

MEDIA RELEASE

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Historical Government housing deal reveals big losses – and many serious misconduct risks

The Corruption and Crime Commission tabled a report in State Parliament today warning of serious misconduct and corruption risks when good governance is lacking, usual procedures aren't followed, and when consultants act as public servants.

The report details Project Stella Orion - a multi-stage housing development in the City of Cockburn. Stage 1 of the development was successfully completed by private interests.

The Housing Authority became involved in stage 2 which was successful. To continue its involvement the Housing Authority did something unusual. Instead of entering into a joint venture arrangement, it bought shares in a private company named Goldmaster Enterprises Pty Ltd, the beneficial owner of land in Success, City of Cockburn.

The investment was a disaster and the antithesis of good governance. The Commission estimates the Department of Communities (the successor to the Housing Authority) has incurred a loss of at least \$30 million.

The Commission has not formed an opinion of serious misconduct in relation to any of the public officers involved – they commenced the project in good faith to support government policy and to provide social and affordable housing. However, the project progressed in a manner that has exposed Western Australia to corruption risks, and tens of millions of dollars in losses.

After 10 years, the Department of Communities is left with a significant shareholding (87%) in Goldmaster, a company that has incurred net losses of approximately \$38.5 million as at July 2023. The Department indicated to the Commission that it intends to buy out the other shareholders and wind up the company.

As Goldmaster's position deteriorated, key members of the Housing Authority's Executive sought to minimise and deflect questions and oversight.

The Commission's report demonstrates the need for vigilance by public officers to ensure decisions made in relation to the expenditure of State funds are properly considered, understood, transparent, documented and monitored – and that key stakeholders, including Ministers, are properly informed.

These checks and balances are essential to good governance and play an important role in preventing corruption.

Contact the Corruption and Crime Commission

The Commission's investigation into Project Stella Orion commenced in 2021, and although some events in this report are over a decade old, the lesson learnt for all Western Australian public sector entities are timeless.

ENDS

Read the report

[Serious misconduct risks in a Housing Authority project](#)

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