

KARRATHA ROW

# Empty apartment bills pile up

■ Daniel Emerson  
and Phoebe Wearne

Taxpayers have forked out more than \$124,000 maintaining 28 empty apartments at Pelago East apartment tower in Karratha while paying boom-time rents to house public servants in the complex next door.

The costs — \$61,195 in 2013-14 and \$63,455 this financial year — comprise council and water rates and strata fees for the resort-style facilities including pool, gym and sauna since the building's completion last November.

Revelations of the continuing costs emerged yesterday as the Government used its numbers in Parliament to block an Opposition bid for an open inquiry into the Government's involvement in the Pelago development.

In June 2012 the Government committed \$30 million, including \$24 million upfront, to buy 50 Pelago East apartments to get

the development under way and increase housing stock to combat

sky-high property prices. The original aim to use 30 apartments to house health workers fell through and the taxpayer remains the owner of 28 of them in a sliding market.

Despite the surplus apartments in Pelago East, the Department of Housing is locked into five-year leases until 2017 for 11 apartments at sister tower Pelago West, incurring rents of between \$1154 and \$1537 a week to house public servants.

Pelago East would not have gone ahead without Government investment and the Opposition has questioned whether the decision was influenced by donations by developer Finbar and builder Hanssen to the Liberal and National parties.

Opposition Leader Mark McGowan told Parliament "a closeness with favoured busi-

nesses" had left taxpayers "holding the baby".

He said a special inquiry overseen by the Public Sector Commission was needed. Colin

Barnett, Nationals leader Terry Redman and Nationals MP Vince Catania denied approaching the companies for donations.

The Premier said Mr McGowan had contributed "nothing but innuendo and supposition".

He lampooned Mr McGowan for seeking an inquiry under section 24H of the Public Sector Management Act, which can only scrutinise public sector bodies, not ministers or cabinet.

"You can't even get that right," Mr Barnett said.