

Deals with ex-MP start revolt

June 6, 2006 | West Australian, The (Perth, Western Australia)

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469 Words

Retirees WA - the State's biggest pensioners' body with more than 8000 members and a \$10 million funeral fund - faces an internal revolt over business deals with former Liberal government minister Roger Nicholls.

Four Retirees WA finance committee members are demanding to know the details of \$3.4 million worth of loans and investments the funeral fund has paid into private company ventures of Mr Nicholls and his business partner Frank Pinner.

In a letter to the CEO of Retirees WA, the members have raised concerns about the deals at a time when the seniors' organisation admits to having "cash flow" problems, has been forced to sell its city headquarters and make staff redundant.

There are also concerns that a major conflict of interest exists within the not-for-profit body after Mr Pinner's wife, Margaret Thomas, was employed last June as the chief financial officer for Retirees WA.

Ms Thomas, a failed Liberal candidate at the last State election, is also a shareholder in one of her husband's building companies, Samson Homes. Last month, she helped set up a \$1.8 million loan from Retirees WA which allowed Mr Pinner and Mr Nicholls to buy an East Victoria Park building.

The West Australian has learnt that four committee members and Retirees WA president Thelma White are unaware of the \$1.8 million loan arrangement.

"It's news to me," Mrs White said. "I'll have to look into it."

Last week Retirees WA moved into part of the building and is now paying a lease to Mr Nicholls and Mr Pinner, who also make money from the organisation by overseeing retirement unit construction projects.

But Ms Thomas denied she has a conflict of interest, arguing she plays no role in decisions at Retirees WA and has no vote on its committee.

"Frank Pinner is doing some of the building, but I wasn't even on the scene when he got that contract," she said. "I am the (Retirees WA) accountant so there is absolutely no conflict of interest."

Mr Nicholls, an “honorary liaison consultant” to Retirees WA, said despite some discontent all the business arrangements had been approved at committee level and the organisation was now in a stronger financial position than ever before.

“I don't see a problem with the fact that I'm involved with companies that are providing services to Retirees WA as long as everything is open and clear,” Mr Nicholls said.

Mrs White defended the role of Mr Nicholls and Ms Thomas and blamed Retirees WA's financial problems on building delays and cost overruns on a Canning Vale nursing home.

Apart from the \$1.8 million mortgage, a previous committee approved the spending of \$1.6 million from the funeral fund to buy redeemable preference shares in a company operated by Mr Nicholls and Mr Pinner called Over 55 Lifestyle Villages Pty Ltd.

In another deal, Retirees WA owes the same company \$1.02 million.

Memo: **ROGER NICHOLLS**;FRANK PINNER

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