

**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  
WEDNESDAY, 10 OCTOBER 2007**

**SESSION ONE - PRIVATE SESSION**

**Members**

**Hon Giz Watson (Chairperson)  
Hon Ken Travers (Deputy Chairman)  
Hon Sheila Mills  
Hon Helen Morton**

**Hon Peter Collier  
(substitute member for Hon Anthony Fels)**

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**Hearing commenced at 10.09 am**

**[The committee took evidence in private]**

**THORN, MR MICHAEL**  
**Director, Crime and Justice Policy Division,**  
**Department of the Premier and Cabinet.**

**The CHAIRPERSON:** On behalf of the committee I would like to welcome you to the meeting. To begin with could you please state the capacity in which you appear before the committee?

**Mr Thorn:** I am currently the director of Crime and Justice in the Department of the Premier and Cabinet. I am probably here, really, in my former capacity as the director of the Office of Crime Prevention.

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

**Mr Thorn:** I have.

**The CHAIRPERSON:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, could you please quote the full title of any document you refer to during the course of this hearing, 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 have already publicly released the evidence. I advise you that premature publication of private evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege.

Mr Thorn, would you like to make an opening statement or would you prefer us just to start with some questions?

**Mr Thorn:** I would be happy for you to start with the questions.

**The CHAIRPERSON:** Okay, not a problem. I wonder if you could please explain the process the Office of Crime Prevention goes through when considering a grant application.

**Mr Thorn:** Yes. There are perhaps a number of key points. Firstly, the Office of Crime Prevention has an annual grants budget. In my time, it was approximately \$3 million that was appropriated by the Parliament. The disbursement of those grants funds was guided by a series of grants policies. The policies set out the terms and conditions on which grants were to be made. Those policies were developed by my office at that time and signed off and approved by the minister, and variously they included different types of grants programs. There was what we called a small grants program, which was grants, for instance, up to \$5 000. We had specific programs around designing out crime; for instance, there was a program to support crime prevention initiatives in local government, and a research program, for instance. The way in which people accessed those moneys was dependent on the nature of that program. Some were by public invitation, some were competitive-based grants. The small grants program, for instance, was a monthly - people made applications on a monthly basis and they were assessed on a monthly basis by my office and a panel. The applications, in all events, were assessed against the criteria for the particular programs, and a report submitted to the minister with a recommendation either to approve

funding or not. So that is the general sort of background; that is the way that they were handled. There is a section within the office that dealt exclusively with grants applications.

**The CHAIRPERSON:** Thank you. When considering the grant applications, did your office do any background checks on MITS or check the validity of the information contained in the grant application? This is obviously in regards to the Balga Works program.

**Hon KEN TRAVERS:** I was actually just going to suggest that - could you just outline to us under which one of those categories the grant to the Balga Senior High School was made?

**Mr Thorn:** It was made under the special purpose fund.

**Hon KEN TRAVERS:** Right.

**Mr Thorn:** And it was a fund, which really was a program that allowed for unsolicited applications, so, literally special purpose, and in the Balga Works case that is how it came about. The applicants were invited, after discussions with our office about their general proposals, to forward an application for consideration as part of that fund and they were provided with the necessary information what the criteria for determining any funding it would be assessed.

So moving on from that, the application was received by our office. The grants officer took that application and discussed it further with the applicants. The applicant in this case was the Balga P&C, and he did what he usually did - he is a highly reputable, very professional officer - and assessed the application and made a recommendation, or put a draft recommendation before me for submission to the minister. I do not know whether he personally assessed MITS; I would think not because they were not the applicants for the funding. This was an application for funding - I am sure you have a copy of the report - and the submission was really a part of the start-up phase of this program that Balga Senior High School was trying to get off the ground.

**The CHAIRPERSON:** I wonder if it would be possible to tell the committee the name of that assessment officer?

**Mr Thorn:** Stanley Tse.

**The CHAIRPERSON:** The meetings that were had with the P&C, do you know who would have been present at those meetings?

**Mr Thorn:** I think probably there was a couple of meetings before the application was made. I recall that a meeting was arranged by my office with Merv Hammond. I think Michael Carton was there and Gary Hodge, who at that time was the Chair of the Community Safety and Crime Prevention Council, when they came to talk about their general proposal and what they were wanting to do. I think at that time they had talked about looking for support from my office, well in excess of what was ultimately granted. They were told that there was a cap on the size of the funding of \$50 000, and it was suggested to them that they should cut their cloth to suit our funding guidelines because applications in excess of that would not be approved because it was outside the policy.

**Hon PETER COLLIER:** Who did these three gentlemen meet with, Mr Thorn?

**Mr Thorn:** Pardon?

**Hon PETER COLLIER:** Who did they meet with?

**Mr Thorn:** They met with me.

**Hon PETER COLLIER:** They met with you, did they?

**Mr Thorn:** Yes.

**Hon PETER COLLIER:** To discuss the proposal; proposed grant?

**Mr Thorn:** Yes, and one of my other officers, Mr Bob Taddeo.

**Hon PETER COLLIER:** And do you recall when that was, when they met with you?

**Mr Thorn:** No, I do not. It was in about August 2004, I think. One of the things that was discussed at that meeting was who would be the applicants for the funding. Our funding policies are fairly restrictive in terms of who can make application, and, I think in the end, the discussion rounded on an option for the applicant being the local P&C.

[10.20 am]

**The CHAIRPERSON:** I am just also trying to get clear in my mind what the relationship was between the Office of Crime Prevention - or what is the relationship - and the organisation that Mr Hodge was then the chair of. Is that the crime prevention -

**Mr Thorn:** The Community Safety and Crime Prevention Council. When the government established the office in about October 2001, there was the former Safer WA structure in place, and it was quite a different arrangement that was in place that had been set up by the previous government, and it did not really align with what the new government wanted to do. One of the first things it did after it established the office was to set in place a review of those structures and what to do with those. One of the institutions that was part of the Safer WA structure was something called the Safer WA Council, which was chaired by - I cannot remember his name - a former submariner. Anyway, it is not germane really to the story, but it was one of the bodies that had to be reviewed, and out of that review a proposal went to cabinet, and was endorsed by cabinet, that we set up a Community Safety and Crime Prevention Council, which was really a sort of replacement body for the former Safer WA Council. It was there to be an advisory body to the minister on crime prevention issues. The relationship with the Office of Crime Prevention was that the Office of Crime Prevention provided the secretariat support to the council. The council did not have any role at all in terms of the administration, policy setting, directions of the office. That was a relationship that existed only between the office and the minister. Mr Hodge was appointed as the inaugural chair by cabinet. So he - I do not know and he will have to sort of explain his reasons - but for whatever reason, he became involved with Balga Senior High School. I think there was probably a longstanding relationship between him and Mr Hammond, the former principal, and he lent his support and provided advice to them about this program. He spoke to me on and off about what Balga was trying to do, and its ambitions around trying to support another group of disadvantaged young people.

**The CHAIRPERSON:** In the processing of the application by the Office of Crime Prevention, was there any liaison or communication with the Department of Education and Training or, for that matter, any other departments?

**Mr Thorn:** One of the issues that I was concerned about was that we were really fringe players, bit players in this whole exercise. What was being put to us was that this was a very substantial program, and it certainly appeared to be so from the documentation that we were provided with. So one of the things I asked for Mr Tse to ensure that we checked out was that the department was right behind what was being proposed at Balga Senior High School, and the recommendation I made to the minister, which she supported, was that our funding be conditional on the education department supporting the establishment of this program, and we subsequently received advice via Mr Hammond from Bob Somerville, who was one of the directors in the Aboriginal affairs branch of the department of education, that that support was guaranteed or assured.

**The CHAIRPERSON:** So your understanding is that the indication of support from the department came from Mr Somerville via Mr Hammond to you?

**Mr Thorn:** Yes.

**The CHAIRPERSON:** Okay.

**Hon HELEN MORTON:** When you said that support was guaranteed, what actually was it they were going to give?

**Mr Thorn:** I do not have the details of it - the specific details - but, very broadly, what I understood was happening is that the school was setting this program up on the basis it would be funded on the sort of formula basis that the schools are funded under for particular programs, and that that was the main source of funds for carrying the program forward. Now, that went to the issues around the operation of the school. Some of the other issues, I have to say, I am not privy to in terms of their support for the young people outside of the school premises - all the issues around the accommodation, for instance. That was not part of the considerations at the time.

**Hon HELEN MORTON:** The figure of \$250 000 as a guarantee from Bob Somerville was emailed through - Merv Hammond emailed what I understand to be a copy of that email from Bob Somerville through to your office.

**Mr Thorn:** That is correct.

**Hon HELEN MORTON:** So was that the guarantee that you -

**Mr Thorn:** Yes.

**Hon HELEN MORTON:** I am not sure that ever eventuated though, did it?

**Mr Thorn:** Pardon?

**Hon HELEN MORTON:** Are you aware whether that \$250 000 was ever paid?

**Mr Thorn:** No.

**Hon HELEN MORTON:** You are not aware or you say it was not?

**Mr Thorn:** I do not know. I relied on the integrity of the department. I had no reason to believe that they would do anything different, and I knew that there were lots of discussions going on between the school and the parties associated with this project and the department of education.

**The CHAIRPERSON:** I just wondered if you had any supporting documentation for that advice that you received from the department.

**Mr Thorn:** No, an email. I remember here - Ms Morton, if she has referred to an email, I suspect it is one that I have got too.

**The CHAIRPERSON:** That was the one; okay.

**Mr Thorn:** That is the only documentation that we have.

**The CHAIRPERSON:** So in terms of the provision of the funding, on what basis was that funding provided?

**Mr Thorn:** May I refer to the report? I do not know whether I can add much more to what is set out in this memo to the Minister for Community Safety, dated 8 September, other than to say, reading between the lines here -

**Hon PETER COLLIER:** When is that dated, sorry?

**Mr Thorn:** The 8 September.

**Hon PETER COLLIER:** Mine is dated 13 September.

**Mr Thorn:** No, that is the -

**Hon PETER COLLIER:** That is the recommendation, is it?

**Mr Thorn:** Yes.

**Hon PETER COLLIER:** Okay.

**Mr Thorn:** The date the minister signed off on it. What was I going to say? Oh, just reading between the lines, Merv Hammond was a pretty powerful advocate for what he was trying to do, so reading both the submission that was submitted to us by the parents and citizens association, the discussion that we had had with them, the assessment of the application by Mr Tse and the

discussions that I had with him and Mr Taddeo, convinced me that it was a genuine proposal, that they had proper intent in what they were seeking and striving to do.

**Hon PETER COLLIER:** Sorry. They are discussions you had with Mr Hammond, Mr Carton and Mr Hodge, are they?

**Mr Thorn:** Yes.

**Hon PETER COLLIER:** With regard to the application?

[10.30 am]

**Mr Thorn:** Yes, and while, as I said, we were sort of fringe players, I was happy to support it on that basis, but equally, and this went to the need for the education department to indicate to us that they were going to provide the funding - you know, the main bulk of the funding - for this program, that we were not just going to be tipping money into a project that was going nowhere. That was the basis of the qualification we put on it. The reason that we supported it in the end - which really went to the heart of why we provide grants of this sort - is that we saw this as a fair and reasonable program that would divert some young people away from offending behaviour. Clearly, there is a substantial group of people that this program was seeking to target, that were at much higher risk of being caught up in the criminal justice system than the population at large. So, that was really the basis upon which I was happy to recommend to the minister that we provide some financial assistance. As I said, their initial approach to us was for substantially more money than this. However, as I indicated earlier, I would suggest that we would not be providing that level of support. We would be sticking rigidly to the parameters of the funding criteria.

**The CHAIRPERSON:** So, once the approval had been given, what were the processes for the acquittal of those funds?

**Mr Thorn:** The acquittal requires an evaluation report to be completed - in other words, they did what they said they would do - and a financial statement to be prepared for us to say, once again, that the funding was spent on what they said they would be spending the funding on. We eventually received a satisfactory acquittal report from the P&C. I have to say I do not have that documentation, and I could not tell you what date that was received, but I am sure that we can -

**Hon PETER COLLIER:** I assume that would mean that a liaison officer had been employed to set up the program?

**Mr Thorn:** Yes.

**Hon PETER COLLIER:** Have you got that documentation?

**Mr Thorn:** I do not have it with me, but I am sure we can procure that for you.

**Hon PETER COLLIER:** Can we get a copy of it?

**Mr Thorn:** Yes.

**The CHAIRPERSON:** Thank you. So, as far as the office was concerned, that acquittal was up to scratch? There was not any question of auditing or checking at all?

**Mr Thorn:** Not that I recall. I certainly do not believe there were any problems. I do not know what the time lapse was between the completion of this little program, but bearing in mind it was really to be finished early in 2005, I would have expected that the acquittal would have been submitted to us fairly quickly after that, so it would have been in the very early days of the program. Even in the worst circumstances, probably we would not have been able to detect that there were any problems at all.

**The CHAIRPERSON:** So there were no alarm bells?

**Mr Thorn:** No. Well, no alarm bells, not in that sense, other than to go back to the initial discussions about what was being done. I suppose it is reflected in my report to the minister that we

took whatever steps we could to protect the investment - the small investment - that we were making.

**Hon PETER COLLIER:** Are you aware of a meeting that took place between the education minister, Mr Hodge, Mr Hammond and Mr Carton with regard to the program?

**Mr Thorn:** Yes, I understood that there was a meeting. I think Mr Hodge told us that he was meeting with the minister and -

**Hon PETER COLLIER:** “Mr Hodge told us”?

**Mr Thorn:** Told me, I think. I certainly was aware of it, and I think he reported back to me, or he indicated to me later that he had met with Mr Carpenter. I do not know how I sort of picked this up - it was probably from discussions that sort of went to and fro across the public service - but I got the impression that the now Premier was not exactly rushing in to support the project.

**Hon PETER COLLIER:** What gave you that impression?

**Mr Thorn:** As I say, I do not quite know how I sort of came to that. It was probably from my discussions with Gary Hodge, but on the other hand there was certainly no indication that the minister was saying to the department, “Do not invest in this program”. If that were the case, I certainly would not have supported the funding to the P&C.

**Hon PETER COLLIER:** Because that meeting was actually before you recommended the approval of the grant, was it not?

**Mr Thorn:** I do not know when that meeting took place.

**Hon PETER COLLIER:** That meeting took place on 3 August 2004.

**Mr Thorn:** Okay.

**Hon PETER COLLIER:** So, it was a month later, or just over a month later, that the recommendation - that you are saying you were aware that the education minister was not happy with the program?

**Mr Thorn:** Well, I would not use the words “not happy”. I was just sort of aware that, as I said, he was not rushing in to say we should get behind this and do everything - pull all the stops out and let us get this program happening. He was ambivalent about it, perhaps.

**Hon PETER COLLIER:** Gary Hodge told you that, did he?

**Mr Thorn:** As I say, I am not quite sure where I picked that up, but I suspect it was Gary, because he was really the only one that had been continuously through this.

**Hon PETER COLLIER:** In your discussions?

**Mr Thorn:** Yes.

**Hon PETER COLLIER:** But you still had the impression that the department was still supportive of a program such as the MITS proposal?

**Mr Thorn:** Well, and I think that sequence of events supports that. If the then minister had, I think, indicated that he was not happy with it, it would have been pretty clear down the line, and I do not expect that I would ever have received the advice via Mr Hammond from Mr Somerville to say that we were going to back this program.

**Hon PETER COLLIER:** That would have been before the application, would it not?

**Mr Thorn.** No. The advice from Mr Somerville was around about the time that this report was prepared, which was as I recall- as I understand - was after the meeting with the minister.

**Hon PETER COLLIER:** So, it was after the meeting, because Mr Somerville was at that meeting as well?

**Mr Thorn:** No.

**Hon PETER COLLIER:** He was at the meeting with the education minister.

**Mr Thorn:** Right. Was he?

**Hon PETER COLLIER:** Yes.

**Mr Thorn:** Okay.

**Hon PETER COLLIER:** So, they would have known that the education minister at that stage was not supportive of the MITS program.

**Mr Thorn:** I would not be able to comment on that. I do not know.

**Hon HELEN MORTON:** Have you had any discussions with Gary Hodge about his appearing or not appearing at these hearings?

**Mr Thorn:** No.

**Hon HELEN MORTON:** You are obviously aware of Gary Hodge's role with Balga Works in developing that submission, or that proposal etc?

**Mr Thorn:** Yes, I was.

**Hon HELEN MORTON:** What sort of credibility did Gary Hodge have in your mind in preparing that and also being the chair of the Community Safety and Crime Prevention Council and having a direct link to the Premier for that?

**Mr Thorn:** No more and no less than anyone else associated with it. I did not feel influenced by the fact that he was the chair of the Community Safety and Crime Prevention Council. I did ask for an assurance from him, bearing in mind his liaison role - or facilitation role, I suppose is the way I perceived it - in helping the school set up this program. I did seek an assurance from him that he did not have a pecuniary interest in what was being developed, and he gave me a categorical assurance that he did not have one.

**Hon HELEN MORTON:** Was he lobbying - unpaid, I understand - but was he lobbying for the proposal to be funded?

**Mr Thorn:** As I said, he was certainly fairly energetic in facilitating arrangements - or the liaison - with our office and the department of education at the time as I understood it. I think it would be a fair representation to say that he was advocating support for that program - financial support.

[10.40 am]

**Hon HELEN MORTON:** Because lobbying is a bad word at the moment, so we do not use that.

**Mr Thorn:** I am happy to use a word like - he was lobbying in one way. I suppose our definition of it might vary.

**Hon KEN TRAVERS:** I will just ask it another way: did he ever try to exert influence or pressure on you to fund it, fund the program?

**Mr Thorn:** No, he did not, and I think I made it pretty clear from the outset that it would be highly inappropriate if he tried that with me. Sort of bells start to go off when you have got somebody who is the chair of - and a board, that is, where my office is responsible for being the secretariat to and then he is working in this private capacity. Or no, I would even - no, that would be wrong for me to say that it is in his private capacity. I think it was probably within his remit as chair of the council to be talking to people about what, you know, what government, what community, what the public sector should be doing around crime prevention issues, and this is probably a - this was a fair and reasonable thing for him to be associated with. Now, there is always a line probably where you could go too far in that support but, from my point of view, that line certainly was not crossed.



**Hon HELEN MORTON:** Can I just - I was not concentrating properly when you answered a question about whether this was one of the projects that were sought; solicited I think you said. Was this a project that was sought by your office from the Balga Works program?

**Mr Thorn:** No. They approached us for financial support, and then under this particular program we guide them into - well, explained to them under what conditions we would consider funding and then they provided an application that ultimately met that criteria.

**Hon PETER COLLIER:** And they were the discussions with Mr Hodge, Mr Hammond and Mr Carton?

**Mr Thorn:** Yes. That was the beginning of it and then after that they produced their - well, the application was produced and submitted by the Balga Senior High School Parents and Citizens Association. And I do not know what really lay behind that relationship between the school and the P&C. You would know better than me about that, the dynamics of those.

**Hon PETER COLLIER:** I do not know if we do.

**The CHAIRPERSON:** Trying to figure it out!

**Hon KEN TRAVERS:** Wait for our report!

**The CHAIRPERSON:** It might or might not be in there!

**Hon SHEILA MILLS:** How did you perceive Michael Carton? Did you make a mental assessment of him?

**Mr Thorn:** I am sorry?

**Hon SHEILA MILLS:** Did you make a mental assessment of him?

**Mr Thorn:** I would be reluctant to comment. I do not - he did not really figure significantly in any of the discussions. I think Mr Hodge and Mr Hammond brought him along to the meeting probably to bolster their case. Certainly that would have been to support the things they said to me. I have to say I was not affected by that at all. That was a bit by the way, frankly. I was more concerned about what from a public policy point of view Mr Hammond was trying to do, because that was the critical thing in it. His decision to form this alliance or partnership with MITS was sort of his business in a way. That was a delivery mechanism. There were probably other ways of going about doing what he was trying to do.

**The CHAIRPERSON:** Just one final question. Do you know who actually was employed as a placement and community liaison coordinator during that period?

**Mr Thorn:** No, I do not.

**The CHAIRPERSON:** It was not in the acquittal or the evaluation?

**Mr Thorn:** It may well have been but I do not recall that.

**The CHAIRPERSON:** No? Okay.

**Mr Thorn:** I will have a look.

**The CHAIRPERSON:** Thanks.

**Hon HELEN MORTON:** Just the pressure on the Office of Crime Prevention about the number of young people being detained, in detention centres, and especially the number of young Aboriginal people in there; what sort of pressure and what did the Office of Crime Prevention seek to do about that?

**Mr Thorn:** Let me think about that. Perhaps I should take you back a couple of steps. While there are a lot of young offenders in detention, as a proportion of - and data backs this up - the number of young offenders, it is fairly insignificant. There are thousands of young offenders. Fortunately not many of them actually go to prison or into detention, and there are probably - as you know, more

than 80 per cent of those are Aboriginal children. From the Office of Crime Prevention's point of view in my time, I would not have seen them as a high priority for our efforts. I would have seen the people who are at risk of getting caught up in the criminal justice system and those who do get caught up in the system that then are dealt with by juvenile justice teams or end up on community orders of one form or another; and that is really on the basis of what is best return on investment. The Department of Justice, at the time, has core - has prime responsibility for dealing with the young people in detention, and they have far more resources than the Office of Crime Prevention would have ever had to deal with those particular people. That said, we all know that with all offenders, be they adult or juvenile, that there are a number of critical factors that can lead to them going straight, as it were. They are issues like resettlement, you know - once you come out of prison that you go into a stable home environment - and that obviously is a varied thing depending on the circumstances of a particular individual. That people deal with their drug and alcohol problems is absolutely fundamental because they are the sorts of things that lead to reoffending very quickly. I am sure you have all heard the anecdotes about people being arrested in car parks of prisons after they have been released. The third thing is employment or school in the case of young offenders; and I think that that is where some of the ambitions around this Balga Works program were directed; and, fourthly, is accommodation, that people have somewhere to live. So they are really the four core things. And ultimately, I suppose, what was trying to be developed at Balga was a program that gave effect to all of that, and our assistance and this \$40 000 grant was a sort of small contribution to that. Our office's broader efforts were more around the more generic programs that we pursue. I have had dealings with a couple of you before about, you know, major programs like the responsible parenting initiative, for instance, and parenting orders as being the more broad-based efforts that can be taken to try to prevent and divert people from ending up or getting caught up in the criminal justice system. Does that -

**Hon HELEN MORTON:** Yes; thanks.

**The CHAIRPERSON:** One final question. In the meeting or perhaps I think there was just one meeting where you were present with Michael Carton, was he in your understanding represented as the director of MITS?

[10.50 pm]

**Mr Thorn:** Certainly. I think I can recall I had at least two meetings with them, one quite relatively early in the piece before there was any discussion about funding and things like that. They came to talk to us about the issue broadly, you know, and what I thought about how government should be dealing with this issue. He certainly came along and explained to me that he was a director of this company from Melbourne, and the second meeting was likewise in the same position.

**The CHAIRPERSON:** Do you have a date for that first meeting?

**Mr Thorn:** At that time I am not even sure I was aware that there was a prospective or an actual relationship between Balga Senior High School and MITS.

**Hon SHEILA MILLS:** The earliest meeting, do you have an approximate date when you think it might have happened?

**Mr Thorn:** No, I cannot recall. I would have thought it was sort of June-ish or thereabouts.

**Hon KEN TRAVERS:** Did anyone from the P&C attend meetings at the office?

**Mr Thorn:** Much later. I had - you might be able to help me here - I think the president of the P&C -

**Hon KEN TRAVERS:** Keith Maynard.

**Mr Thorn:** - and a guy by the name of Cook -

**Hon PETER COLLIER:** Jon Cook.

**Mr Thorn:** Much later, when I think it was starting to emerge that there were problems, there was another approach to us seeking additional financial support. I think that at that time I was in the policy division of Premier and Cabinet. Peter Frizzell was acting as director at the time, and he and I met with them. I think they said to us they were having severe cash-flow difficulties. We listened to them. My advice to my superiors was that “this is an education department matter” and I think Peter spoke to someone in the education department - I know he spoke to someone in the education department - and it was agreed that they would take carriage of this and look after it from there. It was, you know, again inappropriate at that stage I think for us to become involved in terms of acceding to their request for money.

**Hon HELEN MORTON:** Do you know when that was?

**Mr Thorn:** That was in January 2006 - thereabouts, yes.

**Hon PETER COLLIER:** That meeting that Ken has just mentioned, with the P&C, when you are talking about the proposal and the program early with Mr Hodge, Mr Carton and Mr Hammond, there was no P&C involvement there at all? No-one came to meet with you as well as these three men representative of the program?

**Mr Thorn:** Yes. I think one of the things that came out in that meeting, the second meeting where we actually talked about the financial support, was what the Office of Crime Prevention can do and how it would go about doing that, and one of the things that they probably were not aware of, but soon became aware of, is that we would not fund a private sector organisation and we are very reluctant to fund directly another government organisation. This is the usual practice as regards programs across the government sector, be it commonwealth, state or local, and so there was a discussion about how this might be facilitated, and the P&C was advanced as an appropriate organisation that could be the applicant, and subsequently -

**Hon PETER COLLIER:** Who advanced that suggestion; do you remember?

**Mr Thorn:** I am sure that Mr Hammond in response to an inquiry from me suggested them, and I concurred that it was an appropriate organisation. There could have been other NGOs working with the school at the time that would have been deemed to be appropriate.

**The CHAIRPERSON:** Thank you, Mr Thorn. Thanks for coming. Thank you for your time this morning.

**Mr Thorn:** My pleasure.

**Hearing concluded at 10.54 am.**

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