

PUBLIC ACCOUNTS COMMITTEE

*Third Report — “Inquiry into the Distribution of Grant Funds from the Confiscation Proceeds Account” —
Tabling*

MR J.C. KOBELKE (Balcatta) [10.15 am]: I present for tabling the third report of the Public Accounts Committee, entitled “Inquiry into the Distribution of Grant Funds from the Confiscation Proceeds Account”.

[See paper 1292.]

Mr J.C. KOBELKE: The Attorney General, Hon Christian Porter, alleged that the Confiscation Proceeds Account Committee, or CPAC as I will refer to it, and particularly its chair, the member for Perth, were responsible for maladministration and political manipulation of funding grants from the confiscation proceeds account. The Attorney General provided information to a journalist which generated a story in *The Sunday Times* on 14 June 2009. He followed this up with interviews on television and radio. In fact, one headline in *The Sunday Times* was “Crim cash slush fund”. It is not uncommon for governments to use the media in this way to get their story out to the public, and if they can score a political hit, all the better. The Attorney General’s allegations were supposedly based on an audit report and some undefined work carried out by either him or his office that has never been disclosed. He did not release the audit report to the media when he made his attack on the member for Perth as chair of the CPAC; neither did he explain the background to the other work he said had been done. The media was led to believe that the audit report—which was not provided at the time—contained the information on which the Attorney General had based his accusations.

There is not one single reference in the audit report to the chair of the CPAC, the member for Perth, and not even a suggestion of any damning findings against the CPAC. The audit report made no mention of any concerns about an unfair or biased distribution of grant funds. Clearly, the Public Accounts Committee saw this matter as something that it should take up, given that there were allegations of miss-spending of public money. The PAC inquiry set about ascertaining the basis to, and validity of, these alleged problems as expressed by the Attorney General through a range of media outlets. The PAC reviewed the audit, departmental documents and grant application forms, and took evidence from the auditors and members of the CPAC. The audit established clear evidence that the records and reporting mechanisms were deficient, and specific recommendations were made as to how these matters should be corrected and better processes put in place. The audit report also acknowledged positives in the administration of the grants program. I will quote one sentence from the audit report, which states —

However, it should be noted that by the commencement of Round 6, procedures had largely been put in place to deal with the issues raised in the Audit and the appointment of an experienced grants administrator has resolved the issue around ongoing monitoring and acquittals.

We can see that there were problems. The PAC’s report supports and confirms those comments that action has been taken to fix the problems and put in place those procedures. The audit report was really about best practice in record keeping, reporting and departmental processes. That is very different from the impression created by the Attorney General.

The Attorney General overlooked the fact that the audit was about the department’s procedures and performance in administering the grants scheme, and centred his accusations solely on the advisory committee—that is, the CPAC—and its chair, the member for Perth. The members of the CPAC were government officials and police officers who actually volunteered their time, and put a lot of their own time into assessing the grants before they met and gave unanimous recommendations as a committee. If members take the time to read the audit report, which is now public, and the evidence that was presented to our inquiry, they will be struck by the discordance between the facts therein and the statements made by the Attorney General. The Attorney General’s letter to the committee is no less than a witch-hunt, attempting to pin some blame on the chair of that committee.

Mr J.R. Quigley interjected.

Mr J.C. KOBELKE: The Attorney General shows no respect for the facts or the public servants and police officers who feel unfairly denigrated by the statements and the media hype that it created. The Attorney General repeats his errors and extravagant statements in a letter he sent to the Public Accounts Committee asking us basically to re-write the draft report that we took the trouble to confidentially share with him and the member for Perth.

Mr J.R. Quigley interjected.

The ACTING SPEAKER: Member for Mindarie!

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Mr J.C. KOBELKE: A reading of chapter 4 of the committee's report will give ample examples of the way in which the Attorney General has twisted the facts to further a political attack on another member. I will take a few brief quotes from the report. The report is available to people if they want to check that I am quoting accurately. The quotes are from a letter from the Attorney General to the committee. On page 60 of the report there is a quote that is taken from the very first page of the Attorney General's letter to the committee. I will quote from parts but not all of the letter —

The terms of reference fail to address the central areas of concern that were raised by the Management of the Criminal Property Confiscation Grant Internal audit ... with respect to the operation and conduct of the Confiscation Proceeds Account Committee ... and its chair, the Hon. John Hyde MLA ...

That contention by the Attorney General is false. If members want to look at the contents of the audit report, which is available, they will see that there is not a single mention—not a single mention—in the audit report of any concern with the operation and conduct of the CPAC committee and its chair. Its chair is not even mentioned in the audit report. However, the allegation put in writing by the Attorney General is that it was a central area of the audit. It was not central; it was not even in there.

Mr J.R. Quigley interjected.

Mr J.C. KOBELKE: I will take another quote from the very first page of that letter from the Attorney General. This is the allegation by the Attorney General —

*The central question raised in the terms of reference, being whether the grant funding from the Proceeds Account has been allocated in compliance with the Criminal Property Confiscation Act 2000 ... was not a question raised by me or **the Audit** ...*

I make the emphasis “or the audit”. I accept that the Attorney General did not raise that question, but he is saying that it was not even raised in the audit. If members go to page 4 of the audit, they will see that it says —

Whilst some decisions of the Committee may appear inconsistent with the guidelines the Department is of the view that none are inconsistent with the legislation.

Yet the Attorney General in his own letter says that the issue of consistency with the legislation is not in the audit. Perhaps the Attorney General did not even read the audit. In those cases we could say that the Attorney General is a busy man, he did not take time to read it carefully and he got it wrong. However, it gets worse than that. Some of the things the Attorney General did amount to fabrications. On page 44 of the Attorney General's letter—it has been tabled so that members can get hold of it—he lists five dot points. The committee's report shows that page 44 of the Attorney General's letter states —

‘the 2009 Audit dealt substantially with failure on the part of the CPAC’.

We have already said that is false. However, the letter goes on —

‘key findings included’

And the Attorney General lists five dot points. The five dot points in his letter are not in the audit as key findings. He has put them in his letter when they are not key findings.

Mr J.R. Quigley: He has made them up like a crooked cop!

The ACTING SPEAKER: Member for Mindarie!

Mr J.C. KOBELKE: I would like to be able to make my statement, member for Mindarie, please, without interjection.

In the findings in the audit, which are headed “Key findings for management to consider” there are seven dot points. One is in the five key findings that the Auditor General refers to. The other four are subsidiary pieces and recommendations that the Attorney General has dragged out of the audit that he claims are key findings. To me that is a fabrication of evidence, because they are not the key findings contained in the audit report.

There is another example of simply not taking the trouble to get it right. We gave our report in draft form to the Attorney General so that he could comment on and help us improve it. In some areas he made comments and we saw that we could actually improve the wording. We have taken that on board; however, on page 10 of the Attorney General's letter—again I quote from the report—he stated —

While the PAC at p20 notes that “the minutes lack sufficient detail”, the PAC makes no finding regarding the responsibility of the CPAC Chair, or indeed any person with respect to this deficiency.

Extract from Hansard

[ASSEMBLY - Thursday, 17 September 2009]

p7241b-7251a

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The Attorney General is saying, therefore, that our work had totally ignored any finding regarding a lack of adequacy in the minutes. The Attorney General again repeats the accusation on page 12 of his letter, and again I quote from the report —

...the Draft Report makes no finding in relation to the role of the CPAC and its Chair in ensuring that minutes drafted by the grant administrator were accurate and adequate.

The committee's report has finding 11, which states —

The Chairman of the Confiscation Proceeds Account should have:

- *reviewed the minutes to ensure that decisions of the Committee were always adequately recorded ...*

How can the Attorney General, as the senior law officer for the state, submit a letter to a parliamentary committee in which he says that the committee needs to make a finding about the minutes and the chair having to make sure they are adequate when it is there in front of him as finding 11? Is this Attorney General about administering law and using facts, or is he simply on a witch-hunt because he thinks he can hurt another member of Parliament with accusations that have no basis or are concocted?

However, the most serious allegations made by the Attorney General go to a claim that the member for Perth, as the chair of the committee, was negligent because of issues to do with reporting the minutes. He makes the argument at great length that that negligence amounts to misconduct and therefore is something that perhaps should go to the Corruption and Crime Commission or somewhere else. It is totally bogus and the Attorney General again has been selective in twisting the facts.

The Attorney General is aware of a policy framework. The committee or our staff took the time to look at all the procedures and all the policy documents and referred to parts of them in the report. One of those is the policy framework. The policy framework, which again is part of the appendices to the committee's report, delineates who is to do what. It is absolutely clear from that framework that the chair of the CPAC was not responsible for the things that the Attorney General accuses him of not doing. How can the member for Perth be accused of negligently failing to perform duties, given the existence of a policy document assigning responsibilities for these duties to the department? It is absolutely absurd. However, the twisting of this issue by the Attorney General is shown in another part of his letter where he uses that policy framework to try to mount another bogus attack on the member for Perth. He has therefore taken one instance and twisted it by saying that this policy framework says that there is a deficiency in the way the member for Perth chaired the committee, but when the policy framework says that the work is to be done by the grants administrator, the Attorney General says that this is the basis for a report against the member for Perth and that he should be put before the CCC because he did not do something that the policy framework, which the Attorney General has in front of him, says he does not have to do. This is the allegation that has been mounted by the highest law officer in this government.

We therefore find that the Attorney General used a Sunday—a slow media day—to mount an attack on the member for Perth, suggesting that an audit showed things that it did not show. The Attorney General used part of the audit and work he did in his office and then went out to the media again on Monday and repeated the attack and tried to fan the flames of a story based on a fabrication. Then to really drop himself in it, the Attorney General wrote a letter to the Public Accounts Committee in reply to our request to respond to our draft report and he put matters in that reply of the type I have referred to. I could go on. That is not all of them; there are more. There are further examples to demonstrate that there was a total fabrication and twisting of the facts, because the Attorney General had one goal, and one goal only—an attack on the member for Perth, who chaired the CPAC as part of this grant system.

Whether the house wants to take action against the Attorney General is something that the house can consider. He clearly has the numbers behind him. Anyone else caught out in this way would have some very serious questions to answer.

I note that the committee could not reach unanimous agreement. Two members felt that they had to support the Attorney General, and they submitted a minority report. Ninety-five per cent of that minority report is taken up with the Attorney General's letter, which, as I just pointed out, is full of nonsense, twisted facts and fabrications. However, it is a minority report. I appreciate that all the members of the committee have a good working relationship. We have sought to delve into and investigate the allegations that were raised. It is certainly regrettable that we could not achieve a unanimous report and that we have a minority report, which is fairly unusual from committees that report to this place.

Obviously, I thank the staff. They have found it difficult, because there has been a change in staff in the course of this inquiry. When there is dissension between members of a committee—not in a nasty way but in how

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members see the facts and how they want to present those facts—it is difficult for the staff. They have done a fantastic job in assisting the committee to bring this report to this house.

In closing, if people take the time to read the facts—that is, the audit and the material that has been gathered by the committee—they will see that the accusations made by the Attorney General are very much a distortion of reality and in some cases even amount to a fabrication to mount an attack against the member for Perth when there is no basis for it. Clearly, more money did go to Labor electorates. However, the report shows that that was in keeping with the percentage of applications that came from those areas. Those electorates in which the crime statistics are high are the electorates that got more of the money.

MR A.J. CARPENTER (Willagee) [10.32 am]: It was a pleasure to be part of the deliberations on this term of reference for the Public Accounts Committee. I think we did a thorough job. There was a divergence of views at the end of it that, perhaps not surprisingly given the nature of the inquiry, split along party lines.

When I read the allegations in *The Sunday Times* on 14 June being made by the Attorney General that the funds of the Confiscation Proceeds Account Committee had been used as a party political slush fund, I was surprised. Actually I was disturbed, because for much of the period in question I was the Premier of the state and we discussed the activities of the fund often and—members of the chamber can take this for what they think it is worth—at no time during any of those discussions was there any indication from anybody that the proceeds would be used for a party political outcome. At no stage. Not once. If the assertion that the Attorney General was making through the media had been the case, I would have been informed of it and might have been part of those discussions. As I said, members can take my statements for what they think they are worth. I am standing in the Parliament and I making a truthful statement: at no time did we have any discussion about using the proceeds of this fund for anything other than proper purpose. Therefore, I was more disturbed than surprised that the Attorney General should use the media to make those sorts of allegations.

Ms M.M. Quirk: Shame!

Mr A.J. CARPENTER: It is a shame. The lamentable truth, the sad fact about this, is that the Attorney General has made a series of false allegations about the member for Perth and about the intent, activities and outcomes of the CPAC. The Attorney General has made a series of completely false allegations.

In political life it is not unusual for false or misleading allegations to be made. Many of us have already been the subject of them and others will be. However, when the Attorney General makes false allegations of a quasi legal nature against another member of Parliament, I think the situation requires that we treat it with more gravity than the normal run-of-the-mill attack and counterattack of political life. The Attorney General should be beyond reproach in the execution of his duties as, to use the term that is so often used, the first law officer of the state. The most charitable and most generous interpretation I can make of what the Attorney General has done in this instance is that he has fallen for a trap for young political players. He has gone headlong into a cheap political stunt with the expectation that it would give some positive political outcome for the government of the day and embarrass and make life difficult for the opposition and, in this case, particularly the member for Perth. I hope that rather than dig his heels in, even in his own internal intellectual considerations of this matter, the Attorney General might reflect maturely on what has happened here and avoid making this mistake again. It is unacceptable for the Attorney General to behave in this way.

That is my view and it is the view I came to after we listened to the witnesses and considered the evidence. It was not only the member for Perth who was, I believe, completely unfairly denigrated by what the Attorney General presented to the media, but also the perfectly innocent, hardworking, dedicated public servants, including police officers no less, who had taken part over a long time in the work of the CPAC. They should not have been the subject of these sorts of false and malicious allegations, and they have already expressed their severe disappointment about what has happened in the media and publicly. I do not think their disappointment attracted enough media attention, but I will not go any further on that. That is probably part of the run of political life. For those public servants to have worked in such a dedicated fashion and then be accused by the Attorney General, who sits astride the legal framework of the state, of activity tantamount to corruption is a very, very poor outcome for them. In fact, he implied corruption on the part of the member for Perth and, by extension, the other members of the committee. It is totally and utterly untrue as any objective viewing of the evidence would demonstrate.

Part of the thrust of what the Attorney General said as evidence to back his statements was that the overwhelming bulk of the funds from the committee deliberations went to Labor electorates. That is true. If members go beyond that statement and look at why, it becomes obvious. For starters, the overwhelming majority of applications to the fund came from Labor electorates. Members could use that as a reflection on non-Labor members of Parliament if they want to, but the fact is that the overwhelming bulk of the applications came from

Labor electorates. The heavy weighting of the allocations to the electorates of Perth and Fremantle can easily be explained by the fact that a very large number of the organisations that applied for funds were based in the City of Perth and the City of Fremantle.

I give one round of applications as an example to support what I have just said. Round 2 of the applications shows the percentage of applications from the electorate of Perth to be six per cent; the percentage of grants to the seat of Perth, 11 per cent; the value of grants to the seat of Perth as a percentage of each round, 19 per cent—that is, monetary value; and the estimate of the percentage of grant recipients delivering services beyond the electorate of Perth, 100 per cent. In other words, every single one of those applicants who received money was delivering outside the seat of Perth. The percentage of grants delivered solely in the electorate of Perth must be zero per cent—zero per cent. That is one example. It is typical of the analysis that this report provides on the distribution of funds. That, in itself, is enough to shoot down the preposterous, unparliamentary allegations the Attorney General has made. It is true that the Attorney General is one of the brightest players in the game on the government side of the house. If there were a combined side, he would probably get in it! I think he has a long and distinguished future ahead of him, but not if he continues to play that way. The Attorney General must rise above the university-style political games that he played on this day. He should look back in the media for the week leading up to this statement on Sunday, 14 June. The government was under pressure on a number of issues. The hapless police minister was yet again under pressure over, I think, police pay rises; there was a lot of stress on the government, and the Attorney General grabbed an opportunity that he saw to divert attention away from the government and back onto the opposition. Typically in politics, short-term gain can lead to long-term pain. This is an example of that. I think the Attorney General probably should be dragged before the Procedure and Privileges Committee, but I do not think that will happen; he should apologise, but I do not think that will happen; he should learn a lesson, and I hope that does happen.

MR C.J. TALLENTIRE (Gosnells) [10.42 am]: As a member of the Public Accounts Committee I too rise to speak to this inquiry into the distribution of grant funds from the confiscation proceeds account. I would like to begin by referring to the response that was received by the Public Accounts Committee from Hon Len Roberts-Smith, the Corruption and Crime Commissioner, who wanted to highlight to us that there was no evidence of any form of misconduct by the member for Perth. In his letter he mentioned that an allegation had been made to the commission by the Attorney General, Hon Christian Porter, but there was no evidence to form the view that there was a case for misconduct.

Another issue I would like to turn to in this matter is that of so-called pork-barrelling and our finding 14, which really did highlight, as the member for Willagee was saying, that the distribution of funds was nothing to do with the political colour of a particular electorate. Indeed, there are many reasons why the funding was distributed as it was. One of those was that most of the applications for funds came from Labor electorates. In fact, 76 per cent of applications were received from Labor electorates, while 82 per cent of the funds were awarded to organisations in Labor electorates. There is nothing disproportionate about that distribution of funding at all. The other issues relating to where the head offices of particular organisations are located is also a reason for the initial impression to have perhaps been formed by the Attorney General that funds were somehow, through bias, going towards Labor electorates. The fact of the matter is that that was definitely not the case, and a very quick analysis can prove that there was no political bias in the distribution of these funds.

I would like now to turn to the general attitude that has come through here of the Liberal Party when it comes to community groups. I am very concerned that there is a sense of mistrust about the motives of people who give up their professional and personal time to contribute to our community by being on community groups such as the Confiscation Proceeds Account Committee. People with excellent credentials such as Sharon Leonhardt, inspector with the WA Police; Mick Emmanuel, superintendent with the WA Police; and Harvey Hatch, manager of the victim support and child service, Department of the Attorney General serve on the committee. These are people who want to add to their professional contributions by helping people distribute funds to programs that they see as innovative and that would help with the prevention of crime. They want to ensure that we are really looking at all the options and using creative options, lateral thinking and innovation. They wanted to bring their expertise to help decide where grants can be distributed. To have the CPAC attacked in this way was no doubt deflating for them. It reflects that there is something in the Liberal Party today that does not trust people who act on motivations that go beyond those of self-interest. I think there has been a humanist tradition in the Liberal Party, particularly during the Malcolm Fraser era. Instead, we are now seeing an era of suspicion. It is, as Shane Stone, the former Chief Minister of the Northern Territory said, “a mean and tricky mentality” that does not trust people to use public funds when they are distributed to community groups and that wants to know little details of programs. It is a mentality that does not understand that sometimes people are motivated by bigger things, such as a desire to contribute to the community, and are not motivated by just self-interest. They want to contribute in ways that are going to enrich the community, but not in a monetary sense at all. It is a question of political philosophy: where do we go when a major political party wants funding to be distributed according to, perhaps,

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only the desires of the public service on every occasion, or of the business sector. We must enable community organisations to make applications for programs seeking to counter crime with wonderful innovative ideas. However, we find that there is some sort of scepticism, some mistrust, of community initiatives. It is very disappointing that we had to come to a point of producing a minority report. One of the aspects of that minority report that is particularly curious is that the Attorney General himself actually acknowledged in response to finding 1 of the report that he was wrong. Finding 1 says that the 2009 audit was initiated by the Department of the Attorney General as part of its 2008-09 audit plan. That statement is at variance with the statement by the Attorney General that he commissioned the audit. In his letter, which has been tabled, the Attorney General actually said that it was agreed that it was not strictly correct to have stated that the Attorney General commissioned the audit. However, in the minority report, we have seen an endorsement of the Attorney General's letter, but not his conclusion regarding finding 1. There is an inconsistency in the minority report that needs some explanation.

I found the support we were given by the research officers was excellent and I would like to acknowledge the contributions of Katherine Galvin, Isla Macphail and Mathew Bates for their assistance and the way they handled the challenge of a committee report that is somewhat split in its overall view.

It is disappointing that allegations of this nature have been made and that, indeed, an inquiry was necessary, when the reality is that the process followed by the Confiscation Proceeds Account Committee is an example of an innovative approach that seeks to diminish the extent of crime in Western Australia. It seeks to attack the problem at its cause in many cases by drawing on good community initiatives. The last thing we need is for people who are participating in that process to be attacked in any way. The members of the committee deserve our congratulations and thanks for the work that they have been doing. I hope that in the future we will not see other people put off and made nervous to go on to a committee of this sort because they might fear that they could be subject in the future to such allegations as the ones that we have seen from the Attorney General regarding the Confiscation Proceeds Account Committee.

MR J.M. FRANCIS (Jandakot) [10.50 am]: Two out of two: two Public Accounts Committee initiated inquiries, and on both occasions the Labor Party has blatantly used its numbers on that committee to politicise the process. It politicised a very important inquiry into accountability. As a result we now have two reports on the table—a majority report supported by three Labor members —

Mr J.R. Quigley interjected.

The ACTING SPEAKER (Mrs L.M. Harvey): Member for Mindarie, I do not want to call you to order at this time of the day. The member for Jandakot has the call.

Mr J.M. FRANCIS: Three Labor members supported the majority report, and obviously the two Liberals, the member for Carine and I, supported the minority report. What the Labor Party has done is exactly what it has accused the Attorney General of doing, but back at him. It has used its numbers to launch an intentional personal attack on the integrity of the Attorney General for pure political purposes. That is why we have a minority report that, by any subjective standards, is closer to the truth and addresses the issues that should have been raised. There are many issues that this inquiry did not even address, and I am going to raise some of those issues.

Several members interjected.

The ACTING SPEAKER: Members to my left, you were heard in relative silence while controversial accusations were made by committee members on your side. I request that you give courtesy to the other committee members to enable them to present their position on the reports. Member for Jandakot.

Mr J.M. FRANCIS: Thank you, Madam Acting Speaker. It is my honest belief that if this inquiry had been conducted by a truly impartial person —

Several members interjected.

Mr J.M. FRANCIS: No, by a judge or by any authority that was truly impartial—the report, and the findings, would have been far closer to the minority report than the majority report. However, I am going to go through what we know and what are the indisputable facts of the issue. The proceeds of crime grant allocation committee awarded \$10.7 million, not of Labor money but of taxpayers' money, to a range of community organisations from 2003 to 2008. There were three basic stages in the awarding of that money. Firstly, there was the application process, which was meant to be done in accordance with the guidelines. Fail. Secondly, there was the consideration of the process by the committee chaired by the member for Perth. The record keeping—I will go on to this—was so poor that we have absolutely no way of finding out whether it was done correctly. The third part was the awarding of the grants by the then Attorney General, along with the associated handing out of the cheques to the community groups. We also know as a fact that more than 80 per cent of the funds went to

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Australian Labor Party held electorates. This may or may not have been intentional, and there may or may not be reasons and justifications for that, but it certainly deserved more attention than the committee gave it.

The indisputable evidence before the committee can lead only to the following conclusions. The member for Perth, in his evidence, basically admitted that he rounded up his Labor mates to put applications in.

Mr J.N. Hyde: That is an absolute lie!

Mr J.M. FRANCIS: The member will have his chance to speak after this!

Mr J.N. Hyde: That is an absolute lie, and you know it! How dare you!

Withdrawal of Remark

Mr J.M. FRANCIS: Is Madam Acting Speaker going to ask the member for Perth to withdraw that remark?

Mr M.P. Murray: Who's running this house? You're not the Acting Speaker, are you?

Dr K.D. HAMES: I ask the Acting Speaker to consider whether that remark was unparliamentary.

Mr J.N. HYDE: If it was unparliamentary, I withdraw it completely.

Debate Resumed

Mr J.M. FRANCIS: I am happy to quote from the transcript of the member for Perth's evidence to the committee. Even the chairman of the committee hinted at the fact that far more applications had come from Labor-held electorates than had from Liberal-held electorates, but, correctly, he said that did not reflect poorly on Liberal sitting members of the time.

Several members interjected.

Mr J.M. FRANCIS: We know that the process was flawed. Without doubt, there were a number of applications that arrived late but were considered anyway. The independent audit carried out by the Attorney General's department outlined the applications that did not meet either the policy or guidelines.

Mr M.P. Murray interjected.

The ACTING SPEAKER (Mrs L.M. Harvey): Order, member for Collie-Preston!

Mr J.M. FRANCIS: Numerous grant applications did not meet the policy or guidelines. They were outlined and detailed in the 2009 audit. There were three levels of regulations listed in order of importance pertaining to the allocation of this money. Firstly, there was the Criminal Property Confiscation Act 2000—the governing act. Secondly, there was a policy, signed off on by the former Attorney General, concerning how payments should be made from the confiscation proceeds account. Thirdly, there were guidelines to govern the recommendations of the committee. The member for Perth's evidence demonstrated that he had a reckless indifference to the guidelines. He was unable to recall whether they had ever changed, and he argued that the guidelines did not have to be enforced and that they were just something to be guided by. At the very best, the evidence of the member for Perth's showed reckless indifference to the guidelines; at worst, he had intentional disregard for them. That begs the question: why on earth would guidelines have been set out if they could be ignored? The member for Perth failed to answer that question in his evidence, and I am still waiting for an answer.

We know that the 2009 confiscation proceeds account audit carried out by an impartial person concluded the following —

... there was no documentary evidence to show that the Committee, in recommending the grants, had assessed the applications against the selection criteria, or clearly stated why the grants should be recommended.

There was an absolute failure in the process of consideration.

Further, Mr Hatch, who was member of the grants committee, said in evidence that —

[w]ith the benefit of hindsight, that things like better reporting would have provided transparency regarding decisions and the basis upon which we made our decisions and would have been valuable.

I turn now to the considerations of the committee. There is no way on God's earth that anyone could have found that the recordkeeping of the member for Perth, as chair, and the committee, was adequate by any standards. As chair, the member for Perth has to bear some responsibility for that. It is not good enough to blame public servants for his shortfall. The Public Accounts Committee unanimously agreed that the minutes lacked sufficient detail, as noted in both reports. This is a recommendation of the report resulting from the fact that the committee did not go into the detail of why proper records were not kept. To be quite honest, I have seen first-grade

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schoolchildren keep better records of a class meeting than those of the decision making on handing out \$10.7 million. Ros Kelly did a much better job on a whiteboard!

Several members interjected.

The ACTING SPEAKER: Order!

Mr J.M. FRANCIS: As to why some applications were successful and some were not, we will never know, but I will talk briefly to the value for money aspect.

Mr M.P. Murray: Stop reading from paper!

Mr J.M. FRANCIS: I am happy to table my notes.

Mr P. Papalia: Is this as good as it gets?

Mr J.M. FRANCIS: It gets better!

There was a guideline against awarding successive grants to an applicant. Community Television received \$79 000 in one round, and the next year it received \$87 000 for what was basically exactly the same project. Recurrent funding was a clear breach of the guidelines. The member for Perth, as chairman, did not disclose any personal relationship he had with the director of the Community Television organisation that applied for the funding. Also against guidelines, \$25 000 of this \$168 000 was used to purchase video cameras—capital items. The money was used to produce a 13-part documentary—26 minutes each part—on multicultural community safety. It is a very noble cause.

Ms M.M. Quirk: It is a worthy cause.

Mr J.M. FRANCIS: I am not criticising it; the member should not put words in my mouth. I still have not got an answer for what happened to the \$25 000 worth of cameras. These were paid for out of the consolidated account. They were paid for out of money that belongs to the taxpayers of this state, no matter what source it came from. The \$25 000 worth of video cameras has just evaporated. Were they sold on eBay? Were they used to fund something else? The idea that a television station needed money from this account to buy video cameras is absolutely ludicrous. We gave \$168 000 to them. I will touch on another \$190 000 that was awarded in round 3 and round 4. Ninety thousand dollars in round 3 and \$100 000 in recurrent funding was awarded to the Same Sex Domestic Abuse Group, which was incorporated in Joondalup, to educate members of the GLBT about same-sex domestic violence. Everyone is asking: what is the GLBT? It is the gay, lesbian, bisexual and transsexual domestic violence support group. Some of my best friends are gay, and I have no problem that they bat for the other side.

Several members interjected.

The SPEAKER: The member has less than a minute, and I want to hear it in silence.

Mr J.M. FRANCIS: Thank you, Mr Speaker.

Mr P. Papalia interjected.

The SPEAKER: I want to hear the member in silence, member for Warnbro. I call you to order for the first time.

Mr J.M. FRANCIS: That is a total of \$358 000, which by any subjective standard could have been better used on any project. What about the hot spots down in Northbridge? What about graffiti, which we have heard everyone speak about this week? We could have put security cameras into a range of areas to address these things.

Ms M.M. Quirk: They are already there.

The SPEAKER: Take a seat, member. Member for Girrawheen, I formally call you for the first time.

Mr J.M. FRANCIS: Thank you, Mr Speaker.

MR A. KRSTICEVIC (Carine) [11.02 am]: I rise to make some comments on the report of the inquiry into the distribution of grant funds from the confiscation proceeds account. I have been a member in this house for 12 months. When I was first nominated for membership of the Public Accounts Committee, people told me it was a very good committee to be on. It is a very powerful committee, and it was possible to do some really great work to assist the people of Western Australia and this Parliament through some of the inquiries the committee would undertake. As the member for Jandakot has already stated, we have undertaken two inquiries to date, and both have been political—to rewrite history, change the facts and try to defend what the former government was doing. I find that disappointing, and I hope that the Public Accounts Committee desists from political inquiries in the future and starts doing some genuine inquiries. We are in a global financial crisis, and we face issues in this

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state. We are wasting the resources of this Parliament focusing on these areas. We should be focusing on receipt and expenditure of public money to help the government better manage during these difficult times, rather than serving political purposes. That to me is very disappointing.

I apologise up-front to the hardworking parliamentary staff who have been there during those inquiries and have had to go through this process and waste their valuable time and expertise on political outcomes rather than genuine work, albeit that this inquiry has produced evidence that political manipulation was evident during part of the grants process. I also apologise to the people of Western Australia for the fact that their hard-earned taxes are being wasted on defending the actions and activities of the former government in committees. I also state up-front that my issues with the Confiscation Proceeds Account Committee lie purely with the chairman, the member for Perth, and the Department of the Attorney General and not the hardworking, professional and dedicated members of the committee. I apologise to them for having to go through this process purely so that the Labor Party can rewrite history. That is very important. The chairman, the member for Perth, showed no leadership or accountability during the grants process, and the grants administrator did not do the job very well either. It is very disappointing from my perspective.

When we produced the draft report and decided that we were going to give it to the Attorney General for his comment, he gave us quite an extensive report back, which went through a lot of detail and gave us some areas to focus on. However, the committee discounted it without even going through it. I was very keen to go through it point by point to see whether there were any valid points, and I think the chairman decided that we might be able to use it for some grammatical improvements rather than those of any substance to the report, which I found a little disappointing. Obviously, we then gave a copy of that report to the member for Perth, who then basically gave us an email of a personal attack on the Attorney General in terms of the quality of his legal understanding. It was disappointing that we did not do a little more work from that perspective.

I find it impossible to comprehend that the member for Perth cannot see obvious flaws in his chairmanship of the Confiscation Proceeds Account Committee. From the evidence in front of us —

Mr J.N. Hyde: Nor could the CCC—you're forgetting to mention that.

The SPEAKER: Member for Perth!

Mr A. KRSTICEVIC: When I say "obvious flaws", I am not saying necessarily that the member will get a conviction. I am talking about obvious flaws in the minute taking, in the documentation of the decision-making et cetera.

The Criminal Property Confiscation Act 2000 basically gives us the law around this area. We then also have the policy framework, and from the policy framework we have the guidelines. In a number of the grants that we went through, we found that the guidelines were ignored; the guidelines were not adhered to. The statements made by the member for Perth at the time were that they are only guidelines; they give us an idea. In some respects I do not think we even knew what the guidelines were or referred to them on most occasions, but maybe somewhere along the way he did look at them once or twice during the six rounds. The guidelines were quite specific and said things such as funding will not—underlined and in bold—be granted for a whole range of things listed, such as the purchase of vehicles. It is underlined and in bold. Then one goes back and thinks, "Okay, well they've told us that the guidelines aren't necessarily things that we need to follow; they're just guidelines to give us a bit of direction. If we don't refer to them at all, well, we haven't really done anything wrong." I looked at the policy because obviously the policy comes out of the legislation. Most people in the public service would follow a policy, and the guidelines do come out of the policy. The policy also states —

Mr B.S. Wyatt: What legislation does the policy come out of?

Mr A. KRSTICEVIC: It comes out of the Criminal Property Confiscation Act 2000. That is the act and from there we have the policy —

Mr B.S. Wyatt: Does that act refer to the distribution of funds?

Mr A. KRSTICEVIC: The act does; yes.

Mr B.S. Wyatt: Where exactly is that?

Mr A. KRSTICEVIC: It is in section 131(2)(b), (c) and (g) of the act.

However, the bottom line is that the policy also states —

Several members interjected.

The SPEAKER: Members!

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Mr A. KRSTICEVIC: — that the committee will not do certain distributions of funds. Therefore, we have the guidelines that say that it will not do something —

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park!

Mr A. KRSTICEVIC: We have the policy that says that it will not do something —

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park, you may be interested in what is in there. I ask you to stop interjecting. You might have some opportunity afterwards to speak to members who are on this committee.

Mr A. KRSTICEVIC: As I said, we have a policy and we have guidelines, both of which were ignored continuously during the process. Let me describe one example.

Mr J.R. Quigley interjected.

The SPEAKER: Member for Mindarie!

Mr A. KRSTICEVIC: The member for Jandakot mentioned Community Television.

Several members interjected.

The SPEAKER: Member for Victoria Park, I have given you some instructions and you might choose to ignore those. I understand that, but I formally call you for the first time.

Mr A. KRSTICEVIC: The guidelines in the policy say that applicants will not get recurrent funding. Community Television applied for \$100 000 in round 3 and got \$79 000. In round 4 it applied for \$100 000 for the same program and got \$87 000. Here is the example of Community Television receiving \$166 000 over two funding rounds for a 13-part series, when the guidelines state that no body should get more than \$100 000 for what it does. The maximum grant is \$100 000, but over two rounds the network got \$166 000 for the same television program. Do members know what is even worse? Even worse is that it finally —

Several members interjected.

The SPEAKER: Thank you, members!

Mr A. KRSTICEVIC: — completed this program, which I have not seen but which, I am led to believe, is fantastic, with public moneys. Do members know where that program screened? It screened on pay television! We gave the network money to do a 13-part series on crime and it was shown on pay TV. It was not even shown on free-to-air TV! How can members opposite justify that as being value for money and giving back to the community? It is just ridiculous!

That is not the only example. Very quickly, there was another grant for a bus. This is a beauty! The policy guidelines say that these grants are not available for the purchase of a vehicle. This organisation put in application to purchase a bus and approval was given for a \$100 000 grant for that purpose. The policy guidelines say no, it cannot be done! Why was the grant approved? It was because this organisation did not want to apply to the Lotteries Commission because it had moral principles and did not want to take money from gambling. Yet it applied for funding from the confiscation proceeds account! Did it decide that drugs, burglary and all that sort of stuff are morally okay!

Mr B.S. Wyatt: Does the member understand how the Criminal Property Confiscation Act works? You are trivialising —

Mr A. KRSTICEVIC: I do understand, but I am saying that it is unusual —

Mr B.S. Wyatt interjected.

The SPEAKER: Members! Members! Sorry to have to yell like that—I know that it is not the grand final—but I would like to hear to the member for Carine. Member for Victoria Park, I would like to hear the member for Carine; and member for Mandurah, likewise.

Mr A. KRSTICEVIC: I will not talk about the buses any more. I will mention one more very important point. At the end of the whole process—members opposite say this is not political!—the Attorney General gets the recommendations from the committee listing the people who are going to receive the grants. What did Hon Jim McGinty do? He sent letters out to all members of Parliament saying congratulations, these people in your electorate got a grant. I will read the last two paragraphs of a letter written to the member for Joondalup —

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Once the groups have met their official obligations to receive the grants, I would be delighted if you would be available, on my behalf, to officially present the grants to the group at a mutually convenient event, meeting or afternoon tea.

Several members interjected.

Mr A. KRSTICEVIC: The letter continues —

It is very important that all victims of crime —

Mr M.P. Murray: Who is going to open the highway on the weekend?

The SPEAKER: Order! Member for Collie-Preston, I do not know what that is about, and I cannot see any relevance whatsoever to the current information before the house. I would prefer the member for Collie-Preston not to interject. It is a subtle hint, member.

Mr A. KRSTICEVIC: The letter continues-

It is very important that all victims of crime do have access to assistance and a public handover of this grant helps raise awareness of the Fund. My office will liaise with you once the group has met its acceptance obligations.

I have a letter to the member for Bunbury that was sent when someone in his electorate received a grant. The letter reads —

These agencies are located within your electorate. A copy of the letters sent to these applicants are attached.

There is one letter to Labor members and a completely different letter to Liberal members.

Several members interjected.

Mr A. KRSTICEVIC: I am trying to say that this is an important initiative; it is an important grant.

Several members interjected.

The SPEAKER: Member for Warnbro, there are some moments when I enjoy your intelligent contributions. That was not one of the best of them. I formally call you for the second time.

Mrs C.A. Martin interjected.

The SPEAKER: I want to hear the rest of this speech in silence, member for Kimberley!

There was a point in this session when I thought members were respectful of everybody else's opinion, or thoughts or deliveries, in this house. I want that to return at this moment.

Mr A. KRSTICEVIC: These letters show that the former Attorney General had blatant political bias.

Mr J.R. Quigley interjected.

The SPEAKER: Order! Member for Mindarie, I formally call you for the first time. You might not agree with what members in this place are saying, but it is not an opportunity to yell and scream every time they are on their feet.

Mr A. KRSTICEVIC: If trivialising the grants and not taking into account the community is not political bias, what is?