

The Ballarat Courier

Conflict of interest investigation over Clunes Museum decision

BY BRENDAN GULLIFER
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HEPBURN Shire Council's \$2.7 million grant for the redevelopment of Clunes museum is being investigated by the Local Government Investigations and Compliance Inspectorate.

Creswick ward councillor Don Henderson yesterday confirmed he had raised a possible conflict of interest in council's Regional Development Australia Fund application.

And Cr Henderson said the issue had been muddied by comments made in council by former councillor Tim Hayes questioning the honesty of local residents opposing the project.

"The chief municipal inspector has confirmed receipt of my complaint and an investigation is underway," Cr Henderson said.

"Part of the complaint arises from comments made about residents' honesty and integrity, which is just as important as the alleged conflict of interest issue."

Clunes-based Mr Hayes resigned from council in May and has since declined to comment.

The news follows a scathing Victorian Auditor-General's report into Hepburn Shire Council management tabled in Parliament on Wednesday.

In June Cr Bill McClenaghan raised in council the possibility Hepburn Shire may have deliberately misled the federal government in its funding application for the redevelopment of the Clunes museum.

"I was unwilling to see the application signed and a declaration made that there was no perceived, apparent or actual conflict of interest," Cr McClenaghan said yesterday.

"I believe at the time there was and it now appears that serious consequences could await for us."

But according to Minister for Regional Australia Simon Crean, there was no question about the correctness of the funding decision.

A ministerial spokesman said this week the Clunes project "stacked up".

Federal Member for Ballarat Catherine King, who is also Parliamentary Secretary for Regional Development (Victoria), supported the application but declined to comment yesterday.

Under the Local Government Act penalties arising from a conflict of interest can attract fines exceeding \$14,000, according to an inspectorate spokesperson.

Senate F&PA Committee

Tabled Document

Inquiry: Supp. Budget estimate

Date/Time: 8:00pm, 18/10/11

Witness Name: Sen. Joyce

Organisation: