



***JOINT STANDING COMMITTEE ON
THE CORRUPTION AND CRIME
COMMISSION***

**PUBLIC HEARING WITH THE
PARLIAMENTARY INSPECTOR OF THE
CORRUPTION AND CRIME COMMISSION
ON 16 AUGUST 2006**

**Report No. 15
in the 37th Parliament**

2006

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Joint Standing Committee on the Corruption and Crime Commission

Public Hearing with the Parliamentary Inspector of the Corruption and Crime Commission on 16 August 2006

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ON 16 AUGUST 2006**

Report No. 15

Presented by:

Mr John Hyde, MLA and Hon. Ray Halligan, MLC

Laid on the Tables of the Legislative Assembly and the Legislative Council
on 26 October 2006

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Deputy Chairman

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TABLE OF CONTENTS

COMMITTEE MEMBERS.....	i
COMMITTEE STAFF.....	i
COMMITTEE ADDRESS	i
COMMITTEE'S FUNCTIONS AND POWERS.....	v
CHAIRMAN'S FOREWORD.....	vii
ABBREVIATIONS AND ACRONYMS.....	ix
CHAPTER 1 PUBLIC HEARING WITH THE PARLIAMENTARY INSPECTOR.....	1
1.1 BACKGROUND.....	1
1.2 ISSUES ARISING IN PUBLIC HEARING.....	1
(a) Complaints about the Corruption and Crime Commission.....	1
(b) Meetings between the Parliamentary Inspector and Commissioner.....	2
(c) Parliamentary Inspector's workload	3
(d) Alleged conflicts of interest.....	3
(e) Public interest matters	4
(f) Key Performance Indicators.....	5
(g) Security Clearances.....	5
(h) Witness Protection Programme	5
1.3 AGREED ACTIONS BY PARLIAMENTARY INSPECTOR.....	6
APPENDIX One	7
WITNESSES TO PUBLIC HEARINGS	7
APPENDIX Two	9
TRANSCRIPT OF PUBLIC HEARING WITH THE PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION ON 16 AUGUST 2006.....	9

COMMITTEE'S FUNCTIONS AND POWERS

On 31 May 2005 the Legislative Council concurred with a resolution of the Legislative Assembly to establish the Joint Standing Committee on the Corruption and Crime Commission.

The Joint Standing Committee's functions and powers are defined in the Legislative Assembly's Standing Orders 289-293 and other Assembly Standing Orders relating to standing and select committees, as far as they can be applied. Certain standing orders of the Legislative Council also apply.

It is the function of the Joint Standing Committee to -

- (b) monitor and report to Parliament on the exercise of the functions of the Corruption and Crime Commission and the Parliamentary Inspector of the Corruption and Crime Commission;
- (b) inquire into, and report to Parliament on the means by which corruption prevention practices may be enhanced within the public sector; and
- (b) carry out any other functions conferred on the Committee under the *Corruption and Crime Commission Act 2003*.

The Committee consists of four members, two from the Legislative Assembly and two from the Legislative Council.

CHAIRMAN'S FOREWORD

By its very nature, corruption fighting and its oversight is not simple and predictable. Convictions are certainly easy to collate and identify - prevention, best practice, systemic change and productivity are not. Similarly, best practice in corruption oversight is not a simple case of regular weekly or monthly status reports meeting, ticking off a set list of actions on an A4 list. In fact best practice shows that government bodies, councils and agencies that can “tick a box” sometimes assist misconduct and corruption through allowing irregular behaviour as being acceptable because it got “ticked off”.

It is the quality of oversight, its unpredictable irregularity that creates the best deterrence. Through the Parliamentary Inspector having the power to access any information at any time in the CCC, the CCC is not diverting resources to make the books look good for an Inspector's monthly visit. The CCC knows that at any point in its operational cycle, the Inspector has the expectation that the extensive powers of the CCC are being used fairly and properly.

MR JOHN HYDE, MLA
CHAIRMAN

ABBREVIATIONS AND ACRONYMS

Act	<i>Corruption and Crime Commission Act, 2003</i>
Acting Parliamentary Inspector	Acting Parliamentary Inspector of the Corruption and Crime Commission of Western Australia
CCC	Corruption and Crime Commission of Western Australia
Committee	Joint Standing Committee on the Corruption and Crime Commission
KPI	Key Performance Indicator
Parliamentary Inspector	Parliamentary Inspector of the Corruption and Crime Commission of Western Australia
WA	Western Australia

CHAPTER 1 PUBLIC HEARING WITH THE PARLIAMENTARY INSPECTOR

1.1 Background

The Joint Standing Committee on the Corruption and Crime Commission held its regular quarterly public hearing with the Parliamentary Inspector of the Corruption and Crime Commission, Malcolm McCusker QC, on 16 August 2006. The Committee meets with the Parliamentary Inspector a number of times each year both informally and in public and closed hearings, but formal quarterly public hearings are also scheduled to ensure that the Parliamentary Inspector is performing his functions under the *Corruption and Crime Commission Act, 2003* efficiently and effectively.

The transcript from the public hearing is attached as Appendix 2. All transcripts from public hearings are also available electronically on the Parliament's website, details of which appear at the front of the report.

The Committee also held a brief closed hearing with the Parliamentary Inspector on 16 August 2006. Wherever possible, the Committee is committed to convening public hearings with the CCC and the Parliamentary Inspector to enhance the public accountability of such powerful bodies that are independent of the Executive. There is a need, however, to discuss particular matters in closed session to protect the privacy of individuals who have lodged complaints about the CCC with the Parliamentary Inspector. The Parliamentary Inspector concurred with the Committee that it would be inappropriate to discuss the details of these individuals' complaints in a public hearing where the media is often present.

1.2 Issues arising in public hearing

(a) Complaints about the Corruption and Crime Commission

The Parliamentary Inspector advised the Committee that in the 2005-2006 financial year, 30 matters had been "referred" to him by either the CCC or by individuals directly. Although exact numbers will be specified in the Parliamentary Inspector's annual report for 2005-2006, the Parliamentary Inspector stated that most of the matters were sent directly to him as a result of complainants being dissatisfied with the outcome of the CCC investigation and conclusion as to their complaints.

Of the 30 complaints before the Parliamentary Inspector during the last financial year, he stated to the Committee his opinion that:

...I think there has been no case where so far I have reached a conclusion that there has been improper or inappropriate investigation of the complaint by the CCC. Several cases

are under review for which it may be that further steps need to be taken before closure of that person's complaint, but in the main, giving a complete overview, in my opinion the CCC in the procedural context has been handling complaints of the public in a proper and appropriate manner.¹

During the hearing, the Committee and the Parliamentary Inspector discussed the fact that there is still a degree of misunderstanding in the community of the functions and statutory limitations of the functions of the CCC. Both the Parliamentary Inspector and the Committee receive a number of complaints about the CCC from individuals that fall outside the jurisdiction of the CCC. In his evidence to the Committee, the Parliamentary Inspector stressed that he has corrected this misinterpretation each time it occurs, sometimes simply by a telephone call.

Although the CCC's website sets out the correct procedure for making complaints about its decisions or one of its officers, the Parliamentary Inspector agreed to review the website to better clarify the complaints process and the basis upon which complaints can be made about the CCC. The Committee considers that it may be useful to include several examples or case studies in the website as to categories of complaints that can and cannot be made.

For instance, complaints are sometimes sent directly to the Parliamentary Inspector or the Committee by individuals that do not relate to public officers, and therefore, do not come within the jurisdiction of the CCC. A decision by the CCC not to investigate the individual's allegation of misconduct is entirely appropriate, as its powers are limited to allegations in respect of public officers as defined in the Act.

(b) Meetings between the Parliamentary Inspector and Commissioner

In speaking about the nature of the relationship between the Parliamentary Inspector and the Commissioner of the CCC, and whether they had formal or regular liaison meetings, Mr McCusker advised the Committee that:

The [C]ommissioner and I have a good relationship, in that sometimes he comes to my office or rings me to tell me about something of importance. If I think it is sufficiently important or it involves a matter that is ongoing, I attend the hearing. Even though it is a secret hearing, I am entitled to attend. When we last met, the parliamentary committee suggested that regular meetings should be held, say, once a month, between the [C]ommissioner and me. I have not set a particular time for doing this. I do have contact with the [C]ommissioner. I will try to make it perhaps a little bit more formal. At the moment it works on an ad hoc basis.²

In response to further questions by the Committee on this issue, the Parliamentary Inspector stated that he maintains a record of conversations with the Commissioner.

¹ Malcolm McCusker, Parliamentary Inspector of the Corruption and Crime Commission, Transcript of Evidence, 16 August 2006, p.4.

² *Ibid*, pp.15-16.

I keep track of the subjects raised. The [C]ommissioner has gone out of his way to tell me about a matter he considers of importance and one that I should be aware of.³

In recognising the Parliamentary Inspector's intention to undertake more formal monitoring of the CCC's operations, the Committee would expect that the formal day-to-day or routine monitoring and auditing of the CCC would in practice be performed by the Parliamentary Inspector's new part-time executive officer. The Committee encourages the Parliamentary Inspector to continue personally attending some closed hearings and other operations of the CCC on an *ad hoc* and unannounced basis.

(c) Parliamentary Inspector's workload

The Committee is aware that the growing workload of the CCC may be a significant factor impacting upon the Parliamentary Inspector's capacity to address all his statutory functions.

Mr McCusker addressed this issue with the Committee in the public hearing:

Dealing with my circumstances, I have come to the realisation, I think, that a large amount of my time is taken up with work that could be more economically dealt with by a subordinate. I am debating how to get someone to fill that role. It is not a full-time job. My position is, as you know, that I am a part-time appointee and, because I am a full-time practising barrister, it is difficult for me to be on the spot to deal with everything that comes up on a day-to-day basis. That role has, to date, been fairly well handled by my longstanding secretary of 21 years, but she is about to retire. It would not be fair to put the onus on her replacement to do the kind of thing that she, with her experience, has been able to do. I am looking at some form of part-time subordinate who can deal with the day-to-day tasks, as part of the budget of the parliamentary inspector. That is the best way to handle the situation. It needs to be someone who is reasonably competent, but not necessarily a legal practitioner, and is able to handle the day-to-day matters that arise.⁴

The Committee supports the Parliamentary Inspector's conclusion that he should be assisted on a part-time basis by a suitably qualified executive officer. The officer's duties could range from administrative activities such as responding promptly to telephone calls and correspondence from individual complainants, to providing research assistance in relation to complaints, and the ongoing audit role of the Parliamentary Inspector in relation to the operations of the CCC.

(d) Alleged conflicts of interest

The Committee raised the suggestion with the Parliamentary Inspector some months ago of maintaining a register of actual and alleged conflicts of interest. From time to time a complainant alleges to either the Committee or directly to Mr McCusker that he should not investigate the complaint due to a conflict of interest. In his evidence to the Committee, Mr McCusker said that this arises infrequently. Of the four occasions that a conflict of interest concern has been raised to

³ *Ibid*, p.21.

⁴ *Ibid*, p.6.

date, Mr McCusker has only determined that there was one genuine instance of a conflict of interest. In that case, he referred the matter to the Acting Parliamentary Inspector.

Section 195(3) of the Act provides that the Parliamentary Inspector may declare himself or herself unable to act in respect of a particular matter by reason of an actual or potential conflict of interest. The provision makes it clear that it is for the Parliamentary Inspector to determine whether he or she is unable to act. The Committee is satisfied that in making determinations in relation to the other three occasions that complainants alleged that Mr McCusker had a conflict of interest, the Parliamentary Inspector was justified in arriving at this conclusion.

Notwithstanding the Parliamentary Inspector's power to determine whether there is an actual or potential conflict of interest in a particular matter, the Committee considers that best-practice procedure warrants a physical register being maintained by the Parliamentary Inspector of each allegation of conflict. A file detailing actual, potential and alleged conflicts of interest provides a necessary audit trail and transparency given the wide powers of the Parliamentary Inspector.

(e) Public interest matters

Under the *Corruption and Crime Commission Act, 2003*, the Parliamentary Inspector can perform a range of functions on his own initiative, including conducting an investigation into a matter that he considers is of considerable public interest.

During the public hearing, the Chairman asked the Parliamentary Inspector about how he determines whether to pursue a matter on the grounds of "public interest" and the process employed to conduct such an investigation. In his response, the Parliamentary Inspector spoke about the one public interest investigation conducted by the Office of the Parliamentary Inspector to date; that relating to the former Minister of Justice, John D'Orazio, MLA:

That is an important question. It arose in the case I mentioned, in this way. The CCC having dealt with the matter, it was then the subject of adverse newspaper comment, and at that point I came into the picture on the basis that it was a matter of public interest requiring a review by me. I think, looking back over that whole experience, that the process would be improved if, having come to that conclusion, I were to inform the committee - I would do it properly because in this situation you need to do it properly - that I had decided to act on a matter that I consider to be of public interest, and giving the reasons for that. It is not so much a matter of statutory obligation as one of courtesy, so that the committee is kept aware of what is happening in that very sensitive area.⁵

The Committee requests the Parliamentary Inspector to inform it when he decides in future to conduct investigations on public interest matters. The Committee recognises that the Parliamentary Inspector is not obliged under the legislation to inform the Committee on such matters, but considers that communication by the Parliamentary Inspector on such matters is consistent with the Committee's oversight role and enhances transparency given the significant

⁵ *Ibid*, pp.8-9.

powers conferred on the Parliamentary Inspector under the *Corruption and Crime Commission Act, 2003*.

(f) Key Performance Indicators

The Committee requested the Parliamentary Inspector to include meaningful KPIs in future annual reports so that the performance of the Office of the Parliamentary Inspector could be measured against reported criteria.

The Parliamentary Inspector advised the Committee that he had been holding discussions with relevant departmental officers about designing appropriate KPIs for his functions. He also agreed to inform the Committee as to his proposed KPIs prior to them being finalised.

(g) Security Clearances

The Committee has had several discussions with the Parliamentary Inspector in the past at both public hearings and informal briefings in relation to security clearances for future Acting Parliamentary Inspectors and Acting Commissioners of the CCC.

Both the current Parliamentary Inspector and CCC Commissioner obtained high-level security clearances prior to their appointments. Former Acting CCC Commissioner Moira Rayner also obtained appropriate security clearance. However, the Parliamentary Inspector was uncertain as to whether the Acting Parliamentary Inspector, Hon. Graeme Scott, obtained security clearance prior to his appointment.

The Committee considers that a Memorandum of Understanding should be entered into between the Premier and the Parliamentary Inspector to ensure that all future Acting appointments are subject to the appropriate level security clearance. This is particularly important if the *Corruption and Crime Commission Act, 2003* is amended as recommended by both the CCC and the Committee to allow the Commissioner to delegate more of his powers to further Acting Commissioners and special “examiners”. Indeed, the Committee has recommended that the Act be amended to make express provision for security clearances to be obtained for appropriate appointments in its report number 10, *Interim Report into Amendments to the Corruption and Crime Commission Act, 2003*, tabled on 22 June 2006.

The Parliamentary Inspector agreed to formally advise the Committee as to whether the Acting Parliamentary Inspector obtained a security clearance prior to his appointment.

(h) Witness Protection Programme

The Committee’s current inquiry into the future operation of witness protection programmes in WA was also discussed briefly at the hearing. The Committee will report on these discussions in further detail in its report on the inquiry itself. At this stage, the Parliamentary Inspector has agreed to advise the Committee of his opinion as to whether the CCC should play a more active role in witness protection. As part of this consideration, he agreed to liaise with the CCC Commissioner and relevant CCC officers as to their views and resource implications.

1.3 Agreed actions by Parliamentary Inspector

The following is a summary of actions agreed to by the Parliamentary Inspector at the public hearing:

- (i) Review the CCC's website to better clarify the complaints process and the basis upon which complaints can be made about the CCC;
- (ii) Seek to engage a suitably qualified executive officer on a part-time basis to assist the Parliamentary Inspector in an administrative and research capacity to fulfil his statutory functions;
- (iii) Maintain a formal register of actual and alleged conflicts of interest raised by individuals who make complaints about the CCC;
- (iv) Inform the Committee when the Parliamentary Inspector decides to conduct investigations on matters of "public interest";
- (v) Provide the Committee with a submission in relation to its inquiry into witness protection programmes in Western Australia;
- (vi) Inform the Committee about proposed KPIs to be included in future annual reports of the Parliamentary Inspector prior to them being finalised; and
- (vii) Advise the Committee in writing as to whether the Acting Parliamentary Inspector obtained a security clearance prior to his appointment.

The Committee looks forward to meeting with the Parliamentary Inspector at the next quarterly public hearing on 1 November 2006 to discuss the progress of these various matters.

APPENDIX ONE

WITNESSES TO PUBLIC HEARINGS

Date	Name	Position	Organisation
16 August 2006	Malcolm McCusker	Parliamentary Inspector	Parliamentary Inspector of the Corruption and Crime Commission

APPENDIX TWO

***TRANSCRIPT OF PUBLIC HEARING WITH THE
PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND
CRIME COMMISSION ON 16 AUGUST 2006***

**JOINT STANDING COMMITTEE ON THE
CORRUPTION AND CRIME COMMISSION**

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
WEDNESDAY, 16 AUGUST 2006**

Members

**Mr John Hyde (Chairman)
Hon Ray Halligan (Deputy Chairman)
Mrs Judy Hughes
Hon Margaret Rowe**

Hearing commenced at 10.34 am

McCUSKER, MR MALCOLM JAMES

Parliamentary Inspector of the Corruption and Crime Commission, examined:

The CHAIRMAN: I welcome the parliamentary inspector and three members of the public. The committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Have you completed the "Details of Witness" form?

Mr McCusker: I have.

The CHAIRMAN: Do you understand the notes attached to it?

Mr McCusker: I do.

The CHAIRMAN: Did you receive and read an information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

Mr McCusker: I did.

The CHAIRMAN: Before we ask any questions, I will throw it over to you to make an opening statement. I preface my comments by saying that the committee has sent to you a number of pieces of correspondence on various issues. As you will have seen, seven people have written at length to us and many other people around town regarding various complaints about issues that have had closure or may not have had closure when going through the Corruption and Crime Commission. We obviously have their names, but we have no permission to use their names publicly. At the end of a meeting we usually go into a closed hearing. We know that the committee has no right to operational material, but in order to help the committee understand the process, both you and the commissioner have used the names of real people. We seek advice from you on whether those names should be discussed.

Mr McCusker: I do not think they should be discussed publicly. People who have written to the commission in the first instance and then, because of their dissatisfaction with the result, have come to me, I am sure would not be happy about their names being mentioned publicly or the nature of their complaints being mentioned publicly, but I am happy to discuss it with members of the committee privately. Alternatively, I could provide for the committee a report in respect of each of the seven people referred to, so that the committee could have that as a report to enable it to consider the persons concerned or their complaints.

The CHAIRMAN: I think we would probably like to discuss them as well as getting at the conclusion of the hearing or during the following weeks some feedback on those. Of course, that will not stop us during this inquiry discussing a number of the more serious issues that are involved. I think that all of these are very low level issues.

Mr McCusker: That is correct.

The CHAIRMAN: As is its wont, the committee will refer only to matters in the public arena and, hopefully, if we do not, you will correct us or we will correct you.

Mr McCusker: Certainly.

The CHAIRMAN: Would you like to make an opening statement?

Mr McCusker: Yes. The committee will be aware that the annual report of the inspector is required to be tabled in the Parliament by the end of next month. It is presently in a draft form and so is in the process of being completed. I would hope to have that completed by the end of this month or very early next month. I can give you some information about it. During the year in question, which is the year to 30 June 2006, there is a difference in numbers, but 30 or 28 matters were referred to me. The difference in two is the question of whether they would be categorised as matters referred to me. Not all those matters were referred to me by the CCC. Some came directly to me; in fact, most came directly to me as a result of a complainant being dissatisfied with the outcome of the CCC investigation and conclusion as to their complaints. However, in every case where that has occurred, I have referred back to the CCC for information as to the nature of the complaint and what has occurred. In every case where I sought information or requested information, a file from the CCC has been very promptly supplied.

In dealing with the complaints referred to me in that year, which, as I say, have either been referred to me by the CCC or directly to me from a complainant and I have sought information from the CCC, I think there has been no case where so far I have reached a conclusion that there has been improper or inappropriate investigation of the complaint by the CCC. Several cases are under review for which it may be that further steps need to be taken before closure of that person's complaint, but in the main, giving a complete overview, in my opinion the CCC in the procedural context has been handling complaints of the public in a proper and appropriate manner. Nevertheless, as I say, there have been some complaints by members of the public about the way in which their complaints have been dealt with. That mainly stems from dissatisfaction with the outcome.

That is an opening statement I think, unless you would like to hear more.

Mrs J. HUGHES: Procedures do not seem to be an issue with some of the outstanding complaints.

Mr McCusker: No, in my view the procedures that are in place with the CCC are appropriate procedures to deal with complaints. Given the number of matters that go to the CCC, although 28 or 30 cases might sound like a large number that come to me, in fact a very small proportion of those who complain end up saying that they are dissatisfied with the outcome and come to me. I have no doubt that quite a large number of complainants go to the CCC and are told that there is no substance in the complaint in that, on investigation, there is no prima facie evidence of misconduct by a public officer. Perhaps I should add to that that there is a misconception held by a section of the public that the CCC is there to deal with every complaint against any person. I just instance one case recently that came to my attention where the complaint was essentially against several lawyers in Perth. Of course, they are not public officers, but there was dissatisfaction on the part of the complainant about the handling of that complaint when really the CCC could do nothing about it. When I explained this to the complainant - this is one of seven on the list - she asked whether the Legal Practice Board chief executive officer was not a public officer. She is probably correct. She referred it to the chief executive officer and got no

satisfaction, so there was her complaint. These things do happen. In some cases there is a misunderstanding of the functions and statutory limitations of the functions of the CCC. I have corrected that in every case where it has arisen, sometimes simply by a telephone call to someone who feels dissatisfaction with the CCC when it turns out it was not a complaint against a public officer.

The CHAIRMAN: In the broader sense of your role, rather than perhaps just concentrating on seven minor cases, we are prohibited from having access to files or direct information. One of those seven people has written quite churlishly to us, demanding that the committee members march down St Georges Terrace, knock on Mr Silverstone's door, open the files themselves and start taking files out. The person feels that we and you are derelict in not having done that. I think we have raised the point before that there still seems to be an issue of the public not understanding the process and that complaints must go to the CCC first and that, if they are not happy with the resolution there, they can then go to you. If they are not happy with your conclusion, they can come to us. I think we have raised with you the issue of a web site with information for going to the public service or public access, so that the process is much clearer.

Mr McCusker: Yes, although I certainly do not suggest to members of the public that the parliamentary committee is, as it were, a third court of appeal to review the whole matter again. I have told, I think correctly, the members of the public who raise these issues that the committee is there to ensure that the process is being properly carried out and that statutory functions are being performed. I certainly do not suggest to members of the public that the committee is there, as it were, to do a further review of a file that has already been reviewed twice.

[10.45 am]

Hon RAY HALLIGAN: The committee is in complete agreement with you there.

Mr McCusker: I thought so.

Hon RAY HALLIGAN: As the chairman explained, the difficulty in the general public's view is that this may not be the case. Can you think of any way in which we may be able to get that corrected in their minds?

Mr McCusker: The chairman suggested that, because a lot of people now seem to have access to the web site, perhaps we could put something on the web site that explains the various functions more clearly. I will undertake to review the web site to see what we can do to clarify that.

The CHAIRMAN: We do not have you and the Corruption and Crime Commission here at the same time. We will have a hearing with the commission in a few weeks. There are issues that we will raise separately with the commission. A part of your job is to be involved with the CCC in a number of secret meetings, the contents of which will never be made known to the public. We need to have some confidence that you are aware of these, and have some way of auditing that very important role of the CCC. It is like the watch that has been put on terrorism. There are a lot of things happening that the public will never know, but the committee needs to know that if powers are being used, they are used correctly and money is being spent there.

Mr McCusker: The commissioner and I have a good relationship, in that sometimes he comes to my office or rings me to tell me about something of importance. If I think it is sufficiently important or it involves a matter that is ongoing, I attend the hearing. Even though it is a secret hearing, I am entitled to attend. When we last met, the parliamentary committee suggested that regular meetings should be held, say, once a month, between the commissioner and me. I have

not set a particular time for doing this. I do have contact with the commissioner. I will try to make it perhaps a little bit more formal. At the moment it works on an ad hoc basis.

The CHAIRMAN: Going further into the audit role: obviously you are an experienced legal practitioner. Are you confident from the closed secret hearings you have attended that they are not only conducted well, but are achieving something?

Mr McCusker: They are conducted well. I can certainly say that. What it is achieving is yet to be proven, although there have been some outcomes.

Hon RAY HALLIGAN: Considering what you mentioned about your web site and meetings with the commissioner, can we talk generally about your workload and the workload of the acting parliamentary inspector? Will you advise the committee of your circumstances and whether you believe that all that is being asked of the parliamentary inspector and acting parliamentary inspector can be provided to the committee?

Mr McCusker: First, I will deal with the acting parliamentary inspector. Of course, there is only one acting parliamentary inspector and he was appointed only recently. He was appointed especially for a specific task. He made it clear when he was appointed that he is not available for about three months of the year, but I do not see his services being required other than in cases where there is an apparent conflict. That occurred in one particular case that was a matter of public interest. I am aware that perhaps the procedures that were adopted need some revision, and I discussed with the chairman recently, in a procedural sense, what the acting parliamentary inspector did.

Mrs J. HUGHES: Apologies, I am floating between two meetings and I need to be at the other meeting. I will be back as soon as I can.

Mr McCusker: Dealing with my circumstances, I have come to the realisation, I think, that a large amount of my time is taken up with work that could be more economically dealt with by a subordinate. I am debating how to get someone to fill that role. It is not a full-time job. My position is, as you know, that I am a part-time appointee and, because I am a full-time practising barrister, it is difficult for me to be on the spot to deal with everything that comes up on a day-to-day basis. That role has, to date, been fairly well handled by my longstanding secretary of 21 years, but she is about to retire. It would not be fair to put the onus on her replacement to do the kind of thing that she, with her experience, has been able to do. I am looking at some form of part-time subordinate who can deal with the day-to-day tasks, as part of the budget of the parliamentary inspector. That is the best way to handle the situation. It needs to be someone who is reasonably competent, but not necessarily a legal practitioner, and is able to handle the day-to-day matters that arise.

The CHAIRMAN: One of the other issues that you, the Deputy Chairman and I discussed was the conflict of interest procedure. It is an area the CCC addressed and it has a best practice policy.

Mr McCusker: Yes.

The CHAIRMAN: Of course, people, wrongly or rightly, will make an allegation that you or the acting inspector may have a conflict of interest. We need a transparent process so that when that allegation is made against you, a procedure is in place.

Mr McCusker: It has not occurred frequently; in fact, only on a few occasions. One occasion was where we had the acting inspector come in on a matter of public notoriety; that is, the

D'Orazio matter. There have been three other instances where the question of a conflict of interest has arisen. I have reviewed that and come to a conclusion objectively that there is, in fact, no conflict. One is a case where, from my perspective, I had a conflict but the person concerned then said they did not want the acting parliamentary inspector involved either because he had a conflict. I had to look at that and concluded, and told the parties concerned, that there is no conflict involved there. Another case involves a lady who has raised the issue. I have discussed it with her and she has accepted, I think, that there is no conflict involved in what was raised. Another case involves an ongoing matter that goes back for something like 30 years. At one point in my discussions with the complainant's son, a question was raised that I might have a conflict because I acted about 25 years ago for one of the persons who had a peripheral involvement. I detailed it and again said that I did not see a conflict, and the complainant accepted that.

The CHAIRMAN: What Ray and I raised with you is perhaps that, in terms of best practice, instead of a paper trail, a register that records the issue that someone has raised with you and your response would indicate that you have dealt with the issue in an open way. Therefore, in five years, if another committee got an allegation, you or your successor would be able to say how the issue was dealt with. Have you instituted such a register?

Mr McCusker: I have recorded a note on each file. I suppose I could have a separate document - a book. I will not get a big book because it does not happen very often. I can certainly record it in a book, separate to a file - just a conflicts register. From past experience, I do not expect that the pages will rapidly fill.

The CHAIRMAN: The context of our discussion was that it was best practice advice by the CCC and that perhaps it would provide a more transparent system, even though the information is already on the files.

Hon RAY HALLIGAN: It provides that audit trail. As you say, on each individual file there will be that audit trail, but, if someone should talk about a specific aspect of your undertakings, it would make it easier if it were collated somewhere.

Mr McCusker: That can be done.

The CHAIRMAN: I do not know whether this is appropriate, but new issues often come up with you and perhaps I should have asked the CCC about them. I noticed with the death in custody in Albany that very quickly there was a statement out of the CCC or police - it may have been the police - that the CCC always gets involved in death in custody issues. I wonder whether that is correct or is part of your audit role - looking at death in custody issues?

Mr McCusker: I must say that I am not aware that the CCC automatically gets involved in those cases. No. I have a member of the public here who tells me no. Mr Silverstone agrees with me that it is not an automatic involvement. It really depends on whether there is a complaint that the police have not handled the matter properly or there is some element of misconduct on the part of the police or another public officer which would then bring in the involvement of the CCC.

Hon RAY HALLIGAN: Is that the trigger?

Mr McCusker: That is the trigger - it is not an automatic process.

The CHAIRMAN: Both you and the commissioner have own motion abilities, and it is something I should ask the CCC next week.

Mr McCusker: When is the meeting? Has that been resolved? I was initially told it was to be the twenty-third and later the twenty-eighth.

The CHAIRMAN: I understand that we have some administrative issues about the availability of some witnesses. I will not know until just before 12 o'clock.

Hon RAY HALLIGAN: Hopefully it will be resolved in the not too distant future.

Mr McCusker: Could I be informed of the date?

The CHAIRMAN: We will be grateful for your attendance.

Hon RAY HALLIGAN: I want to ask you about something that as a member of the committee I believe we need to confirm; that is, the 28 or 30 issues you mentioned that prompted you to go back to the CCC. I feel comfortable with the information we have received from the CCC about its resources and its ability to undertake what is required of it under the act, but I think it would be remiss of me if I did not ask a question of you about whether, when you are undertaking these inquiries into cases of people who are dissatisfied with the conclusions of the CCC, you believe the CCC has the resources and has been timely in its responses to these concerns. As I said, I am happy with the response I received from the CCC but, as a member of the committee, I think it is important that we have corroboration of this information. You are there to provide us with information about how the CCC is operating, but only as far as the complaints are concerned, and that is our trigger to the fact that something may be wrong. I ask you for confirmation that during your inquiries with the CCC you are able to say to this committee that - I will leave the words to you, of course - you are comfortable that the resources that have been provided to the CCC to enable it to undertake and conclude its obligations under the act in a timely manner.

Mr McCusker: Yes, and as you say, the CCC has been the first party to ask that question and it has responded that it does have resources to be able to do that in a timely manner. From the inspector's viewpoint I have found no evidence that would suggest the contrary. I have not had one complaint in relation to which I have been told by the CCC "we have had to defer that because we do not have the resources to deal with it." The CCC appears to have sufficient resources to deal with its complaints, sometimes to the dissatisfaction of the complainant, but that is another question.

Mr J.N. HYDE: One of the issues we discussed previously was your own-motion capabilities, which you used in a notorious case -

Mr McCusker: Do you mean the matter of public notoriety?

Mr J.N. HYDE: Yes. I guess it is a case of Parliament putting up the legislation saying that if the Parliamentary Inspector thinks something is important he can do it. We were asking about a process for you to determine what becomes a matter of public interest and how that will be handled.

Mr McCusker: I understand that, Mr Chairman. That is an important question. It arose in the case I mentioned, in this way. The CCC having dealt with the matter, it was then the subject of adverse newspaper comment, and at that point I came into the picture on the basis that it was a matter of public interest requiring a review by me. I think, looking back over that whole experience, that the process would be improved if, having come to that conclusion, I were to inform the committee - I would do it properly because in this situation you need to do it properly - that I had decided to act on a matter that I consider to be of public interest, and giving the reasons

for that. It is not so much a matter of statutory obligation as one of courtesy, so that the committee is kept aware of what is happening in that very sensitive area.

Mr J.N. HYDE: Given that there is a need to act quickly I guess the question to you would be, given that there has only been the one matter of public interest, do you foresee at the moment any other own-motion matters of public interest, or will you not know about them until you read about them in *The West Australian*?

Mr McCusker: Perhaps I will read them in *The West Australian* tomorrow! However, that is the way these things arise. The CCC may have handled something and perhaps, for some reason, the media or perhaps a member of the public says they are not satisfied with that as a matter of public importance and if I decide that that is the case, the procedure I just outlined is the best way to approach.

Mr J.N. HYDE: But you would then get every aggrieved, disturbed, pent-up, one-issue-focused person knocking on your door - and you do get this - saying that a particular matter is more important than World War III, and clearly you have not reacted. Many of those issues have not been on page 1 of *The West Australian*.

Mr McCusker: No. It is obviously a matter of judgment, but in the matter that I considered to be of public importance, I think the judgment was correct - it was a matter of public interest that had to be thoroughly ventilated, but there are other matters in which, although, as you say, the person concerned might think it is the most important thing that has happened since World War II, that is a matter, in the end, of viewpoint and judgment. I would envisage that these public interest matters would not arise with any great frequency.

Mr J.N. HYDE: I want to hark back to the meeting date. I was umming and erring because I have to remember whether the meeting with the CCC was closed or public. It is actually a public meeting, so I can talk about that. The alternative date we were looking at is more unsuitable for other witnesses. Given that you are locked in to that public meeting on 30 August at 10.30 at the CCC and other forward dates might conflict with closed meetings of other bodies, or this committee, then the CCC public meeting, to which you are invited, will be at 10.30 on 30 August. We will not change that date. Your annual report is coming up. You gave the committee the courtesy of tabling the report through us last year. If you are so inclined again, we are more than happy to facilitate a meeting time to do that again, when Parliament is sitting. Can we liaise on that?

Mr McCusker: Can I do that through the secretary of the committee?

Mr J.N. HYDE: Yes - the principal research officer. As well as annual reports, Parliament also relies on the budget statements, during estimates. Quite often that include outcomes. It is a peculiar WA budgeting thing, I would imagine, where you have prosaic outcomes in the budget statement. Your section does not have any of that. I guess that today is the first time that people are publicly aware that you have been involved in attending closed hearings of the CCC, and there are probably a number of activities in your duties that you and ourselves would accept as granted, but people do not know whether they are getting value for money in what you are doing. Your annual report could refer to all those sorts of activities that you undertake, so that we are confident, and we know who to blame in looking at the whole gamut of the roles.

Hon RAY HALLIGAN: I suggest that the chairman is alluding to key performance indicators.

Mr J.N. HYDE: Yes.

Hon RAY HALLIGAN: It is not unusual to have those key performance indicators in both the annual report of an agency and the budget papers. We do not expect you to have a crystal ball and anticipate the number of public complaints. It might be things of that nature, but it is more a situation of something you alluded to earlier; that is, the number of formal meetings you propose to have with the commissioner. Think of things of that nature.

Mr McCusker: I am happy to do that. I have been discussing the question of KPIs with the government officer involved in assessing KPIs. He has promised to come up, in the next few days, with some kind of formula that will fit my particular role, which, we both agree, is a difficult role to fit into the normal pattern of KPIs.

Hon RAY HALLIGAN: That is accepted. It is far from easy, but might I also suggest that, having over a number of years looked at KPIs for the majority of government agencies, particularly in the budget process, I am not always in agreement with those that are presented to members of Parliament. If I may, I ask that, having gone through that process and, in your case, accepted from this person those particular KPIs, and added your own thoughts to the matter, you would be good enough to run it past the committee as well?

Mr McCusker: Certainly.

Hon RAY HALLIGAN: I would appreciate that.

Mr McCusker: Is that before the finalisation of the report?

Hon RAY HALLIGAN: Yes.

Mr J.N. HYDE: If these KPIs result in a government officer suggesting you are now eligible for Neal Fong-type salary, I would remind you of the royal Thai corruption commissioners, who took that advice on board, gave themselves a pay rise, and then were all booted out for corruptly giving themselves a pay rise. I am sure the KPI would justify you being paid a Neal Fong-type remuneration.

Mr McCusker: I do not think so!

Mr J.N. HYDE: One of the process issues I wish to get to is that of security clearances. I think I have discussed this with you, and perhaps through the liaison with the government officer. We need to get a memorandum of understanding done to establish, whenever there is a new acting inspector or acting commissioner, who is responsible for making sure that they have a security clearance. We have established that both you and the commissioner, and Ms Rayner, had top-level clearances, and we need to ensure that the process is in place so that in the case of an acting inspector and, if we get our important amendments allowing the commissioner to delegate his responsibilities, the security clearances are obtained.

Mr McCusker: I must confess that I am not sure about the acting inspector. I would assume he has a security clearance, because I got one when I was appointed inspector. I was not actually privy to the appointment of the acting inspector. I was simply told of the outcome. I would assume that. I can check to make quite sure.

[11.15 am]

The CHAIRMAN: I think the committee would like you to do that officially. We received advice from the bureaucracy that the committee should check that that has happened. We, like you, assumed that because you had received it, it had been done. We would like a formal response from you on the process of the security vetting.

Mr McCusker: I am confident that it would have been done, but I will check to make sure. Would you like me to write to the committee to let you know?

The CHAIRMAN: Yes please. At 11.30 am we will move into a closed hearing in case there is anything minor to discuss with regards to those six people.

Mrs J. HUGHES: With regards to your meetings with the CCC and Commissioner Hammond, you were saying that you have meetings over the phone or cordial interfaces between the two -

Mr McCusker: Yes. I make an effort to see him and on occasions he has called in to see me.

Mrs J. HUGHES: When you do that, is it relayed in any way that these issues have been touched on by you and the commission, or do you have those discussions and then you move on? Are they for your personal benefit or do you write them down and keep track of the different subjects raised?

Mr McCusker: I keep track of the subjects raised. The commissioner has gone out of his way to tell me about a matter he considers of importance and one that I should be aware of.

Mrs J. HUGHES: So they are not merely conversations as such?

Mr McCusker: They are not just friendly conversations.

Mrs J. HUGHES: I was just wondering whether you monitor those conversations.

Mr McCusker: I keep a record of them.

The CHAIRMAN: The committee is undertaking a major inquiry into the police witness protection program and whether the CCC should have full powers to undertake its own witness protection program, which is the case in Queensland. Obviously the committee would like the inspector to provide, at some stage, a measured view on that issue. Would you like to make any comments about it at this stage?

Mr McCusker: It is an important issue. It is a matter that I would not like to go public on at this stage because it must be carefully considered. I will speak to the commissioner and other members of the commission about their tentative views. If the CCC were to undertake responsibility for a witness protection program, it would need to substantially increase its staff and resources. I do not know whether it is the appropriate body. The witness protection program to date has been operated by a group of police officers. As you know, it has not always been entirely satisfactorily. There is a serious question to be considered. It would be quite a large undertaking for the commission, which is already working pretty close to capacity. You would need to have staff members who were trained in that area. It would be quite a mammoth job.

The CHAIRMAN: From day one the CCC, with Kevin Hammond, managed to build up amazing bureaucracy -

Mr McCusker: It can be done.

The CHAIRMAN: Of course it can be done. However, as we all know, it takes money and time. That is what the government and bureaucracy is about. The CMC in Queensland, which was set up after the royal commissions in Queensland, took the witness protection program away from the police and created it within the CMC. The CMC has said quite publicly that it has a 100 per cent success rate with its witness protection program. I imagine that is a brave statement.

Mr McCusker: It depends how you measure success. If by that it means that it has kept witnesses out of harm's way, that is good. However, one would hope that the witnesses would have performed as expected. Witnesses are put in witness protection programs because they are going to give evidence for the state, for the prosecution. That is another issue that must be considered.

The CHAIRMAN: A pretty major KPI would be whether a witness dies while in the witness protection program.

Mr McCusker: A good KPI would be whether the witness had not been got at. Of course, that is another issue. It does not necessarily mean that the program is successful because a witness has remained alive. There is also the question of outside pressures and influence.

The CHAIRMAN: During our inquiry we will be asking your advice on that measurement and whether the existing program has been chewed up with money, resources and so on and in a way that low-level drug users, who do not really become important informants, receive convictions rather than the real Mr Bigs whom they might otherwise be able to crack open. You said that you would like to speak about this in private at a later date.

Mr McCusker: I certainly would not like to give an off-the-cuff view about it. Careful consideration must be given to the way in which it should be handled. The starting point is to review the existing program carefully. Justice Roberts-Smith carried out a review when he was looking at the Petrelis matter. It would not be a bad starting point for us to consider that report.

Mrs J. HUGHES: The report we received before the break referred to issues with staffing levels and training. Your information in review to auditing the CCC as to whether the staffing of that could come to the same level as what we had before in that case, where it was obvious that there were some huge problems with the amount of staff and training that was involved at that time.

The CHAIRMAN: Do you mean in terms of the ACC?

Mrs J. HUGHES: Yes. It would be great if you could give us an indication of the sort of staffing and resource levels that would be required for the CCC to take on such a role.

Mr McCusker: That is quite large job.

Mrs J. HUGHES: It is a large job. With the auditing that is happening in your ongoing role, I imagine you would have an idea about the shortages that are being faced now and what may be required in the future.

Mr McCusker: We would not be looking so much at the existing resources of the CCC, but the further resources that would be needed to cope with a witness protection program, which means reviewing the police protection program and trying to forecast how large a job it would be.

The CHAIRMAN: If I can cut to the chase, the CCC and the Western Australia Police must have a professional relationship. Clearly if one body has an issue with the other body, it will not be doing it publicly. We should not be getting involved in operational issues. We need you to go to the CCC to find out whether it thinks it should take on the responsibility of witness protection, whether there is an issue with it and the budget implications that would be involved. We do not expect that you have a calculator. I am sure the CCC occasionally talks to the CMC in Queensland and would have a fair idea. The committee needs good intelligence from its inspector about whether it is viable for us to look at a CMC situation or whether we should stay as we are.

Hon RAY HALLIGAN: I am conscious that if we go down that path of what we are asking of you, we will be asking you to undertake all the research without providing you with any resources.

Mr McCusker: I was going to come to that.

Hon RAY HALLIGAN: We must take that into consideration.

The CHAIRMAN: We do not want you to do the research. We need you to satisfy yourself of the CCC's no-holds-barred view of witness protection.

Mr McCusker: I would need a research officer to undertake that task for me.

Hon RAY HALLIGAN: Even to make a judgment about what the CCC comes forward with would require that research. I agree with you there.

The CHAIRMAN: Are there any other issues that you would like to raise?

Mr McCusker: No, I do not think so.

[The committee took evidence in closed session]

Hearing concluded at 11.52 am
