

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

**INQUIRY INTO THE MEMORANDUM OF UNDERSTANDING BETWEEN
BALGA SENIOR HIGH SCHOOL AND MANUFACTURING INDUSTRY TRAINING
SERVICES PTY LTD**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 25 FEBRUARY 2008**

CLOSED SESSION

Members

**Hon Giz Watson (Chairperson)
Hon Ken Travers (Deputy Chairman)
Hon Sheila Mills
Hon Helen Morton
Hon Peter Collier (Substitute member for Hon Brian Ellis)

Hon Brian Ellis (Participating Member)**

Hearing commenced at 10.03 am**BASS, MR PETER**

**Manager, Perth Indigenous Co-ordination Centre,
Department of Families, Housing,
Community Services and Indigenous Affairs,
affirmed and examined:**

The CHAIRPERSON: Good morning. On behalf of the committee I welcome you to the meeting. Before we begin this morning I am required to ask you to either take an oath or an affirmation.

Mr Bass: Lisa is helping me with warm water. I have a voice problem. It has defied five specialists, two hypnotherapists, one clinical psychologist and two GPs. With your indulgence, warm water helps.

The CHAIRPERSON: Thank you Mr Bass, we will try to take it nice and steadily.

[Witness took the affirmation.]

The CHAIRPERSON: Thank you very much. Would you please state the capacity in which you are appearing before the committee.

Mr Bass: Manager of the Perth Indigenous co-ordination Centre.

The CHAIRPERSON: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

Mr Bass: Yes.

The CHAIRPERSON: These proceedings are being recorded by Hansard. A transcript of your evidence will be forwarded to you. To assist the committee and Hansard, please quote the full title of any document you may refer to during the course of the hearing for the record, and please be aware of the microphone and try to talk directly into it. Even though this is a private hearing, you should note that the committee retains the power to publish any private evidence. The Legislative Council may also authorise publication. This means that your private evidence may become public. Please note that you should not publish or disclose any private evidence to any other person at any time unless the committee or the Legislative Council has already publicly released the evidence. I advise you that premature publication of private evidence may constitute contempt of Parliament and may mean the material published or disclosed is not subject to parliamentary privilege.

Would you like to make a statement? You are welcome to do that or we can move straight to questions, which ever you prefer. Questions?

Mr Bass: Please.

The CHAIRPERSON: One of our members will join us shortly. What is your role in the Indigenous Co-ordination Centre? You explained your title, but can you explain what it actually entails?

Mr Bass: After the abolition of ATSIC, the government wanted to retain some kind of focal point for some of the programs that had not been posted to mainstream departments. Indigenous Coordination Centres are located on the sites of the former ATSIC regional offices around the country, including Perth. They are meant to be a point of contact with government for the Indigenous community. I think the most helpful way to think of it is brokerage. That is our role.

The CHAIRPERSON: How did you become aware of the Balga Works program?

Mr Bass: I was approached in early December 2005 to agree that Merv Hammond would come and address a coordination meeting, which were held every fortnight. I would have different agencies there. Different bodies would come in and talk about what they were doing to see whether there were points of intersection with what we could offer and what they felt they needed. I agreed. People seemed to regard Merv very highly. There is nothing unusual there. I expected one person. In the event, at the meeting, which was on 15 December 2005, to my surprise four people turned up: Merv Hammond, Michael Carton, Jon Cook and Brian Woodcock, each of whom explained that they had a role. It began there.

The CHAIRPERSON: Did the ICC consider providing funding to the Balga Works program?

Mr Bass: Most certainly. In fact, we tried very hard.

Hon PETER COLLIER: Do you know in what capacity Brian Woodcock attended the meeting?

Mr Bass: I am told he was chair of the Balga Senior High School P&C. One of the many ambiguities, I think, around Balga Works as I learnt was that Balga Works as such is not a legal entity. I have learnt to think of it as a kind of trading name. The legal recipient of funding was, I think, the P&C for want of a better one, of which Brian was chair.

Hon HELEN MORTON: How did Merv Hammond make contact with you? Did he ring you himself or were some other people involved?

Mr Bass: No. The actual contact with me came from the representative in the ICC of the federal Attorney-General's Department who in turn knew of Balga Works through Employment and Workplace Relations. It was a kind of chain of people who knew people, who thought maybe there was a match here. I never met Merv before that day.

The CHAIRPERSON: I have a question regarding meetings you had with either Mr Hammond or Mr Carton or both together. You mentioned the one on 15 December. Were there further meetings?

Mr Bass: Yes.

The CHAIRPERSON: Is it possible to outline when and where and what happened?

Mr Bass: If I may, anticipating a question of that kind, I refer to what I call a running contact summary I put together. I do not think it is complete but it is helpful. My whole involvement can be really precisely pinned down. It began on 15 December 2005. My last actual meeting with any of the proponents was 8 November 2006. In between there was a range of meetings, none of them particularly formal. I do not know how best to do this. Rather than try to take you through a whole range of issues, I think it may be most helpful if I could give you what I thought of as the themes that drove the meetings. The first engagement was kind of, "Hello, how are you, who are you?" From the outset, Michael Carton appeared to be the driving force, which I expected would be Merv Hammond. At that first meeting Michael's approach was more a kind of revivalist haranguing. Michael was very passionate, gritty and confronting really about the situation facing these most alienated of youth and critical that more was not being done to help. It was in the nature of a gauntlet being flung down. I do not know that he made the best impression on the group. From talking later there were mixed feelings. Maybe prophetically, I commented then that a crash approach sometimes results in a crash. We were then into a Christmas break and nothing much happened; people went away. I am not quite clear about when but it was either in February or March 2006 that we went actually to the school as a delegation—representatives of federal departments that were in that field: employment, Attorney-General, education, health, families and community services; federal departments, put together by me. We were picked up in a Balga Works bus, taken to the school and had lunch there and met workers. Merv and Michael were there, and John Garnaut, the district director was present. It was more by way of closer engagement—"Here it is". We were then taken to see the accommodation side of the operation. I think it was that experience that changed my view of the worth of the engagement. I came to understand that however limited the advocacy, the scale of what they were trying to do was heroic; it was huge:

pastoral care, accommodation, education and links to employment. If that chain could be set up, it would be powerful. I was impressed too that Merv and Michael had, we were told, given up a large chunk of the break to go to Melbourne and source cheap, surplus buses for this concept of the “boom bus”.

[10.15 am]

Is the committee familiar with—yes. So, the first engagement; the first aim was really around the boom bus, and the Attorney-General’s Department was quite interested in helping me on the grounds that kids in the bus were not kids on the street and getting into trouble. That was encouraging.

I learnt in passing that they had been seeking assistance with drug counselling. I talked to the Department of Health and Ageing and over weeks, months and eventually won agreement to fund two drug counsellors, attached to Balga Works. That was another kind of emerging thing.

I should say that I received a phone call in February or March when Keith Newton—I had not met Keith at that stage, he said he was executive director schools, I think. He asked me to confirm that we were, in fact, negotiating some funding with Balga Works. I said, yes, we were interested in doing that; we had got nowhere at that point but we were on that journey. It was quite a brief phone call.

The CHAIRPERSON: Mr Bass, can I just ask when that was on? Perhaps I missed—did you indicate when that was?

Mr Bass: No later than March 2006, around the time of the school visit.

The CHAIRPERSON: Thank you.

Mr Bass: Would it help if I explained part of the—it is probably important to the committee’s understanding of how we managed this to know that, ultimately, the funding vehicle would not have been a conventional contract. It would have been, and was intended to be, a shared responsibility agreement. That agreement would necessarily have been with an Indigenous grouping or body and, hence, the involvement of the Indigenous Coordination Centre. From the outset, we made it plain that our involvement was around, primarily, the advancement of Indigenous interests and with no detriment to any other that were helped in passing, but that was our focus. That was always clear; it was understood, I hope, by the other side.

Hon HELEN MORTON: I just want to clarify that: was there a requirement for a certain percentage of the participants to be Indigenous? As a condition of that funding, were you setting a requirement for certain numbers of Indigenous youth to be involved?

Mr Bass: We did not get that far but it would have been a very hard sell, on my part, to the funding departments that Indigenous funding would go to non-Indigenous purposes. So, it was always predicated on at least a majority. I think, at times, an over-rigid setting would not have helped, but it was always understood—on our part—we were talking Indigenous majority, at least.

Hon HELEN MORTON: Okay, thanks.

Mr Bass: Balga Works, of course, is not an Indigenous organisation. The P&C is not. The school is not. At different points over that 11-month journey, I kept reminding them that, really, to access what I hoped to do with them, they would need powerful evidence of Indigenous buy-in and support for their work. I thought that would be no problem. I thought who, anywhere, would disagree with the idea of keeping kids safe and alive and that should not be an issue. So, this journey towards incorporation for their purposes, which suited me too and my funding bodies, was always in the background of this relationship. It never ultimately happened.

Hon PETER COLLIER: Why is that?

Mr Bass: I wish I knew.

Hon PETER COLLIER: But did you continue to have dialogue with Merv and Michael Carton after—what was that—March, April?

Mr Bass: Yes. I make the point that in every way it was Michael, not Merv. Merv was very much a background figure. My only direct dealing with Merv, and really my only one-on-one personal meeting with Merv, was around NAIDOC funding—National Aboriginal—acronym—

The CHAIRPERSON: No, you are all right; that is fine. It is better to assume that we do not know.

Mr Bass: Thank you. In one of our talks, it had come up that there was tension in the school between African-origin students and Indigenous Australian students. It was around the time of NAIDOC and I initiated this: I said to Merv, would some kind of function that showcased what Balga Works was doing, that showed the Indigenous achievement in a positive light, would that help the internal tension in the school? He said it would and in the end they agreed on a whole-of-school lunch that would be built around the NAIDOC theme and would incorporate both groups. We funded that and that was all duly acquitted. That was, in the event, the only money through the ICC in that whole period.

Hon PETER COLLIER: And that was not technically Balga Works, though, was it?

Mr Bass: That went to the school.

Hon PETER COLLIER: Okay. Can you tell me, Mr Bass, what you thought the role of Mr Carton was? What was your impression of his role in the whole process?

Mr Bass: Very much the driving force; the front of the organisation. Michael seemed to be a finger in every pie.

Hon PETER COLLIER: Did he have a title at all, do you know?

Mr Bass: A good point. I think “coordinator” was the title they used, but Michael was the non-education side. I mean, I think that line blurred.

Hon PETER COLLIER: Can you just—I just cannot at this stage—you may have already answered this, but it seems to me that you were very keen to support the Balga Works in terms of what it was, ideally, what it hoped to achieve. I think we all agree with the, you know, in terms of the intent of the program; it was very commendable. Can you just tell me if you were willing to contribute funds to Balga Works? I still cannot, at this stage, ascertain why those funds were not forthcoming.

Mr Bass: Because we did not have the SRA, which would be the vehicle that would allow the drawdown—the funding—from the sources dedicated to that. As late as November, in fact, my final meeting with Michael and Jon Cook—they came to my office and really —

Hon PETER COLLIER: Was that November 2006, was it?

Mr Bass: Yes—’06. I again made the point that we needed an incorporated body or we needed unambiguous evidence of strong Indigenous support to support the SRA, which is built around the notion of mutual obligation. That Indigenous group would, in fact, take aboard obligation for Balga Works, so they had best be serious and understand that that grouping would be, in a sense, responsible for their performance. They seemed exasperated, which amazed me. I mean, repeated reiterations that we were the Indigenous Coordination Centre did not seem really to have taken root.

Hon PETER COLLIER: Were you aware that any of the other groups that you met with in January of 2005, you know, when you said that group from various federal government departments went on the bus to Balga Senior High School—are you aware that any of those other departments were contributing funds at this stage or throughout 2005?

Mr Bass: 2006.

Hon PETER COLLIER: I apologise, 2006, yes.

Mr Bass: Yes, the Department of Education, Science and Training put, I think, \$165 000 under the Investing in our Schools program in a shed on the grounds of the school and that was part, I think, of the in-school element of Balga Works. I think they were doing panelbeating and repairing cars there. The Department of Employment and Workplace Relations put money into a program to support an art foundation at the school and a program under the Structured Training and Employment Projects element of the Indigenous—I am sorry about this; the more I talk, the worse it gets.

The CHAIRPERSON: Just take your time—we have got all morning.

[10.30 am]

Mr Bass: Under the Indigenous employment program to support mentoring and assistance with those of the youth that were able to be placed in work. In each case, I think there was a modest upfront payment and nothing beyond.

That department has a strongly outcome-weighted approach to payment. I was state manager of employment for six years so I could understand where they were coming from. To explain: departments were by no means confined to dealing through us, the ICC. Our involvement was around that SRA, and only that. If they felt able under their regular dealings to support it, they were free to do that.

Hon SHEILA MILLS: Mr Bass, can you speculate on why you think that Michael Carton and Jon Cook failed to understand the nature of the shared responsibility agreement and the Indigenous component that had to be there? I mean, it seems quite straightforward to me. I do not understand why they had the difficulty.

Mr Bass: And neither did I. In a letter to me—in November, the day after our meeting—Jon Cook referred to Balga Works being “in a constant state of uneasy development”, and that was my sense of them. That term “Balga Works” was the only static thing about it and under that was a very mobile, changing array of activities and actions and relationships, and in all of that, maybe my attempts to pull them back on course, about the Indigenous element, did not really take root.

If I can say, I mean, I did ask for a budget. In an early meeting I said “I want to make plain, this isn’t a kind of Father Christmas, this isn’t the answer to your prayers, but it would help if you gave me a sense of the whole to guide my sense of which parts we’re most likely to give you help with, and I will attempt to do that up front.” I did notice in the budget that the, I think, largest single line was for accommodation—the units in Joondalup. I went to the Indigenous Land Corporation and, as these things go, I had a quiet word with my colleague there. I explained what we were doing, and why, and I asked if there was any chance that the ILC might consider buying accommodation that would serve that purpose and either relieve the budget or enable more to be done with the budget they had. Alan Padgett, the WA manager, and I went to Joondalup and met with Michael and Pauline Bropho on 19 July.

Hon KEN TRAVERS: I am sorry, Pauline who?

Hon HELEN MORTON: Bropho?

Hon KEN TRAVERS: Pauline who?

Mr Bass: Bropho.

Hon KEN TRAVERS: Oh, right. Sorry; was she from the ILC or was she with Michael?

Mr Bass: No, she was one of the Balga Works in-house carers at that time.

Hon KEN TRAVERS: Right.

Mr Bass: We were shown around the accommodation. Michael gave Allan and me the same kind of guided tour and overview that he had given the group in February or March. Allan was quite impressed. The decision was always a board decision. He felt it was worthwhile pursuing. We

would have been talking seven figures there. In my running, somewhere, I noted and I underlined, “the essential requirement for an Indigenous-controlled sponsor body was emphasised to Michael Carton in that visit”, as it was, and “That the ILC—Indigenous Land Corporation—will buy and hold land for Indigenous people and, subject to evidence of satisfactory governance, will vest it after two or three years.” So, my view of that was that this could be a win all round. We could have the accommodation that was vital to the concept. We could make their budget go further. We could, in fact, build Indigenous wealth in that that Indigenous body could own the units and either receive rent or otherwise be engaged. It was very attractive. I do not know what more I had to do to point out the value and need for going down that path.

Hon PETER COLLIER: Just in terms of that and the SRA, I am just—did they ever suggest what Indigenous body they would be working with? I mean, did they ever come up with options for Indigenous-controlled organisations that they could use as their partner organisations or were they seeking to —

Mr Bass: No.

Hon PETER COLLIER: — because you made a comment earlier that they were trying to get themselves incorporated? Were they then going to go down to try to make Balga Works an Indigenous-controlled organisation that would be the body that was funded?

Mr Bass: My understanding was they were looking at two entities. One, I think, was provisionally to be called the Balga foundation, or Balga Works foundation, and that was to be the body that would attract the money and corporate sponsorship, and then a second body, Balga association or Balga Works association, to be the delivery vehicle. Now, I did point out that there were purchaser-provider issues that would concern us and that we could not resile from the absolute need—if there were an over-arching Balga foundation and it was Indigenous—they needed to understand it did not follow from that that they would only source services from the second body; that any kind of comfortable arrangement where the purchaser was the foundation and the provider was the association—and that was guaranteed—would depend on the Indigenous people driving the foundation wanting that service and not otherwise. They did assure me that they had a widespread support base of 200 families that stretched into the wheatbelt. I never saw that evidence.

Hon PETER COLLIER: So they were never going to use—there was always going to be a body that they created themselves? It was never going to be an existing, established Indigenous organisation that they were going to partner with?

Mr Bass: I cannot speak for their intentions; I do not believe so.

Hon PETER COLLIER: In your discussions with them, did they indicate they had a partner?

Mr Bass: No.

Hon PETER COLLIER: Did they always indicate that they were going to create their own Indigenous bodies?

Mr Bass: Indeed. After receiving that letter from Jon Cook on 9 November, I emailed and said “Look, we either walk away or you do incorporate and we wait and see this thing through; or you do find a reputable well-governed Indigenous body that will speak for you and will partner with you and will be an authentic channel for Indigenous people and we can open up a meaningful dialogue that way.

Hon HELEN MORTON: Just to be clear, that was November 2006; you were still prepared to fund if they had the right vehicle in which that funding could come through?

Mr Bass: That was two days after they had appeared angry, dismayed, at the withdrawal of the DET support and informed me that they looked totally to DCD—as it was then—as their funding vehicle. They said in part—it was quite an emotional meeting; Jon in particular, was upset—that if it came to it, they did not need us. I pointed out that might well be, and asked if the Indigenous

people that we were all trying to help would benefit from us seeing this through. I mean, I had the money for the drug counsellors, we could not open up the old [inaudible] debate. I am sure we would have had support—other family support for the interim; in the event, my email was not replied to.

Hon KEN TRAVERS: In terms of your concerns about their lack of a body—well, two questions. One, so, for eleven months prior to November 2006, virtually the whole of 2006, were they talking about getting themselves incorporated?

Mr Bass: Pretty much. I could not give you a start date to that.

Hon KEN TRAVERS: Yes.

Mr Bass: I think they always intended that for their own purpose.

Hon KEN TRAVERS: My second question was the issues about the need for an incorporated Indigenous body. When you spoke to Keith Newton and he was asking you about the funding issues, did you raise with him that that was one of the key sticking points?

Mr Bass: That was early days. I would have mentioned an SRA but maybe not the incorporation aspect.

Hon KEN TRAVERS: Right.

Hon HELEN MORTON: One of the things that we have not had is the rest of the sequence of meetings or have you told us about all of the meetings that you had there?

Mr Bass: No. The boom bus appeared to, kind of, run out of steam and, I think, it was always the case that our understanding of where they were was always a step or two behind whatever their current situation was. So, we were still talking boom bus—funding for that—in a meeting and Michael happened to be in town. It turned out that the boom bus had, kind of, folded. They had a bus but they wanted better. Our funding would have been towards the bells and whistles to do it right. So, I was somewhat taken aback to find boom bus was no longer.

[10.45 am]

The CHAIRPERSON: Sorry. When was that? As roughly or as precisely as you can.

Mr Bass: June of 2006.

The CHAIRPERSON: Thank you.

Mr Bass: I did say to Michael—and Michael alone, “Well, where can we help?” He had a bit of a think about it and said, “Well, they would like better security for the PCYC premises,” who—yes. They wanted to put closed-circuit cameras into the PCYC to identify troublemakers, and also into the accommodation. They wanted to develop software around the obligations court appearances, whatever, on the kids in care. They wanted an admin—some kind of clerical support—I am very sorry about this. It is worse from my end! I was not, I must say, particularly comfortable with any of that, on the grounds that a large investment in fencing and cameras, in property that they did not own, was obviously problematic. Cameras in the residential accommodation; I thought privacy—fair go. Software development, I thought, “Well, it is a notorious money pit.” I could never get agreement to that, and would not try. I would have thought there were many scheduling products available off the shelf. As for clerical support; well, this is not for SRA. It is built on the idea of support from the community. I thought, “Well, the kind of clerical support you want might in fact come as a contribution from the community, so let’s not close that off.” So it really went nowhere. Many a time I had the sense that it was all hand-to-mouth; that there was not a real underlying plan.

The CHAIRPERSON: **Mr Bass,** would it be useful for us to take a 10-minute break? Would that help?

Mr Bass: Yes.

The CHAIRPERSON: We are quite at liberty to give you a chance to recover a little.

Mr Bass: Thank you.

The CHAIRPERSON: We might just try and refine our questions, because some of these things we could probably ask you perhaps to put in writing. We will have a bit of a discussion, but meanwhile we will formally have a break now for 10 minutes.

Proceedings suspended from 10.48 to 11.06 am

The CHAIRPERSON: Mr Bass, could I redirect you to a point? It is our responsibility; we have been going off on different aspects. I think it would be useful to go back to the point where we were talking about the sequence of meetings and the themes of those meetings. Could you, as you go through, perhaps indicate who was in attendance at those meetings? Thank you.

Mr Bass: In the break I went through my list. There was a meeting at the school in February or March, and Paul, Merv, Michael, Jon Cook and John Garnaut were there. I met twice with Jon Cook alone, in Subiaco. It turned out that Jon was the one person I knew anything of. By chance we had been fellow guests at a dinner in the early '90s, 15 years back, but we were friendly again. Jon gave me to understand that he would be emerging as the chair of the incorporated body and would be the one to work with in pinning things down. So Jon and I met first on 22 May in Subiaco and then a second time on 10 October in Subiaco, in a café. Each time he was very direct and very candid, and I must say I found Jon very credible and very helpful. Jon appreciated my agenda in a way that I think Michael did not, and Merv, by and large, was not a player at all. Having a boom-bust kind of management, the focus then turned to what would our money go to. Around that time I opened up the ILC thing, and I was really quite interested in that, and I think that could have been highly constructive. On 19 July the meeting I referred to took place in Joondalup, again stressing the importance of Indigenous buy-in and, ideally, ownership. That was with Michael Carton. There was a meeting with Merv at the school around then, but that is completely uncontroversial and all accountable.

At a very important meeting that they asked for on 14 September, again I expected Jon Cook and Michael. In the event, Jon, Michael, Pauline Bropho and Merv all turned up, and that was, I think, the day after DET said it was pulling out from 13 October. We met on 15 September. They wanted obviously to put the most positive spin on the DET action. They sold it as a new beginning. They wondered why they had not heard from me and I had, at that point, to explain that I had been approached at the end of August by a DCD worker attached to Balga Works alleging maladministration and departures from acceptable pastoral care on the accommodation side. That person had followed up with a visit to me. I explained that other than as it impacted on a potential SRA, we had no jurisdiction and what did he want me to do. I also explained that that resolution lay back in his own department. Would he allow me to contact his department with his claims? He said he would. I found him very credible. I did contact DCD that day and I made it really clear that we were not attempting to buy into their business and their relationship with their staff, but it could have the consequence of bringing to a halt any thought of federal funding for the units, and that was my inference. My words were that nothing less than a cast-iron guarantee from DCD that the allegations had been investigated and either found correct or baseless—there was no question of compromise—nothing less than a guarantee of that order would bring us back to the table. I had not heard anything back from DCD when, two weeks later, Balga Works asked for this meeting to talk about DET and where they went with us. It placed me in a really difficult situation. I felt that if I did not allude to the DCD issue, it would not be fair, and would compromise any relationship I had with Balga Works.

On the other hand, it was a live investigation and I had no wish to muddy the water there. In the event, that probably did not matter all that much and they were plainly aware of the issues and promised more cooperation with DCD. I think that was 15 September. I think from that day I began

to have very serious doubts whether, ultimately, we would be able to see this relationship through anywhere positive at all.

[11.15 am]

The CHAIRPERSON: Was that the last meeting you had in regard to these matters?

Mr Bass: I did not hear from DCD and eventually I followed up with them in October. They came back and said they had investigated, they had not dealt with hearsay and had been to the principals that there had been issues, but in their view they were satisfactorily cleared up.

The CHAIRPERSON: Who told you that? Mr Hammond, was it?

Mr Bass: I think it was Cheryl Barnett. I would have to check the names. Certainly Cheryl. That kind of put us back to being able to talk to Balga Works again, but by that point I think that they were very distracted as the impact of the DET withdrawal became plain.

Hon PETER COLLIER: Have you finished there, Mr Bass?

Mr Bass: Yes.

Hon PETER COLLIER: Can I just clarify something? This is by November 2006, I think you said you had another meeting with Mr Cook. By that stage of the program, DET had withdrawn their funding. It would have received a fair amount of publicity at that stage. Were you aware of that adverse publicity in regard to Balga Works?

Mr Bass: I thought that was rather later. Up to the point of our last face-to-face meeting, which was early November, that was not an issue. I think the facts regarding Michael Carton emerged the following month.

Hon PETER COLLIER: You were not aware of other issues with regard to Balga Works at that stage?

Mr Bass: No.

Hon PETER COLLIER: Just with regard to the removal of DET funds, did you broach that with Michael Carton and Merv Hammond—why did DET withdraw the funds?

Mr Bass: We were given to understand that DET was—I am searching for a word—ambiguous about Balga Works; a feeling that while they approved the activities, they felt that the diversion of school funds into these worthy but not core function had gone probably beyond their comfort zone and that they were expecting that that would be taken up elsewhere, arguably by us, although we did not give them to understand that we could or would.

Hon PETER COLLIER: Did you give any funds at all to Balga Works?

Mr Bass: No.

Hon PETER COLLIER: Did you ever promise any funds to Balga Works?

Mr Bass: I tried as hard as I could to put in place the preconditions and a structure that would have seen funding for drug counsellors, arguably for a reconnect service with the kids estranged from family—but promise, absolutely not; I could not.

Hon PETER COLLIER: From your perspective then, the fact that your department did not provide any funds was nothing to do with you but more in terms of the lack of, dare I say, management on the part of those involved in the program?

Mr Bass: Yes.

Hon HELEN MORTON: The DCD worker who spoke to you towards the end of August—are you able to name that person?

Mr Bass: Bill Herdigan.

Hon HELEN MORTON: That was not the person who was working within Balga Works, or was it? I did miss some of the hearings—that is fine thanks.

The person that you spoke to find out whether DCD was looking at the accusation—are you able to name that person?

Mr Bass: I first emailed the supervisor, Tom Minto, and had a response and then a follow up from Cheryl Barnett who I think was the regional manager at Mirrabooka. Cheryl was away at that relevant time. I spoke also to Ann McKay.

Hon HELEN MORTON: At the time and even before you become aware that DET were withdrawing their funds, had you had any individual phone calls, discussions emails or anything from any other DET workers? You mentioned before that you had a discussion with Keith Newton—a phone call—and John Garnaut. Had there been any other contact with John Garnaut at that time?

Mr Bass: No. John was physically present at that lunch in February-March, otherwise no.

Hon HELEN MORTON: No other contact with anyone in DET?

Mr Bass: No.

Hon HELEN MORTON: Other than the contact that you had about looking into that accusation with DCD, any other contact with the justice department or DCD?

Mr Bass: No.

Hon SHEILA MILLS: Mr Bass, you said that you had a copy of the budget from Michael Carton. Would you be able to supply this committee with that document?

Mr Bass: I do not have it here.

Hon SHEILA MILLS: That is okay. We will get you to post it in, if you could?

Mr Bass: I can, yes.

Hon SHEILA MILLS: Can you also provide a document outlining the contributions from each of those federal departments that you mentioned and what it was for?

Mr Bass: I believe there is nothing confidential there. If I am able, I will.

Hon SHEILA MILLS: Thank you. Can you tell me in respect of that money, were the moneys paid directly to the school or via DET?

Mr Bass: I am not sure. None went to DET as far as I know. One payment was made to the P&C for Balga Works. I think that might have been for the arts support. They had the notion that an in-school activity to produce Indigenous artwork could be hung in corporate offices and they could charge, much like Artbank. I think that money was to support that. The other money was paid to that school for the employment brokerage. In both cases I know the submission to the department said that that money would be disbursed by the school registrars, including the P&C money, and were subject to the same audit standard as regular school funds.

Hon SHEILA MILLS: Just one final question from me. When Merv Hammond and Michael Carton first came to speak to you, did you do any further checking on Michael Carton's credentials or did you purely just rely on the fact that he was introduced by Merv Hammond?

Mr Bass: No. I did not know anything about Michael's background. Indeed, I did not expect Michael; I did not know him. I had no prior knowledge. I learned Michael's background in the press, sadly.

Hon PETER COLLIER: Just a quick one, Mr Bass, I do not want to keep you any longer. Can I just clarify something that Helen brought up with regard to that—that was a phone call from Keith Newton, was it not, in April 2006? March, was it?

Hon HELEN MORTON: February-March.

Mr Bass: February-March.

Hon PETER COLLIER: Sorry, can you recall once again what that was about?

Mr Bass: He identified himself and said, “Could I confirm that we were discussing or negotiating funding for Balga Works?” I said, “Yes, we were, but there were conditions that would have to be met, so I could not expect when or how much, but in principle yes.”

Hon PETER COLLIER: You never spoke to Mr Newton again or anyone else?

Mr Bass: I did speak to Keith in December—

Hon PETER COLLIER: 2006?

Mr Bass: 2006, after the headlines and I called on him at DET and reflected on the futile journey.

Hon PETER COLLIER: Thanks, but there was no sort of subsequent correspondence or communication post that phone call with regard to potential funding or anything like that?

Mr Bass: No. DET and ICC and, to the best of my knowledge, other departments—there was never a corporate level discussion about funding or rebalancing funding or funding shares.

Hon HELEN MORTON: What was your impression of Keith Newton’s acceptance of what you were telling him—that you were negotiating or discussing funding? Did he seem happy, excited or pleased or was he the opposite? What is your impression of his response to that conversation?

Mr Bass: My sense is he was seeking confirmation of something he had been told. He was backtracking and checking. He seemed neutral.

The CHAIRPERSON: I have a couple of questions to finish off. In regard to those latter meetings—we had a previous question about DET not being involved in those meetings—were you surprised? Would you have expected DET involvement in those meetings?

Mr Bass: Not necessarily. I think we always understood that it was a work in progress that was housed on the schoolgrounds, had links to the school, links to the wider community, enjoyed, what we thought, broad support, but was not mainstream and probably a little beyond that comfort zone. We had the sense it was tolerated maybe, rather than encouraged, so that DET upper management kept it at arms-length did not surprise me. Certainly the district director was involved. We had no reason to think that it was not regular.

[11.30 am]

The CHAIRPERSON: You mentioned a seven figure sum that was part of the discussion. I wonder if you could indicate how much that was?

Mr Bass: That was my estimation if the accommodation units in Joondalup that were being used for that aspect of the program were to be bought as opposed to leased. It would have required over \$2 million, and that would have been the ask to the ILC.

The CHAIRPERSON: I was asking questions regarding DET’s involvement in those meetings. Did you query why either Kevin O’Keefe or Bob Somerville were not at those meetings?

Mr Bass: No.

Hon HELEN MORTON: Do you know Bob Somerville?

Mr Bass: Yes.

Hon HELEN MORTON: You had no contact with Bob over this?

Mr Bass: I live in Mt Hawthorn and I think Bob might too. I see him in Woolworths. I am trying to think whether across the aisle we might—nothing formal, no. At the end of the day if you have got a very senior, decorated school principal operating in the open with approving media as late as the

end of March, well into our involvement, I guess we were not looking to double-check their credentials. We accepted this was public domain, understood and approved, and maybe DET might have liked others to shoulder some of the burden but it had no firm offer from us to do that.

Hon HELEN MORTON: When you said “approved”—I am really interested in two things: what made you believe it had been approved and what was the positive media you are referring to?

Mr Bass: I think *Stateline* carried a segment on 24 March around all the things we have been talking about. That is all I mean by “approved”—nothing hidden, nothing clandestine.

The CHAIRPERSON: We have received evidence there was an impression that funding was imminent, particularly from your organisation. Did you give any assurance or indication to Mr Hammond and/or Mr Carton that the funding for the Balga Works Program from ICC was imminent?

Mr Bass: No; nothing.

The CHAIRPERSON: You are not aware of any other person or body who might have given that indication?

Mr Bass: No. Had those preconditions been met, we could have moved quickly and I would have told them that repeatedly. In that sense we could have been to the point.

The CHAIRPERSON: Did you provide in writing the conditions that would have to be met prior to funding being forthcoming?

Mr Bass: No, there was no formal exchange. It was altogether informal. However, I am very clear that they understood—and I cannot imagine anyway they could not have understood—the Indigenous Coordination Centre, as the name implies, has that focus and that SRA was always the vehicle and that required Indigenous buy-in, and they repeatedly assured us that they could and would supply that.

The CHAIRPERSON: Do you believe it could have worked? You do not have to answer if you do not want to; I am just curious because a lot of evidence seems to indicate that people think it had merit as a program and we are trying to, among other things, think about how we ensure that, while the need is still there, if it is proposed to be done again, how it could actually work.

Mr Bass: I will answer. Yes. I think we stayed with it as long as we did because if it could have been made to work and work properly, what an exciting development. What an option to have—something to be really proud of having been part of. When you confront these intractable issues around those most marginalised young people—opinions are plenty, real practical down-to-earth effort is rarer. And the whole Balga Works package seemed to command widespread support and respect. I am personally deeply saddened that, in the end, we could not get past the gate and support it as it might have been. However, the lack of grasp of process was too great.

Hon HELEN MORTON: With the shared resource agreement, because that is what it boils down to, you are saying that “sharing” means the ICC and the other entity were the two sharing parties. Is that correct?

Mr Bass: No, it would have been the Indigenous community and the government.

Hon HELEN MORTON: It would have been the incorporated Indigenous community that you were looking for and the government.

Mr Bass: Yes.

Hon HELEN MORTON: Does that mean the state or federal government?

Mr Bass: It would have been the state. We did talk to DIA. The holy grail here would not have been whole-of-government but whole-of-governments plural: both governments having a structure within which we ordered our contributions to the common goal. The point of the incorporated body

would have been, among other things, a government structure that enabled all the parties to do that. It was always quite vital.

Hon HELEN MORTON: My interest in this area is that you were pinning your entire hopes on getting this shared resource agreement with Michael Carton and Merv Hammond as the makers of it, rather than the Department of Indigenous Affairs that you had some contact with, or some other more senior level within a government department, knowing that the state was able to help implement that. I understand from what you are saying—I am just looking for confirmation—is that you did not try to take that any further than just Merv Hammond and Michael.

Mr Bass: We did talk to DIA. DET, until September, was there. Had it come to it, I think we would have attempted to say to the state, “If we buy in, we expect you to maintain effort.” This is about doing more of a good thing, not changing who pays for it. If an Indigenous group comes in to say, “Yes, we want this for our kids and we will help in these ways”, cost shifting between layers of government at their expense would not be acceptable.

Hon HELEN MORTON: Did you get a sense that there were some moves afoot to commence some cost shifting?

Mr Bass: It is an old game.

Hon HELEN MORTON: I am aware of it and I have played it myself. I am asking whether you were aware of specific actions that took place that could have amounted to cost shifting.

Mr Bass: No, but I always think it is wise to be alert to it and to make plain that we would not be a soft option. As it turned out, of course, our focus was on the residential side. DET’s withdrawal was not fatal. It was not welcome, but not fatal. DCD’s withdrawal—game over.

The CHAIRPERSON: That is the conclusion of our questions this morning. Thank you very much; we really appreciate you coming in and giving us your time. I note there has been a request for any documents have you in your possession. If there is any correspondence or documentation that you think would be useful, it would be appreciated as well as the ones that Hon Sheila Mills has specifically named. If you can get them to us at your earliest convenience, we are trying to come to a conclusion on our work. Again thank you on behalf of the committee.

Mr Bass: Thank you.

The CHAIRPERSON: I hope it did not cause too much stress on your voice.

Hearing concluded at 11.42 am