

**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
THURSDAY, 1 NOVEMBER 2007**

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)**

Hearing commenced at 10.10 am**TAYLOR, MR GARY****Deputy Principal,****c/- Department of Education and Training,****examined:**

The CHAIRPERSON: Good morning, Mr Taylor. On behalf of the committee I would like to welcome you to the meeting. Please state the capacity in which you appear before the committee.

Mr Taylor: The capacity in which I am here today is as a deputy principal of Balga Senior High School from mid-2005 through to the end of last term.

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

Mr Taylor: Yes.

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, please quote the title of any document you refer to during the course of the proceedings for the record, and please be aware of the microphones and try to talk directly into them. 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 person at any time unless the committee or the Legislative Council has already publicly released the evidence. I advise 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 Taylor, would you like to make an opening statement or would you prefer us to move straight to questions?

Mr Taylor: I am quite happy for you to move straight to questions. Thanks.

The CHAIRPERSON: When did you begin employment at Balga Senior High School?

Mr Taylor: I was seconded, basically, across from Churchlands Senior High School in mid-2005 as a system supplementary deputy principal for Balga Senior High School. My tenure at that time was to be 18 months.

The CHAIRPERSON: Could you give a little more information as to how you came to be employed at Balga Senior High School?

Mr Taylor: Sure. The position was advertised through DET. It was a competitive position as a limited tenure promotion. I was a level 3 program coordinator, head of student services, at Churchlands Senior High School and was looking for a promotional opportunity. This one came up and I applied and won the position. The brief essentially was to look at system operations management and so on of the Balga Senior High School programs, and to assist the district director, John Garnaut, and the principal, Merv Hammond, in reshaping the current programs within the school to a point where they were sustainable.

The CHAIRPERSON: What problems were being experienced at Balga Senior High School when you began your employment there?

Mr Taylor: They probably mostly surrounded the visionary programs that were implemented by Merv Hammond, the principal - probably with a lack of good support and management structures behind them. There were issues with behaviour management. There were issues with financial

management. There were issues with performance management. There were issues with reporting. The school essentially needed some support in order to bolster those departmental requirements, so that it could be properly planned and managed and properly run. Essentially, it was probably a case of running before they could walk. Programs were built from ideas down rather than from good practice up.

The CHAIRPERSON: Were you aware of the Balga Works program prior to your placement at Balga Senior High School?

Mr Taylor: Not particularly, no. I had been made aware, briefly, of that as a program, but I did not have a full concept of what it was about. I had made some inquiries into a number of programs at the school. Since I was applying for that position, I wanted to know a bit about it. I had heard a bit about the Balga Works program previously through Merv Hammond.

The CHAIRPERSON: That leads me to my next question, which is: what was your relationship with Merv Hammond before you commenced work at Balga Senior High School?

Mr Taylor: Merv Hammond was a principal of mine at Mukinbudin District High School back in the 80s. We had maintained a professional, if not a somewhat friendship-type relationship, with Merv, Lee and her family.

The CHAIRPERSON: Were you involved in the referral of students from Churchlands to the Balga Works program in 2005?

Mr Taylor: I had been aware of that at that time and I had had something to do with the referral of students from Churchlands in my capacity as head of student services at Churchlands, yes.

The CHAIRPERSON: Did you refer a number of students? How many?

Mr Taylor: There would have been a few referred. I am just trying to recall. There would have been about three referred, but I believe only two ended up in the program.

The CHAIRPERSON: During that period when you referred a number of students from Churchlands, what was your knowledge of the program at that point?

Mr Taylor: At that point I had spoken to both Merv Hammond and Michael Carton about some kids who had some issues at Churchlands Primary School and needed an alternative program. Michael Carton had come out to Churchlands Senior High School and spoken to some parents and some students who were presented as potential enrolments in the program.

The CHAIRPERSON: Can you please explain your involvement and role with the Balga Works program?

Mr Taylor: Yes. It was one of 13 programs at the school that I was given some responsibility for attempting to sort out the management structures, performance management structures and so on. Essentially, from the beginning of my time at Balga Senior High School in semester 2, 2005, it was just a case of having a look at all of the programs in as much detail as I possibly could and trying to work out what was required in terms of what was lacking, I suppose, so that as a system support deputy principal I could apply management procedures that would help them become sustainable and help them become full, proper programs. Certainly with Balga Works, the initial issues that I was presented with were mostly behaviour management. What was really in my face most of the time were issues with Balga Works kids going into the school grounds and presenting many significant behavioural issues. These were the very pointy end kids - the very, very worst of the worst, I suppose, in terms of their behaviour, attitudes and backgrounds. Many of them were coming to school drug affected. Many of them had had no schooling or very little schooling previously. Many of them were simply not capable of surviving in any sort of other schooling program - not even special programs, let alone mainstream programs. They really were the worst of the worst sorts of kids. At any given time there could have been 30 or 40 of them on site. They presented quite significant problems - they really did. The majority of my time - and I remember

relaying this to John Garnaut a number of times - in that first semester was simply working with the staff at Balga Works to get the behaviour management systems right. I guess that took the focus away from everything else at that point in time.

[10.20 am]

The CHAIRPERSON: In your view, how were those behavioural issues being managed at that time?

Mr Taylor: They were not particularly being managed initially. I have a background in behaviour management. I have had five years at Kwinana high school as a pastoral care coordinator, five years at Girrawheen high school as head of student services and five years at Forrestfield high school as head of student services. I have worked at some pretty tough schools dealing with the top-end kids and behaviour management systems across the schools for those kids. I believed I could get in there and fix it up, and I believed I did. I worked with the staff to implement a number of strategies that made those kids and their behaviours tenable; in other words, confining them, having safety procedures like two-way radios, having staff clearly visible with loud coloured vests and so on, and making sure the kids were clear on what the expectations were - a whole range of strategies that actually confined them to a particular area. We found some other areas for them to go to that were not impinging on the actual school itself, which was further out at the back of the school. We opened up an area there for them.

We made sure that the mainstream Balga Senior High School staff were clear on their roles and responsibilities, because they were unsure about what to do if a kid from Balga Works came into the school grounds - they were not sure what was their responsibility. The kid would just tell them to, "Fuck off. I'm not doing anything." If they dared to try to challenge that, they would pick something up and hurl it at them. So it was making sure that the Balga Senior High School staff were clear on their roles and responsibilities, making sure the kids from Balga Works and the kids from Balga high school and all the staff knew what they were supposed to be doing at any given time and, if things did go pear-shaped, as they often did, applying sanctions for the Balga Works kids, which had them off site, because that was not previously available to us. It was really important that the Balga high school staff, as any school staff, when they saw kids doing the wrong thing, were seen to be taking some action. So they felt safer and better. At one stage in 2005, I think, basically, the Balga high school staff were ready to walk out and say, "We've had enough", but we fixed it, and from late October, November, through to mid December 2005 would be, as I would describe, very much the best period for Balga Works. There would have been 40-odd kids on site every day, they had a reasonable educational program, they were not misbehaving particularly, other than odd pockets towards the end, and things were looking pretty good.

Hon HELEN MORTON: I just want some clarification about something that you said at the beginning of that conversation. You said that Balga Works was one of 12 other special-type programs that were operating. Can you give us an idea of the other types of that make up the 12 programs?

Mr Taylor: There were 12 programs, but there are fewer now because we did a significant rationalisation through 2006. At that time, there were a number of programs. There was what they called a year 8 program, which was for, essentially, mainstream kids, but none of them would survive in a normal mainstream school. There was a year 9 program; a year 10 program; an upper school program; the young mums program - the teenage mums program; a soccer program; SINCEP, which is the Swan Nyoongah sports education program just for Swan Nyoongah kids who were referred from across the district; the IEC program, which essentially is for refugees, mostly Sudanese-African refugees; Balga Works, of course; and the educational support program. How many have I got up to now?

Hon HELEN MORTON: That is okay. I just needed to get an understanding of what those 12 programs were.

Mr Taylor: Essentially, every single kid in the school was in a specific program. There was no mainstream as such, and there was no TEE running as such; it was not a normal mainstream school by any stretch of the imagination, and every single kid had been compartmentalised into a program. In understanding that, it sort of sounds like they have developed all these programs and put kids in them. It was actually the other way around. As kids with needs, like the young mums, presented, a program was developed to support them, so it was quite the reverse. It was actually a school where, when a group of kids presented with a particular need, a very good program was developed around them to support that need. Balga Works was a bit different. I was not there at the outset, but I am not entirely sure that it was set up as a program to cater for some particular appointee into kids needs. I think it was brought in as a program that could attract some other kids. I am not sure on that, but that is my sense at this point in time.

Hon HELEN MORTON: You said there were about 12 programs, and I do not need you to tell me about every one of them. However, were the other programs equally -

Mr Taylor: Difficult?

Hon HELEN MORTON: - not being underpinned by good management infrastructure and stuff like that?

Mr Taylor: To be fair, the education support program and the IEC, to an extent, had some underpinning of good sound management structure, but, to give you an example, there had not been a school plan developed for some years, there had not been an annual report produced for some years, there was no performance management across the school and there were no program plans. In fact, there was no real plan as to how the direction of the programs might proceed, so it was my task to come in and develop all of that, along with looking at the very future and direction of the programs and try to work out how best to mould them and shape them so that they might actually continue to work for the kids.

Hon HELEN MORTON: Did you say the Balga Works one seemed to be consuming all your time?

Mr Taylor: Absolutely.

Hon PETER COLLIER: The actual Balga Works program was run, from my understanding of what you just said, quite separate to the other 11 or 12 programs within the school?

Mr Taylor: Yes.

Hon PETER COLLIER: So the other 11 or 12 programs were run directly through the auspices of the Department of Education and Training through Balga Senior High School; is that correct?

Mr Taylor: Yes.

Hon PETER COLLIER: Did you actually know what the Balga Works program delivered?

Mr Taylor: It delivered a promise to kids who were basically brought in from the street to be kept off the street for the day, with the housing component to be accommodated in safe housing at night-time and to be guaranteed transport to and from school. They were kind of a captive audience - that group of kids in particular. What it delivered was, I guess, the opportunity for those kids to partake in an educational program that they had never really had before.

Hon PETER COLLIER: Can you explain what it was that they actually - two things: first of all, would it have been a minority that was involved in the accommodation component of the program?

Mr Taylor: There was a minority on the roll, but in terms of those who attended each day, it was probably close to half. Those kids did attend each day because they were transported in and out, whereas the other kids tended to come in sort of at will. Whilst there were reportedly over 100 kids enrolled, there would have been, maybe, just under 20 in the accommodation program - 18, I think

it was. On any given day, there would have been 30 to 40 kids at the school, so they always made up about half of the kids actually attending. Sorry, back to your question -

Hon PETER COLLIER: The second point is: what would a student that would enter the Balga Works program ideally achieve, say up to 12 months? What would they get out of it?

[10.30 am]

Mr Taylor: The initial ideal was for them to finish their year 10 certificate of education so that they had at least that behind them. There were links to TAFE developed so that they could do the CGA certificate. There were links to TAFE developed so that they could do cert 1 and 2 studies, and there were a number of kids enrolled in TAFE who were doing that as part of their regular course of work.

Hon PETER COLLIER: So they were enrolled in TAFE, these students?

Mr Taylor: There was - at one stage, there was about a dozen kids enrolled in TAFE, yes.

Hon PETER COLLIER: Did any of them receive their cert 1 or cert 2 that you are aware of?

Mr Taylor: I know that there were a number of kids that were working particularly well and getting very close to getting that. To be honest, I could not answer whether they had actually achieved that or not.

Hon PETER COLLIER: Okay. And who was delivering the courses at the - within the program?

Mr Taylor: At any - there were a number of teachers in the program at any time that were employed by Hurson, and they were given - charged with the responsibility of looking after the educational program. Now, there would not have been more than two at any given time, but a number moved through the program.

Hon PETER COLLIER: Was Hurson an RTO?

Mr Taylor: Hurson was reportedly an RTO.

Hon PETER COLLIER: Was Balga Senior High School an RTO?

Mr Taylor: My understanding is that all high schools are RTOs.

Hon PETER COLLIER: As far as Hurson is concerned, why did you say "reportedly an RTO"?

Mr Taylor: Well, that was what I had been told, and any investigation that I had along those lines indicated that that was the case. I could not state categorically that that was the case, no.

Hon PETER COLLIER: Would you have assumed that it was an RTO?

Mr Taylor: Yes.

Hon PETER COLLIER: Why would you have assumed that it was an RTO?

Mr Taylor: Because they were delivering, or going to be delivering some courses that required RTO status. I am not entirely sure that they actually did deliver any of those courses, but that was the plan.

Hon PETER COLLIER: Did you ever discuss that with Michael Carton -

Mr Taylor: Yes.

Hon PETER COLLIER: - whether or not Hurson was an RTO?

Mr Taylor: Yes.

Hon PETER COLLIER: And did he give any indication as to whether or not it was an RTO?

Mr Taylor: Absolutely, yes.

Hon PETER COLLIER: What was the indication?

Mr Taylor: That it is an - it was an RTO; yes, most definitely.

Hon HELEN MORTON: Have you recently been aware of some concerns about that -

Mr Taylor: Not particularly.

Hon HELEN MORTON: - about whether it is or is not an RTO?

Mr Taylor: I kind of - I guess I must confess, in hindsight, I had my doubts, but because they never actually delivered any courses that required an RTO to sign off on them, that I am aware of, it never actually became an issue.

Hon HELEN MORTON: Has there been any recent requests for people to look into this to find out whether it is or it is not an RTO?

Mr Taylor: Not that I am aware of, no.

Hon PETER COLLIER: Did you say, though, that some students were doing cert 1 and cert 2?

Mr Taylor: Through TAFE.

Hon PETER COLLIER: Yes. They were doing it through TAFE?

Mr Taylor: Yes.

Hon PETER COLLIER: But who was delivering on the premises?

Mr Taylor: They were going to TAFE -

Hon PETER COLLIER: Okay.

Mr Taylor: - and TAFE was the RTO for that.

Hon PETER COLLIER: Okay. What was then being delivered on the premises at Balga Works in terms of that? Were there any bed options being delivered there?

Mr Taylor: No, no.

Hon PETER COLLIER: So what was actually being delivered from an educational perspective?

Mr Taylor: They were working - the remainder of the work, the educational body of work, was basic literacy and numeracy working towards year 10 graduation.

Hon PETER COLLIER: And what about those students that were 17?

Mr Taylor: The same.

Hon PETER COLLIER: Towards year 10 graduation; okay. So it was literacy and numeracy. Would the average day of a student be totally involved in literacy and numeracy delivery then?

Mr Taylor: No, no. No, they -

Hon PETER COLLIER: So what else would they be doing?

Mr Taylor: Sport, recreational activities, workshop - lots of workshop -

Hon PETER COLLIER: What do you mean by that?

Mr Taylor: They had a - they were actually housed in the old mechanical workshop for Balga high school, so they did car rebuilding, motor rebuilding, brickworking. So, it is a basic training in, you know, rubbing back a car and re-spraying it, taking a motor to pieces and rebuilding it, servicing vehicles - they had vehicles from the local police stations that they would service. Brickwork - they built a lot of brick walls around the place, brick paving -

Hon PETER COLLIER: Would there be an aim toward any sort of qualification with these activities?

Mr Taylor: No that I was aware of, no.

Hon PETER COLLIER: So it was basic -

Mr Taylor: It was basic work skills training designed to improve their employability skills, so they had some sense of what it was like to work as a brickie's labourer or a mechanic's TA or, you know, a spray painter or something like that. So, the kids kind of chose throughout the day what they wanted to do. There was a significant signage component to it, where they had - one of the workers was a qualified sign-writer, so he would take them through sign-writing processes and so on. There were a number of kids that were very interested in that because it involved computers and it involved, you know, spray painting and a whole range of things.

Hon PETER COLLIER: So the aim of the workshops was not necessarily to reach a particular qualification, but to give them an appetite for a particular skill; is that right?

Mr Taylor: My understanding was that the program had two key aims. One was to get them to year 10 level education, and the other was to improve their employability skills so that they could be employed as, you know, regular working people, and that was the pitch that was delivered to kids in terms of getting them in - or to parents of kids getting them in. If they were failing at everything else, the minimum - we will aim to get them to year 10, and we will improve their employability skills through a range of, you know, taster sort of things that they do, and hopefully link them with work experience, hopefully link them with employers in order to get them some work.

Hon PETER COLLIER: Just with regard to this, as I take it, you are saying that the aim is to get to year 11 and 12 competencies and to -

Mr Taylor: Not to year 11 and 12.

Hon PETER COLLIER: Sorry, to year 10 - I apologise; year 10. Now, if that is the case, you are dealing with, you know, as you have mentioned, Mr Taylor - and I concur with it, certainly in terms of what we have heard about the program - that you are dealing with a significant proportion of these students who were seriously disengaged from mainstream schooling.

Mr Taylor: Yes.

Hon PETER COLLIER: Now, if that is the case, what proportion of their school day would have been taken up in the literacy and numeracy component of the course?

Mr Taylor: They would have been - the aim was for about two hours a day, one hour of literacy and one hour of numeracy.

Hon PETER COLLIER: And then the rest of the day in workshop and -

Mr Taylor: The rest of the day was spent in workshop, art, sport and other recreational activities.

Hon PETER COLLIER: And the staff that were employed by Balga Works to deliver the literacy and numeracy component of the course, they were all qualified WACOT registered staff?

Mr Taylor: That is my understanding, yes.

Hon PETER COLLIER: Did you ever question that or have any reason to question that?

Mr Taylor: At the time, there was not a requirement for WACOT registration. There was a requirement for police clearance, and we questioned the police clearance and cited copies of police clearances at the time.

Hon PETER COLLIER: Certainly, by 2006, there would have been a requirement for WACOT provisions, though?

Mr Taylor: That was coming into effect, yes.

The CHAIRPERSON: Just to follow up on a couple of things, Mr Taylor, were you satisfied that there were police clearances for all the people working in the program?

Mr Taylor: Yes.

The CHAIRPERSON: Because you followed that up yourself or because somebody else had informed you?

Mr Taylor: It was followed up through the registrar, and I had seen police clearances for many of the workers, and I was satisfied. I was told, and therefore satisfied, that it was all okay.

The CHAIRPERSON: Could I also go back to the earlier discussion where we were talking about behaviour management issues, and you said that things were going along well until about the end of December - sorry - the end of 2005. What happened after that?

[10.40 am]

Mr Taylor: Two things mainly. The first was that the school holidays arrived, so the kids then, through the school holidays, had a greater run of the school. Because there was no-one else there, they were able to go into the school grounds and so on. When the rest of the schoolkids came back after holidays, that created the same issues again, the tensions, with them being sort of herded, I guess, back to their area.

That created some issues again with re-establishing the ground rules, re-establishing boundaries and re-establishing consequences and so on, because all of that had disappeared over the holidays. Most of that pertained to interactions with other kids and interactions with other staff; it was not so much about what was happening within the program. When the holidays came they were able to roam free, and it took some time to peg that back. It took at least probably a month to get that back right again. They had a change-of-behaviour management coordinator in that time as well, which to me was not a significant issue in itself, but it again required some time to re-establish boundaries and so on. The other issue was basically with pay and staff dissatisfaction, and staff leaving and being unhappy about their pay and conditions, not that I ever saw that affect the quality of work they did with the kids, but it certainly was a significant issue for the program, as I am sure the committee is aware; and for us, of course. When I asked about that - when I inquired about that - that was never my direct responsibility - I was simply told that the money was coming and not to worry about it, so I kind of did, but kind of did not.

Hon PETER COLLIER: Who told you that? Who told you the money was coming?

Mr Taylor: Michael Carton and Merv Hammond.

Hon HELEN MORTON: Did they say where it was coming from?

Mr Taylor: Certainly I was involved in lots of discussions about where they had applied for money from, commonwealth sources in particular, and certainly I was briefed in terms of what the expectations were. I was always given very sound, satisfactory answers to any questions I asked about financial problems, and since at the time it was not my key responsibility at all, and in fact my hands were - I was pretty flat out, copping a bit of pressure from above, from John Garnaut, to try to spend a little more focus on the other programs that required some assistance and to spread my time a bit more evenly, so when I was told that that was not my responsibility and not to worry about it, I went and did other things, because that is what I had to do. This was - I had 18 months to help fix the school up, and I am not sure how to explain that, but it was a helluva task. It was an opportunity for me perhaps to, I guess, prove myself in my district director's eyes and maybe get another promotion, so I was desperate to do the right thing, and desperate to - when I was told to go and focus on the other programs for a while, that is kind of what I did.

The CHAIRPERSON: When did the issues around pay arise? Was that the same sort of time - after December 2005?

Mr Taylor: The same sort of time frame; it was very, very - my first knowledge of any of that really was probably very, very late 2005; very late, like December 2005, just before I went on holidays.

The CHAIRPERSON: As far as you know, before that, the pays and things had been coming through okay?

Mr Taylor: I am not aware of any great staff dissent or dissatisfaction over pay prior to that. I am certainly aware that there was always an issue with funds. The school itself was always sort of sailing pretty close to the wind in terms of funding.

The CHAIRPERSON: How many students were enrolled in the Balga Works program?

Mr Taylor: That is a - okay. There were 150 kids, or thereabouts, enrolled in the program. We spent a great deal of time trying to classify or categorise those kids in any commonsense way for funding purposes from the department, and essentially we got down to which were the full-time kids - those that attended 80 per cent or more, which you would expect a full-time kid to be attending; which were the kids that were attending sort of 50 per cent or less; and which were the kids that were really very occasional attenders. Then there were some who were simply receiving some home contact - a phone call or a visit from one of the assistants within the program. So out of 150 kids, there were probably about 40 kids who were deemed to be full-time attenders, and the rest were broken down between part-time and half-time attenders, seldom attenders and never attenders, even though they were on the books.

Hon PETER COLLIER: On an average day, how many students would attend?

Mr Taylor: Towards the end of 2005, in its heyday, there would have been up to 40 on any given day, for a significant amount of time. For most of that term, there would have been between 30 and 40 kids a day, sometimes more than 40, sometimes less, but sort of between 30 and 40.

Hon PETER COLLIER: What about 2006?

Mr Taylor: It dropped. It started fairly well and then it dropped off, probably to about 30, 25 towards the end of semester 1, down to probably 25 or so.

Hon PETER COLLIER: Were there ever any audits done of the attendance records?

Mr Taylor: Yes, Swan District office did a number of audits on attendance. In fact, there were attendance audits done on a weekly or fortnightly basis throughout the majority of 2006.

Hon PETER COLLIER: Is that Balga Senior High School, or the Balga Works program?

Mr Taylor: Just for the Balga Works program.

Hon PETER COLLIER: Who did that audit?

Mr Taylor: The Swan District office; the school facilitator. It was through Swan District Education Office.

Hon PETER COLLIER: So the Balga Senior High School actually conducted the audit for the district office?

Mr Taylor: We had a staff member, a program coordinator in the program, who assisted with that and compiled and collated the attendance figures.

Hon PETER COLLIER: Was that person employed within BWP, or -

Mr Taylor: No, within DET.

Hon PETER COLLIER: Okay; so it was someone who was employed at Balga Senior High School?

Mr Taylor: Yes.

Hon PETER COLLIER: Do you know who that person was?

Mr Taylor: Adrian Brand.

Hon PETER COLLIER: Okay. What was his role at the high school?

Mr Taylor: We developed a JDF, which I do not have a copy of with me, but that was developed in early 2006. There was an application process, he applied for the position and won, and it was for a limited tenure level 3 program coordinator, essentially with the responsibility of helping to manage the program, looking after educational issues, looking after attendance issues, and essentially was given the responsibility of doing what I did not have the time to do at the time, so to sort of backfill it in a sense, and help out with that, and report to me.

Hon PETER COLLIER: So Adrian Brand was employed to help coordinate Balga Works program?

Mr Taylor: Yes.

Hon PETER COLLIER: When was he employed?

Mr Taylor: It was early 2006 and went through until - I think he was there for about a semester.

The CHAIRPERSON: Did you receive any complaints from staff regarding student behaviour? If yes, what actions did you take?

Mr Taylor: Balga high school staff or Balga Works staff?

The CHAIRPERSON: Either.

Mr Taylor: Yes to both.

The CHAIRPERSON: Yes to both? What were your actions in response?

[10.50 am]

Mr Taylor: The main body of my work in 2005 was responding to a huge number of complaints from staff on both sides about the behaviour of Balga Works kids. I worked with two occupational health and safety representatives from Balga Senior High School.

I worked with the behaviour management coordinator employed for the Balga Works program, I worked with Michael Carton, and as many people as I could, obviously, liaising with all the staff, to deploy as many strategies as possible to bring the behaviours under control, or at least to confine the behaviours so that the staff felt safe. I had a stream of complaints and emails early in my time in term 3, which was my first term. In 2005, there would have been half a dozen to a dozen complaints daily, verbal and written. By the end of 2005, I would not have had one complaint in two weeks - within a two-week period. So, the indicators and feedback from all the staff was that the behaviour management issue at the end of 2005, we were on top of it, well and truly.

The CHAIRPERSON: I guess did you have concerns for the safety and duty-of-care aspects?

Mr Taylor: Of course. Yes, absolutely. That is why I worked with the occ health and safety reps. When I first got to Balga high school, there were certainly very strong rumblings that the staff were going to walk off site, quit, whatever. There was a huge up-swell of concern and angst about the behaviour of the Balga Works kids.

The CHAIRPERSON: Did you at any time feel that the program ought to be shut down, that it had got to a point where -

Mr Taylor: Many times, yes; many times. It was not my call, but when I saw the good things that were going on for those kids, you just could not do it. You could not do it. You had to push through whatever difficulties there were, and even the Balga high school staff recognised that. There were some really good things going on for some of those kids, and some wonderful success stories - the sorts of things I wish the paper would, you know, get hold of and produce - kids who were foetal-dependent on heroin, had been all their lives, had come to school to dry out, ending up with jobs, full-time permanent jobs out of the program. I mean, there were some wonderful success stories. So, you look at that and you balance that up against the difficulties. Like my time at Girrawheen. You do not close the school down because you are facing difficulties with a number of

kids. You work with those kids and the parents, and you fix it up. I mean, I had never come across anything like this, even though I had worked very closely with a number of programs for highly at-risk kids. This was a whole different level again, and you just had to do it for the kids. You just had to keep going for the sake of the kids that were benefiting from it.

Hon PETER COLLIER: What about in 2006? You were talking about the end of 2005, which was obviously a very positive period for the program. What about 2006? Did you have the same positive feelings about the program in 2006?

Mr Taylor: In some ways, in 2006 the consolidation - or once we sort of got on top of the behaviour issues again, the consolidation of the education program, to my mind, and the links to TAFE and the programs that they were doing, to my mind, was educationally the best period for the program, probably in semester 1, 2006. There was a teacher whose name - I apologise - escapes me, but I can see the face. She was wonderful. She was a qualified teacher who came out of DET to work in the program, and she was just fantastic and did some wonderful work with those kids.

Hon PETER COLLIER: So how many do you think would have achieved their year 10 certificate in the two-year period?

Mr Taylor: I could not tell you.

Hon PETER COLLIER: Would it have been a substantial number of the 150?

Mr Taylor: No. It would have been a low number.

Hon PETER COLLIER: Can you suggest a number?

Mr Taylor: Around 10, but for even one of those kids to achieve that would be stunning. It is something they would not have achieved otherwise. Just being off the streets, out of people's houses, out of car chases, was in itself a huge success for not just the kids, but for society. So, again, you had to balance all that up when looking at whether or not this was a valuable program or not. I still believe that the model, the idea and much of the way - not all of the way, but much of the way - it actually proceeded was outstanding. I had never seen anything like it, and I could not believe that I was part of it, because it was so good for so many kids who would otherwise have had absolutely no hope whatsoever. I mean, we had kids being delivered into the care of the program from the bench. That is the faith that people had in what was going on, and they had been in and seen what was going on. So, it was quite stunning in many ways. Despite its problems and despite its issues, what was happening was quite stunning. I cannot help but feel that the cost of the program is really a very small cost to society compared to having those kids incarcerated and having them invading houses and whatever else that they had been doing. I think that needs to be presented in some form, because I do not think it has been presented particularly in a balanced way by either the media or others who have been critical of the program. We really have had a very skewed view of what has been going on from complaints. I understand the complaints. Make no mistake about it. I fully understand the complaints from both the residents up at Joondalup, through to the staff who were not paid, you know, but, really, you had to look at a balanced equation; and look, at the end of the day, it was not my call whether it proceeded or not - that was out of my hands - but from my perspective, having worked with a number of very, very good programs for at-risk kids, this was a pretty good model, and I wish it had worked.

Hon HELEN MORTON: Can I just ask you: did you have those conversations with the district education office?

Mr Taylor: The conversations about concerns about the program, or the good aspects?

Hon HELEN MORTON: The good aspects of it.

Mr Taylor: Yes, absolutely.

Hon HELEN MORTON: And the need for it to continue?

Mr Taylor: Yes, very much so.

Hon HELEN MORTON: How did it resonate with you when the funding was frozen?

Mr Taylor: I guess in many ways I had seen the writing on the wall, so I was not surprised, but I was bitterly disappointed. We had been through - I spent so much of my time trying to get it right, and so much of my time working from a corporate perspective getting the tender progress right and everything else that was sort of becoming major issues for the program, and we had been through a tender process, we had called for some tenders, we had some excellent models presented to us. There were some really good ideas coming from some great corporations who were prepared to take it on board, at the cost that was presented to them, and then all of that was sort of just taken away. Yes, I was bitterly disappointed, mostly for the kids, for the sake of the kids, because whilst we worked very, very hard to make sure they were placed in the most appropriate placements, the reality is that they are going to fall off the planet again.

Hon HELEN MORTON: Up until the Department of Education and Training froze those funds, the program had been, in your mind, succeeding?

[11.00 am]

Mr Taylor: Succeeding in terms of helping those kids, yes, but failing in so many other ways. It was failing in terms of its obligations and responsibilities to the teaching staff or to the staff, and paying. Obviously, that was a major concern, and clearly you cannot keep operating like that. There were always promises of rescue packages. We were always going to be bailed out. It was always going to be okay. It just never happened.

Hon HELEN MORTON: Where were you hearing they were coming from, those rescue packages and bailing out?

Mr Taylor: I have been told, from a number of sources, but mostly my faith I guess rested in my principal, Merv, and to some extent Michael Carton, who were applying for funds and who were having high-level meetings with people from the commonwealth and from the state government and from DET, and they were coming back saying, "It's going to be all right; we are going to get the money" any number of times. I obviously kept asking, and any number of times I was told "It is fine - don't worry - it'll be okay".

Hon HELEN MORTON: What impact did the freezing of those funds have on the actual program at that point?

Mr Taylor: The program collapsed - it was the end of it - it had to finish. In fact, it was officially wound up by the department in October.

Hon HELEN MORTON: But the freezing of the funds took place a significant time before that, did it not, and then they allowed the funds to flow again.

Mr Taylor: The official freezing of the funds, as far as I am aware, was in October, when they announced that the program would stop, and they would not go through with the tender process. That is my understanding, but I could be wrong in that.

Hon PETER COLLIER: Were you not aware of a period at the end of 2005 to early 2006 when the funds were frozen?

Mr Taylor: No.

The CHAIRPERSON: Can I ask how many staff were employed in the Balga Works program?

Mr Taylor: The grounds get a bit muddy here, because there was a very clear delineation made at one point between the accommodation aspect of the program and some of the sort of outreach recreational aspects of the program, and the actual in-house, on-site aspect. So if you look at a list of staff, there are 40-odd staff members, but many of them were accommodation only; some of

them were recreation only; some of them were part-timers; some of them were contractors, but over all, 40-odd staff - 44 or so staff.

Hon PETER COLLIER: That is at any one time, is it, or -

Mr Taylor: That is the full list. At any one time there would have been less than that.

The CHAIRPERSON: You mentioned that you were aware about complaints about the staff not being paid. I am not sure that you have indicated what actions you might have taken flowing out of that.

Mr Taylor: My actions were mostly to go to Merv and to Michael and to say "What is going on?" I mean, it was not part of my area of responsibility - it was not part of my brief - and it certainly was not something I had anything like the time to actually get involved in, and I was being told it is okay and do not worry about it, by my line managers. Basically, when I became aware of issues, I presented them to Merv or Michael and asked what was going on, so that I could be kept in the loop, but to be perfectly honest, I did not actually do anything about it personally.

The CHAIRPERSON: Do you have an explanation for why the staff were not being paid regularly? Did you have an understanding of why that was?

Mr Taylor: Yes - the school simply ran out of money.

The CHAIRPERSON: Because it was not coming through from somewhere else, or because it was badly managed or misspent?

Mr Taylor: Sometimes both, but mostly badly managed - overspent.

Hon PETER COLLIER: In what area would it have been overspent though? The conversion of the FTEs to the salary pool would have gone to the salaried staff employed through Hurson. How would the school then overspend?

Mr Taylor: Because, what happened was they were relying on the department applying what they call a multiplier, because of the difficulty of the kids, which they actually received for a period of time. When you do a budget based on those figures - and I did a number of budgets for the program based on those figures - it was okay. The money out equalled the money in. But those multipliers changed a number of times and were withdrawn in the end, so we only actually ended up receiving the full multiplier effect for a very short period of time, and for the remainder of the time it was just like a normal staffing conversion, which was impossible to manage, because you needed extra staff to manage those sorts of kids. I mean, any special program for at-risk kids has - I mean the behaviour centres that are being set up now have a staffing ratio to kids of 1:2 or 1:3.

Hon PETER COLLIER: I do not think we even know that yet.

Mr Taylor: There you go.

Hon KEN TRAVERS: It is a private hearing - just remember that.

Mr Taylor: Did I say something I should not have?

The CHAIRPERSON: It is okay - it is fine.

Hon PETER COLLIER: At least I got an answer.

Mr Taylor: With a staffing ratio like that, Balga works would have flourished. They would have had plenty of money and it would have been fine, and at one stage we were getting that, and we thought it was going to be fine. The problem was that DET kept changing its mind in terms of how much they were going to pay, so at each gateway we were expecting a certain amount of money. That becomes very rubbery, and in fact in the end we ended up getting about a third of what we were expecting to get and so the school simply ran out of money. It is simple maths.

Hon PETER COLLIER: I think the conversion was based on 100 to 150 students. You said there were only 40 full-time students. How would the department make that conversion?

Mr Taylor: The department, in the end, made the conversion based on the 40 full-time kids, as a full-time FTE conversion. On the 50 or so part-time kids there was a part-time conversion, so they just did a multiplier on what was expected of the attendance rates of the kids. So, if there were 40 full-time kids, we got 40 FTE. If there were 50 half-time kids, we got 25 FTE.

Hon PETER COLLIER: So it was based on that formula was it, in 2006, on the 40 full time?

Mr Taylor: Yes, it was based on that formula, but for a period of that time with a multiplier, so the multiplier is saying because you have got really difficult kids we are going to give you - like an education support centre gets a 1.5 to 2.5 multiplier; IEC gets a multiplier for their kids because of their needs. Like I say, a behaviour support centre gets a huge multiplier to staff it appropriately to the needs of the kids. It just did not seem to be recognised that the staffing needs for these kids was huge - was high - and so we never really got beyond a very short period of time a decent amount of money to staff for those kids.

Hon PETER COLLIER: I understand that, Mr Taylor. I was just under the impression that it was based - the staffing formula, the multiplier - was based on 100 full-time - 100 to 109 full-time students. If that was the case there should not have been an issue with it.

Mr Taylor: It may have worked out to that according to the way the full-time, part-time and so on, actually worked out, and yes you are correct - it was at one stage based on 100 full-time equivalent students. But the parameters closed around that as well, and tightened up to the point where we had to justify 100 FTE kids - 100 full-time kids - week after week after week. I certainly am aware that at one stage that was not the case - that did not occur - and our funding was adjusted accordingly.

Hon PETER COLLIER: So, what you are saying is, from your understanding, the reason that the program basically collapsed was because the Department of Education and Training did not fulfil their obligations in terms of adequately providing for staff to cope with these students. Is that what you are saying?

[11.10 am]

Mr Taylor: I think there was a basic lack of understanding of the needs of the kids, and the requirements of staffing, or at the very least, a reluctance to continue to fund at the level that was required.

There were many, many arguments presented to DET through Melissa Gillett, through John Garnaut, through Merv, to pitch to them that we needed to be staffed at a higher rate than what we were being funded. At one point we actually got that, but it was very short lived.

Hon PETER COLLIER: Do you know when that was?

Mr Taylor: No, I could not state for sure when that was. There was one gateway of money that came through that was certainly at a level that I budgeted on for that year, and then we found that that was cut by two-thirds so we were getting a third for the rest of the year. It was for about a term that we received enough money to be sustainable. But for the other three terms - and I had budgeted for the year - we just did not get it. You have got staff employed; you cannot just sack them, you know. You have to then go looking for money elsewhere, which was what was being done, which was why all the commonwealth applications went in. Again, there were many, many reports back and much feedback from all the commonwealth agencies and links that we were going to get money from them.

Hon PETER COLLIER: Do you know if you paid Mr Carton?

Mr Taylor: He was paid through the school.

Hon PETER COLLIER: Through Balga Senior High School?

Mr Taylor: Exactly as all the others were. He simply put in an invoice for his staff, himself included.

Hon PETER COLLIER: Okay, so he was part of a component from Hurson's - he was paid through the school contribution to Hurson's?

Mr Taylor: Yes.

Hon PETER COLLIER: What role did Mr Carton play, do you know?

Mr Taylor: Coordinator, manager.

Hon PETER COLLIER: Did he have a title in the program?

Mr Taylor: Yes: "sir".

Hon PETER COLLIER: Sir?

Mr Taylor: No. I always called him Michael. What was his title? To all intents and purposes he ran Hurson and, therefore, owned and ran the business that ran the program.

Hon PETER COLLIER: Do you know if he was a director of Hurson?

Mr Taylor: I believe so.

Hon PETER COLLIER: Did he ever say that to you, or did he ever lead you to believe that?

Mr Taylor: Yes, definitely.

The CHAIRPERSON: Do you have any knowledge about who within the department - if there was a repeated request for which there needed to be a different formula applied for the program - was stepping on the hose, or not giving a positive response to that?

Mr Taylor: Probably, Kim Ward I would say. My understanding is that it was Kim Ward who was stepping on the hose. My understanding from his responses was that, you know, at no point have we actually determined - I mean, who is to determine what the multiplier and formula is - what is the process, what is the procedure? I certainly do not know and I am not sure that that was, sort of, clearly known at that level at DET either, and I think people got a bit nervous about handing out money for a program for which there were a number of complaints coming in and so on. I think towards the end the hose was turned down and down and down and then off because of concerns about backlash - about funding a program that there had been a number of complaints about. I guess, in a sense, they were being very cautious. From the corporate perspective I am sure they were being cautious and careful. From a school perspective, they were being a bit bloody minded and we were suffering as a result.

The CHAIRPERSON: Can I check what position Mr Ward held?

Mr Taylor: He was the director I believe of staffing. He is the one who okays funds for FTE conversion and so on, and multipliers for staffing and so on.

The CHAIRPERSON: Did you raise this issue of funding with Mr Garnaut?

Mr Taylor: Yes, definitely.

Hon PETER COLLIER: What did he say?

Mr Taylor: As far as I am aware, he was fully aware of all that, and had been well and truly in the loop. He was, essentially, my line manager. Merv kind of was my line manager too but John Garnaut had really employed me for Balga high school. He was well and truly in the loop, yes, absolutely.

Hon PETER COLLIER: Did he express any sympathy to the cause?

Mr Taylor: Yes, I believe he was part of the pitches to the department for extra FTE and extra funding.

Hon PETER COLLIER: When was that? When did you approach the department or Mr Garnaut for additional funding, roughly?

Mr Taylor: All the time, honestly.

Hon PETER COLLIER: It was quite constant?

Mr Taylor: Yes, all the time. I do have a paper trail and I do have those documents, but, without referring to them, all I can say is that the pitches to the department and the requests to the department were not just frequent, were constant.

Hon PETER COLLIER: That would be very helpful. Do you have those documents still available?

Mr Taylor: I certainly could.

Hon PETER COLLIER: Would you be able to provide them to the committee?

Mr Taylor: Sure. Someone else who would have a good trail of that as well is Melissa Gillett. She was heavily involved in the requests for the multiplier on the staffing and the staffing formulas.

Hon PETER COLLIER: What was her role?

Mr Taylor: At that time I think she was a manager, district operations at Swan District office, working with John Garnaut and later became a deputy principal at Balga high school.

Hon PETER COLLIER: She will have those requests from yourself with regard to potential -

Mr Taylor: Not necessarily from myself.

Hon PETER COLLIER: But you will have those requests, is that right?

Mr Taylor: Yes.

Hon PETER COLLIER: Okay, we can get that information.

Hon HELEN MORTON: I would like to follow up that area a little bit myself. You commented that the expectations of the Department of Education and Training kept changing in terms of what they were prepared to pay and the multiplier and all that sort of thing. One of the things I have heard in this hearing to date is that the minister at that initial meeting made it clear that it would not be funded at whatever level of funding was requested initially. It was not his say, but it later became clear that it could be funded if it was able to operate within existing school resources. Was that your understanding?

Mr Taylor: I was not privy to any of that information at that time. I have become aware of that since that through reports in the press and so on but I was not privy to any of that information at that time. Otherwise, I would not have bothered making my pitches for extra money; it would have been a waste of time and we were getting multipliers. We were getting more than the normal resources, so I assumed that was all okay and approved. I am just a lowly deputy in the scheme of things and if a director in central office or a district director says that this is okay, and it is coming through, then someone has approved it. It certainly was not me and it was not Merv. Someone has approved it further up the line, so I was not privy to that sort of information then. Certainly, that was not my understanding because otherwise it would not be happening.

Hon HELEN MORTON: So, from your point of view, the program was approved at a level of funding over and above what you would normally call “within school resources”?

Mr Taylor: Definitely, yes. On the face of it, it could not be anything else because there were too many staff employed for the number of kids. It was, to my mind, simply another case of a special program that had gained additional funding for additional staffing for the needs of the kids. That is very common practice throughout the department, so it was not anything different or special to me in that regard. What was different or special about it was that the goalposts kept changing, so you could not actually budget accurately or effectively for any period of time because every time you turned around the amount of money coming through the gateway would change and you would go back and ask what the hell was going on, why has it changed and hear, oh, well, we have decided

that you need to do this to get that now. It was quite frustrating from a management perspective and school point of view. That side of things was just impossible to manage. I kind of, in the end, left that to Merv and John Garnaut and others to sort out because I certainly was not in a position or capacity to argue that at the top level at the department, even though I had been with Merv a few times to represent that.

[11.20 am]

Hon HELEN MORTON: Where had you been with Merv to represent it - to whom?

Mr Taylor: We had been to DET at least twice to meet with senior officials to talk about funding.

Hon HELEN MORTON: Can you say whom you met with and at what stage?

Mr Taylor: Yes, Peter McCaffrey, Keith Newton - without being sure, I am reasonably sure that John Garnaut was there - Kim Ward.

Hon HELEN MORTON: Around about what sort of time frame are you talking about?

Mr Taylor: Early '06, and they had certainly come to school a couple of times as a group to (a) look at the program and (b) talk about funding and multipliers and so on. They were very high level. I was there as an interested party, but there were some very high level discussions that took place about funding for the program at DET. I know that certainly to a limited degree that argument was won and the money was gained, but it was just a short period of time.

Hon HELEN MORTON: Is there any documentation that ever states, "You are now receiving this amount of money for that program", and at another time says, "You are receiving a different amount of money for that program"? Does that come through in some documented form?

Mr Taylor: What happens is that you will receive a gateway payment, which happens a few times through the year, so it does not just flow in or come in in one big lump; you get it in stages. With the gateway will come an amount of money which is tagged to the program. If it is not what was expected, there will be some phone calls and some emails, and then a response will come back saying, "In order to get that, you now have to prove that you have 100 kids full time", or, "You will need to show the registers", or, "You need to do this." So the money changed, the goalposts changed and the requirements on the school to prove that we were owed that money changed a number of times throughout 2006. That information will be with Merv Hammond and will be with Melissa Gillett and will be with, I would imagine, John Garnaut, and I would hope that the officials, Kim Ward, Peter McCaffrey and so on, have some record of that, I would guess. I was not directly involved in that loop. I have, by sort of chance, some information about that, but I was not directly involved. I did not actually personally pitch or send emails to Kim Ward, for instance, asking for money. That would not be good protocol, so it was Merv's responsibility to do that. So, I have some of that information, but it may be a little limited in its scope, but it certainly can show some of what was going on in terms of requests for multipliers and so on. Michelle Green, the registrar at the time, the business manager at the time, would have quite a bit of information about the way the moneys came in, and when and how much. She would have an enormous amount of information about that, which would be quite valuable, I would think.

The CHAIRPERSON: Could I ask a question about who was determining the budget from the school or works point of view?

Mr Taylor: From the?

The CHAIRPERSON: Who was determining, I guess, the request for the money and setting the budget?

Mr Taylor: My understanding is that initially through district office there were some arguments put up to central office, up to DET, through Melissa Gillett. She was working in the district office at the time, and I think it was under instructions from probably John Garnaut.

The CHAIRPERSON: At the school level, was it Merv doing this?

Mr Taylor: Yes. Anything beyond that would have been Merv, but Melissa did come into the school as a deputy, so it was kind of handy that she had that continuity, I guess, and understanding of what happened previously. She probably would have had a hand in assisting with that as well with Merv.

The CHAIRPERSON: Were you aware of an issue regarding the memorandum of understanding that was established?

Mr Taylor: There were a couple of memorandums of understanding that were established. The initial one that I have become aware of lately that was supposedly signed between Merv Hammond and I think it was MITS at the time, I have never seen; I have only heard of. The next memorandum of understanding came about as a result of the state tender process. We were told that because of the funds required to run the program, and because it was outsourced, we needed to run a state tender process, and that had not been done. That was late 2005. The first step in that, in early 2006, was to actually apply for an exemption to the State Tender Board. One of their requirements was that an MOU was struck in the interim, so I actually spent a fair bit of time with John Garnaut, Annika Christou, from legal services in the department, and Joe Di Pietro, from client procurement services in the department, developing an MOU that would satisfy that interim period. In the end, because of the legalities and the toing and froing, I am not entirely sure that that MOU ever saw the light of day or that it was ever signed. I know that I do have information suggesting that it was presented to Merv and Michael to sign off on, and then that information was given to John Garnaut. I am not sure what happened to it after that. But I was involved in developing that MOU, and it came out of the State Tender Board information, the tender plan and the tender document that I drew up with Phil Damon from DTF at central office.

Hon HELEN MORTON: Were you aware that you got the exemption?

Mr Taylor: Yes, we were told that we had got the exemption. That all came through very officially because it was a very strong requirement of the State Tender Board that their official reply is back on timelines, on exemption times and so on. I think the exemption was at the time to 30 September or something around there, and we had the tender process in place by then.

Hon HELEN MORTON: Were you involved in developing the proposal for exemption?

Mr Taylor: No, that was done by Phil Damon, as far as I am aware, but I do not know. I did that much paperwork that I cannot remember. I was involved in the original tender document and then the tender plan, which goes along with the tender document, the MOU, which was part of the requirement of the exemption process. I do not recall being involved in an exemption -

Hon HELEN MORTON: In the process for exemption.

Mr Taylor: I knew it was happening, and I had discussed it with Phil Damon, and I knew that that was going to occur. I think it is simply just like a request form. No? Okay.

Hon HELEN MORTON: It is a little bit more than that. It is okay.

Mr Taylor: There you go. Then there is a very good chance I was not involved, because I do not recall doing anything more complicated than that, other than the tender plan and the MOU.

Hon HELEN MORTON: Why was it so difficult for that second MOU to get signed off? Why did Merv and Michael seem like they did not sign off on it in a timely manner?

Mr Taylor: I do not think that was because of their reluctance to sign it off in a timely manner. I think it simply took so long to develop up. My recollection is that it was probably July before it was even presented as a finished document for signing. The wheels turn slowly in DET when it comes to legal services. If you are going to have anything like that that is quite a complicated document, that has to have very strong links to legislation and has to have strong links back to a tender process that is in place. It just spent so much time in the hands of lawyers and in the hands

of department officials, and backwards and forwards, it was a bit of a nightmare, to be perfectly honest. Again, something I had never had any experience with before - and was required to draw up a legal document between two parties. I think it was presented in July for signing.

[11.30 am]

Hon HELEN MORTON: July '06?

Mr Taylor: Yes, when it was begun - probably about March of '06 when the exemption requirement came back from the DTF.

Hon HELEN MORTON: Because the exemption actually was conditional upon that. Were you aware of that?

Mr Taylor: I think it was conditional - well, again, I do not recall seeing the actual wording or the actual exemption documents. I was simply told to draw up an MOU. I think that was done at a higher level in the department. I was simply told to draw up an MOU. Yes, so sort of like saying to someone - do anything that you have never done before. It is like, oh, okay. I will go and talk to the people that know how to do this and get cracking. But it was by no means a quick process; I mean, nor was the state tender process. That began in January and did not finish until October.

The CHAIRPERSON: Mr Taylor, were you aware of DET's investigation into the Balga Works program in late '05 early '06?

Mr Taylor: No. On what terms of reference were they investigating, because I am not aware of that at all?

The CHAIRPERSON: It was to do with the MOU.

Mr Taylor: No, I am sorry - nothing.

The CHAIRPERSON: That is all right. I might move to another question if people have finished with that particular area.

The committee understands that a deed of settlement may have been entered into with a number of employees of Balga Works program. Do you know whether that is the case?

Mr Taylor: Yes, I do.

The CHAIRPERSON: And what were the circumstances in which this came about?

Mr Taylor: Well, my understanding was that there were a number of people who had been highly aggrieved through lack of pay. My understanding was that there was an agreement from the department to pay what was owing to them and that that was based on the FMA, which says that you must pay a contractor within 30 days. So there was a legal requirement to pay them. And so the department asked myself to act as a mediator to - between Michael Carton and any agreed employee who was claiming that they were owed money, and to simply witness the proceedings as they transpired. So what happened was that Michael - we drew up a spreadsheet which had their, Hurson's, office records of payments to staff salaries, to staff, versus what they were owed, and the difference was basically the last column. So, this was, you know, this staff member has been paid this much to date, is owed this much because they have worked these number of hours extra or days extra. I had to just check with Michael that that was okay. That went up to the very top of DET, as far as I am aware, for approval, and once it was approved -

The CHAIRPERSON: When you say the very top, do you mean -

Mr Taylor: I am not entirely sure whether Paul Albert was involved at the time, but certainly Keith Newton, Peter McCaffrey and - I am not sure who else. But, yes, Keith Newton and Peter McCaffrey definitely were involved in that, because there are emails backwards and forwards with the spreadsheet attached just making adjustments and making sure that it is correct and accurate. And once they were satisfied that it was accurate, then it was Michael's responsibility then as the

employer to work through each of those staff members, and the agreement was that the department would provide the funds to pay those contractors. And they were deemed as contractors under the FMA, which states that we have to pay them within 30 days if they represent an invoice, which they had done.

Hon HELEN MORTON: What is the FMA?

Mr Taylor: The Financial Management Act. It used to be the FAAA.

Hon HELEN MORTON: Yes.

The CHAIRPERSON: Mr Taylor, you said that you were asked to play this negotiating role. Who asked? Was it somebody from the department who asked you to do that?

Mr Taylor: Yes - Keith Newton.

The CHAIRPERSON: Are you aware of who drafted the deed for settlement that the employees signed?

Mr Taylor: Michael Carton, as the employer.

The CHAIRPERSON: What level of support did you have from the district office, in your view, for your role?

Mr Taylor: Okay. Well, I certainly did not receive any training. I had come in from a level 3 position - program coordinator. I had experience with, you know, budgeting, the performance management of staff, that sort of thing, you know. I had not received any training for any of the very complex issues that were going on with regards to Balga Works and payment of moneys and all of that. My understanding in this particular role was that I was simply a non-biased observer, sort of a mediator if need be, but basically a non-biased observer to witness that it had occurred, that the transaction had occurred, and that the person had actually signed off without duress, and then to report back that it was all done. But from district office or central office in terms of support, if we are talking about training and up-skilling - none.

The CHAIRPERSON: And in general, the support?

Mr Taylor: Well, it was all very pleasant. I did not feel at any stage that I was being unfairly dealt with or anything like that myself, no.

Hon HELEN MORTON: Did you have an open - could you ring up Garnaut, for example, without any difficulty and get straight through and -

Mr Taylor: Yes. I had his mobile number and could get straight - yes.

Hon HELEN MORTON: And you felt supported by that contact that you had?

Mr Taylor: Well, I felt supported in the sense I guess that if I had a query, if I was not sure about something, I could ring and ask.

Hon HELEN MORTON: And the finance people that worked at the district level, did you have good support with them, a rapport to be able to sort of negotiate issues and talk issues through with them?

Mr Taylor: Yes, I guess so.

Hon HELEN MORTON: Did you do that regularly?

Mr Taylor: We had the chief financial adviser from district office in the school quite a bit helping us with the books basically, you know, managing the financial accounts and so on. That was mainly for the business manager. Yes, look, we certainly - there certainly was the opportunity to gain access to that. I guess I did not really feel unsupported, just not well enough trained perhaps.

Hon HELEN MORTON: So did the - was the district office fully aware of everything that was going on that you were aware of or that, you know, the business of what was going on in terms of -

[11.40 am]

Mr Taylor: Look, there is a lot that has come up since this that I was not even aware of. In retrospect, there is an awful lot that was going on that I had no idea about. I must have been naive or silly or something, but I just had no idea that the investigation was going on. I mean, I had no idea about that. Yes, there were many aspects. I mean, when you are immersed in it and you are in it every day and dealing with behaviour issues and dealing with reactive stuff as it comes up, you just do things because you get told to do it or asked to do it or because you have to because otherwise it is in your face and the school is going to fall apart. You kind of do not have enough time to collect your thoughts and think about all this stuff in retrospect that you now look back on and go, “Oh crap.”

The CHAIRPERSON: Can you indicate any other specific matters or issues that you were not aware of then but you are now?

Mr Taylor: I guess, for instance, the implications and possibly the ramifications of not having the MOU done in a timely fashion. To me, it was just a body of work that had to be done and it got bandied backwards and forwards. When it was done, it was handed over. The complex nature and conditions of the exemption from the state tender process- look, really, in a nutshell, the complexity and ramifications of all of this I just find stunning, because at the time you just do it for the kids and you plod on. You do the best you can. When you get asked to do something by a line manager, you do not say no, you do it, especially when you are in it as a new boy, sort of inexperienced in the role and so on. Just looking back, I guess the whole issue of the way it unravelled just would never have occurred to me at the time that it was going to go that way, and the reverberations through the community. I would never have imagined that it could go that way - the political side of things, the press and the charges against Merv. The whole lot to me is just frightening.

Hon PETER COLLIER: Earlier when you had all of these staff who were speaking to you about not being paid etc on a fairly consistent basis, and despite your efforts - you said you had mentioned to John Garnaut on numerous occasions that there were issues - did that not send up warning signals to you?

Mr Taylor: Yes, of course. But the warning signals were -

Hon PETER COLLIER: So it would not have come as a real surprise to you, then, when it went pear-shaped?

Mr Taylor: Like I said, when it was wound up by DET, it was no great surprise. It was a great disappointment but it was no great surprise. You get told by people whom you trust and who are superior and are line managers that it is okay constantly and consistently, and you eventually believe them.

Hon PETER COLLIER: Who are you referring to in that instance?

Mr Taylor: Well, Merv. I guess to an extent John Garnaut. There were no alarm bells. For instance, Keith Newton did not come up to me and say, “Don’t worry about it Gary, it will be okay.” There were no alarm bells rung. No-one said to me at any point in time, “This is going to crap. This is going pear-shaped. Duck for cover.” It was always, “It’s going to be okay” or “Yep, look, just do this and it will be fine” or “Just do this for us.” You just keep doing what you have to do. Again, like I said before and I will repeat again, you just look at the kids and you look at the benefit that they were getting, some of them, and the success stories that I was aware of and you say, “Well, this is worth it.” It was a pain in the neck. It was a helluva lot of work. It was an unbelievable amount of work, but it was worth it at the time.

Hon PETER COLLIER: But were you hearing stories of concern from the accommodation component of the program at that stage?

Mr Taylor: Yes.

Hon PETER COLLIER: Did they concern you?

Mr Taylor: Yes, but it is no different to any other program where you are dealing with at-risk kids. The pointy end kids cause concern wherever they are. If you take a group of kids into the community and put them together, there are going to be some concerns. Any of the community-based shelters for homeless kids or whatever - they cause concern in the community from time to time. This was no different, as far as I knew at the time. It came with its dangers and it came with its concerns and it came with its issues, but it was worthwhile. Yes, of course there were concerns. I have never worked in a program for at-risk or special kids that did not come with its concerns.

The CHAIRPERSON: Could we just confirm that you were reporting regularly to the district office? How regularly and to whom?

Mr Taylor: There were formal meetings once a term, but there were informal conversations about a whole range of things. Please bear in mind and keep in perspective that this was one of 13 programs that I was managing. I led the school through a significant period of reform for all of the programs, to the point where, now, performance management is complete across the school. We have had two full and proper annual reports and a full, working programmatic school plan. I have done an enormous amount of work besides this as well. I just want to keep that in perspective, because there were many times when I was told, "Don't worry about it, it is okay", and I literally did not worry about it. I could not. I just did not have the time to do so.

Hon HELEN MORTON: What about the regularity of your discussions about the Balga Works program with the district office?

Mr Taylor: I guess most of the times I spoke to John Garnaut or the district office it was probably related to Balga Works, to be perfectly honest. But there were a lot of other issues as well.

Hon HELEN MORTON: Would that be weekly? Would you have had a weekly discussion? On average.

Mr Taylor: No, probably more like fortnightly, at a guess. Lots of them were just informal phone calls just touching base and keeping in touch. There were quite a few emails backwards and forwards about things. Usually it was just that a directive would come down to write the MOU and so then it would be touching base to say, "Here is my draft; have a look." It would then come back with some changes and then have to go off to legal and then come back. That sort of thing. In developing performance management procedures, in developing a school plan and an annual report, in getting the school aligned and ready for district director visits and so on - there was all of that going on as well. There were thousands of emails backwards and forwards.

The CHAIRPERSON: What level of support do you believe the program had across the department?

Mr Taylor: Support across the department?

The CHAIRPERSON: Yes.

Mr Taylor: If you had asked me that in 2005, I would have said, "Yeah, it's okay." At the beginning of 2006, it was okay. Part way through 2006 I would have said, "No good." In the middle of 2006 I would have said, "They need to pull their finger out and get some money in quickly or we are in trouble." So it varied greatly, but ultimately, obviously, it was not great. On average, it was just not good enough; just simply not good enough.

Hon KEN TRAVERS: When you applied for the job, was there a job description?

Mr Taylor: Yes. The brief essentially was to look at school accountability, school planning and performance management and to work the school through a period of change where they were developing programs that were not necessarily underpinned with great management support. That was the brief, I guess.

[11.50 am]

Hon KEN TRAVERS: Did that include financial accountability?

Mr Taylor: Not specifically, no.

Hon KEN TRAVERS: It sounds from the discussions we have had today that you had a fair role in it.

Mr Taylor: Probably by default, I guess, in some way. One of the things I determined to do, and it was partly by default and partly by design, was to try to work into the school plan each program plan with a budget. Budgeting and financial management was clearly an issue for the school. I tried to work into program plans - each program had a manager, a coordinator, and I worked with them through financial management processes and getting a budget happening. Budgeting is easy when you have money. When you do not have any money, you cannot budget. It became nearly an impossibility in many cases. We had these projected budgets - these airy-fairy “what would you do if” sort of budgets. Towards the end of 2005 and for pretty much all of 2006 the school literally had no money. It was the only reason that the staff from Hurson were not being paid. They were paid until the school ran out of money.

Hon KEN TRAVERS: When you were appointed to the position, financial management was not one of the high areas?

Mr Taylor: Definitely not.

Hon KEN TRAVERS: From your experience now having been in the school, what would you say was the most important thing the school needed at the time that you were appointed?

Mr Taylor: Good management across the board, which includes financial management, of course. Twelve out of the 13 programs had good managers who had not been taught or trained in how to manage. A big part of my job was to upskill them in much of that and part of that was financial management. It was absolutely through no fault of the 12 of the 13 programs that they were strapped for cash and there was no money in the school. It was the thirteenth program, that lucky number, that drained the school of all its resources.

Hon KEN TRAVERS: When we commenced you said that before you went to Balga Senior High School you did not have much knowledge about the program - “not particular” were your words - and you did not have a full understanding of the concept, but when you were at Churchlands Senior High School you referred three students to the program.

Mr Taylor: I referred one student at the end of my time at Churchlands as I became more aware of this special program. When I began at Balga and I saw what the program was, two more came through but they had had contact with Michael Carton and some of his staff through myself at Churchlands.

Hon KEN TRAVERS: If you did not have great knowledge of the program, what made you refer students to the program if you did not have a full understanding of it?

Mr Taylor: Merv told me it was wonderful.

Hon KEN TRAVERS: It was the relationship with Merv that gave you the confidence?

Mr Taylor: Yes. It was my relationship with Merv that introduced me to the program in the first place - it was definitely through that. I guess, in hindsight, I did not have a huge knowledge of it. I was simply told it was great; it was wonderful. Merv had been my principal for three years and I was just a new teacher at the time and I thought he was sensational. If he told me it was good, it was good.

Hon KEN TRAVERS: How did the behaviour management programs you put in place at the school relate to the behaviour management at the accommodation?

Mr Taylor: They did not.

Hon KEN TRAVERS: Was there any interaction between the two?

Mr Taylor: The reason behind that is that I was told very clearly that the accommodation aspect of the program was not part of the onsite direct responsibility for myself and not to have anything to do with it.

Hon KEN TRAVERS: If half the full-time students there regularly were in the accommodation, did the behaviour management policies at the accommodation have any impact -

Mr Taylor: There may have been transference from what I did at the school through to the accommodation, but that would have been -

Hon KEN TRAVERS: I was thinking more the other way - back into the school. If there were problems with behaviour management in the accommodation was there any evidence that was having an impact on the way that students behaved at the school or your ability to put in place behaviour management?

Mr Taylor: No.

Hon KEN TRAVERS: Did Michael Carton ever have any role in behaviour management at the school?

Mr Taylor: Yes, definitely. He assisted with behaviour management. He had a very good rapport with many of the kids and was able to, as a mentor, manage their behaviour sometimes and, if not, get them off-site and deal with it.

Hon KEN TRAVERS: Did you have any concerns with the way he handled behaviour management with the students?

Mr Taylor: No, not particularly.

Hon KEN TRAVERS: There was no greater problem with the behaviour of the students who were in the accommodation compared with the other students?

Mr Taylor: They were all huge behaviour problems. I certainly do not think there is any connection with lobbing them together in an accommodation program or accommodation site off-site. I do not think there is any correlation with that as a model as something that they have done and worsening their behaviours on-site. I cannot think of any correlation between the two and I certainly do not have any evidence of that. That is not to say that one or two of the kids who were in the accommodation program were not one or two of the kids who were on-site who were probably causing us more grief than others. I suspect that they would have done that regardless of where they resided at night time.

Hon KEN TRAVERS: Did any of the people involved in the accommodation program ever raise concerns with you about behaviour management and the way Michael Carton was dealing with behaviour management within the accommodation program?

Mr Taylor: The accommodation program was very clearly delineated as an off-site part of the program that Hurson was running and we simply were instructed not to get involved.

Hon KEN TRAVERS: I said did any of the accommodation workers ever raise concerns with you about the way behaviour management was being handled at the accommodation program? Was that ever a concern that was raised with you?

Mr Taylor: Not with me. I am aware of it being an issue. I would have been stunned if it was not. Again, if you take the nature of these kids and put them together in a fairly -

Hon KEN TRAVERS: I guess there was a difference between there were behavioural management issues as opposed to how they were being dealt with - whether Michael Carton was handling them in a professional and proper manner.

Mr Taylor: “Professional and proper” in terms of was he dealing with them as a teacher would or a friend might try to? I think there were probably some concerns about that in his mentoring role of the kids. He probably did not apply sanctions to kids the way people expected them to be applied. That issue has not been drawn to my attention directly, but it has certainly been bandied around. In general, no, not really, not particularly a concern with his behaviour management strategies for the kids. Are we talking about inappropriate? I do not quite understand the depth of the question. I am not quite sure what you mean.

Hon KEN TRAVERS: It is not a question of whether I am raising it now with you, but the key question is: did anyone in the past raise concerns with you? In terms of the issues about depth and the like, that would be the case - did people raise them with you at a superficial level or deep level? I am more interested in whether people raised concerns with you rather than whether there were concerns.

[12 noon]

Mr Taylor: Certainly, there were rumours - and I am talking third person-type rumours - about drug use, maybe some inappropriate behaviours from the kids in terms of sexual contact, but not between kids and staff. But, I cannot recall any specific allegation presented to me that would say to me I should be concerned about the behaviour management strategies or behaviour management issues at the accommodation.

Hon KEN TRAVERS: Okay, no, no, that is fine.

You talked about that when - and I think you even talked about Michael taking them off site, when there were problems with behaviour management - where did they go when that happened?

Mr Taylor: He would take them to the accommodation, if it was an accommodation kid - as far as I am aware - and they would be kept and housed up there.

Hon KEN TRAVERS: No, it is more just about how they would act -

Mr Taylor: Yes, it just depends -

Hon KEN TRAVERS: I am not just interested in how they would act because I would have thought that if you have got a kid that is playing up -

Mr Taylor: Our primary concern - see, our primary concern is -

Hon KEN TRAVERS: - trying to get them to go off site might be quite difficult to get them to leave, I mean, you know.

Mr Taylor: Look, it was sometimes. Yes, it certainly was. I mean, these kids were certainly not the sort of kid that you would say to, “You’ve been naughty; you have got to get in the car and go with me.”

Hon KEN TRAVERS: Yes, no, that is -

Mr Taylor: After you have had a couple of bricks chucked at you, and the car window was smashed, and they told you to fuck off many times and told you what your mother did last night, and whatever - you would sort of, eventually, wrestle them into a vehicle and put someone beside them to protect you from them on the drive and off you would go. Our primary concern was with: if a kid had had a serious conflict with a staff member, for instance, or another kid, for instance, and we were really concerned that that may be ongoing, the primary concern was to get the kid off-site, so that the safety of the other kids and the staff member were number one priority.

Hon KEN TRAVERS: Hmm.

Mr Taylor: How that was effected, you know, ranged anywhere between “Get in the car, we’re going for a drive” and calling the police in. I mean, we oftentimes called the police in to effect an

arrest on a kid and have them taken off-site, from which they would be rescued and, you know, eventually work their way back into the program.

Hon KEN TRAVERS: Were they then charged or were they often released without charge or put through -

Mr Taylor: They were often released without charge; we had a bit of an understanding with the police that that was one of our strategies to deal with them at the time because oftentimes, I mean, they had the power of arrest that we did not have, when a kid simply was not listening to any other instructions and was clearly putting other people at risk - if not themselves - I mean, you know, you have kids on a roof threatening to jump off and that sort of thing.

Hon KEN TRAVERS: The next one I just want to touch on is you talked about there only being two teachers at any given time -

Mr Taylor: Two qualified -

Hon KEN TRAVERS: - teachers. They were obviously the teachers providing the maths and literacy -

Mr Taylor: Yes, numeracy and literacy.

Hon KEN TRAVERS: Numeracy and literacy, and then there was a range of other people providing programs on top of that in terms of the vocational -

Mr Taylor: Yes.

Hon KEN TRAVERS: - employment-based sort of work. So, how many people were actually employed in that - the non-teaching staff, I guess, in the -

Mr Taylor: Non-teaching staff?

Hon KEN TRAVERS: Yes, in the -

Mr Taylor: There were qualified tradespeople that were teaching some of the trade-type things, and there would have been half a dozen of them. There would have been half a dozen assistants at any given time, and a couple of teachers, and a behaviour management coordinator, and a couple of bodyguards.

Hon KEN TRAVERS: Right.

Mr Taylor: You know, sort of there to protect you -

Hon KEN TRAVERS: Right.

Mr Taylor: - not that they helped much, but they were there for effect.

Hon KEN TRAVERS: So, were they actually formally security officers then, were they, or -

Mr Taylor: They were kind of - look, to be honest, I do not know what their title was, but certainly they were - I mean, I would not argue with them - they were clearly there to maintain some sort of order.

Hon KEN TRAVERS: Right.

Mr Taylor: And they were mostly visible out in the yard to kind of keep the kids back from the rest of the school, especially during breaks when the kids were moving off to lunch or wherever, they would kind of walk with them, bring them back again, and make sure that the kids did not wander off. I mean, they were big burly guys.

Hon KEN TRAVERS: Yes, all right.

You also mentioned that you always received sound satisfactory answers to any questions about financial issues that were raised. Can you give some examples of questions you might have asked and the response that you would have got?

Mr Taylor: Well, a typical question would be - where is, you know - “We’re out of money; where is the money coming from?” A typical answer would be that, you know, “We’re expecting more money from the department; the gateway is coming through” or “The department’s pushing through a special gateway” or “This application for a special grant for artwork or something is imminent and we are going to get the money for it any minute” sort of thing.

Hon KEN TRAVERS: Right.

Mr Taylor: That was a very typical answer that was - yes - to the same question over and over; basically, “We’re out of money; where’s it coming from?”

Hon KEN TRAVERS: You also mentioned that there was home contact for some of the students that did not attend. What sort of - what did that involve?

Mr Taylor: Well, if possible, a phone call.

Hon KEN TRAVERS: Right.

Mr Taylor: My understanding is that they were given a package of work to do, and that an assistant or a worker would go to the home to check on the progress of the work and then return - and, eventually that, you know, when the work was done.

Hon KEN TRAVERS: But who in the program would have been doing that then?

Mr Taylor: Mostly, they were assistants; the workers, you know, the teacher assistants. We would call the -

Hon KEN TRAVERS: So, how many teacher assistants were employed in the program?

Mr Taylor: Half a dozen.

Hon KEN TRAVERS: Right.

Mr Taylor: And some of them were employed as mentors, so they had different titles from what we would call them in a school scene. They were mentors, they were assistants - they were, you know - and there were some that were supplied by DCP -

Hon KEN TRAVERS: Right, and I just want to -

Mr Taylor: Some supplied by Justice.

Hon KEN TRAVERS: Right.

Mr Taylor: So they were not all necessarily employees of Hurson.

Hon KEN TRAVERS: Right.

Mr Taylor: Some of them were provided by other agencies, and they came and went as well.

Hon KEN TRAVERS: Right.

In terms of that structure of the full-time, part-time, occasional and home contact: I just want to better understand exactly how that all factored in to how you were then funded. Was there sort of a percentage, you know, so was it worked out to be a full-time equivalent, eventually -

Mr Taylor: One hundred kids, yes.

Hon KEN TRAVERS: So, a person that you had contact with - you would be - they would be treated as point-something of a full-time student?

Mr Taylor: Yes. If their attendance was within 80 per cent of full-time, it was considered full-time.

Hon KEN TRAVERS: Full-time.

Mr Taylor: If their attendance was within 80 per cent of, you know, half-time, it was considered half-time, and there are a couple that was sort of rated about one day a week, and then there were the home ones.

Hon KEN TRAVERS: So, was that ever formalised that -

Mr Taylor: Yes, yes it was. There is documentation -

Hon KEN TRAVERS: And then the funding to the school was then - so, that would then be calculated into -

Mr Taylor: Well, it - yes, because -

Hon KEN TRAVERS: When you add all of that - multiply all of that out -

Mr Taylor: Essentially, the department said at one stage - because we had our funding reduced - they came back and said, "Well, you know, you're funded on 100 FTE; we're not sure that you have got 100 kids." So, we then had to go through this process of, like, we called it a "roll argument", which was justifying, you know, we have got 150 kids on the books, but if you go there on any given day there is only, you know, 35 or 40.

Hon KEN TRAVERS: Yes.

Mr Taylor: "Where are all the rest and how do you justify that hundred, if you've not got, well, 80 at least on site?"

Hon KEN TRAVERS: Hmm.

Mr Taylor: So, we had to go through a roll argument and the department accepted the fact that some of the kids were part-time, some were half-time, some were home contact and some were nearly full-time.

Hon KEN TRAVERS: What age would those kids have been to?

Mr Taylor: They were ranging - they were supposed to be older kids but they ranged from probably 13, on a very few instances, through to 17, 18.

Hon KEN TRAVERS: So, the majority will have been past compulsory -

Mr Taylor: Yes, at that time in 2005, they were post-compulsory kids.

Hon KEN TRAVERS: All right.

You also said that then during 2006 there became weekly or fortnightly audits -

Mr Taylor: Yes.

Hon KEN TRAVERS: What about in 2005?

Mr Taylor: No, not that I am aware of.

Hon KEN TRAVERS: So, throughout 2005, the 100 FTEs was just accepted as the students enrolled?

Mr Taylor: Hmm.

Hon KEN TRAVERS: And so was there any audit done - any auditing done of those numbers at that time or was it left to the school or -

Mr Taylor: It was left to the school.

Hon KEN TRAVERS: And how did the school do the audit of that?

Mr Taylor: The report would have come through from Michael in terms of his rolls that were kept, contacts with kids, and they had pretty good records of contacts with kids because they had reward programs, which were based on attendance, so the kids would actually get some money according to the amount of time that they attended school. That was given to the attendance officers in the

front office, who would have checked off the records, and possibly to Merv, but I am not sure about that.

[12.10 pm]

Hon KEN TRAVERS: Again, you said in 2005 the main body of your work was responding to complaints from staff. That was purely only staff in the education programs, never staff from the accommodation program?

Mr Taylor: Not the accommodation program; it would have been staff on site.

Hon KEN TRAVERS: But did not some of the staff on site come from the accommodation program?

Mr Taylor: Yes, but if they came on site, then if they had complaints about behaviour, it would have been about the on-site behaviour. They may have presented issues to me about it, but my response would have been, you know, “Talk to Michael; it’s not my responsibility.”

Hon KEN TRAVERS: Right.

Mr Taylor: I did not pay much attention to it, to be honest. If I did get complaints, it would have been passed to Michael for dealing with. That was the procedure.

Hon KEN TRAVERS: Did you ever have any disagreements with the way the education program was running with Michael Carton at all?

Mr Taylor: No.

Hon KEN TRAVERS: Did you ever have a view about how something should be managed, and get overruled by Merv or Michael Carton as a result of what you thought should have been -

Mr Taylor: In terms of the educational side of the program?

Hon KEN TRAVERS: Or any other element of it, for that matter.

Mr Taylor: To be perfectly honest, in 2005 I barely looked at the educational program. That comes from many years in a student services background, where my basic philosophy was, “If the kids aren’t behaving, they aren’t learning.” My first priority was to get them behaving and get them into classes, because they would roam around; they did not go to classes and they did not do anything particularly constructive, other than in some of the classes that they liked, but they would do what they liked for the rest of the time. It was part of the problem. Definitely there were conversations with Michael about tightening up the educational side of the program, which made it more interesting for the kids; they had a timetable, they could follow it and they knew where they were supposed to be - all of those sorts of basic things that one kind of does almost autonomously when dealing with that sort of thing. To be honest, 2005 was really about getting the behaviour right. Early 2006 was probably the same - the first three to four weeks - and then it was, “Look at the educational side of things; we’ve got the kids behaving better in classes for most of the time, and basically onside. Let’s look at the educational side of things, let’s look at the program, let’s look at what’s happening.” That is when I saw files of work and that is when I became aware of the TAFE links, the CGA course, and the certificates I and II courses that some of the kids were doing, and they became more engaged with the literacy and numeracy that was being presented to them. I did see some good work being done; I saw kids’ files of work. I checked them and they were fine. They were looking good. There was a TAFE course that had been brought in, which TAFE actually ran, which allowed kids to be certified as having finished year 10 literacy and numeracy, and that is what they were working towards. Some of these kids had been to school literally for two or three days in their entire lives, and we were trying to teach them how to read and write at 16 years of age. They could not write their own names, many of them. We are talking basic, basic, basic stuff: overcoming drug-affected kids, overcoming behaviour issues, overcoming their complete angst about being in a school environment anyway.

Hon KEN TRAVERS: With the budget side of it, did that ever get brought into any discussions you were aware of in terms of the budget discussions regarding the accommodation program? Were you ever involved in any discussions?

Mr Taylor: Yes. We were told we were not to pay for any of the accommodation side of things, and I believe that occurred late 2005 or somewhere around then. The instruction was - I am pretty sure it was from central office - that we were not to pay for any accommodation aspects of the program or any of the program that ran beyond the sort of 9.00 to 4.00.

Hon KEN TRAVERS: Were you involved in any discussions that then talked about how the program accommodation would be funded, or how it would be run?

Mr Taylor: No. Not particularly.

Hon KEN TRAVERS: Did you ever wonder how it was being run?

Mr Taylor: Yes. My understanding was that there was some commonwealth funding coming through. My understanding was that there was a significant amount of money from DCP, or DCD as it was back then, and that they were paying per bed for the kids, and I have seen figures that Michael presented that showed that they were paying for the kids on a bed basis, so they were actually paying for Michael to hold beds for the kids, whether they were occupied or not. In most cases they were. From my understanding, the sums added up and it made sense that it was going to be self-sustaining. To be perfectly honest, from that point on, anytime there was a question about it at the school level, the answer from Michael was, "It's self-sustaining; it's okay." Also, to be perfectly honest, I am completely unaware of any request from Michael to pay for or fund anything to do with the accommodation side of things, so it never really came up again. It never really raised its head.

Hon KEN TRAVERS: Who was running the books for the accommodation program?

Mr Taylor: Hurson.

Hon KEN TRAVERS: Are you aware of whether that is feasible - for a company like Hurson to run an accommodation program - whether the Department for Child Protection or whatever it would have been then, was able to pay a company such as Hurson to provide accommodation?

Mr Taylor: I would not know. I do not know.

Hon KEN TRAVERS: What was your understanding of the role of the P&C in that accommodation program, then?

Mr Taylor: The P&C? My understanding is that that money could not - money from another agency, even commonwealth funding to a large extent - cannot come directly into a school. It has to go through an incorporated body, which the P&C is, so that money went into the P&C.

Hon KEN TRAVERS: What money?

Mr Taylor: Any money that came through DCD or any commonwealth grants or anything like that that came in.

Hon KEN TRAVERS: Money coming to the school? Where was that money going?

Mr Taylor: It came into the P&C and out to Hurson for accommodation.

Hon KEN TRAVERS: But you just said that money could not come into the school without it coming through an incorporated body.

Mr Taylor: Yes; it did not come into the school.

Hon KEN TRAVERS: So why did it then need to go through the P&C?

Mr Taylor: Because the P&C is an incorporated body. The P&C could apply for commonwealth funds; the school cannot. The P&C can receive moneys from DCD; the school cannot.

Hon KEN TRAVERS: But the school was not providing anything to those services. The accommodation program was completely separate.

Mr Taylor: That is right.

Hon KEN TRAVERS: I am trying to understand from your perspective what the relationship was between the P&C, the school and Hurson, with regard to the accommodation, or why the P&C was involved in the accommodation program. Was that ever discussed at the school level?

Mr Taylor: The P&C was simply used as a vehicle to apply for funds. I think there was a kickback to the P&C from Hurson; five per cent or something like that was discussed at one stage, so the funds that the P&C applied for came in as they went out. They retained the five per cent, which then became money they could use in the school, so there was a -

Hon KEN TRAVERS: Which makes sense if it was a program the school was delivering but could not apply for directly; but why was it necessary for the P&C to be involved if it was Hurson, who was not the school?

Mr Taylor: When you put it like that, I cannot answer that. I do not know.

Hon KEN TRAVERS: So there were never any discussions amongst the executive of the school about that or the involvement of the P&C? You were never involved in any discussions?

[12.20 pm]

Mr Taylor: I know that there were lots of discussions about getting an incorporated body that was not the P&C up and running. The Balga Works committee formed an incorporated body of its own so it could apply for funding.

I cannot answer why the P&C was - I guess the best answer would be that without the accommodation, the program would probably not operate properly. So, because the program was a school program, there was, I guess, a tenuous, at best, link between, you know, the program operating or not operating, and the P&C being the vehicle to facilitate that. That is the best explanation I can give. Beyond that, I really do not know.

Hon KEN TRAVERS: Okay. Sorry for jumping around a bit, but I am just going through my notes in the order in which these issues came up, and just going back through them. When you were talking about the funding to the program and the multipliers, as I understand it, there is a set figure that every school will get so much per student?

Mr Taylor: Yes.

Hon KEN TRAVERS: So, you had 100 FTEs on the books -

Mr Taylor: That is right.

Hon KEN TRAVERS: - and you would get that amount of money as a starting point, and on top of that there would be multipliers, depending on the different factors that would apply to that. Would just the fact that a student was at Balga high school give an immediate multiplier?

Mr Taylor: No. The kids in year 8, 9 and 10 - the mainstream program - the kids in upper school, the kids in SINCEP, the Swan Noongar program, they do not attract any multipliers; they are just stock standard kids as far as the department is concerned. The LDC kids get a multiplier depending on how long they have been in Australia. The ed support kids get a multiplier depending on the severity of their disability.

Hon KEN TRAVERS: Is there ever a multiplier to the school for behaviour management issues?

Mr Taylor: No.

Hon KEN TRAVERS: Does the school get a multiplier for any of those issues?

Mr Taylor: No.

Hon KEN TRAVERS: But you always got the base level funding, and then there were other multipliers on top of that that were paid from time to time?

Mr Taylor: There was an argument presented very early in the piece - and it precedes my time there - but there was an argument presented for a multiplier - I think it was 2.5, just off the top of my head - which was eventually gained and given and came through for a short period of time. Essentially, what they are saying is we are going to give you a staffing formula based on instead of 100 kids, 250 kids, so you get the staffing formula for that. As soon as they remove that multiplier, you are back to 100 kids, which, you know, is a significant reduction in the amount of money that we are getting, so the budget -

Hon KEN TRAVERS: Was that ever formally committed, that 2.5, though, in writing?

Mr Taylor: Not that I have seen, but I guess it was formally committed in the sense that it came through; it was given.

Hon KEN TRAVERS: When you first started at the school, what was your understanding? Was that ever raised with you about the establishment of the program? Were you ever advised as to how the program had been established?

Mr Taylor: I was never, ever briefed on the background or the basis, or any of that, for the program. I learnt as I went.

Hon KEN TRAVERS: Right, because one of the things that has been put very firmly is that the program was only ever established on the basis that it could occur within existing school resources. It sounds to me like after that there were clearly attempts to try to increase what those school resources were.

Mr Taylor: Again, that precedes my time. The arguments there I cannot comment on. I am not sure. Do you mind if I take a break?

The CHAIRPERSON: I think that is not an unreasonable request at all.

Proceedings suspended from 12.23 to 12.29 pm

Hon KEN TRAVERS: For how long was that multiplier paid, then?

Mr Taylor: As near as I am aware, it was paid for a term.

Hon KEN TRAVERS: Which term would that have been?

Mr Taylor: It was either the end of 2005 or early 2006. I think it was late 2005.

Hon KEN TRAVERS: But was not late 2005 when the payments were stopped - any payments would have stopped until all the enrolments and those issues, and the services that were actually being delivered, were able to be verified?

Mr Taylor: It could have been. To be honest, the time line there is a little hazy. I am not entirely sure.

Hon KEN TRAVERS: Fair enough.

Mr Taylor: In fact - I am sorry; I cannot -

Hon KEN TRAVERS: Did you start in term 2?

Mr Taylor: Term 3, 2005.

Hon KEN TRAVERS: So, certainly for the first term, there would not have been any additional multiplier being paid?

Mr Taylor: In terms of anything financial, in my first term and a bit, it was just so far beyond what I had to do that I do not have any recollection of that at all, because I just was so head down with the behaviour management stuff.

Hon KEN TRAVERS: I guess the next area that you may be able to help me with - which I do not think I understand yet, and I would appreciate it if you can tell me how it works - is you had the money coming from the education department, and you had Hurson providing services, and they are employing people to provide services that must have come within that budget. How were those two - the funding from the department and the budget of Hurson - ever determined? How did Hurson know how much they were going to get paid, and what was the interaction between the two? How did that operate?

Mr Taylor: To the best of my knowledge, until I actually drew up the budget, there was never a budget drawn up, so it was just basically, well, you know, we have enrolled 150 kids; we will get FTE for 150 kids; we will employ the staff that are going to be required for that number of kids. This is - I do not know this for a fact. This is my guesstimate of how it panned out

Hon KEN TRAVERS: Who would know?

Mr Taylor: Merv would know.

Hon KEN TRAVERS: Anyone else?

Mr Taylor: Michael Carton would know. They are the two that set this up.

Hon KEN TRAVERS: But there is no-one else at the school or the Swan education office who would have had an understanding of how that was working?

Mr Taylor: The other deputy at the time was Rod Winston, who had a lot to do with staffing and funding. He may know, but I have never talked to him about it.

Hon KEN TRAVERS: I am not asking you to guess. It was more a case of, if you knew how it worked -

Mr Taylor: Well, put it this way. There is nothing documented that suggests otherwise. There is no documentation that - I mean, I drew up the first budget for Balga Works based on a 2.5 multiplier of 100 FTE kids in either very late 2005 or early 2006, and that budget, according to my figures, worked. They had to shed a few staff members; they had to cut some costs, but that budget, according to my figures, worked, based on the figures - based on what we were told at the time by the department we would be getting, and once again, I go into the territory of - that I only came for a short period of time, and then it was cut back to the point where it was clearly unsustainable.

Hon KEN TRAVERS: Was it ever cut back to just the basic payment, or was it cut back to a lower multiplier?

Mr Taylor: My understanding is it was cut back to a lower multiplier initially, of 1.5 or something like that, and then back to the basic payment.

Hon KEN TRAVERS: But that was as the program was getting phased down?

Mr Taylor: Well, yes, if my timeline is sort of correct in my head. Yes.

Hon KEN TRAVERS: That is the thing I cannot understand - what was the linkage? That, I would have thought, would be fundamental in a school, that if you are employing an outside person you need to have some process for determining, well, yes, this money is approved and it is coming and this money it - you can now go and spend that money and we will be paying you for that amount.

Mr Taylor: I concur a hundred per cent.

Hon KEN TRAVERS: So, to the best of your knowledge, you are not aware of -

Mr Taylor: I have never been shown any budget.

Hon KEN TRAVERS: Would that necessarily have been your role, to have known that?

Mr Taylor: No.

Hon KEN TRAVERS: All right. You were telling us about the situation where you were involved with drawing up a spreadsheet that had the payments that were - who was employed - I assume it had who was employed, when they worked, what they have already been paid for that work and then what they were owed. Now obviously, Hurson's must have already been paid something towards them. How was that then calculated?

Mr Taylor: That was based on the FTE that had come through the school for the program at that point. The salary payments to staff at that point were based on all the money that had come from DET for the program, and its 100 FTE kids, plus a helluva lot from the school. In fact, it bled the school dry.

Hon KEN TRAVERS: So when you did that spreadsheet, the money that had already been paid over, that was then taken off - so you then did a tally at the bottom of the money that was owed, the money that had been paid, and then also there was a calculation of what had already been paid to Hurson's.

Mr Taylor: Yes - no, it was simply a - the spreadsheet was simply showing Hurson's payments. There was a list of staff members down the left-hand column, and across the page there were different columns, which was days worked, or weeks worked or whatever; base salary; tax; on-costs such as superannuation; and so on, across the top. Then there was a column that said "paid to date" and then "owing". And so, he just worked across with the salaries that had been paid, the amount that he said he had paid in tax - PAYG tax, I think it was - superannuation, leave entitlements; added all that up and then did a calculation on according to the number of days or weeks or months that they have worked, and added up there. So if their base salary was \$50 000, and they had worked 12 months, then it should be \$50 000. If they had been paid 25, then in the owing column was \$25 000.

Hon KEN TRAVERS: Right, but in terms of working out what Hurson's was then finally paid, how was that then calculated?

Mr Taylor: That was only ever done - that spreadsheet was only ever done to work out what was owed to staff at the end of the day. That was late in the picture. That was August or September, so that was late in the picture, and it was as a result of staff saying, "Hey, I've worked a year and I've only been paid for six months" or something.

Hon KEN TRAVERS: I understand that, but I guess - so you could total up and say the total wages bill for Hurson's over the last 12 months, or whilst they have been at the school is 1.2 million. Was there then a figure to say, "Well, we've already paid them 800 000 in payments, so we are going to now pay them an additional 400 000"?

Mr Taylor: Kind of - yes, because at that point the department had already paid pretty much all that it was going to pay, and at that point it was saying, "If these people are contractors, or at the very least under the FMA, they are owed money, and they are deemed as contractors" - again I am not sure of the machinations of that, or how that was legal -

Hon KEN TRAVERS: The school did not pay them directly though, did they?

Mr Taylor: No, certainly not. The money came from DET.

Hon KEN TRAVERS: But DET did not pay those people directly, did they?

Mr Taylor: The money was given into the school. Once the figures were reconciled by the department, that money was then given into the school.

Hon KEN TRAVERS: Who did that reconciliation in the department?

Mr Taylor: Keith Newton and Peter McCaffrey, as far I am aware. Once that was agreed upon, that money was then paid into the school, to be drawn on for finalisation of salary payments.

[12.40 pm]

Hon KEN TRAVERS: But the school did not then pay out those people directly.

Mr Taylor: A cheque was written for them by the school, as far as I am aware.

Hon KEN TRAVERS: To the individual directly or to Hurson?

Mr Taylor: Michael wrote a cheque out for them and forwarded an invoice to the school, I believe.

Hon KEN TRAVERS: So it was Hurson who paid them?

Mr Taylor: Hurson paid them and then he put an invoice into the school for that payment.

Hon KEN TRAVERS: In terms of those calculations, did that ever include Michael Carton or any of his family members on the list to be paid?

Mr Taylor: Not that I reconciled. I think he was on the list, for sure.

Hon KEN TRAVERS: As having been paid or to still be owed money?

Mr Taylor: Being owed money. I think Kate Day was on there as well. I did not mediate any of them or reconcile any of them. In fact, I said, "As far as I am aware they shouldn't be paid at this point."

Hon KEN TRAVERS: Your involvement was to help oversee that spreadsheet, not to work out how much was then paid to Hurson to pay -

Mr Taylor: That was between Michael and the employee. Michael and the employee sat down and the employee had their claim and their figures. Michael had his records and they negotiated and agreed a payout figure. The employee then signed a declaration saying that they would not make any further claims, blah, blah, blah. I then put that on the spreadsheet and reported that back to DET as being done and that was sort of the end of the matter for each of those employees.

Hon KEN TRAVERS: You just sent the spreadsheet into the department, who then made the decision about how much they would actually pay Hurson to cover those outstanding amounts. That was purely people who worked in the education component, no accommodation people?

Mr Taylor: Yes.

Hon KEN TRAVERS: Were you ever given a starting spreadsheet by anybody or did you start that from scratch?

Mr Taylor: Michael gave it, and we had to check it against our records of who was being paid.

Hon KEN TRAVERS: But no-one higher up in the department sent you a list of people with outstanding -

Mr Taylor: I do not think they had that information.

Hon KEN TRAVERS: They did not send a list of people who had complained about underpayment?

Mr Taylor: They were certainly telling me which people needed to be dealt with first.

Hon KEN TRAVERS: Did everyone who had worked in the education department get contacted to see if they were underpaid, or were those who had complained to someone put on that list?

Mr Taylor: I honestly do not know.

Hon KEN TRAVERS: From your point of view how did the people get on that list?

Mr Taylor: The list was the full list of employees - absolutely. Those who were paid, I believe they were all paid that were owed money, but certainly the mediation took place between the ones who had the greatest complaints and were most aggrieved and were probably needing some mediation at the time. I think the others were settled aside from them.

Hon KEN TRAVERS: Just as a general issue, when you went down that spreadsheet, had some been paid their full amount regularly and others had not or had everyone been underpaid to a similar degree?

Mr Taylor: There were variations in the amounts paid and the frequency of payments I believe, yes.

Hon KEN TRAVERS: Significant?

Mr Taylor: Without seeing the spreadsheet I could not say. I have not seen it for quite some time, but yes I do recall there being inconsistencies with those who were paid.

Hon KEN TRAVERS: When we were talking about training and support to you, did you ever make a request to either the district office or the central office that you needed support or training in a certain area to be able to do your job?

Mr Taylor: When it came to some of the financial management, at one stage John Garnaut, as the district director, signed over end-of-line financial management of the school to me. He actually relieved Merv of his duties in that regard. At that point, I asked for some financial management training and I was provided with some on-the-run upskilling from the head of finances at district office.

Hon KEN TRAVERS: But at the end of that, it would have been fair to say that they would have assumed that if you wanted more you would have come back for more?

Mr Taylor: Probably. It was certainly not a case of “No you can’t have any training”.

Hon HELEN MORTON: At that stage, did you take on the role of the principal accounting officer for Balga Senior High School?

Mr Taylor: Yes.

Hon HELEN MORTON: So you had full responsibility at that stage for ensuring financial accountability for the service?

Mr Taylor: Yes. Again, it was a short time period. It was towards the end of Merv’s time at the school. It was when he was planning his retirement. Steve Rushforth, as an experienced level 4 deputy principal who had been a principal at a large school in the Northern Territory for some time, initially took on that role but Steve was given another job in a district office, so the next most experienced person to take that on board was me, heaven forbid!

Hon HELEN MORTON: Prior to that, who was the principal accounting officer?

Mr Taylor: Merv Hammond.

Hon HELEN MORTON: Who had the main responsibility for developing budgets etc?

Mr Taylor: Merv Hammond.

Hon HELEN MORTON: It sounds from what you are saying that that was not a strong part of his background skills and everything. Was there somebody else?

Mr Taylor: It probably would have been Rob Winston. Certainly, the business managers, Chris Annear and Michelle Green, shouldered an enormous amount of responsibility in terms of financial management in the school, probably without a lot of support.

Hon KEN TRAVERS: When was the period you took over?

Mr Taylor: I was hoping you would not ask that.

The CHAIRPERSON: You can take it on notice, if you prefer, Mr Taylor.

Mr Taylor: Yes, can I, please? I have the documentation that gives me the specific dates but I do not have it with me.

Hon KEN TRAVERS: That is fine, but it was towards the end of 2006 I am assuming, if it was about the time leading up to Merv's retirement.

Mr Taylor: It was around about the middle of the year, July-August through until the end of that term. Merv retired at the end of term 3, I think.

Hon KEN TRAVERS: When were the additional payments made to staff?

Mr Taylor: Prior to that.

Hon KEN TRAVERS: So Merv was still there. Prior to that were you ever in a position where you were asked to report directly to the district office rather than through the principal?

Mr Taylor: Yes.

Hon KEN TRAVERS: When and on what occasions and on what issues?

Mr Taylor: Pretty much on all occasions and all issues given that it was kind of a sensitive area I suppose. The district director had done a number of review visits and had recognised that the school was not being particularly managed very strongly, and had applied to the department for a system support deputy to be put in place to help bolster that and upskill the people in the school. It is a bit of a sensitive thing to do to come in and say to the principal, "Your school's not doing so good, you need some help and support here." Essentially, whilst it was never officially said, it was really the understanding that John Garnaut was my line manager as the district director, not Merv Hammond. Even though on paper ostensibly Merv was my line manager, I reported to John Garnaut.

[12.50 pm]

Hon KEN TRAVERS: How could that work in terms of your friendship with Merv?

Mr Taylor: Like I said, it was sensitive times; it was really interesting. I just used my people skills. It was not easy. Again, I guess in hindsight, I did not fully understand that that was what it was all about when I applied for the position in the first place. I did not realise that that is what was happening; I simply thought it was about helping to build the school into a programmatic school, and it certainly was about that but there was a lot more to it than that.

Hon KEN TRAVERS: Who actually appointed you?

Mr Taylor: John Garnaut.

Hon KEN TRAVERS: With the police clearances in terms of the people involved with the school program, you are absolutely confident that they were always police cleared, anyone who came onto the school grounds and delivered programs through the works program?

Mr Taylor: To the best of my knowledge there were police cleared.

Hon KEN TRAVERS: But it was primarily the registrar who did that?

Mr Taylor: Yes.

Hon KEN TRAVERS: Was there a process in place in terms of a record?

Mr Taylor: Yes, there are records. They are copies of police clearances that were given to the registrar, and she certainly had a list of names of employees and checked off that against the records that were coming in.

Hon KEN TRAVERS: The normal process would be that the school would keep a copy of the police clearance when it was issued.

Mr Taylor: Again, there is no normal process or procedure for that, because schools do not normally employ contractors over a period of time requiring police clearances. If there is a contractor coming in for a period of time, they normally just sign a stat dec, saying that they are not facing any charges or have not faced any charges, and they sign in and out according to the DET

visitor management policy. Because these people were employed to deal with the kids direct, they needed a police clearance. Again, it is not a normal situation for a school, so the procedures had to be developed on the run and on the hop. Yes, the process was that there was a list of employees and a record was gained and kept of each police clearance as it was obtained by the employee.

Hon KEN TRAVERS: Do you know if Michael Carton was listed on that list?

Mr Taylor: I do not, and to be honest, I could not speak specifically to any employee, whether or not they were on the list. My understanding is they all were, but I could not answer definitively.

Hon KEN TRAVERS: Who would have that list?

Mr Taylor: Michelle Green probably.

The CHAIRPERSON: In your view should Merv Hammond have been removed from his position as principal at any point in time?

Mr Taylor: He is a friend.

The CHAIRPERSON: Yes, you are not obliged to answer it if you do not want to.

Mr Taylor: No, but I think the best I can say is that whilst I respect Merv enormously in terms of his vision, I think towards the end his vision outstripped the school's capacity to manage what was being implemented, and it literally was a case of running before they could walk. The whole concept of the Balga Works program, I still believe, is a wonderful one and a worthwhile one, and I would love to see someone else tackle it again. Do not attack me for that.

The CHAIRPERSON: You might like the job!

Hon KEN TRAVERS: I do not know, but you will not get the disagreement from -

The CHAIRPERSON: Us, no.

Mr Taylor: Good. Merv's philosophy was: if you spend the whole time going through all the loopholes and all the stuff that you need to do to get something going, he would have retired before it ever got off the ground, and he wanted to see it happen. It was the same philosophy applied to all his other programs, the difference being that I think Merv kind of got caught out by the complexity of it, by the difficulty of it and by the way the monster grew, and by possibly - dare I say - the issues with Michael Carton himself. I have said it before, and I will say it again: I think he is the world's greatest con man.

The CHAIRPERSON: Was there an issue that the program was trying to accommodate too many young people? You made a comment at one point in time that if you have that number or that critical mass, you are always going to have problems. If it were small bites, would that have been a better way to deal with it?

Mr Taylor: If I was setting it up, that is how I would do it. I would start very small and grow. As your practices, processes and management procedures keep pace with what you are doing, then you plan ahead and grow a little bit into it. You do not sort of go chunk and "Oh, God, we've got to plan for this", which is pretty much what happened, and pretty much what happened for all the other programs too, but, fortunately, they kind of got away with that.

The CHAIRPERSON: But -

Mr Taylor: I am sorry, but to answer your question a little more fully, it was myself and a few other friends of Merv's who convinced him to retire. We spent a great deal of time and effort saying to him that he needs to retire.

The CHAIRPERSON: In terms of what is happening, obviously - it is not just my understanding - there is still a need in this state for something of this nature. What is happening currently with those children who need something like Balga Works or a new version of the same approach?

Mr Taylor: There are a number of behaviour centres that are being established around the state at the minute. Certainly, they should be up and running; I believe that is the case. I went and spoke to some staff at Kalgoorlie who were going to be starting and operating the Kalgoorlie behaviour centre, and that was the first day of this term, and offering them some advice and support. They were saying that they were expecting it to be up and running by week three of this term. No? I can see a head shake. That is why I have not heard from them probably. I had better give them a call, hadn't I? There are a number of behaviour centres that are being established.

There have always been good programs around the place for kids at risk. The issue is: are there enough and do they cater for the needs of all of them? Clearly, Balga Works proved that there are not and that they do not. To be able to find, let us say, at least 100 kids in and around the confines of the Balga area, and probably a slightly greater area of that, many of whom had never been to school and were certainly not catered for by any program that the department currently offers, was a real eye-opener for me. I just had no idea. Staff would say they would go to a house to get a kid who was not attending. They would go and grab the kid, and sitting next to the kid would be three, four or five others of the same age who were not enrolled anywhere and were not attending anywhere either, so we were touching the tip of the iceberg. There are some plans and there are some actions being taken. I do not believe that they are anywhere near enough; but, look, it takes a special type of people to manage these types of kids. Probably one of the issues that the behaviour centres are facing right now is simply staffing them and finding the right people to do it. My hat goes off to them. There are not enough even though the issue is being addressed.

Hon PETER COLLIER: If I may just add to that, you might like to look at Port community school and Corridors college in Midland - private institutions but I think you will find that the format there is very successful.

[1.00 pm]

The CHAIRPERSON: I go back to the point at which the payments changed. You describe the period when a multiplier was being applied that seemed to be adequate to deal with the situation. I am not quite sure whether you gave any explanation or even know why that change occurred. Why did it go from -

Mr Taylor: I do not know. It was an arbitrary decision made by, I believe, Kim Ward at the time, and I cannot explain why, and it was simply - the email I saw that Merv received about it was a one-liner of "This is all you're getting, and don't ask again" sort of thing. It was pretty blunt.

The CHAIRPERSON: Do have a copy of that email?

Mr Taylor: Merv will have. I do not, but Merv will have.

The CHAIRPERSON: Okay. Thank you. I am done.

Hon PETER COLLIER: Just a couple - just with regard to - just as a result of your responses today, Mr Taylor, I am - as far as Hurson is concerned and the provider, I guess, of this, you have indicated you thought it was an RTO and I guess a lot of people did. But, as a provider, was there any necessity to involve Hurson at all anyway? Could the program have operated in-house?

Mr Taylor: The capacity to hire and, I guess, fire staff, to find people and to work with other agencies and to do all the outreach stuff and so on that was required for the program, I am not convinced that it could have been done in-house. I know that this was based on a very successful program from the eastern states or what I believe to be a successful program.

Hon PETER COLLIER: The MITS program.

Mr Taylor: The MITS program.

Hon PETER COLLIER: That was a little different though, of course, was it not, because that really was a provider for DET options?

Mr Taylor: Yes. I never saw the MITS program, but I think the concept - the model of this was based on a private provider being able to look after these kids, and that was what it was sort of based on. Whether the actual set-up and the way it panned out changed from MITS, I am sure it did. But circumstances in Perth are different to Victoria. Again, I think the model is sound, and I think the idea was a good one and I think that the notion of having a private provider do it through proper state tender requirements, through a proper panel process with all the stuff that we actually now have in place - and we had some wonderful providers come out of the woodwork to take it on board - I think that it could work. But I do not - sorry, to answer your question, I do not believe it is possible to do it in-house.

Hon PETER COLLIER: Having said that, as Hurson was directly responsible for the employment of the staffing then, what checks and balances existed? I think you sort of touched on this when I broached the subject a little earlier, but what checks and balances existed within the school to ensure that all of those staff were fully qualified and appropriate to deliver, whether it be the educational service or DET services?

Mr Taylor: I guess there was certainly an expectation or a requirement of Hurson to do that, to do the checks and balances and for Merv to ensure that that was the case. Beyond that, I am not aware of any particular checks and balances other than things like police record checks, checking whether someone is WACOT registered, and I know two of the staff members were WACOT registered that were teaching in 2006. But the others were from trade backgrounds, a little bit like the TAFE model.

Hon PETER COLLIER: I appreciate that. But I am just saying - thinking, you know, were there any specific guidelines that had to be adhered to in terms of the selection of staff and were those guidelines regularly checked from the school perspective?

Mr Taylor: Up until the time at which we drew up the tender documents and the MOU - the second MOU - the answer is if there were, I had not seen them.

Hon PETER COLLIER: What about after the MOU?

Mr Taylor: Most certainly.

Hon PETER COLLIER: And what was required then of the staff?

Mr Taylor: WACOT registration, police checks and whatever qualifications necessary to deliver whatever they were delivering, whether it be a CGA Cert 1 course. So - I mean - and the provider had to be an RTO.

Hon PETER COLLIER: Okay; and so all of the staff then did - were WACOT - they had WACOT numbers or limited authority to teach through WACOT?

Mr Taylor: The teaching staff -

Hon PETER COLLIER: Yes.

Mr Taylor: - did, as far as I am aware.

Hon PETER COLLIER: They did, did they?

Mr Taylor: Yes.

Hon PETER COLLIER: Okay. Thank you. Just another couple of quick ones. Were you aware of the audits that were done at the school in October '05, November '05 and the special audit in January '05?

Mr Taylor: '05 or '06?

Hon PETER COLLIER: '06, sorry; '06, yes. Just after you started, there were the three audits: the one in October, and then one in November and January '05 - and then January '06.

Mr Taylor: I am aware of those, yes.

Hon PETER COLLIER: Did they give you cause for concern, any of those audits?

Mr Taylor: I guess so, but I knew - an audit process for schools is not an unfamiliar thing.

Hon PETER COLLIER: Yes, but the one in January is a special audit for the Balga Works program.

Mr Taylor: In January?

Hon PETER COLLIER: Yes, '06.

Mr Taylor: I am aware of some findings from the audit - a general audit of the school, that there were some real concerns about financial management and accountability. I am not specifically aware of the special audit in January for Balga Works. I mean, I did not return to school until the end of January '06. Did that occur during school time? I cannot - I do not recall that.

Hon PETER COLLIER: That is fine. If you are not familiar with it, that is fine. Just one final question: do you keep in touch with Merv Hammond?

Mr Taylor: I have done, yes.

Hon PETER COLLIER: Have you spoken to him recently?

Mr Taylor: I have not spoken to him for probably five or six weeks now.

Hon KEN TRAVERS: I just have one - two questions. People like Steve Lennox and the employment coordinators - I think he was sort of doing the justice side of coordinating it - when we talked earlier about - you said accommodation people were outside the bounds, but you looked at people who were involved in the educational side of it. Where do people like that fit within it? Were they considered part of the educational programs or part of the employment - part of the accommodation programs?

Mr Taylor: Steve, I believe, was part of the accommodation side of things. He was employed through or provided by justice, I believe, and he was a mentor essentially. I think he was just -

Hon KEN TRAVERS: But he was based on the school - at the school?

Mr Taylor: He was - he came and went. He was on and off a lot, as were a number of the staff, because they would come with the kids. Some of the mentors would stay with the kids on a one-to-one sort of basis, and then they would go. Some of them would come in to take the kids off for drug testing as part of their CROs. There were staff coming and going all the time. Most of them had justice badges and ID badge sort of things. Yes. Steve, I understand, came from justice; whether he was employed by justice and seconded to the program, I cannot recall.

Hon KEN TRAVERS: So when we were talking about the educational program, people like that would not have been included. What about employment coordinators? I cannot even think of the name of some of the people we have come across, but there were people employed to assist in gaining the students employment. **BLANK** would be one of the people like that whose job was to help try and find employment for the students. Were they considered part of the educational program or part of the accommodation?

Mr Taylor: I believe so. I believe they were part of the educational program. **BLANK** was.

Hon KEN TRAVERS: Yes. So when things like the salaries - those issues with the pays - if Steve Lennox had not been paid, then he would not have been included on the list but someone like **BLANK** would have.

[1.10 pm]

Mr Taylor: Yes.

Hon KEN TRAVERS: You talked about 40 staff. Were those 40 staff purely the educational component or did they also include the accommodation staff?

Mr Taylor: I believe that list was purely the educational component.

Hon KEN TRAVERS: So on top of that there would be the people involved in the accommodation program?

Mr Taylor: Yes.

Hon KEN TRAVERS: You made the comment about Mr Carton being a con man. This is a private hearing, so it does not need to be published. I guess the issue that I am still trying to work out in my mind is: do you think he personally benefited out of all of this? I know that is a hard one, but you probably have a better understanding than us of how much money was coming in and going out of the program and who was getting paid. Was he personally benefiting out of it, to your mind?

Mr Taylor: I cannot begin to imagine that that was the case. From my knowledge of what was coming in and going out, it is seemingly impossible. There just was not enough money going out. I certainly do not believe so. In fact, I have been told quite the opposite; that he has suffered financially, quite significantly, as a result.

Hon KEN TRAVERS: Yes, but a good con man might tell you that!

Mr Taylor: Look, you are exactly right, so I do not necessarily believe that. From my knowledge of what money came in and what went out and where that money was going to, I do not believe that he gained financially at all.

The CHAIRPERSON: It intrigues me. Again, this is a private hearing and this is speculation. What was his motivation if he was not making money? Was he just a really bad manager or was he, you know?

Mr Taylor: An intriguing person. He had just the most wonderful rapport with the kids. Quite literally, without his charisma, I suppose, you would not have had those kids there and it would not have worked as it did work when it was working well. I think he is an extraordinarily bad manager. I think he had a lot of pie-in-the-sky ideas that never came to fruition and, had they done so, they would have been wonderful. I think he is such a good con man that he cons himself. He honestly believed that it would work. He honestly believed that it was for the benefit of the kids. He is just an extraordinary person, an incredible person. When you work with him day in and day out, he exudes an enthusiasm and, sort of, a knowledge of all things that you cannot help but get caught up in it and believe and trust and all of that. There was no doubt that the program ran because of him - no doubt whatsoever - but there is also no doubt in my mind that it failed because of him, which is just so sad.

The CHAIRPERSON: Thanks, Mr Taylor. Thank you for your time this morning and this afternoon.

Mr Taylor: Can I get to Southern River College by 1.31 pm do you think?

The CHAIRPERSON: I think you might be pushing it.

Mr Taylor: I have a police escort.

The CHAIRPERSON: Apologies for keeping you so long.

Mr Taylor: That is fine.

The CHAIRPERSON: Thank you. It has been most useful.

Hearing concluded at 1.13 pm