivered in February 2015.

Exmouth is the second council to be the subject of a Commission investigation in relation to procurement matters since that report. The Commission's *Report on a Matter of Governance at the Shire of Dowerin* also focused on a CEO who failed the ratepayers of the town and exposed "breathtaking ignorance" of the role and responsibilities of councillors.

The report into activities at Exmouth underlines disturbing features that have proved common to other local government authorities and are areas worthy of assessment and focus by all local governments. They include:

- inadequate governance, whether due to placing friendship above probity, ignorance of robust procedures or some other reason;
- a culture of entitlement;
- lack of adherence to local government policy and inadequate oversight;
- authority and responsibility for very significant procurement and contract management resting with administrators who are not necessarily appropriately qualified, experienced or monitored;



- councillors who are ill-equipped to oversight complex and often high-stakes activities, particularly in the area of procurement and contract management;
- confusion as to the extent to which a councillor can make enquiries of administrative staff; and
- difficulty and conflicts arising for people who are aware of potentially corrupt activity, but reticent to speak up.

As a result of the serious misconduct that can arise when these and other features are in play, communities are poorly served by their senior administrators and their councillors, and, as the Commission's investigations have shown, are sometimes the victim of serious misconduct costing them hundreds of thousands of dollars.

At Exmouth, the CEO was dismissed in December 2016 and Council stood down for six months with a requirement to undergo training. On 20 April 2017, Exmouth announced the appointment of a new CEO, Mr Cameron Woods.

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