



REVEALED: COUNCIL UNDER INVESTIGATION



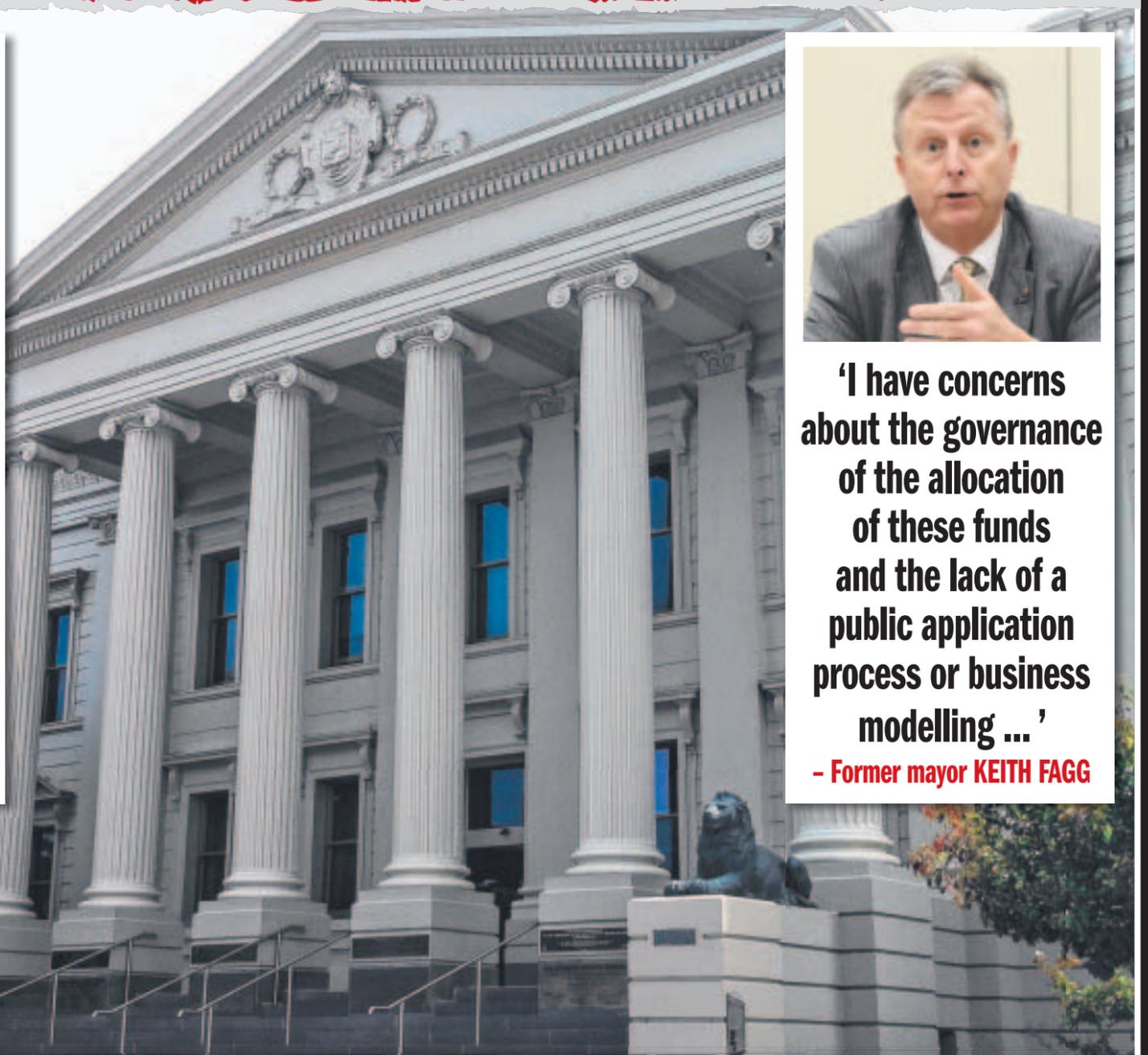
'The Government is concerned that some of these ward funds are being allocated by individual councillors without adequate assessment against published criteria and without auditing the benefits to ratepayers.'

- JEANETTE POWELL on Victorian councils



'I have concerns about the governance of the allocation of these funds and the lack of a public application process or business modelling ...'

- Former mayor KEITH FAGG



WHERE DID \$50M GO?

- Concerns over limited scrutiny of \$50 million in ward spending since 2004.
- Acting Mayor Bruce Harwood says money funded worthy community projects.
- OUR EXCLUSIVE REPORTS: P4 EDITORIAL: P17

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State launches inquiry over \$50m in funding to wards

Council faces investigation

GREG DUNDAS
EXCLUSIVE

THE City of Greater Geelong is under investigation over a multi-million dollar secretive funding system.

The State Government has launched the probe, concerned more than \$7 million of ratepayers' money is being allocated by councillors each year with limited scrutiny.

Up to \$50 million has been spent by the council since 2004 in the secretive ward allocations, or council community priorities as they are known.

The State Government yesterday confirmed its investigation, saying that Geelong's ward funding allocation system was by far the most expensive in the state.

Former Mayor Keith Fagg had raised concerns with Premier Denis Napthine and councillors about the ward allocations.

Acting Mayor Bruce Harwood yesterday defended the program, which encourages each of the city's 12 councillors to identify \$600,000 worth of projects for funding in the annual budget, saying each allocation was a worthy community project and ruthlessly scrutinised as part of the budget process.

Mr Fagg confirmed yesterday he had written to Dr Napthine calling for a review of the council's ward structure and the mayoral model.

His letter was written last

month, less than two weeks after he resigned.

"I also raised concerns about the issue of the council community priorities," he told the *Advertiser* yesterday.

"This matter was raised with me by the CEO Stephen Griffin early in my term.

"I have concerns about the governance of the allocation of these funds and the lack of a public application process or business modelling and municipality-wide prioritisation.

"I raised these concerns and sought legal advice. I raised my concerns about the governance of the allocation of the funds with the councillors.

"This is an example of why the 12-ward council system should be reviewed.

"There was a set amount per ward councillor, which did not take into regard the differing needs across the whole municipality."

The fund is not detailed in council's budget papers and is distinct from councillor community grants, which provide each councillor with \$20,000 to spend in their own wards.

Cr Harwood said libraries, maternal health and community centres, and sporting and senior citizens groups were among those to benefit from the ward budgeting system.

He said the program helped ensure a wide range of projects were supported across the municipality and all allocations

were listed in the budget, albeit not as part of ward allocations.

"There is an allocation of funding to the wards but I've got to emphasise that money has to be justified before it can be signed off," he said.

"More often than not, we're never ever able to get enough money to cover all of the funding requests.

"While it may not have been formally advertised, it's very broadly known through the region that council has been more than active in making funding available for community priority funding programs."

The Local Government Inspectorate announced earlier this year it was reviewing 32 Victorian councils that allow ward representatives to allocate money within their own district.

Greater Geelong councillors received a letter this week.

Local Government Minister Jeanette Powell said yesterday that the spotlight was on Greater Geelong.

"All councils that have ward-fund programs are being investigated . . . including the City of Greater Geelong which has by far the most expensive ward fund program," she said.

"The Government is concerned that some of these ward funds (in Victoria) are being allocated by individual councillors without adequate assessment against published criteria and without auditing the benefits to ratepayers."



'The City of Greater Geelong has by far the most expensive ward fund program (in Victoria).'

— State Minister for Local Government JEANETTE POWELL

QUESTIONS NEED ANSWERING: State Minister for Local Government Jeanette Powell and acting Mayor Bruce Harwood, inset.

Why all the secret spending?

IT'S known by different titles by those in the know at City Hall; the \$7 million annual funding scheme that dare not speak its name.

Acting Mayor Bruce Harwood's labelling of the secretive ward funding allocation as a Community Priority Program was the third different term the *Geelong Advertiser* heard it described as yesterday.

That the system has



COMMENT

no common title should come as no surprise, for ratepayers who have bankrolled this estimated \$50 million program would be doing well to know it exists.

There is no formal application process, no

public guidelines and zero publicity of it.

There is nothing on the council's website to suggest each ward councillor can fund \$600,000 in projects through this process. In contrast, there are five other funding chances for community groups outlined by the council online, including individual program guidelines.

The council brings its annual \$240,000 Council-

lor Community Grants program to the chamber and issues press releases about individual grants.

Why it took the *Geelong Advertiser* to learn of an investigation by the Local Government Inspectorate into the handling of the so-called Community Priority Program for it to come to light is a question still to be answered?

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Wangaratta council sacked

THE Wangaratta Rural City Council has been sacked for rampant bullying, intimidation and wasting \$1.5 million in ratepayers' money.

The Victorian Government yesterday appointed an administrator, after months of infighting saw the mass departure of senior management and

councillors resigning or going on sick leave.

Victorian Local Government Minister Jeanette Powell said the council had become a "toxic" environment and councillors had rejected the Government's attempts to resolve the situation over the past nine months.

"The Rural City of

Wangaratta Council has failed to meet its legal obligations to provide a safe workplace by allowing a culture of bullying and intimidating behaviour among some councillors towards staff to grow, impacting on staff well-being and leading to a large number of staff resignations," she said.

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