

LEGISLATIVE COUNCIL
Question Without Notice

Wednesday, 27 November 2019

C1546. Hon Peter Collier to the Minister for Regional Development

I refer to the redevelopment of the Warmun Community after it was flooded in March 2011 and ask the following:

1. What role in the redevelopment did Mr Ralph Addis have in his capacity as Acting Chair of the Kimberley Development Commission?
2. As Acting Chair of the KDC was Mr Ralph Addis aware of Stellar Corporation?
3. As Acting Chair of the KDC was Mr Ralph Addis aware that Mr Craig Dale was a part owner of Stellar Corporation?

I thank the Member for some notice of this question

1. None.

For clarity, Mr Ralph Addis was never Acting Chairperson of the Kimberley Development Commission (KDC). He was a Board member of the Kimberley Development Commission from 26 June 2009 to 7 November 2014 and its Chair from 26 March 2012 until 7 November 2014.

From May 2011, Mr Addis was employed by Warmun Community Inc, to assist the Warmun Community Inc CEO during a period of failing health, and from August 2011 until October 2012 as the Warmun Community Inc CEO.

Mr Addis as a Board member, had no KDC appointed role in the Warmun Community redevelopment and as a Board member, declared his employment connections with Warmun Community Inc, and was separated from any KDC decisions related to the Warmun Community redevelopment.

- 2 -3. The KDC became aware of Stellar Corporate Solutions during late 2011 or early 2012 and that Mr Craig Dale was a part owner.

The KDC has had no commercial relationship or transactions with Stellar Corporate Solutions, during Mr Addis' tenure as a KDC Board member or since.

Mr Addis became aware of Mr Dale as a representative of the then Department of Housing, when he commenced his employed role with Warmun Community Inc and

subsequently become aware in late 2011 or early 2012 that Mr Dale was contracted by Housing via Stellar Corporate Solutions.

For the sake of completeness and transparency, and with the support of Mr Addis, I also wish to table a disclosure letter which Mr Addis provided on his own initiative on 24 October 2014 to both the Public Sector Commissioner and to the then Minister for Regional Development, the Hon Terry Redman MLA, ahead of his appointment to the role of Director General of the Department of Regional Development.

I further note that Mr Addis forwarded a copy of this disclosure letter to the current Public Sector Commissioner and Ms Michelle Andrews, Director General Communities, on 16 November 2019 and to my office on 21 November 2019.



Ralph Addis

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24th October 2014

Mr Mal Wauchope
Public Sector Commissioner
2 Havelock Street
WEST PERTH WA 6005

By email: Mal.Wauchope@psc.wa.gov.au

PRIVATE AND CONFIDENTIAL

Dear Mal

PROXIMITY TO EMERGING FINANCIAL MISADMINISTRATION ISSUES IN WARMUN COMMUNITY INC.

This is to document my verbal advice provided to you on 22nd October 2014 in the context of my proposed appointment to the role of Director-General of the Department of Regional Development, and outlining my previous proximity to the above-mentioned matter.

Background

In May 2011, following the Warmun Flood in March 2011, I was employed by the then CEO of Warmun Community (Turkey Creek) Inc. (Warmun Council) to provide management support during the emergency recovery and reconstruction process.

Following the CEO's departure due to ill health, I was appointed by the Council as CEO from approximately August 2011 until October 2012.

In response to the Warmun Flood, the WA Government initiated the Warmun Re-establishment Taskforce (from March 2011 to present), which is chaired by the CEO of the Kimberley Development Commission and included the Department of Housing as the lead agency for much of the reconstruction works.

As part of its reconstruction program, the Department of Housing appointed Mr Craig Dale (a contractor to the Department) as their lead Project Manager for the Warmun Project. Mr Dale eventually established a new contracting business, Stellar Corporate Solutions Pty Ltd (Stellar), through which his ongoing role as the Department's Warmun Project Manager was provided.

Mr Dale played a significant and effective role in delivering the reconstruction program, and built close and trusted relationships with the Board and administration of Warmun Council. Based on this experience, and during my tenure as CEO, the Council engaged Stellar to assist with business planning for a proposed

redevelopment of the local roadhouse and to project manage the refurbishment of the Warmun Airstrip. These projects were completed and paid for prior to my departure.

Following the completion of my role as CEO of Warmun Council in October 2012, and my relocation from Kununurra to Perth in January 2013, Mr Dale approached me to take a part-time employment role as a Consultant with Stellar. I commenced with Stellar in February 2013 and resigned in June 2014.

On 6th August 2014, I became aware of significant concerns at Warmun Council about financial discrepancies related to payments made by Council to an entity associated with Mr Dale (Five Day Holdings Pty Ltd). I understand that Mr Dale is the sole shareholder and director of Five Day Holdings, and that he has sought and received payments from Warmun Council totaling \$3m over the period from October 2013 to May 2014 purportedly in relation to planned staff housing construction.

It appears that the intended works were never commenced and attempts by the Council to recover the funds have so far been unsuccessful.

The Council has now initiated legal proceedings to recover the funds, and have engaged with the Department of Prime Minister and Cabinet as primary funding provider and likely major creditor. It appears probable that Warmun Council will go into Voluntary Administration. It is possible that some form of fraud investigation will be initiated.

Proximity Issues

Given my former role with Warmun Council, my subsequent employment with Stellar, and the association between Stellar, Mr Dale and Five Day Holdings Pty Ltd, it is appropriate that I advise you of these matters and potential for these proximity issues to be scrutinized in the future, and to assure you that I have had no involvement or prior knowledge of these matters other than as outlined herein.

I have provided a copy of this memo to the Office of the Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

Please contact me at any time should you need to discuss this matter further.

Yours sincerely



Ralph Addis

cc. Mr Jamie Henderson
Chief of Staff to Minister for Regional Development; Lands; Minister Assisting the Minister for State Development