

JOINT STANDING COMMITTEE ON THE CORRUPTION AND CRIME COMMISSION

**INQUIRY INTO PUBLIC SECTOR PROCUREMENT OF GOODS AND SERVICES AND ITS
VULNERABILITY TO CORRUPT PRACTICE**



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 9 MAY 2018**

Members

**Ms M.M. Quirk, MLA (Chair)
Hon Jim Chown, MLC (Deputy Chair)
Mr M. Hughes, MLA
Hon Alison Xamon, MLC**

Hearing commenced at 9.56 am**Mr JOHN LESLIE LANGOULANT****Special Inquirer, Inquiry into Government Programs and Projects, examined:**

The CHAIR: Thanks very much for coming, Mr Langoulant. On behalf of the committee, I thank you for appearing today. I am Margaret Quirk and I am the Chair of the committee. I will formally introduce the other members of the committee. On my left is Hon Jim Chown, MLC; on his left is Hon Alison Xamon, MLC; and on her left is Matthew Hughes, MLA, member for Kalamunda. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence of course is protected by parliamentary privilege; however, this privilege does not apply to anything you might say outside of today's proceedings. We have determined that it be a public hearing, but at some point if you feel more comfortable about going in camera, we can certainly do that.

Mr LANGOULANT: I think all the media is next door.

The CHAIR: Yes; we noticed that. Have you any questions about your attendance before we start?

Mr LANGOULANT: No, I understand that; thank you very much.

The CHAIR: Just to explain why our committee has got you in, there is a body of thought and research that suggests that certainly with noncompliance with process, there is a vulnerability and a risk that corruption may well not be detected. Much has been looked at around the world about procurement processes and their vulnerability to corruption. We want to expand on your report and look at some areas that we might need to focus on. With all due respect, and I understand why, the chapter on procurement is a little brief, so we would like to expand on some of those issues if you do not mind.

Mr LANGOULANT: Sure.

The CHAIR: This is probably a bit of a political question, but what role do you think ministers of the Crown have in oversighting procurement processes, if any?

Mr LANGOULANT: At the end of the day, you are accountable. Our Westminster system does not excuse ministers for the practices of their agencies. They have a responsibility to understand, I think in particular, that the policies are in place and are correct policies, and that the basic practices the agency is observing are correct. How does a minister do that? It is a tough gig, given that the minister sits above all of that process, but having regular reports, ensuring that through those regular reports there is evidence of a trend in practice, having a sharp political antenna and understanding across the communities in which the minister deals that they make inquiries about how the practices of their organisation are being undertaken. There are those sorts of activities, which I think ministers can undertake and should undertake. It is almost impossible for the minister to get involved in the day-to-day prosecution of a particular procurement. That would be asking a minister to do too much and in my view would be confusing the role, but they do have other ways of ensuring that there is good practice.

The CHAIR: In your report you stopped short of making any adverse findings in relation to any particular minister. I do not expect you to name names, but are there any instances that you examined where you feel there was not the level of oversight there should have been?

Mr LANGOULANT: Pick any one of the royalties for regions projects you like and you have got that. Not in every one of the instances, but in almost all of the instances of the specific matters we were

asked to inquire into, there was just bad process. There was bad practice. In some instances I would say the policy was made on the run and, as a consequence of that, the whole procurement practice was off to a bad start.

Hon JIM CHOWN: Would you like to expand on each one of those points that you have made? When you say that in your opinion there was bad practice, what exactly do you mean by “bad practice”? What exactly do you mean by the procurement process was corrupted to some degree? What exactly do you mean when you say that policy was made on the run? Otherwise, they are just pretty bland statements without any substantiation at all. This is an inquiry so —

Mr LANGOULANT: I take it you have read my report?

Hon JIM CHOWN: No, I have not read your report.

Mr LANGOULANT: Well, it might be to your benefit to read the report, I suggest. You would probably then understand what I am saying.

Hon JIM CHOWN: I would just like a full explanation, if you would not mind.

Mr LANGOULANT: How long have you got? Take, then, the program of undergrounding power in the Pilbara as a particular case. That program was established as an initiative under the royalties for regions program. It was given to Horizon Energy to prosecute, despite there being a significant amount of evidence to suggest that it was not the correct agency to undertake it. Horizon Energy —

Hon ALISON XAMON: Sorry, can I interrupt? How was the advice that that was not the correct agency presented? Was that given directly to the minister or was it left with the senior public servants?

The CHAIR: That was probably a bit pre-emptive. Maybe you should let the witness answer.

Hon ALISON XAMON: Sorry. I am just keen on the detail.

Mr LANGOULANT: Sure. Again, it is all in the chapter. Read the chapter.

Hon ALISON XAMON: I have only read the ones pertaining to my portfolios.

Mr LANGOULANT: We took evidence during the course of our inquiry from the different agencies. We also examined documents. The documents were indicating that Western Power had been identified as the better agency, but the decision was taken that Horizon Power should undertake the work. Horizon Power then proceeded to undertake the work without a strategic plan. It got significantly into the project, spending substantial amounts of money, and finding that the cost overruns were excessive because they had not done any planning. When there was a change of CEO in Horizon Power, that CEO, who is the current CEO, said, “Perhaps we should stop and have a review of what we are doing with this project and seek to then undertake it in a more structured manner.” All the way up to that point I would say there was inappropriate practice and procedure.

I could cite a number of other cases that we looked at and which are documented in the chapters in this volume. There is the case around the housing in the Pilbara programs. It is fair to say, although it is a term which has been loosely used, that buckets of money were created from which programs were undertaken to effectively provide relief housing in the Pilbara to people who were providing essential services but who could not otherwise obtain affordable accommodation. These are public servants. Some of those projects were developed literally on the run. I explain why I say that in the report. They were, in many cases, knee-jerk reactions to what were overwhelming circumstances in the Pilbara at the time. Projects were then devised to take advantage of the buckets of money that had been created, and then construction occurred. That construction occurred in ways which resulted in accommodation being available, but after the point at which the market had started to lose its temperature; that is, the accommodation crisis was starting to ease.

In terms of planning for that particular accommodation, it was way too late in the cycle. The planning could have been undertaken far earlier, because there were credible estimates provided as early as 2007 about what demand requirement there would be in the Pilbara for housing, yet most of this activity was happening in 2010, 2011 and 2012 and a lot of the construction was not completed until late 2012, and the market had significantly come off its peak. That is why I say these projects were done on the run and without appropriate planning. In many of the instances and in some of the cases that are documented in the report, some of the accommodation, although initially full, has since never been full, so we have overprovided in the market. Again, it comes back to good planning. Procurement practices go astray. There are almost 31 case studies here of procurement practices going astray because the planning was not appropriate. Once you start off from an inappropriate base, it is hard to recover the ground. That was the evidence we saw.

Hon JIM CHOWN: By “astray”, do you mean that the procurement processes were corrupted or the cost was too great?

Mr LANGOULANT: Corruption is a big word. We did not find any corruption. We found a lot of bad practice. We found a lot of inappropriate activity. That activity could have been far better undertaken if it had normal processes and cycles of planning associated with it. With the royalties for regions program, we did not have a strategic plan for the royalties for regions projects in this state until 2016–17. We had been spending money for the best part of eight years, up to 2016–17. The first strategic plan was developed then. You can just see the difficulties you encounter when you start off that base. It was one of the reasons why, despite our terms of reference giving us 10 examples of royalties for regions programs to look at, we decided to examine 50, because we wanted to make sure we had a reasonable sample of case studies to draw our conclusions from. But that was not the only case. The Serco contract at Fiona Stanley Hospital went ahead without a business case. You would say: how can we possibly, in today’s age, go forward with a procurement of over \$4 billion over a long period of time for the delivery of essential services into our major hospital without a business case? Yet that was the case. We gave Health seven months to find a business case and it could not find one.

The CHAIR: But if process is not followed, obviously there is a risk that malpractice can occur.

Mr LANGOULANT: Yes.

The CHAIR: In your report you say that the legislative framework around procurement is complex and needs to be centralised within the Department of Finance. Can you maybe expand on that a little?

[10.10 am]

Mr LANGOULANT: There are quite different practices across the government. The ones we drew particular attention to were the practices of the government trading enterprises, which are not subject to the State Supply Commission processes or Department of Finance oversight. We found significant issues in the procurement activities of both Western Power and Synergy, which were the two agencies we were asked to look at. We were only asked to look at their consulting procurements; we were not asked to look at anything broader. In that area, we found significant practices that could give rise to poor outcomes, one of which was declarations of conflict of interest across those practices. Across the public sector, a significant number of the agencies are subject to the State Supply Commission requirements and therefore fall within the remit of the Department of Finance, but there is a significant number of largely statutory bodies, boards and committees which sit outside. We see no reason why those agencies should not be brought under the oversight of the Department of Finance. It does not have to be done in a way that would compromise commercial practice or operating effectiveness, but it would give rise to a consistency

of procurement practice across the whole public service. That is why we say that the Department of Finance should have a broader role. In fact, elsewhere we talk about the procurement of works. We are talking about goods and services at the moment, but when you talk about the procurement of works, those procurement activities are very much at agency level. We think there would be significant benefit to government for those to be brought under the remit of the Department of Finance as well, again not because we think that the Department of Finance should be undertaking those procurement activities, but what it would do is develop a body of expertise that government agencies could refer to and even draw from, particularly when they are undertaking large procurements either of goods and services or of works. It is quite common, for instance, for a Department of Finance official to be seconded into an agency if it is undertaking a major procurement. In my own case, I chair the Government Employees Superannuation Board. When we were outsourcing the administration activities of the government super board, we had a Department of Finance person seconded to us for the best part of a year. It was an outstandingly good outcome for all concerned, but particularly the staff, who are now all still in work, which is a good outcome. Those practices are available. They are not used frequently enough, particularly in the works area.

In terms of simplification, in my view it starts with education. It is clear to the inquiry from the study of these matters that there is not sufficiently trained people in our public service who have responsibilities for undertaking significant procurements and for then monitoring and managing contracts and even undertaking the basic levels of financial analysis you require when you are assessing procurement proposals. Another dimension to this is that even before you go to the procurement stage, you should simply understand the merits of proceeding—what is the cost-benefit analysis, what is the business case, primarily. Across all areas of the procurement activity, from the beginning when you do the case study and understand whether the procurement is in the best interests of the organisation and more particularly the community all the way through to the management of that contract, there has been a rundown in the skills base across the public service.

Mr M. HUGHES: Can you benchmark current practice against past practice? Is there a point at which we slid in the wrong direction?

Mr LANGOULANT: Look, you could do that. We did not do it—it was not part of our remit and we did not have the time or the resources. You could do it, but you could equally benchmark our practices against those in other jurisdictions and understand what best practice actually looks like across other jurisdictions.

Mr M. HUGHES: I am just thinking in terms of historically. Was there a time in the past, from your experience as a senior public servant, when we had a better grasp of the essentials? Was there a point at which the culture may have changed?

Mr LANGOULANT: The deterioration in the quality of the public sector has been a long-term process. During my time as Under Treasurer, the beginning of outsourcing was probably the beginning of the deterioration of the quality of capability across our public sector.

Mr M. HUGHES: I am of the view that that is replicated in terms of the quality of in-house competence at a local government level, too, as a result of people then choosing to go out to private consultants rather than depending upon an objective and fearless public service to give advice.

Mr LANGOULANT: Wide-scale outsourcing of sophisticated policy advice has been to the detriment of the public service—it has. I must say that on certain occasions you need external advice—you need arm's length advice—but we have seen the core, day-to-day analysis of key policy decisions and the determination of good policy deteriorate across our public service for not just the last eight years but probably the last 30 years.

Hon JIM CHOWN: In light of your comments in regard to education—people having the expertise in regard to the procurement process and abiding by set process I guess is what you are saying—how would you see some of these super agencies that are now being put in place by this government working in regard to those statements, as opposed to when they used to be virtually standalone departments?

Mr LANGOULANT: I see no difference. Quite frankly, in my view the government needs to go further on machinery of government changes. We still have too many departments. We are a jurisdiction that has a limited base of expertise available to it. We are a small jurisdiction, a small population still and a small skill base. The further you spread that across a wide range of agencies, you get diminishing returns. I applaud the government for the machinery of government changes it has made; I think they are exactly right. What we now have to do, as managers of our public service, is to raise the professionalism of that public service and understand what we now have. For instance, a director general who now has a broad range of activities—far broader than they had two years ago—needs to be respected by the ministers and by government broadly that they are now managing a big organisation. They cannot be expected to know every piece of activity which is occurring in their organisations. They are responsible for ensuring the right policies are in place, the right practices are in place, and that the right auditing is occurring across their organisations so that we do not have any element of corruption occurring. That is certainly possible, as long as we respect the role of the chief executive and ensure that the chief executive has significant resources to run the organisation. That is now where we have to take the administration of the public service in this new environment of larger agencies. I would say that this is not hard. We are not New York State; we are Western Australia. These agencies look big to us because they are big by comparison to where we have been, but there are plenty of people in our community and in other jurisdictions who run agencies even bigger. We only have to look in our backyard at Wesfarmers, for instance. Why do we not use Wesfarmers as a model of how we should run these major organisations and think about the division of responsibilities and activities across the senior executives and through that organisation in the same model? Wesfarmers would be larger than almost any one of our organisations.

[10.20 am]

Hon JIM CHOWN: They do not have to operate under the Public Service Act, though.

Mr LANGOULANT: No, but they have to operate under ASIC's rules, under APRA's rules, under the ATO's rules, and under the various regulators who observe the businesses under which they operate. This argument that the public sector has to do it tough because they have to run under the Public Sector Management Act, I would say to you the private sector has far more responsibilities and accountabilities than our public sector has.

The CHAIR: Just going back to the RforR tranche of transactions, it is not to say necessarily that there was not a process, but there was high-level direction not to follow it or ignore it implicitly.

Mr LANGOULANT: Are you talking about the royalties for regions projects?

The CHAIR: Yes.

Mr LANGOULANT: We did not find any evidence of that.

The CHAIR: I am not trying to sheet home blame, but it is not necessarily a lack of process; it is that they were not followed because —

Mr LANGOULANT: There was clearly an aspect of government at that time to get projects done.

The CHAIR: Yes—sort of whatever it takes.

Mr LANGOULANT: Whatever it takes. In some instances we had clear evidence from people of, “Don’t get in the way; just get the project done.” One of the big issues and one of the challenges of our royalties for regions program is that to spend a billion dollars a year across the vast areas of Western Australia on projects which need to be well implemented is a very difficult task year in and year out. It is one of the reasons why we spent so much time here saying—we did not say, “Stop providing services into the regions”; we simply said, “It might be better to look from year to year at what a reasonable level of expenditure is.” Over a sweep of time, the average might be a billion dollars, but some years it might be considerably less, and that will give rise to far better outcomes than what we saw during the period of government up to 2017.

The CHAIR: In the course of your hearings and inquiry, there must have been occasions when you reflected on whether, for example, whistleblowing legislation or protections were sufficient for public servants who could identify issues.

Mr LANGOULANT: Yes, we did. We had senior public servants talk to us about that. They talked to us about the difficulties they encountered when they were under pressure to deliver. Again, we did not raise the whistleblower issue in the report because it did not come to us with explicit clarity. As a consequence of that, we did not have the evidence on which to base a major recommendation.

The CHAIR: As an experienced senior public servant and from the evidence you have got from that, do you think the current protections are adequate, or should there be some other mechanism?

Mr LANGOULANT: Chair, I have significant views on this, which are a little bit different. Whistleblowing is a last resort, I think. My way of thinking about this is that the public service as a group, as a sector of individuals who are providing services to the community, should see themselves as a group and have the professional integrity of a group. They should be protecting each other. They should be the ones who have the capability and courage to say to ministers, “This is not appropriate. These practices should stop. We need a new way of doing things.” It is one of the reasons we talked in here about the need for public servants to be respected and for their frank and fearless advice to be heard and not give rise to the risk of dismissal, which has been a characteristic. I would say it was not a characteristic just of the last eight years; it has been a growing characteristic in our jurisdiction for some period of time. When I was Under Treasurer, that risk was there as well. That risk is not the way you manage senior professional people. You need to listen to them. The same responsibility exists on those senior professional people. They have to understand that they are there to give government hard, technical advice on how to deliver programs and projects. They should never delve into the area of politics—that is what you people do. Having that separation and that clarity of separation, and taking the system back to where it has real integrity and, as a consequence of that integrity, has real power, because you then have a group of people who are providing the politicians with highest quality advice; it may not suit the political purpose at the time, but at least the minister knows they have the best quality advice. It is perfectly within our system then for the minister to say, “Thank you very much, but I’m actually going to do something else.” That is fine. But once we start compromising those two activities, frankly you are in no-man’s-land. We saw a fair bit of that in that eight-year period.

The CHAIR: So a corollary of what you are saying in relation to training and expertise is that not only do the people who engage in these procurement activities need to have status and some level of expertise, but also they need to maybe have more education in terms of what is improper or probity issues.

Mr LANGOULANT: Yes, and there needs to be structure within the bureaucracy. We talked about the role of the chief executive a minute ago and the role of the minister with respect to procurement. The buck first stops at the desk of the chief executive, and then the buck ultimately

stops at the minister's desk. In my thinking, there is too much delegation of procurement activity down the line in our bureaucracy. I think our delegations are not tight enough. I think the chief executive needs to have a far greater oversight of the procurement activities of their organisation. The whole structure of delegation which we have in our organisations, where someone mid-ranking can be responsible for a significant procurement—I am talking millions of dollars—we need to review that. That would give rise to accountability at the most senior level. If we are going to ask our senior public servants to be accountable for anything, it should be the expenditure of money. Across our public service, procurement is a very big expenditure of money. That accountability needs to be redefined within the bureaucracy.

Whistleblowing, just as in how people are managed in organisations: to have good management in organisations, you have got to give the individual the ability to go past their manager and go to a manager once removed, so that they can say, "I'm not getting on with this manager; this manager is undertaking activities which are not appropriate", so they have a point of accountability that way. To my way of thinking, whistleblowing is in a last-resort category. The person who is identifying very bad practice needs to take that practice up the line. The public service needs to have the integrity, capability and relationship with government to be able to effectively blow the whistle. If none of that happens, ultimately you need a process which is what we all understand to be whistleblowing; that is, you blow it to a third-party accountability unit.

The CHAIR: If, as you propose, more procurement is under the head of Finance, it is less of an issue about having to go up the line within one's own agency.

Mr LANGOULANT: No; I am simply saying that Finance is the entity that should be overseeing the procurement activities of the whole sector and providing the expertise both in terms of advisory expertise and also people expertise if needed, where those people could be placed inside organisations to undertake procurement activities. The accountability point still sits with the chief executive. It never goes past the chief executive.

The CHAIR: But that outside expertise from Finance gives the in-house agency procurement officer some level of comfort and support to make sure that the probity is there.

Mr LANGOULANT: Yes. Quite frankly, it is an efficient way of managing procurement expertise across the public service because to have all of that procurement activity expertise in every one of our agencies, where we are only drawing on them from time to time to undertake large procurements, is not an efficient way of using our resources.

The CHAIR: I just have a couple of questions and I will then leave it to my colleagues. As you know, the public service can be innovative when it wants to. For example, if there are restrictions on when something has to go through the tender process, a limit is set. I am thinking of the case of Karnet prison, where they effectively bought one cow at a time for their prison farm, so that then got them under the limit. I also remember the Department of Fire and Emergency Services was restricted in the number of FTEs it could have in maintenance but there was no restriction in relation to consultancies, so it got outsiders to do the mechanical work even though it was three times as expensive. Again, there are these issues where individual decisions are taken within agencies to evade these processes and it is almost tacitly supported within the organisation.

[10.30 am]

Mr LANGOULANT: Well, it should not be. How do you deal with that? How regularly do those organisations have their procurement practices audited, including by external parties? Some of those practices may well be occurring at middle or lower levels and would not be known to the more senior executive levels. We are seeing a couple of celebrated cases of those ones going through the

CCC at the moment. Audit is just a key issue. If you come across an agency, for instance, where their internal audit practices are not reviewing their procurement every year, I would say, "Why not?" Beyond that audit practice, there needs to be accountability for these practices. Human nature is such that no matter what rules we put in place, people will try to find a way around them. The point of accountability then is what is the consequence. One of the issues that became clear to me as I looked through these cases, and from my past experiences, is that there is very little consequence for this behaviour in our public service. I am not one for sacking people arbitrarily—I just do not think it is the right way—but there can be other consequences in terms of career progression, in terms of opportunity, financial reward, that need to be activated.

To go back to my point before, in chief executives' contracts they need to be held accountable for the expenditure of public money, and if the procurement activities that are occurring in their organisations are shown by audit or by circumstance, by discovery, to be undertaking practices like you describe, then the chief executive has to have a consequence. They cannot just be allowed to continue. I would then say that we need to have transparency in this. That needs to be exposed. We have what I think is one of the great developments in our public service, the leadership council, which the Premier has established, of the senior directors general. If that group does not become the group who provide a form of professional oversight of their profession, the public service, I will be extremely disappointed. They have the opportunity now of being the group that when they hear of these practices they say to each other, "This is just unacceptable behaviour. What are we going to do about it? What are we as a group going to do about it?" It is a big change from where we have been because across this public service over many, many years we have become very siloed. All the agencies almost see themselves as individual standalone entities: "Don't you, Jack, bother me with something that you might think is going wrong over here." That is one of the cultural aspects we have in our public service that we have to change.

Mr M. HUGHES: You can add to that the complexities relating to the government trading enterprises. You have made the comment that they sit in the confused governance environment.

Mr LANGOULANT: The ex-Premier described them as being in no-man's-land, which I thought was terrific.

Mr M. HUGHES: How would you see that relationship being less muddled?

Mr LANGOULANT: Being less muddled?

Mr M. HUGHES: Yes.

Mr LANGOULANT: All right. You do ask big questions!

Mr M. HUGHES: Sorry.

Mr LANGOULANT: No, it is fine; I am more than happy to engage with you on these. In my view the legislation that applies to our trading enterprises—Western Power, Synergy, Water Corporation—is good legislation. Structurally, it is good legislation. We should apply that legislation far wider, so you step into the ports, you step into LandCorp, and then you step further down the track, say, to the old metropolitan redevelopment authority. You step further down the track into one of the entities I chair, for instance, the Rottnest Island Authority, then you can put the Zoological Gardens Board, the Kings Park Board and any one of the other 200 boards that we have, and we have this labyrinth of legislation that applies. Almost every agency has a little tweak of difference. Trying to get consistent accountability across those agencies is almost impossible. What I would say—this is what we recommend in the report—is that the trading enterprises need to be held to far higher levels of accountability. When we found instances where, despite their act requiring the trading

enterprises to advise their ministers of activities they were undertaking which either exceeded a certain dollar value or were in the public interest, we could not find any written advice to ministers.

Mr M. HUGHES: So, wilfully ignored?

Hon ALISON XAMON: No—they did not bother to provide it.

Mr LANGOULANT: In my view, completely overseen. When questioned, the response was, “Well, I’m sure we briefed our minister, and it happened in one of our informal cup-of-tea visits at which there were no minutes.” That is just poor practice. In a public service, it is not acceptable behaviour. Those practices need to be far more rigorous and observed more rigorously. You can set the trading enterprises back one step and have a look at what is their regular accountability exercise with government. They come through the statements of corporate intent and the strategic development plans. There is evidence here from the Under Treasurer, the two Under Treasurers who succeeded me, who said that those practices were just compliance documents. They had no meaning from the entities; that is, they were not taken seriously. That whole practice has to change. The statement of corporate intent, for instance, which is the annual document, needs to be seen as being the contract that exists between the chairman of the board and the chief executive with the minister. The chairman of the board and the chief executive would be held accountable to that statement of corporate intent and need to explain it. That does not happen today. Those simple practices would bring about a heck of a lot more accountability and I would bring the trading enterprises under the State Supply Commission Act.

The CHAIR: There is one final question from me. The Department of Health IT procurement is, I think, at around the \$43 million mark.

Mr LANGOULANT: A celebrated mess.

The CHAIR: Yes, a celebrated mess. We have discussed with the CCC and the Public Sector Commission about the fact that there is now this division of responsibility between the Public Sector Commission and the CCC in a case like that where the CCC has a kind of superficial look at it, “Oh, we don’t think it’s corruption; it’s incompetence”, and it goes over to the Public Sector Commission. We are not sure whether that is a really satisfactory outcome. Vice versa, if the Public Sector Commission thinks there might be a whiff of corruption, it will go to the CCC. How effective do you think that divide of responsibility is? As you say, there seems to be a lack of sanctions in that case.

Mr LANGOULANT: I was not talking specifically about that case; I was talking generally. The procurement activities for IT in Health—we spend quite a bit of time in the chapter on it—left a lot to be desired. We had extremely bad practice, particularly where we had third parties who are not public servants almost running the process with no accountability back into the department. Those practices have to change. We cannot have external consultants running our procurement activities. We have to have accountability in our public service for those activities.

I do not have any particular expertise in this field, other than my own sense. We did not explore in any detail about the relationship between the Public Sector Commission and the CCC. My only observation I would make to you is that we now have the opportunity, with the review that is being undertaken of the Public Sector Commission and the appointment of a new Public Sector Commissioner, to sort through the relationships that exist in so many areas of the Public Sector Commission’s activities. And they do need to be reviewed and refreshed. To the extent that the relationship with the CCC could be enhanced, I would advise you to speak to the CCC commissioner who is far more expert than I am on this. But to the extent that that relationship can be improved and enhanced and the public sector knows that there is an accountability watchdog sitting there, with particularly the powers of the CCC, it will focus the attention on correct procurement practices.

Those practices that you have identified as no doubt occurring across the public service, I am sure that even today there are activities occurring to try to get below thresholds where you do not have to go through a process of market procurement.

My attitude to procurement is that we should test the market in every instance. It does not mean that it needs to be expensive or difficult; we just need to be good at doing it and be slick and efficient at doing it. Those activities can just be undertaken. We do not have sufficient expertise in our agencies to undertake those procurements. That is one of the reasons you get this fudging at the margin of activity. I do not have a real answer for you in terms of the relationship between the PSC and the CCC.

[10.40 am]

Hon JIM CHOWN: If we can just go back to your statement about Wesfarmers. I do not disagree with you. How does the procurement process differ from a department?

Mr LANGOULANT: Wesfarmers' practices?

Hon JIM CHOWN: Yes, you said that a department should not be adopting the practices of Wesfarmers.

Mr LANGOULANT: I was talking about the broad governance of practices as distinct from the procurement practices. I do not know what Wesfarmers' procurement practices are. My expectation would be that they would be pretty rigorous because they are driving shareholder fund returns. They would be getting lowest possible costs on every instance.

Hon JIM CHOWN: Yes, to specification for their requirements, which leads me on to my next question: in your opinion, why is public procurement more expensive than commercial enterprise can do the job? For example, to build a road, depending on the topography of course, the MRD nowadays I believe has a fairly good tender process which is reasonably competitive, even though only two or three of those players take on the large projects. What are public housing costs in comparison to what you and I could get done to the same specifications? They blow out to 30 or 40 per cent. This happens across the board. Why do you think that is?

Mr LANGOULANT: It was often speculated that there was always a margin as soon as the public sector went into the marketplace because the private suppliers just built it on. I remember when I was working with Jim McGinty when he was Minister for Health. He always thought the margin was 20 to 30 per cent, so it was just like a natural mark up. There is that element.

Hon JIM CHOWN: That is an interesting point because, once again, I agree that commercial enterprise just marks it up, with collusion or no collusion—who knows? In the crisis of 2012–13, road tenders dropped by virtually 30 per cent overnight because of competition. How does the government get around that particular issue? As you have already stated, Western Australia is a very small group of people nationally or globally. There are 3.5 million or 3.6 million people here. Do you think that what could be driving this increase is that government wants to have local people involved but that in reality if you want us to get a better value for our dollar we should be going nationally?

Mr LANGOULANT: In the construction market, the housing market —

Hon JIM CHOWN: These are all big-ticket items.

Mr LANGOULANT: — or the non-residential construction sector, for instance, we draw on the national market. One of the problems we have had in the past is that we have not had the depth in our construction sector as other jurisdictions have had. We have not had as many players and as a consequence of that there has been, if you like, a concentration of product. In most recent times,

Multiplex–Brookfield have done a significant number of the major projects. They have done them very well, I might say. In a couple of instances they have done them at what I would regard as a pretty reasonable cost; for instance, the football stadium. That is a case study that I think we ought to look at quite hard, primarily because once the decision was taken to build the stadium at Burswood, the public sector, to its great credit, and to the government's credit, said to the government, "Now give us time to go and do the planning properly. Just stop and let us do the planning properly." They took 12 months to do that planning properly, and the public sector ran that. They did a terrific job. We had not only design innovation, but a cost for a project that was highly competitive. There were three tenderers, a big process, a highly competitive process, and a cost which, once determined as to what the tender cost would be, turned out to be pretty much the cost because we did not have cost variations; we did not have cost overruns as a consequence, it was just a well-managed project.

Another thing I would say to you in terms of why we experience this higher cost is that we do not prosecute the negotiation of contracts. I think we are doing it pretty well in our major projects, but smaller projects —

Hon JIM CHOWN: In the mid to smaller ones you do see a lot of variations and cost blowouts.

Mr LANGOULANT: Through BMW and those areas. I have advocated that —

Hon JIM CHOWN: Which collectively is quite a large amount of money I might add.

Mr LANGOULANT: It is; it is a huge amount of money. We need to improve the capability of the people we have within the BMW and the strategic projects group of the Department of Finance, who are serious negotiators. The other aspect of negotiation is that we are very person dependent. We have one State Solicitor who negotiates almost every one of our contracts, and does a pretty good job, in my view, but there is only one of them. We do not have the depth of that talent. What I am advocating in this report is to build that depth: build it in the Department of Finance; have people who are available, who can assist in these negotiations, who are a bit more hard-headed than we have seen in the past, and seek to drive the cost down. In doing that we need to be very professional in how we go about our procurement. The thing that irritates the building industry, even though it gains a lot of money from it, is variation. Having to rip down part of the children's hospital to do a variation in design did not please anyone. It irritated everybody on that project. We have to stop that practice. We have to do our planning well before we turn the first sod of soil and we have to be rigorous and defiant and highly professional in how we go about it. I think if we could actually establish that environment and Western Australia becomes known as a highly professional procurer of not only goods and services but works across the spectrum, then we start narrowing some of those gaps.

Hon JIM CHOWN: One of the problems from my perspective is that we have to be open and accountable in the Parliament, and certainly as a government. Let us say that we have a \$2 billion project and the budget says that that project is worth \$2 billion but it will be built by commercial enterprise, commercial enterprise says, "We have two billion bucks to do this, it is in the budget, we can tender for \$1.955 billion and we can do it for \$1.3 billion." What you are saying is that with proper design and proper organisation, even though that money is in the budget for that amount, we want it done at this price, and we need to negotiate through our tender arrangements that we get close to that real figure, and that could be a massive saving to the public purse. As I see it today, commercial enterprise looks at the end figure that is public and they will put tenders in. If it is four people or 10 people, their tenders may have a variation of only \$100 000 or \$200 000 over a \$1 billion-plus project. They know the money is available for it because it is budgeted for.

Mr LANGOULANT: If we can develop a competitive marketplace, we will break through some of that behaviour. I am very much in alignment with your view that the last thing we should do in our major procurements, our big projects, is to announce what we think the cost is. I go on about it a lot in this report. The Auditor General during that past eight-year period went on a lot about it during the project. What the government is doing on Metronet by not being too quick out of the blocks in saying what that cost will be or the plan will be is the right approach. But as you see, it is damn hard because the political pressure on the minister to say what the cost is going to be, what all the details are going to be, is overwhelming.

We have to as a group, and you as a group of parliamentarians, I think, need to take a different mindset to this and say, "Well, minister, we're going to hold you to account for a good outcome on this project. You tell us when you're ready as to what the cost of that project is going to be and what the time frames are going to be"; otherwise we will just perpetuate. The stadium, for instance. If we go back to the stadium, when the Premier announced the stadium at Burswood he said the stadium was going to cost 700 million bucks and all the public transport will cost three. The stadium ended up costing \$950 million and the public transport \$450 million. The Premier did not have to announce the cost of that project at the time. All he had to do was say, "I have decided to build the stadium at Burswood. We will now do the planning, we will determine the design features, we will go to the market and we will start that process that way."

[10.50 am]

Hon JIM CHOWN: But oppositions and the press do not like that at all.

Mr LANGOULANT: I know, and that is the trouble we have. That is almost the process that we have to change.

Hon JIM CHOWN: Would it be better to have the process like commercial enterprise says, "I want to build a pipeline from here to Albany and these are the specifications I want, this is the topography of the land or whatever." That goes out to the marketplace and the marketplace tells me what it can build it for.

Mr LANGOULANT: That is what I am saying.

Hon JIM CHOWN: Government could actually say, "This is the plan. We don't have a price on it yet; we are waiting for the marketplace to come back with a price. We do have our idea of the figures."

Mr LANGOULANT: You would have your own idea, but do not go out and splash it across the media. As you say, the tolerance of the media and the opposition is such that it is a pretty hard thing to do, but you have to start somewhere. The stadium project was a good project because they did that planning and then they rigorously executed that planning into a good project outcome. The children's hospital, interestingly, had the same planning exercise, but then failed because there were significant variations in the design. There are a number of instances all the way through this report of the number of variations. I mean, Western Power, for instance, renovated its building at Wellington Street and had 700 variations. Just imagine what the builder was doing: "You beauty, another day, another variation!" We all know what builders do with variations; that is where they make their money.

Hon JIM CHOWN: What is this stadium down here called?

The CHAIR: Perth Arena.

Hon JIM CHOWN: Were there variations in that?

The CHAIR: Yes, there were significant variations. There was an underground car park and there was an opening roof. Again, the previous, previous government fell foul because, again, a baseline figure

was announced and it did not account for the underground car park, the extra VIP arrangements, and a roof that opened up, which Hopman Cup insisted on, plus some other stuff.

Mr LANGOULANT: We say as much in the report. The bridge over the river for the stadium was announced to cost \$50 million. Then the government went to the market and said, “Okay, give us your bids”! I would suggest that one of the reasons why that bridge was then constructed offshore was to fit within the budget rather than the budget being what the budget should have been for a domestic build.

Hon JIM CHOWN: It is now up to 93-plus.

Mr LANGOULANT: It is now at 93-plus. I walked past it this morning; it still has a way to go.

Hon JIM CHOWN: I am interested in your comments about the quality of public servants, especially public servants that are in positions of, let us say, important decision-making ability. Have you ever been to Singapore and seen how they acquire their public servants?

Mr LANGOULANT: Not in detail, but I do know the ex-commissioner of what they call state revenue up there.

Hon JIM CHOWN: What they do in Singapore is they actually go around and pick the top students out of the universities and offer them some personal advancement elsewhere in the world for two years, as long as they come back and work for them for a number of years, with the imprimatur that if they prove to be worthy, they will become leading public servants. It is a system that works.

Mr LANGOULANT: They pay them pretty well.

Hon JIM CHOWN: Absolutely, they pay them commercial rates. They are contracted and they have performance arrangements and all that sort of stuff.

Mr LANGOULANT: There is no reason why we could not do that.

Hon JIM CHOWN: I agree, but why do we not?

Mr LANGOULANT: Because we have not had the culture of doing that and we have not had the tolerance in the budget to do that. We have not had, for as long as I have been a public servant in WA—that goes back to 1988; I am not a public servant now—but in all of my time of being a public servant and looking at it, we have not had a culture in this jurisdiction of developing excellence in our people, celebrating our people for their achievements as widely as we should have, as we could, and making the public sector a place of first call for graduates who come out of whatever training they are doing.

Hon JIM CHOWN: And accountability comes with that. Certainly, it is the general public’s opinion that there is no accountability in the public service.

Mr LANGOULANT: The new Public Sector Commissioner has a perfect opportunity to restructure the whole sector.

Hon JIM CHOWN: I think accountability should be front and centre in regard to any restructure in the public service.

Mr LANGOULANT: That is where I said there is no consequence. It is not only my words, but I have quoted the Under Treasurer in this report saying that his concern is that there is no reward and there is no consequence in our public service, and as a consequence of that —

Hon JIM CHOWN: And there is no incentive either towards a reward, I guess.

Mr LANGOULANT: That's right—we default to a lower common denominator. For instance, we can have the auditor come into an organisation and provide qualified financial accounts and there is no consequence.

Hon JIM CHOWN: I think we have all experienced, as members of Parliament, seeing directors general move from one director general-ship to another, yet he has no expertise in the one that he has been moved to, so what the hell is he doing there?

Hon ALISON XAMON: Or her.

Hon JIM CHOWN: Or her—sorry. It does not make sense to me either.

Mr LANGOULANT: If you look at the commonwealth public service, in the commonwealth public service the movement of the secretaries, in that case, across organisations is done in a way that recognises the management skill of the individual. That is my point here: we need to celebrate the management capability of our chief executives and our directors general, and we need to grow that capability to the point at which you can have the person who is running transport going and running another agency. Interestingly, that is what he has been asked to do in recent times, and he is doing a pretty fair job because he is a good manager. He is one of the guys who can actually manage. We need more of those people in our sector.

Hon JIM CHOWN: When I was up in Singapore discussing this, that is their culture—they move these people around as they move up the ladder in seniority, so they get a very good cross-section of not only management skills, but what is expected of their department as such, or the unit they are working in.

Mr LANGOULANT: Across our public sector we have a cohort of very capable people who are sitting at the second level, but they have been sitting in their organisations for long periods of time. We should be managing these people across different agencies, so they get different experiences, and we should be sending them offshore. I mean, how many of our senior public servants do we send offshore for sophisticated training?

Hon JIM CHOWN: None.

Mr LANGOULANT: Wesfarmers—my analogy with Wesfarmers—they do it all the time. They pick their up and coming and they will send them off to the big training schools in America and in Europe, for six months at times, to give them that opportunity and that experience, and to grow them. We have to start doing that sort of training of our highly capable individuals.

Hon ALISON XAMON: I want to get back to your report. The Premier indicated that he broadly supported the recommendations in the report. Can you tell me of any that you are aware of that are not being supported?

Mr LANGOULANT: The Premier announced on the day he released it that he was supporting 106 of the 107 recommendations. The one he was not supporting was the hypothecation of royalties into the royalties for regions program. He was seeing it necessary to maintain that link—the 25 per cent of total royalties.

Hon ALISON XAMON: Do you have an ongoing role in terms of looking at the effectiveness of the implementation of the recommendations, or is your job done now?

Mr LANGOULANT: I have not been asked to do anything more. I stand available but I have not been asked to do anything more.

Hon ALISON XAMON: One of the agencies that has been mentioned by the Chair, and that we have been talking to, has been the Auditor General and the role of the Auditor General in being able to oversee the effectiveness of internal agency audits. Do you have any thoughts or reflections on the

capacity of the Auditor General's office to be able to do that effectively? Are there resourcing or capacity issues that you think might impede their ability to be able to do the job as effectively as they could?

[11.00 am]

Mr LANGOULANT: As you know the Auditor General has two principal roles. He does the financial audits and he does performance audits. It is the performance audits where his resources are most strained because he outsources a lot of the financial audits. In all the discussions I had with the Auditor General he did not raise resource constraints with me. His biggest frustration was, "How do I get heard?"

Hon ALISON XAMON: Always.

Mr LANGOULANT: "Who listens to my reports?" I think the state was very well served by Colin Murphy. I think he was a very effective Auditor General who did not seek the limelight. He just wanted to get to the bottom of key issues. Through this report and through the various matters we looked at, in a number of instances the Auditor General was ahead of us. He had studied these matters. He had made conclusions. Frankly, in many instances, we came in and said, "Yes, that's right." Why we were not listening to him I do not know. That is one of the reasons why one of the recommendations here is that we, collectively—to go back to my hope that the public service as a group of professional individuals also listens to the Auditor General. The Parliament has a role, committees such as yours and the Public Accounts Committee have a role of picking up the Auditor General's reports and doing something with them. I think that if the Auditor General is identifying issues, either in an organisation or systemic issues across the public sector, there is an accountability on the public servants to pick up those issues and deal with them across their profession. That is the cultural change which has to occur.

Hon ALISON XAMON: Certainly. That is something that I think this committee is quite aware of as well. How do you shine a light when these things are brought to people's attention to make sure that it is followed through? On that note, you have already mentioned the issue of conflict of interest. That came up in the report as well. What, practically, do you think could change within the processes of the public sector to ensure issues like conflict of interest are managed more effectively, particularly as it pertains to limiting the opportunity for corruption? What do you think, practically, is stopping us from being able to manage those processes effectively?

Mr LANGOULANT: Some agencies have policies of procurement where they actually say there must be declarations of conflict at any stage of that procurement process, and they are not observing them.

Hon ALISON XAMON: Is it just that they are not observing them or is it that there is not sufficient oversight to ensure that they are being —

Mr LANGOULANT: There is no consequence.

Hon ALISON XAMON: No consequence.

Mr LANGOULANT: It comes back to the same issue again. If people do have conflicts of interest and they do not declare them and they are found out, what is the consequence? What happens? Are those people limited in some future activity? What is it that occurs? I cannot find any consequence. Again, we have to have policies. It needs to be made extremely clear that if you have a conflict, it must be declared. It must be declared to a senior manager. That is where the delegation issue needs to be clear. Across an organisation the chief executive has the responsibility for creating the culture in their organisation that these things are important. You cannot just treat them summarily. That is what is occurring.

Hon ALISON XAMON: Do you think it is the exception or the rule that agencies are not managing conflict of interest matters?

Mr LANGOULANT: I would love to think it is the exception.

Hon ALISON XAMON: Do you have an opinion on that though?

Mr LANGOULANT: It is like risk—the understanding of what genuine risk is and the assessment of genuine risk. I think it is in the same category. I do not think it is front-of-mind enough in organisations to ensure that conflict of interest is rigorously observed. It does not mean that the process has to stop or anything else. There just needs to be clarity around that decision-making. If there is anything which is going to give rise to the possibility of uncertainty in outcome, then avoid that, because it is the last thing we need.

Hon ALISON XAMON: To the best of your knowledge, do you know if there has been an independent audit of agencies to determine who at least has policies around conflict of interest, or is this work that perhaps the committee needs to follow through?

Mr LANGOULANT: I am not aware, so it is probably work but you need to follow through. It would be interesting, for instance—the auditor does not have to do it but the auditor could equally find across internal audit practices of agencies whether those internal audit practices are being observed. Also, when a procurement activity is being undertaken, the chair of the procurement process—the steering committee or whatever—needs to regard it like a board of management. With all boards of management you must understand what the conflicts are of the people sitting around the table.

Hon ALISON XAMON: It seems to me that it is a three-part issue. The first one is making sure the policies are there in the first place. The second part is making sure that they are adhered to. As part of that, my concern is—I am wondering where oversight best lays in order to ensure that is happening. I hear what you are saying. The third one is, of course, there needs to be some sort of consequence and people need to be aware that there is a consequence for lack of disclosure. Do you have any thoughts about where you think that independent oversight to ensure compliance with a policy once it is in place best sits?

Mr LANGOULANT: You have to be careful not to create bureaucracy on bureaucracy here. I would say that regular reviews of procurement activities across organisations by the internal audit practices and those internal audit practices being reviewed from time to time by the auditor to make sure those internal audit practices are rigorous. One of the things I would suggest to you, though I do this with limited evidence, is I do not think we have rigorous internal audit practices occurring across our agencies. I do not think that at senior levels of governance of agencies that internal audit is given the attention it deserves. In procurement, I think that is clearly the case. As significant a matter as procurement is, we are not reviewing it regularly enough. That is why I say they ought to be independent internal audit reviews of procurement activities of agencies annually. They could target different things. They can target different practices. But at least organisations know there is a process which is going to be occurring on a regular basis. Then have the Auditor General simply do a review. He could do a sample review—like he does in many areas—a sample review of agencies and ask for the records of internal audit review that those agencies have undertaken.

Hon JIM CHOWN: A bit like the AGO.

Mr LANGOULANT: Sorry?

Hon JIM CHOWN: A bit like the AGO.

Hon ALISON XAMON: I was just thinking exactly the same thing.

Mr LANGOULANT: Yes, like he does on ICT: do a round of surveys and see what is occurring across the organisations. That is probably the best way I can think of handling it straight up. But the other matter is education—identifying why it is important. I think that in some of these cases people do not understand why it is important because they do not have front-of-mind enough the implications of what is occurring. As sad as that might seem, I think that is the case.

The CHAIR: My colleague has to go, but I still have a few more questions.

We have seen in New South Wales in the transport area—I think the rail area—that they have been successful in minimising risk of corruption by educating the tenderers, not only getting the public sector involved in improving their performance, but also what are the expectations of tenderers and what is and is not acceptable. From your inquiry, are there any merits in having that approach as well?

Mr LANGOULANT: Again, you have benchmark practice occurring in New South Wales. To the extent that it has shown to be driving real benefit back into the tendering process, I would adopt it. There are so many people in the private sector who do not know what the rules of engagement are with the public sector. It is curious. That is where I think the Department of Finance has a role as well. If you have that body of expertise, their responsibility reaches to both sides of the desk.

The CHAIR: There is a bit of a practice that is a little endemic here of tendering low, getting the tender, then doing variations on suing the government for an incomplete tender document and therefore additional works had been required. Is there any way around that? Or are these education processes and these checklists the way?

[11.10 am]

Mr LANGOULANT: I would like to know in those instances, were the contracts which were entered into with the third parties contracts which the State Solicitor signed off on, or were they contracts which private legal advice signed off on?

The CHAIR: I think they were State Solicitor ones, yes.

Mr LANGOULANT: Were they? All right. Again, we have said here that we need to get far more rigorous in our approach to legal advice and the development of contracts, the rigour of contracts. One of the things I heard out and about when I was doing the inquiry was perhaps the State Solicitor is too tough, but I would rather hear that the State Solicitor is being too tough than is not, because of leaving holes in contracts. The coordination and consistency of contractual arrangements which the state enters into, and to the extent that then tenderers who are successful seek to get variation or sue, then I would see them in court.

Hon ALISON XAMON: On that, have you found that the private legal advice, where it has been provided, has been sub-par? Is that something that has been a genuine problem?

Mr LANGOULANT: During the inquiry we interviewed the State Solicitor three times and he gave us many examples of where that was the case, that the private sector advice was not adequate. There are other examples of where the advice was used in ways against other public sector agencies, so having private sector advice obtained by an agency to use against another public sector agency in a dispute.

Hon ALISON XAMON: Are you able to give an example of how that was done?

Mr LANGOULANT: I have not got one straight up, but the State Solicitor can give you those examples. We did not go into it in here, but off the evidence of the State Solicitor there are a number of cases in which this is occurring. It goes back to the brief that is given to the private legal advisers. There are issues in the way that legal briefs are provided which can block the State Solicitor's access

to them, so we can have state agencies getting private legal advice and that private legal advice will not be available to the State Solicitor.

Hon ALISON XAMON: It is deemed privileged?

Mr LANGOULANT: Yes. Those sorts of practices just have to stop across our public sector. That is one of the reasons why I have said we ought to give the State Solicitor greater prominence as a standalone entity, and greater powers in terms of just requiring agencies to work through his office, including the trading enterprises to work through his office.

Hon ALISON XAMON: Would you prescribe that by statute or practice? How would you suggest?

Mr LANGOULANT: By practice. Again, we are not New York State. We should be able to do this, and where we find agencies are not doing it, there has to be a consequence.

The CHAIR: Getting back to the training issue and the level of expertise, should there be a consistent set of qualifications or selection criteria and experience required for specialist procurement staff?

Mr LANGOULANT: I think just as in the finance industry—probably after the royal commission we are going to find this steps up a fair bit—there is a requirement on people who are practising in the finance industry to have minimum skill levels. I think we should have minimum skill levels.

Hon ALISON XAMON: And pay accordingly.

Mr LANGOULANT: Yes. Interestingly, at the moment I am hearing there are a couple of bodies who are stepping up, gearing up in this space in our jurisdiction, and will have increased capability of providing training across our public service. If there is one thing that comes out of this report it is that we actually see a higher quality of training and a consistency of training across our officers in our public service; it would be a great outcome. Many of your issues would go away because front of mind on conflict of interest, front of mind on risk, front of mind on what good procurement practice would be, and suddenly you get far greater rigour. It is still not going to stop human misbehaviour, but hopefully that becomes a much smaller practice.

Hon ALISON XAMON: That is our awareness, because when we are talking about corruption, this is deliberate exploitation of loopholes.

Mr LANGOULANT: That is right. Shutting that down will be when we free the world of law-breakers!

Hon ALISON XAMON: But you can at least make it far more difficult for them.

Mr LANGOULANT: Yes, you can; I agree. We certainly can.

The CHAIR: I think the risks are compounded in Perth, where everyone seems to know one another and run into each other at the Boatshed or the football or whatever.

Hon ALISON XAMON: Yes, we are all related.

The CHAIR: That is why, to get back to the Health IT contract, what is the level of inquiry the CCC makes before it says, "It's not corruption, it's just incompetence"? Do they, for example, say, "This person's brother-in-law is the head proponent of that company", or whatever? We are just not clear about what their triage process is in terms of before they send it off to the Public Sector Commissioner.

Thanks very much for your time. The report, which I have read about half of, is really good reading. I will hope to finish it off. The thing about that report is that it will activate movement in terms of provision of training and what best practice is. It is a lightning rod for what we need to do, so I think it is a great contribution.

Thanks for your evidence today. A transcript of the hearing will be forwarded to you for the correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period, it is deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much.

Mr LANGOULANT: Thank you, good luck.

Hearing concluded at 11.17 am
