

Blue-chip whistleblower goes public on WCC fraud inquiry



Those attempting to blow the whistle on alleged corruption, fraud and bullying within the Warrnambool City Council have found themselves targeted for investigation. Image: The Shift.

Carol Altmann – The Terrier

A blue-chip whistleblower on allegations of fraud, corruption and bullying within the Warrnambool City Council has gone public and, in so doing, exposed how broken the system has become.

Dr Bernadette Northeast, who has the sort of credentials and governance experience that most councils would grab with both hands, recently resigned as Volunteer Coordinator from the WCC, having been shafted by the very process meant to encourage people to speak up.

Boy, we live in dark times when this is considered acceptable.

Dr Northeast told me she had compiled a dossier of evidence

with the input of six other people – each of whom initially approached her – detailing serious claims of fraud, corruption and bullying within certain sections of council. #notallstaff

The whistleblowers not only detailed claims of wrong doing, but alleged particular senior council staff were fully aware of the allegations and did nothing.

In other words, there was a deliberate cover up.

If you were an investigator looking into a council, this sort of stuff is red hot.

Dr Northeast and five of the six other whistleblowers all spoke to the independent investigator hired by the council CEO Peter Schneider to get to the bottom of the scandal, but despite this incredibly brave step, they have heard nothing since.

In the meantime, wait for it, Dr Northeast was put under investigation by the same independent investigator.

Her “crime” was accessing documents she used as part of her evidence gathering, for which she found herself accused of serious gross misconduct.

This is despite the documents apparently being accessible to any council staff member via the intranet.

Dr Northeast, who worked for the council for seven years, was put on paid leave during the investigation, after which she resigned for another job.



Mis-use of council corporate credit cards by some senior staff on dinners and drinks sparked an independent investigation by the WCC. Image: Winestock.

During the investigation of Dr Northeast's conduct and in the months since, she says, there has been no significant action as a result of the whistleblowers coming forward.

Each person identified by the whistleblowers, apart from former tourism chief David McMahon, has remained in their job.

As Dr Northeast says, it appears the investigation has been less focussed on the claims of fraud, corruption and bullying that were allegedly reported to senior staff, and more intent on finding out "who dobbed on us?"

By the way, the allegations not only include the now [infamous misuse and abuse of some council corporate credit cards](#), but also claims of misuse of council accommodation at Flagstaff Hill, misuse of council contracts, purchase of equipment (including air conditioning units) which cannot be traced, and large alcohol purchases via direct invoice.

The whistleblowers also raised concerns about a personal relationship between two council staff members that allegedly led to "tip offs" about the focus of some Freedom of Information applications.

Others expressed their concern at a “boozy” boys’ club culture, summed up by a toga party held at the house of a senior staff member, to which select staff were invited and attended, and talked about for days.

This cosy boys’ club culture is what the vast majority of hard-working and ethical staff at WCC have been struggling with for years.

It reminds me of the WCC Christmas party at the Warrnambool racecourse last year, where two employees dropped their pants and ran naked past the finish line in what was apparently some sort of weird WCC tradition. It wasn’t repeated this year.



Warrnambool City Council
CEO Peter Schneider.
Image: WCC.

This sense of entitlement among certain parts of council is

what we believed Mr Schneider would blow right open and, to do so, Dr Northeast is exactly the sort of person he should be listening to.

Her CV includes 17 years as an SES volunteer, a Director of South West Healthcare, Chair of Australian Institute of Company Directors Great South Coast Committee, and Deputy Chair of the Victorian Fisheries Authority. Good governance is her bent.

Yet Mr Schneider has not spoken to Dr Northeast about any of these allegations.

Mayor Tony Herbert, who has previously urged staff with any allegations to contact Mr Schneider, apparently told Dr Northeast that he would arrange a meeting with the CEO. She didn't hear another word. (I have asked Cr Herbert to confirm this).

Dr Northeast then attempted to set up a meeting with Mr Schneider herself, without success, and says even now she remains open to a frank conversation with the CEO.

But Dr Northeast is no longer with the council, having been effectively the target of a concerted push to find any leakers.

A couple of other staff are also on unexplained leave, for what I believe are similar misconduct allegations connected to them attempting to reveal what is going on, not to hide it.

Other experienced staff have resigned in sheer frustration while waiting for a cultural change that never seems to come.

If this is how it works at the WCC, something is terribly broken.

This gets to the nub of why Dr Northeast has gone public, because she says the vast majority of council staff who are hard-working, ethical and honest people, are being unfairly maligned by the alleged actions of a few.

“For the sake of the vast majority of all the good people working at the council, this needs to be addressed promptly and openly. Yet we have heard nothing more,” she says.

“How long does this have to go on without direct rectification?”

It is a very good question and here are three more:

Where is the independent investigation up to?

Has the information from Dr Northeast and the six whistleblowers all been passed to the Ombudsman for her separate investigation?

And does the council even still have 81 corporate credit cards in action?

I am putting all of this to Mr Schneider for a response which I will run in full.

I have set up a Foxy Fighting Fund. If you would like to be make a small contribution, you can do so below.

The Foxy Fighting Fund