

**SELECT COMMITTEE INTO THE WESTERN AUSTRALIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION**

Motion

MRS C.L. EDWARDES (Kingsley) [4.12 pm]: I seek leave to move the motion in an amended form. The first change is to include in the name of the organisation the word “Health”, and the second is to change the word in the quote in paragraph (2)(a)(ii)(c) from “insolvency” to “solvency”.

Leave granted.

Mrs C.L. EDWARDES: I move -

That a select committee of the Legislative Assembly be appointed to -

- (1) conduct an inquiry into any mismanagement of Department of Health funds, provided to the Western Australian Aboriginal Community Controlled Health Organisation - WAACCHO - and other non-government agencies through the Office of Aboriginal Health for the financial periods -
 - (a) 2000-01;
 - (b) 2001-02; and
 - (c) 2002-03;
- (2) examine, report and make recommendations on -
 - (a) the role and conduct of the Director General of Health; staff of the Department of Health; the former Minister for Health, Hon R.C. Kucera MLA; and the Premier, Hon Dr G.I. Gallop MLA, in -
 - (i) authorising funds paid to non-government agencies and in particular WAACCHO, without proper contractual arrangements;
 - (ii) authorising payments of funds to WAACCHO after the former Minister for Health had been advised by the Director General of Health on 19 December 2001, that -
 - (A) “. . . a *prima facie* indication that fraudulent and other dishonest behaviour involving members of WAACCHO may have occurred and may be actionable by relevant regulatory/prosecuting bodies”;
 - (B) “. . . the organisation was insolvent”;
 - (C) “WAACCHO’s solvency is being maintained currently by grant funding of its operations provided by the OAH”;
 - (iii) acting upon allegations of mismanagement, fraud and corruption within WAACCHO;
 - (iv) failing to act adequately upon information provided by a whistleblower on allegations of mismanagement within the Department of Health; and
 - (v) failing to treat a whistleblower in accordance with the Public Interest Disclosure Act 2003, and
 - (b) any other matter deemed relevant by the committee;

and to report to the Legislative Assembly by 30 September 2003.

I move this motion on behalf of all public servants in Western Australia, in particular those who have been whistleblowers in the past and those who may be whistleblowers in the future. Without a parliamentary committee or independent inquiry, public servants will never be able to get any satisfaction from or have any confidence about coming forward with allegations. We have had several examples of how Ms Jean Thornton as a whistleblower has been betrayed and had her trust abused. Therefore, no whistleblower in the future can have any confidence. Last week a letter to the Premier was tabled in the other place. That letter, which was sent to the Premier’s home, states - I am paraphrasing - “I am sorry for sending this letter to your home but it is because I do not want it to be made public; in particular I do not want it to go to the Department of Health.” The Premier said last week that the Opposition asked for the letter to be tabled. Yes, part of the second question to the Premier was if he was not going to table the letter, why not? The simple answer that the Premier could have given would have been, “I am sorry, we are not going to be able to table it because Ms Jean Thornton has asked for it not to be made public.” The minister representing the Premier in the other place was most surprised that the letter was tabled. The reason he was surprised was because of its content. The letter did not just identify the

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whistleblower. As the Premier said, it was already known in the public arena who the whistleblower was. The letter did not just identify the date of the letter. As the Premier said also, that was already known in the public arena. However, the content of the letter was not known. The concern is that the content of the letter identified in a serious way a number of people and employees. The content of the letter should not have been made public in the way that it was, particularly without reference to the whistleblower. The Premier did that for one very selfish reason. The Premier was being questioned about whether he knew about some of the fraud allegations that had been raised with the former Minister for Health in December 2001, because they had been raised with him early in the year. The Premier wanted to put it on the public record that the content of the letter had nothing to do with the fraud allegations but was all to do with these public servants. That is fine - put on the line the public servants' necks and the whistleblower's neck so that the Premier can save his neck, and in the meantime throw the public servants to the wolves.

The reason I am moving this motion is that I feel very passionate and sensitive about the issue of whistleblowers. As members have heard me say in this place previously, this is very similar to the treatment that Chris Read received. Chris Read and all the other whistleblowers, now including Ms Jean Thornton, are being treated very badly. Instead of being thanked for the work that they have done and the money that they have saved the taxpayers of Western Australia they are moved sideways and put out to pasture, and they are abused, and then the insidious rumours go around that they are a bit touched and we should not listen to them because they do not know what they are talking about. These are insidious rumours that nobody can put a finger on. That process is happening to Jean Thornton. These rumours go through to the media quietly behind the scenes in informal discussions etc. That is what is appalling about the behaviour relating to Jean Thornton.

Mr C.J. Barnett: Where did those rumours come from? Where did they start?

Mr R.F. Johnson: From the spin doctors.

Mr C.J. Barnett: I wonder whether we can guess.

Mrs C.L. EDWARDES: Yes. This motion to establish a select committee is necessary so that a number of questions can be asked. Did the previous Minister for Health intimidate and bully Ms Jean Thornton at a meeting on 17 October 2002? Why did the Western Australian Aboriginal Community Controlled Health Organisation continue to be funded without a contract for the three financial years ending 2001, 2002 and 2003? Who authorised that funding? What action was taken following the briefing note dated December 2001 by the director general to the previous Minister for Health that identified the issues outlined in this motion? What other non-government organisations were funded by the Office of Aboriginal Health within the Department of Health without contracts being in place for the same periods - 2001, 2002 and 2003 - and who authorised those payments? Have the issues raised by the Auditor General in his report of April 2003 been addressed by the Director General of Health, particularly in relation to the Office of Aboriginal Health? What role did the Premier play in the response and protection of Ms Thornton following receipt of her letter on 1 May 2003? What role did the director general and other staff play in listening to and acting on Ms Thornton's allegations and her protection as a whistleblower? Have all proper processes been followed in respect of the advertising and appointment of staff to the OAH and within the Department of Health? What was the relationship between WAACCHO and the former Minister for Health, between WAACCHO and the Department of Health, and, in particular, between individual officers within the Office of Aboriginal Health? Did the delay in forwarding the allegations to the police by some 16 months, and the lack of a contract within WAACCHO, assist the police with their investigation of the complaint or hamper them? Last of all, has the Commonwealth or its Department of Health and Ageing raised any issues of concern with the state Department of Health in the last three years, and how has the state Department of Health responded? I will address some of those questions in the facts I will present in my speech.

WAACCHO is the Western Australian Aboriginal Community Controlled Health Organisation - the peak body of all Aboriginal medical services in Western Australia. The Office of Aboriginal Health funded WAACCHO to provide its secretarial support and to develop certain programs, including financial systems and accreditation processes.

Ms Thornton wrote to the Premier in February 2001 and asked him to inform the then Minister for Health of the issues in the Office of Aboriginal Health. The Premier responded by promising to do so, and informed Ms Jean Thornton of the Premier's and the Government's intention to clamp down on corruption and mismanagement in the public service. That letter was tabled in the other place last week.

In March 2001, the Coalition of Aboriginal Agencies, a separate non-government organisation, requested a grant of \$20 000. An officer from the Office of Aboriginal Health received the request and immediately asked for a contract to be drawn up by Ms Thornton. No independent process for approval was put in place. There was a conflict in the relationship between the respective people involved within the Coalition of Aboriginal Agencies

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and the Office of Aboriginal Health, and detailed documentation backing it up was lacking. This matter was referred to in the Auditor General's report of April 2003, which reads -

In one example, the consequence of not properly specifying output requirements resulted in the Office of Aboriginal Health paying \$20 000 to an NFPO for a research report which was later assessed by a senior Office of Aboriginal Health contract manager as substandard because the information it presented was already freely available in the public domain. Because the service specification schedule had broadly defined the required outputs to be "*the investigation, research and production of a report*", the Office of Aboriginal Health had no basis for arguing that the contractual outputs had not been achieved. Recourse was also constrained by the fact that Office of Aboriginal Health had made full payment on signing of the contract and prior to the delivery of any services.

The whistleblower drew to the attention of the Office of Aboriginal Health this serious breach when the contract was let in March 2001, and later in January 2002 directly to Mr Michael Jackson. The contract was signed by the acting director of the Office of Aboriginal Health on 4 May 2001. Questions must be asked: what about the acquittals; what about the service reports; what about the outcomes; and what about the conflicts of interest? I note that the whistleblower at that time refused to do the contract because of those serious concerns.

The audit and liaison committee with WAACCHO, together with the commonwealth department of health, in 2001 raised concerns about the financial management capacity of the organisation. That sparked the audit commission by the WA Department of Health. The federal department requested a copy of the audit on a number of occasions, and as yet - we are in August 2003 - the Western Australian Department of Health has not cleared the audit reports back to the Commonwealth. As the current Minister for Health has suspended payments to WAACCHO, the Commonwealth will be writing to WAACCHO requesting its urgent advice on how it will meet its obligations with the clear understanding that commonwealth funds cannot be used to fund activities previously funded by the State. In 2002-03, the Commonwealth funded WAACCHO to the amount of \$244 000 for a work force issues program and the establishment of a policy unit to assist in the joint planning process. Given the secretarial support and financial administration for which the state government department funded WAACCHO, it will be difficult for WAACCHO to continue to operate those programs purely on its current level of funding.

A post-audit report was released on 31 May 2001 for the financial year 1999-2000. The question of solvency was raised on the basis that financial reports had not been forwarded, substantial deficits and discrepancies were found and expenditure had not been authorised. That report went to the Office of Aboriginal Health on 31 May 2001. In June 2001, the whistleblower decided to suspend payments while a full investigation took place. Five employees were suspended from WAACCHO and the office was temporarily closed. Several WAACCHO committee members who were on the board then remain on the board today, and questions have been raised about some payments to some of the committee members in the current Deloitte Touche Tohmatsu audit reports. The moneys, however, were never suspended, and Jean Thornton's view was that senior officers never allowed that to happen.

In June 2001, the then Director General of Health, Alan Bansemer, took redundancy. In 2001 there was a further request of Jean Thornton to authorise the finance officer in the Office of Aboriginal Health to release monthly payments to WAACCHO. The whistleblower said no, and outlined those allegations. Later another officer requested the same authorisation of the whistleblower and told her to go back to the original consultant who had asked her for the same money. However, that money still continued to be paid to WAACCHO. Page 14 of the auditor's report of April 2003 states -

The Office of Aboriginal Health in August 2001 made payment of \$125 578 to an NFPO to cover a shortfall in staff wages. The NFPO assumed that these funds were additional to their existing allocation, but were not told until November 2001 that the funding for wages had been offset against health services. The Office of Aboriginal Health also did not advise the NFPO until September 2001 that its 2001-02 contract would not include funding for a number of previously funded health services. However, in the absence of timely advice or more appropriately, a deed of variation to the contracts, the NFPO had delivered these services in accordance with previous contractual arrangements. In May 2002, the Office of Aboriginal Health made a 'without prejudice' offer to cover costs incurred by the NFPO in delivering these health services. The offer was accepted and the Office of Aboriginal Health paid the NFPO an additional \$87 000 in June 2002 to cover service delivery costs for the July to September 2001 period.

The Office of Aboriginal Health used an interim letter of agreement -
Still no contract -

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to formalise the 2001-02 funding arrangement worth \$497 200 with an NFPO that did not comply with undertakings aimed at ensuring the NFPO would achieve a balanced budget in 2001-02, that services would be delivered professionally, and the provision of audited accounts for the 2000-01 year. The interim letter of agreement lacked specifications that would reflect the performance concerns, rather it simply required the NFPO to continue to deliver services and meet reporting requirements as per its previous contract.

This despite all the issues that have just been raised by the Auditor General. Everybody knew about them. It lacked specifications. The report continued -

No contract existed for 2000-01, the previous contract being for 1999-2000.

That is a very serious issue. In August 2001, as the member for Kingsley, I asked a number of questions of all ministers regarding consultants and inquiries. In October 2001 the then Minister for Health was the only minister to refuse to give any details. Again that comes back to the whole question of accountability and the way that the Department of Health was being run. In October 2001 Mr Daube was appointed to the director general's role and acknowledged as a long-time friend of the minister.

Dr G.I. Gallop: You're a good one.

Mrs C.L. EDWARDES: The minister admitted it. There is a question on notice.

Dr G.I. Gallop: Why are you raising it?

Mrs C.L. EDWARDES: I think it has everything to do with how the Department of Health has been operating.

In November 2001 Sheppard West Dwyer sent an audit report to 30 June 2001 to the Office of Aboriginal Health, including a post-audit management letter. It clearly highlighted that the corporation was insolvent, the audit report was qualified and overpayments were being made. It states -

- 1 Proper books of account have not been kept . . .
 - (a) . . .
 - (i) 52% of travel allowances tested and which totalled \$98,713 were not visibly authorised for payment.
 - (ii) 65% of wage payments tested and which totalled \$89,657 were not visibly authorised for payment.
 - (b) Two employees received a combined total of 145 wage payments in the 52 weeks and there are grounds for believing overpayments exist.
 - (c) Cheque payments totalling \$25,216 were not documented in any way, and have been written off to the Income & Expenditure Statement as a write off of suspense account.
 - (c) Fixed assets costing \$17,806 and with a written down value of \$6,236 were not locatable at the time of audit. Such assets are retained on the balance sheet pending clarification as to their recoverability. The assets are not insured. In the event that these assets are lost to the Corporation -

And cannot be found -

the net assets of the Corporation would be overstated by \$6,236 as at 30 June 2001.

In December 2001 a briefing note was received from the director general to the Minister for Health outlining fraudulent and other dishonest behaviour. I will quote from that -

- Information in the possession of the Department gives a *prima facie* indication that fraudulent and other dishonest behaviour involving members of WAACCHO may have occurred and may be actionable by relevant regulatory/prosecuting bodies.

That is a very important point. It continues -

- As at 30 June 2001 the organisation was insolvent -

It had just received the audit report -

and it had a net asset deficiency at that date of \$238,472.00.

As can be seen from the Auditor General's report of April 2003, the response by the department was to give WAACCHO more money, and at the same time not to worry about the contract and the letter of agreement

giving them more money - "Let us not put any extra specifications in there as to what they have to do with this." It continues -

- The organisation is vulnerable to action(s) to be wound up.

This was the note by the then Minister for Health -

I note these issues, but . . . what is the intended course of action?

He asked the question: "But what is the intended course of action?" Officers wrote back that they had a briefing from the Department of Health officers on 9 January 2002 and there was to be no further action.

That is where the Minister for Health leaves the matter. I suspect that that is not the way a former copper who has a nose for fraud would operate. As reported in the newspapers, he knows how to investigate matters; he took on all the trust accounts in the Department of Health and in the hospitals and said that if they had rorted the system he would find them. He said he had a nose for these things. What does he do in this case? He takes no further action.

Mr C.J. Barnett: "No further action" from a minister stops it dead in its tracks.

Mrs C.L. EDWARDES: End of story! On 22 January 2002 a meeting was held with Jean Thornton and Michael Jackson. This was a very important meeting because it highlighted the fact that no contract had been signed since the 1999-2000 financial year, yet payments of over \$556 000 had been authorised to WAACCHO for temporary payments. Do members know what happened at that meeting? This whistleblower was again told she ought to be careful about what she said - this is a whistleblower who is coming forward with particular issues. She actually leaves the meeting in tears, because that is how this Government treats whistleblowers.

Mr C.J. Barnett: It was described as a robust discussion.

Mrs C.L. EDWARDES: The robust discussion comes later. This is one with one of the senior directors of health. She was concerned and wanted to raise these issues. She then left the meeting in tears because she was not being listened to. On 23 January 2002 she sent Michael Jackson a note headed, "Statement of Contract Issues occurring in the Office of Aboriginal Health, Department of Health". She goes through the matters in some detail and states -

The following contracts are of great concern to me. I am therefore raising these matters in writing to note my concerns in the event of further investigation.

Earlier I raised the first matter about the Coalition of Aboriginal Agencies contract. The next matter was in relation to the Western Australian Aboriginal Community Controlled Health Organisation. She goes through in great detail the matters that had been raised with Michael Jackson and previously with Colin Xanthis on numerous occasions and the fact that she had taken it to the Anti-Corruption Commission as well as to the Auditor General. She sums it up on 23 January 2002 by saying -

I discovered last week that no contract has yet been finalised with WAACCHO since the 1999-2000 financial year, yet payments totalling over \$556,000 have been authorised to WAACCHO on temporary payments for over 18 months.

That is against policy. The Auditor General had reported on temporary payments some two years before that, yet the Department of Health and in particular the Office of Aboriginal Health were still proceeding on the basis of providing money to organisations on temporary payments. She goes on to say -

There is still no sign of a contract from the OAH and the organisation is still in a state of relative turmoil.

Mr M.W. Trenorden: When is that letter dated?

Mrs C.L. EDWARDES: The letter is dated 23 January 2002, some 16 months before the matter was referred to the police. Members should not forget the memo dated December 2001, which was sent from the director general straight to the then Minister for Health. However, the worst part about it is that at the meeting, before she wrote the letter, this whistleblower was told to be careful about what she said. That is an absolute disgrace. As I have said in this place a number of times, until the culture is changed we will not change the attitude of public servants to whistleblowers. Later I will go into the leadership that the then Minister for Health provided on this matter.

In February 2002 the matter was referred to the Department of Consumer and Employment Protection, and the subsequent actions were outlined last week by the Premier. He indicated that the Department of Health referred the matter to DOCEP in December 2001 and in February 2002 DOCEP took the matter up with WAACCHO, noting that the department believed some issues warranted further investigation. Why did it go to DOCEP? It

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went to DOCEP because WAACCHO is an incorporated association and DOCEP looks after incorporated associations. Of course, if there were evidence of fraud and corruption, what else would the department do? It referred the matter to another government department to see what it could do with it; it did not take action itself. Members should not forget the memo from the director general, which states -

... a *prima facie* indication that fraudulent and other dishonest behaviour involving members of WAACCHO may have occurred and may be actionable by relevant regulatory/prosecuting bodies.

What did the department do? It referred the matter to the incorporated associations unit at DOCEP. In late March 2002, the Department of Health specifically followed up with the Police Service issues related to the WAACCHO office. That is very interesting because not one person mentioned that to the whistleblower. What action? What matters? When? Who raised the matters with the police? Are they the matters raised by the former Minister for Health, the member for Darling Range? Were they the matters that went to the police and were being followed up at that time?

Mr M.W. Trenorden: No?

Mrs C.L. EDWARDES: I bet they were. I bet this stuff was not initiated by this Government; it was initiated by the previous Government. The first time that issue has been raised was last week, and it certainly had nothing to do with the memo of December 2001. What were the issues? The Department of Health was advised that no charges had been laid. At that stage matters had been raised with WAACCHO and referred to relevant authorities. Which authorities? The commonwealth Department of Health and Ageing has not heard from the state department, so which authorities were the relevant authorities?

In July 2002 in agreement with DOCEP, which administers the Associations Incorporation Act, the Department of Health appointed Deloitte Touche Tohmatsu to conduct an examination of the concerns that had been raised. A draft report was received from Deloitte Touche Tohmatsu in late August. I will return to some of those issues shortly. On 13 June 2002, after much pressure on Michael Jackson to see Mr Daube, Jean Thornton met with Mike Daube. In fact, her letter to the Premier of last week states -

I did have many meetings with Jackson. Eventually I refused to see him because they were very stressful and nothing came out of them. Jackson also told me that he was keeping the Director-General, Mike Daube, fully informed. I asked to see the D-G personally but Jackson refused, saying he would be dealing with it ... Eventually Jackson told me that the D-G would see me. Nothing happened so I asked Jackson again and I met with Daube on 13th June 2002. Again he refused to act and spent most of the time telling me how hard it all was.

Another aspect of that meeting that she mentioned was that he told her what a great minister they had, what great senior staff were in the Office of Aboriginal Health, and it was a difficult area but he could not stop funding it even though it was not working properly. If the Premier gets around to listening to the tape, he will hear all about this. Mike Daube said that Michael Jackson had kept him informed of all the e-mails. Do members know what Mike Daube got upset about? He did not get upset about the corruption or the matters that were being raised; he got upset because in an e-mail to Michael Jackson, Jean Thornton referred to Mike Daube, the director general, as a missing-in-action director general. That is what upset him most of all. Forget the corruption, the fraud and the rest of it; the thing that upset him most of all and about which he apparently went on for half an hour, so Jean Thornton says, was the fact that she referred to him as a missing-in-action director general.

Mr P.G. Pandal interjected.

Mrs C.L. EDWARDES: I think they have lost the direction the Department of Health is heading in. Mike Daube also would not allow anything bad to be said about Colin Xanthis. My colleague the member for South Perth is correct. They lost their focus.

In June 2002 Jean Thornton and a number of other people had a meeting with the then Minister for Health. It was a general meeting regarding the Office of Aboriginal Health, but the minister was advised of some of the problems that had arisen. On 11 July Ms Thornton was shifted. Last week the Premier said that she had agreed to the shift. In her response to the Premier she says -

I concur that I agreed to move to Grace Vaughan House. At the meeting when this was suggested I was under considerable pressure - in fact I was in tears at the time! The fact that I agreed to move does not contradict the fact that I was moved out to try and stop me complaining about matters in the OAH. I only agreed to move on condition that the Aboriginal Environmental Health Program, a highly successful program that I had developed and had a commitment to, 'went with me' and that my new Director would replace the Acting Director of the OAH in the contracting process. Jackson agreed to this. . . but later went back on his word (again) and the authority remains with the OAH.

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Mr C.J. Barnett: I wonder whose idea it was to shift her to Grace Vaughan House. Does anyone have any ideas?

Mrs C.L. EDWARDES: Members opposite have no ideas. I repeat -

The fact that I agreed to move does not contradict the fact that I was moved out to try and stop me complaining about matters in the OAH.

That also illustrates how this Government deals with whistleblowers. It is an absolute disgrace. In August 2002, the department contacted the Anti-Corruption Commission. This situation is brilliant! It was referred to the Premier during debate on last week's matter of public interest. The Department of Health also referred the matter to the Anti-Corruption Commission.

Mr M.W. Trenorden interjected.

Mrs C.L. EDWARDES: The ACC said that the Western Australian Aboriginal Community Controlled Health Organisation was not within its jurisdiction and therefore it could not investigate the matter. Guess what? The response came back on the same day.

Mr Trenorden: It was a telephone call.

Mrs C.L. EDWARDES: It was a telephone call with words to the effect, "Hi, mate, we have a bit of a problem here dealing with WAACCHO. Well, WAACCHO is not within our organisation." End of story. Was that a referral to the Anti-Corruption Commission? I do not think so; not under the Act, not on your Nellie.

Mr Trenorden: Why not table the letter that the Department of Health sent to the ACC?

Mrs C.L. EDWARDES: Why does the Government not table the letter? When the whistleblower took the matter to the ACC, guess what? The ACC immediately referred it to the Auditor General. It is within the ACC's jurisdiction. How amazing! The April 2003 Auditor General's report came out in response to that. On 5 October 2002 a letter went from the auditors to Colin Xanthis asking for a copy of the Deloitte Touche Tohmatsu report. It was never received. On 9 October 2002 the Office of Aboriginal Health received a qualified audit report in which the question of solvency as at 30 June 2002 was raised. On 17 October 2002 a meeting was held with Ms Thornton with the then Minister for Health and seven other people, including union officials and the adviser Renay Sheehan. Topics at the meeting included breaches of funding and advice that Ms Thornton had followed all the proper processes. She had approached the hierarchy - the acting director, the director of population and health and the director general of health. Ms Thornton has indicated that the minister bullied and intimidated her. How could a low-level public servant have a finger pointed at her by a minister, while he was suggesting that she should be careful of slander, and not feel intimidated? She is not the only person to complain about these issues within the Office of Aboriginal Health. In fact, 20 others complained. That is why the union organised that meeting with the then Minister for Health. It was not just a matter of Jean Thornton making a complaint off the top of her head, although she is one of the union representatives within the Department of Health. The meeting was organised specifically to deal with issues and complaints of other members of staff.

Jean Thornton's letter of 15 August to the Premier reads -

With regard to your comments concerning the behaviour of the Minister, Bob Kucera -

I apologise for using the member's Christian name, but I am quoting from the letter -

I am extremely disappointed that you have taken the word of your colleague without checking the facts first and then coming to an informed decision. Eight other people also attended the meeting and have confirmed the bullying attitude of the Minister. It is also unreasonable to think that a relatively minor public servant such as myself can have a meeting with a powerful senior Government Minister in which he "disagreed" with me and "expressed his views strongly" without meaning to intimidate me. I regard pointing his finger at me -

Members in this House have never seen that! Have we ever seen the Minister for Health point his finger at us?

Mr Trenorden interjected.

Mrs C.L. EDWARDES: Yes. We have seen that before. To continue -

telling me to "watch what I said" and completely discounting what I had to say (again without any investigation) to be harassment, although as this attitude now appears to be normal practice within the 'boys club' which is the Public Service these days, then perhaps I am using outmoded ethics.

Mr P.B. Watson interjected.

The DEPUTY SPEAKER: Order! I call the member for Albany to order for the first time.

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Mrs C.L. EDWARDES: That was the lack of leadership that the then Minister for Health was showing the public service. If the Government is serious about how the Public Interest Disclosure Act operates, it must show leadership. The then Minister for Health, who was accused of intimidation and bullying, then said to the Press that the whistleblower was whingeing about everything. Ms Thornton said in her letter -

Dr G.I. Gallop: Quote the newspaper in which that was reported.

Mrs C.L. EDWARDES: I am quoting from Jean Thornton's letter.

Dr G.I. Gallop: You said it was in the paper; which paper?

Mrs C.L. EDWARDES: Can I finish reading from the letter? The Premier said that he did not want her letter tabled until a full response was given. That is because the Premier wants to provide a sanitised version of the matters she is raising.

Dr G.I. Gallop: I did not say any such thing.

Mrs C.L. EDWARDES: I will continue reading from Jean Thornton's letter of 15 August to the Premier -

I would also like to know why he was allowed to say about me in the press that I "whinged about everything" -

That is a quote from her letter -

and that I was only upset because I had been "passed over for promotion"?

I would prefer to believe Jean Thornton than the then Minister for Health. To continue -

Both these statements are completely untrue, in fact my personal circumstances were not even mentioned at the meeting. I am almost 54 years old, financially secure and looking forward to retirement in little over a year - the very last thing I want is a 'promotion' in what I regard as a corrupt, incompetent and malevolent organisation . . . I find it appalling, in a so-called democracy, that the Minister can say what he likes about me yet I am unable to respond.

The Premier will not even table her response to his letter, which he tabled last week, which virtually called her a liar. He did not believe her. He did not approach the union or the other seven people who were at the meeting. If the then Minister for Health reads the *Sunday Times* article of 13 July 2003 he will see exactly what Ms Thornton was saying.

Whose word is supported by the Premier? Is it that of the whistleblower or the union representative? No. Is it the word of his minister? Yes.

Point of Order

Mr P.D. OMODEI: My hearing is not too bad, but I am trying very hard to listen to the member for Kingsley, who is not well today but who is being constantly interrupted by the Premier across the Chamber. I ask that he be called to order.

The DEPUTY SPEAKER: There is no point of order, but I would like members to be cognisant that the member for Kingsley has the call.

Debate Resumed

Mrs C.L. EDWARDES: Thank you, Madam Deputy Speaker. In November 2002 the Deloitte Touche Tohmatsu report arrived. It recommended a complete and full investigative audit. On 25 November 2002 a memo from Jackson and Murphy stated that in the light of the substantial intervention constituted by the existing audit and the subsequent reform and rehabilitation of the agency - this is advice - the investigative audit would not at that stage assist with the sound financial administrative and program management of WAACCHO. That was on 25 November 2002. Fortunately, in December the then Director General of the Department of Health disagreed with that. Jackson and Murphy put to the director general that they did not agree with the recommendation of Deloitte. In December 2002 Mr Daube overruled Jackson and Murphy's decision and decided to send the matter to the police. In April 2003 it was referred to the police. On 17 April 2003 the Auditor General's report to which I referred earlier arrived. It is a totally damning report. That is probably what triggered the department to refer the matter to the police in April. The Auditor General would have said, "You've got a few problems here. I'm about to table my report on 17 April. You'd better find some responses."

Mr M.W. Trenorden interjected.

Mrs C.L. EDWARDES: Absolutely. The department must have thought, "Jeepers, we'd better get this off to the police quick smart. We've been dragging our feet on this one." We know about the letter of 1 May 2003 to the Premier from Jean Thornton. It was posted to his electorate office in Victoria Park and was marked personal and

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confidential. Then what happened? It mysteriously got to the Premier's office. There is some confusion about whom it went to. Although the letter that the Premier tabled last week has the appropriate stamps on it, two days cannot be accounted for. We still do not have an indication of why electorate mail marked personal and confidential went to the Premier's office. Why was that? People were trying to work out how to get the then Minister for Health out of trouble again. That is basically what happened. On 13 June, six weeks later, the director general's staff talked to Jean Thornton about sending the letter to the Department of Health for a response to the issues raised under cover of a letter from the director general. The Premier said last week that Ms Thornton had agreed to the letter going to the Department of Health. She said in her response to the Premier on 15 August -

I am very concerned that my letter to you, marked 'private and confidential', was sent verbatim to the very people I had complained about. Whilst I agree that a member of staff from the Department of Premier and Cabinet . . . informed me in advance that they were going to do this, they neither asked for my consent nor informed me that you had not even seen the letter - they just told me that they were sending the letter to the DOH. I certainly didn't 'endorse' the process. Whilst I stood by my allegations, I was obviously very concerned about the approach being used and sent them an email to that effect . . . however I was under the misunderstanding that you -

That is, the Premier -

had seen the letter and that it was being sent to the DOH by the Director General of DPC **under your authority**.

She had assumed that the Premier was sending it to the Department of Health for a response. However, he did not even know about its existence, so he could not have read it.

Mr P.G. Pendal: It had been hijacked.

Mrs C.L. EDWARDES: It had been hijacked. The letter continues -

I assumed therefore that being receipt of a 'please explain' from the Premier himself would grant me some degree of protection from retribution. That not being the case, I regard this action as a breach of confidence which placed me in a powerless and precarious position within the DOH. It also illustrates how people are treated when putting in a genuine complaint.

In another part of her letter she said -

With regard to the complaints about the DOH, I have replied to your responses, point by point, later in this letter. However I would like to draw your attention to the fact that, as with my complaints about Mr Kucera, you have asked the very people I have complained about to 'investigate' my concerns. I think you would agree that in those circumstances you might expect their response to be something less than open and accountable, yet you appear to accept their explanation as irrefutable fact.

Again this whistleblower complained about the Department of Health. She wrote a strong private and confidential letter to the Premier, and what happened? It went to the Department of Health. In effect, the department was told, "This woman is complaining about you. What do you say about this?" The department's response was that she had it all wrong, and the Premier came into this place and said that she had it all wrong. This is the treatment that whistleblowers can expect to receive under this Government. The letter continues -

Although I am the only person courageous enough to speak out (and I can certainly see why nobody else would want to put themselves through this trauma - so much for the Public Interest Disclosure Bill - it's useless!), if there was a truly *independent* enquiry then many people in the DOH would corroborate my claims.

That is the reason for moving this motion.

Mr M.W. Trenorden: What did the Auditor General say about her complaints? Were they false or true?

Mrs C.L. EDWARDES: This whistleblower was proved correct again.

Mr M.W. Trenorden: What did the health department say about her complaints?

Mrs C.L. EDWARDES: They were not treated seriously, and the insidious rumours went around that she is a bit touched in the head.

Mr M.W. Trenorden: Is there a bit of a problem there?

Mrs C.L. EDWARDES: Absolutely. What was the Minister for Health doing at this time? I am talking about May/June 2003.

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Mr M.W. Trenorden interjected.

Mrs C.L. EDWARDES: No. It must be remembered that the then Minister for Health has a nose for fraud and corruption. It was reported in *The West Australian* of 24 May 2003 that the then Minister for Health called for an investigation into HBF over its policy on renal services. It seems that everyone was being investigated except the Office of Aboriginal Health. In *The West Australian* of 2 June 2003 it was reported that the then Minister for Health had redirected \$500 000 of annual funding from mental health services to establish a chair of population mental health at the University of Western Australia. That was a good news story; he was establishing a chair at UWA! In *The West Australian* of 6 June 2003 it was reported that the sex worker support agency Phoenix would lose government support after an investigation found that taxpayers' funds were being used for travel junkets and publications that glamorised prostitution. It had nothing to do with the fact that Phoenix was attacking the Government over its prostitution legislation, did it? Do members know what? *The West Australian* of 11 June 2003 reported that the Minister for Health had cut the funds to Phoenix before the health department had even completed its report on whether it had breached contract guidelines. Is this not different treatment from that which the Office of Aboriginal Health and WAACCHO received? This is different treatment of one as against the others.

When the new Minister for Health - a real minister - was alerted to the concerns, he responded. He cut out WAACCHO's funding. I suggest that, more than anything else, that confirms in no uncertain terms everything that was said by the whistleblower, the audit reports that were done by Sheppard West Dwyer Pty Ltd and Deloitte and the constant comments of some of the departmental staff. The current Minister for Health received a letter from Sheppard West Dwyer and acted. Of course, in January 2003 Sheppard West Dwyer was sacked by WAACCHO. Why? It was because it was obviously getting too close to alerting people to -

Mr M.W. Trenorden: Did the police think there was enough in it to take up an inquiry?

Mrs C.L. EDWARDES: I will get to that. What had the whistleblower been saying? The Minister for Health cut the funding because of no outcomes and wastage of money. Is that not what the whistleblower had been saying every single step of the way? This whistleblower has totally lacked support from senior staff, the director general, the previous minister and the Premier. As I said, the director general was more concerned with her complaints that he was a missing director general.

Why did the minister threaten the whistleblower? By doing that, he demeaned that public servant. The Premier's response of last week, which he tabled, also demeaned that public servant. The whistleblower wants the truth and the right thing to be done, but she has got nothing from the Premier but a justification of the Department of Health. I again refer to her letter, which I will lay on the Table of the House for the rest of the day's sitting.

[The paper was tabled for the information of members.]

Mrs C.L. EDWARDES: The current Minister for Health justified the actions of the former minister. The Premier supported that. The current Minister for Health then attempted to shift blame to the previous Government. In her letter of 15 August, Jean Thornton clearly said that the matters she had raised were not matters of the previous Government. She also quoted from a *Medical Journal of Australia* article on the downside of whistleblowing -

"The personal cost of whistleblowing is high ...so when doctors see whistleblowers they need to be aware of the shattering health, financial and psychological impact.

Costs to the community are also high. They include the cost of supporting these injured workers . . . costs of the original issue (in lives lost or public moneys), legal costs as public authorities defend the indefensible, the cost of public inquiries, and further legal costs and damages as, in due course, the vindicated victims sue."

All this could have been avoided. If the Premier has nothing to hide, he will support the establishment of a select committee. Either he will be accountable for all that money that was given to WAACCHO without a contract, or he will not. If the Premier will not be responsible for those people at the Department of Health, who will be responsible? The Government should help set up an independent inquiry. It should support a select committee into why WAACCHO continued to receive taxpayers' money without a contract, despite serious concerns of allegations of corruption and fraud and without delivering any outcomes.

The former Minister for Health is in some ways very conceited. Members should refer to his comments to the media in the week before the election. He said that people were going to him with inquiries and concerns. He said also that he might be leadership material. No wonder the Premier gave him the health portfolio!

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Billy Hughes is reported as once saying about a newly appointed minister who was making a mess of handling his first Bill in the House -

It is quite remarkable. The honourable member has suddenly become a Minister. He reminds me of an artificially inseminated cow. He knows that something wonderful has happened to him but he does not know exactly what it is or what he has to do about it.

I suggest that that is what has happened here.

DR G.I. GALLOP (Victoria Park - Premier) [5.13 pm]: The Government will not support this motion.

Mr R.F. Johnson: Why not?

Dr G.I. GALLOP: We are quite happy to answer questions on this issue, as we have done in not only the Parliament but also the media. As we explained last week, everything that needs to be done is being done.

I refer first to the Department of Health and the former Minister for Health. Last week I gave the Parliament a very comprehensive account of everything that the Department of Health and the former minister have done about this matter, culminating in a referral of the issues surrounding the Western Australian Aboriginal Community Controlled Health Organisation to the Police Service and the current minister's decision to de-fund WAACCHO.

Mr M.W. Trenorden: Sixteen months after the event.

Dr G.I. GALLOP: Last week we comprehensively outlined to the Parliament what the Government has done about this matter and how it has done it. The Government has accepted criticism that the matter might have been referred to the police earlier. The Director General of Health and the former Minister for Health have spoken about that in the media. The way the Department of Health tackled this issue has been fully dealt with in the Parliament.

Mr M.W. Trenorden: At the very minimum the director must resign.

The ACTING SPEAKER: Leader of the National Party!

Dr G.I. GALLOP: I refer to complaints about the former minister's comments at a meeting and about my office's dealing with a letter from Ms Thornton. I have clearly outlined my and the Government's position on that matter. The public can make its own judgment. We have been absolutely open about it. We have answered all the questions, as we are required to do. As far as I am concerned, the public can make its own judgment on that matter. I accepted criticism that Ms Thornton's letter to me should have been responded to more quickly, and I gave an explanation of the reason for the delay.

The other issues that have been raised relate to human resource matters in the Department of Health. I have always said to the media and the Parliament that human resource issues in departments are handled under the framework of the Public Sector Management Act. Indeed, they are a matter for the Commissioner for Public Sector Standards, who supervises what happens in our government departments. There is a range of options. Complaints about alleged breaches of public sector standards can be made according to the procedures established under sections 97 and 98 of the Act. It has been explained to public servants that they can make those complaints. Alternatively, the Commissioner for Public Sector Standards can make more general inquiries into issues.

In summary, the Department of Health has referred this matter to the police and accepts that that could have been done earlier. The current Minister for Health has de-funded WAACCHO. The Parliament has been given full accounts regarding the complaints about the former minister and my office. Some criticism has been accepted.

Several members interjected.

Dr G.I. GALLOP: They have been given. In relation to the human resource matters in the Department of Health, I read to the Parliament a letter I today received from the Office of the Public Sector Standards Commissioner -

I write to you in your role as Minister for Public Sector Management about the issues raised by Ms Jean Thornton and my functions under the Public Sector Management Act 1994.

I am concerned that some of the publicity around this issue could convey a misapprehension about the nature of my role under the Public Sector Management Act.

As required under s.21 of this Act, I am monitoring the compliance of the Department of Health with Human Resource Standards. The information that Ms Thornton has supplied to me is being used as part of this monitoring process.

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As part of my functions, I will in due course report to Parliament on the extent of compliance or non-compliance by the Department of Health. This report to Parliament may be as part of my Annual Compliance Report or a separate report depending on the circumstances.

I table that letter.

[See paper No 1425.]

Dr G.I. GALLOP: This matter has come full circle. WAACCHO has been de-funded. The Police Service is examining whether there have been any breaches of the law. The former and the current Ministers for Health and I have accounted to the Parliament for what we have done. The public can make judgments about that. The Commissioner for Public Sector Standards, who is independent of the Government of the day, will, quite appropriately, examine the public sector standards issues and report to Parliament, either as part of her normal reporting or in a separate report.

There is no justification at all for a parliamentary inquiry into the matters raised by the Opposition. The circle of accountability on this matter has been completed, and I am confident that the independent Commissioner for Public Sector Standards can look into these human resource issues, as she is required to do under the Act.

MR M.W. TRENORDEN (Avon - Leader of the National Party) [5.20 pm]: I support and second the motion for the appointment of a select committee of the Legislative Assembly to conduct an inquiry into any mismanagement of Department of Health funds provided to the Western Australian Aboriginal Community Controlled Health Organisation and other non-government agencies through the Office of Aboriginal Health. The committee should examine also the role and conduct of the Director General of Health, who in my opinion must resign - he has nowhere to go whatsoever - the staff of the Department of Health, the former Minister for Health, and the Premier, as outlined in the terms of reference proposed by the member for Kingsley. I will deal first with the Department of Health. The Department of Health in this State has a long history and culture - I underline the word "culture" - of a lack of compliance and accountability. That lack of compliance has been well documented. For months now I have been highlighting the inadequacies of the State's public health sector, specifically the appalling lack of accountability of the \$2.65 billion of taxpayers' funds allocated to the health system.

In the past 12 months the Auditor General has delivered at least four reports that have raised serious and ongoing concerns about the reporting and accountability system in the public health sector in this State. I remind members of the House, particularly those who have not been in this Parliament for long, that under the accountability process in not only this Parliament but every other Parliament in this nation, as well as the Westminster Parliament, the Auditor General conducts inquiries and reports to the Parliament. The role of the Parliament is to act on the reports of the Auditor General. The Auditor General is not a policeman. The action is meant to come from the Parliament. The Premier refuses to let the Parliament follow that process. The Premier must be damned for that decision, because it demonstrates his sheer lack of accountability. As a mark out of 10 the Premier must get a zero. The latest report from the Auditor General suggests that little progress has been made on addressing the outstanding issues. We have had years of inaction from the Department of Health. We heard from the previous Minister for Health some months ago when I raised this issue that we cannot expect the Department of Health to keep up with the requirements of the Financial Administration and Audit Act because it is in the process of restructuring. Since when is restructuring an excuse for an agency that gets \$2.6 billion of taxpayers' money not to comply with an Act of this State? The Department of Health is required to comply with the FAAA. The one action that the Premier did get right is that he did get rid of the former Minister for Health. However, the current Minister for Health is refusing to accept that there is a major breach of accountability in the Department of Health. That breach of accountability must be acted upon. The only body that can take that action is this Parliament, and the only people in this Parliament with the numbers to do that are the people on the government benches. However, they are refusing to be accountable in this process, and the senior reporting officer to this House is having his message totally ignored.

I will go through the reports of the Auditor General, because members may not be in a position to know them all. They are entitled "Supplementary Report on Ministerial Portfolio Agency Audits for 2001-02, Primarily the Public Health Sector", report No 3, June 2003; "Contracting Not-For-Profit Organisations for Delivery of Health Services", report No 2, April 2003; "Report on Ministerial Portfolios at November 29, 2002", report No 9, December 2002; and "Management of Hospital Special Purpose Accounts", report No 7, November 2002. The management of hospital special purpose accounts is a disgrace, and the minister's press release today was amazing. Those four separate reports from the Auditor General say that accountability processes in the Department of Health are out of control, yet the response that we get is "Let us not look at that; we do not want to know about that." It is the responsibility of this Parliament to take action on those reports. The Government controls the numbers in this place. Each government member has made a clear decision not to pursue these

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matters, even though on four separate occasions in major reports the Auditor General has spelt out the problem. There is no action. Why should we expect things to be any different when the next Auditor General's report comes out? Clear messages from the Auditor General are being ignored by the Department of Health. The department just steams on year after year, with no concern about accountability. The Auditor General has no power to rectify these matters. The only people who have the power to rectify these matters are the people who sit in this Chamber. However, what is the Parliament going to do about it? What the Parliament is going to do about it is, as the quote says, NFA - no further action.

Mr C.J. Barnett: A cover up.

Mr M.W. TRENORDEN: A major cover up.

The second reason that I support the establishment of a select committee is that senior departmental staff and the minister have made a decision not to report the allegations of fraud. That alleged fraud is clearly a breach of the law. I refer to an article by Colleen Egan that appeared in *The Australian* of 15 July 2003. As far as I am concerned, this is the core of the matter. It states -

Mr Daube signed off on the December 2001 ministerial briefing note, which stated in the first point: "Information in the possession of the department gives a prima facie indication that fraudulent and other dishonest behaviour involving members of WAACCHO may have occurred and may be actionable by relevant regulatory/prosecuting bodies.

The Western Australian public sector code of ethics states that under section 9 of the Public Sector Management Act, all public sector bodies and employees must comply with the code of ethics and any applicable code of conduct. It states also that alleged misconduct that could - I stress the word could - be corrupt or criminal must be reported to the Anti-Corruption Commission or the police. What happened in December 2001? The briefing note went to the minister. The minister received the briefing note, according to the article in *The Australian*, on 24 December. Part of the article contains a copy of a letter that is signed by the minister and that states - presumably it is in the minister's own handwriting - "What is the intended course of action?" The letter is dated 24 December 2001. On 9 January 2002 we get the famous quote "NFA" - no further action. It clearly states in the documentation that the briefing for the department officers was given on 9 January 2002. The minister looked at the situation and was told in a briefing note by the Director General of Health that suspicious activities were part of this process. The result was no further action. That goes back down to the director general.

I remind members of a little kerfuffle in this place a few years ago known as Global Dance. I remind members of the noise that came from members opposite when they were in opposition. The Global Dance situation involved more than \$240 000. What was the core of the finding at the time? It was that the direction of a minister had to be complied with, even though the minister involved in that matter - the then Premier, Hon Richard Court - did not give the Tourism Commission the direction. It did not happen. The previous Minister for Health did not give a direction in this matter before the House either.

What did the briefing note that went back to the director general contain? It said "NFA", no further action, and it was signed out of the minister's office. Where does that leave the director general? Members must remember that the Public Sector Management Act was passed in 1994. It requires senior public servants to report promptly when they know of an action. What does the "Western Australian Public Sector Code of Ethics" state under the title of chief executive officers? It reads -

Responsibility for compliance of the Code of Ethics rests with chief executive officers and chief employees.

Who is the chief executive officer in this case? Unfortunately for him, it is the Director General of Health. The code continues -

As well as demonstrating ethical leadership, chief executive officers are expected to develop, and monitor compliance with, agency specific codes of conduct.

The code of conduct clearly states that CEOs must comply with the code, and must report any alleged misconduct, or anything that could be considered to be alleged misconduct. Did the director general report this matter? He did not. He was in breach of the code, and he is in breach of the Public Sector Management Act. He must stand down. He has no alternative but to stand down. The Premier needs to be part of this process in upholding the law of the State. The law clearly states that chief executive officers must comply with the law. I do not hear much noise coming from my left. Why is it that when members opposite get into government they do not have to comply with the law?

Why is it that the director general waited 16 months to report this matter to the police? Prompt action was required - it took 16 months. Why did the director general report it to the police? This House needs to put this

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question directly to the policeman of this Chamber - the Auditor General. It was reported to the Police Service because the Auditor General's officers were in the department telling people that the Department of Health would appear in the next report. Officers in the Department of Health had no option but to go to the police 16 months after Mr Daube, acting as director general, said that the *prima facie* indication was that "fraudulent and other dishonest behaviour" had taken place. This was in writing. Where does this leave the previous minister? He is cool. The Act states that he need not comply. He does not have a problem, but Mr Daube has a problem.

I now look at the current Government's stance on accountability. I have with me a couple of extracts from the Government's pre-election statements. I remind members that, under the heading of "Accountability", the Labor Party made the following promises before coming to government -

Labor will:

... ensure that the Ministerial Code of Conduct meets the highest standards of accountability, including the fundamental principles identified by COG.

I quoted in the previous debate what the Commission on Government had to say on these issues. It stated that inaction enabled ministers to cover things up, which has clearly happened in this case. The Labor Party platform continues -

Public servants who 'blow the whistle' on corruption, maladministration and waste within government and the public sector will be protected - not persecuted - under a Gallop Labor Government.

I now refer to two relevant recommendations of the "Commission on Government Report No 5". Recommendation 2.1.1 on page 24 reads -

While acknowledging the importance of codes of personal conduct and ethical behaviour on the part of all public sector officials, the Commission on Government's inquiries demonstrate that there should be substantial institutional reform to prevent corruption, illegal or improper conduct in the Western Australian public sector.

The Director General of Health has acted totally improperly. He has no defence. He must resign. COG recommendation 2.2.1 on page 25 reads -

Basic measures to prevent improper conduct in the public sector should include making all government activities open to public scrutiny, setting out clear lines of accountability for all those who work in the public sector and providing an authoritative statement of the roles and responsibilities of key public officials.

The Premier's own ministerial code of conduct requires the following -

... Ministers are accountable to both the community and the Parliament for the administration of their departments, authorities and statutes. Ministers should be as open as possible, and give reasons for their decisions and actions to ensure they are working in the public interest.

What has happened here? A couple of circumstances are involved. Colleen Egan wrote in her 10 July article in *The Australian* the following -

Just one month after the Kucera meeting, Mr Jackson and new OAH acting director Terry Murphy agreed not to pursue civil or criminal action against individuals at a peak indigenous health body which had failed to account for almost \$1 million.

It is a breach of the law, and those people cannot agree to act in that way - it is totally not their right to do so. To act in that manner is to act outside the law. What will we do about it, members? Absolute silence. We are sweeping it straight under the carpet. The Premier is stating that there is no way there will be an inquiry. Why? There is no defence of the Director General of Health or these two senior members of the department. I suggest that the senior adviser in the minister's office is probably also a public servant. If so, he is in the same position - that is, acting outside the law. There is absolutely no way that the administrators of the Department of Health are not familiar with the Public Sector Management Act. How could they not be? An arrogant attitude is being displayed with total disregard for the law. Whose responsibility is it to uphold that law? Who reported it to us? The Auditor General reported it to us. Ms Thornton reported it to us. What will we do? Nothing.

Mr C.J. Barnett: The Auditor General has raised the issue and only the Parliament can deal with it.

Mr M.W. TRENORDEN: That is right. No other statute in this State can deal with it. What are we going to do with it? The answer is nothing; absolutely nothing. It is a disgraceful day. Even if I were in government and I decided the argument was tenuous - it cannot be; it is black and white - why would I not go through the process, given that I controlled the numbers? The reason for not doing it is that they do not have a leg to stand on. We need a few answers.

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[Leave granted for the member's time to be extended.]

Mr M.W. TRENORDEN: How did this happen? How can the Director General of Health send to a minister a briefing note outlining fraudulent or criminal activity - the Director General himself says there is prima facie evidence that that has occurred - and the minister take no action at that time?

Mr J.A. McGinty: Do you apply the same test to the member for Darling Range when he was the Minister for Health?

Mr M.W. TRENORDEN: Absolutely. I will apply that test to whoever is in this House.

Mr J.A. McGinty: He received a note advising him of the existence of fraud.

Ms S.E. Walker interjected.

The ACTING SPEAKER (Mr A.J. Dean): Member for Nedlands!

Several members interjected.

The ACTING SPEAKER: Order, members! The member for Avon has the floor.

Mr M.W. TRENORDEN: I will tell the member for Fremantle what I do support. I support a bit of accountability. If anyone in this House has a record of doing that, I suggest I have. I was the first Chairman of a Public Accounts Committee to bring a Premier before that committee - and I did it under extreme pressure, I might add.

Mr J.A. McGinty: I remember it well.

Mr M.W. TRENORDEN: At times we all have the responsibility to act outside of our politics. From time to time we must take that position. If there were ever a time to take that position, it would be when a chief officer reports to this House that there is a smell in the kitchen. Everyone on my left will apparently say it is not a problem if the kitchen smells; it does not matter if the Auditor General says a whole range of questions have not been answered.

Mr P.B. Watson interjected.

Mr M.W. TRENORDEN: The member for Albany wants to be vocal about this. He is in government. He should have an inquiry into it. I remind the member for Albany that he will be voting against the recommendations of the Auditor General. He will be doing that very shortly, and I will remind the people of Albany of it.

Why did this happen? How can senior public servants, who know the Western Australian public sector code of practice and the 1994 Act, say they did not know this was the case? How can they breach the Act with impunity? I can understand why the minister can, because the Act says he is allowed to, but it does not allow anyone else to do that. It specifically states that the chief executive officer cannot do that. The briefing note was returned to the chief executive officer, and he was hung at that stage. He was at fault the moment he wrote that briefing note and prior to it going to the minister. Once he knew enough to put that statement on paper, he had breached the Act by not reporting it to the police. The question must be asked: if the agency in this State that spends \$2.6 billion as part of this current budget can just waive aside accountability and process, and the Government of the day can do the same, where do we stand? Why are things any different from the Brian Burke days? Those in government should show me the difference. They cannot, because there is no difference. It is as though we were back in the late eighties.

Mr P.B. Watson interjected.

Mr M.W. TRENORDEN: We will see who holds the seat of Albany after the next election.

Mr P.B. Watson interjected.

Mr M.W. TRENORDEN: It will not matter who I am; it is a matter of who runs against the member that will count.

Ms J.A. Radisich interjected.

Mr M.W. TRENORDEN: Very true. That is a fair point, over a distance.

How can the Director General of Health justify the non-reporting of the obvious circumstances which he documented himself? How can he justify that? How can the minister's adviser justify having written "no further action" on the briefing note, knowing the provisions of the Act and the code?

Mr R.F. Johnson: On instructions from the minister, I suggest.

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Mr M.W. TRENORDEN: But the minister is clean. We in this place have given ministers of the day immunity - apart from the moral aspect. We collectively did that, even though morally the minister is in the wrong. I also add that I did forgive the minister on the day, but I do not think I would forgive him today for calling me a racist when I raised these issues. That was pretty underhanded at the time and he should not have done it, but I will not raise that issue today.

Mr R.F. Johnson: What did he do?

Mr M.W. TRENORDEN: During the debate he called me a racist because I raised the issue of the loss of money involving the Aboriginal health section.

Mr R.F. Johnson: That is disgraceful.

Mr M.W. TRENORDEN: It is in *Hansard*. The member can read it himself if he wishes.

I will not go through the whole question about the whistleblower. The member for Kingsley has done that in great detail. I would have to question a public servant - I know the member for South Perth wants to go over this ground - who knows the process of government well. She wrote a letter to an electorate office because she wanted the letter to go to the Premier personally. It is as clear as the fact that the sun will come up tomorrow morning. I really must question how that letter ended up in the spin machine. I would love to go into that debate, but I will leave it to others.

Mr R.F. Johnson: Because the Premier is the master of spin. He has learnt from his good mate Tony Blair and his right-hand man. His chief spin doctor is in the Department of the Premier and Cabinet.

Mr M.W. TRENORDEN: I must admit, having just received this letter from the Office of the Public Sector Standards Commissioner, Maxine Murray, I am concerned about it. I will be seeking a meeting with the commissioner on this issue. I am amazed about the contents of this letter. There has been a clear breach of the law and I am surprised that it has not been acted upon already. I have written to her and asked her to come back to me. She has not come back to me but she has written to the Premier. That is fair enough; the Premier is the senior person in this House. However, there is no clear indication in this letter whether a breach that occurred in December 2001 has been followed up. If the Commissioner for Public Sector Standards will not act on a clear breach, where do we stand? If this Parliament will not act and report to the Auditor General, where do we stand? If this Parliament will not act on the complaints of a whistleblower, where do we stand?

Mr R.F. Johnson: Our only chance is a select committee to look into this matter and the Premier said, after a six-minute speech, that he will not agree to it. He spent six minutes trying to defend his minister and his role in this disgraceful situation.

Mr M.W. TRENORDEN: I sat on the parliamentary committee on the Commission on Government with the Premier and for almost two years I listened to his fine speeches about accountability. It is amazing for the Premier to come into this House today and say that the Department of Health saw the breach and reported it to the police and that was a reasonable outcome. The reporting happened 16 months after the briefing note from the Director General of the Department of Health to the then minister. We need to ask the Auditor General this question directly, but I suspect it happened only after the Office of the Auditor General informed the Department of Health that there was nowhere else to go and that its cover-up and subterfuge were over because this matter would be reported in the next Auditor General's report. That is where we stand. This is clear maladministration in a major agency of the State, and what does the Government do about it? It sweeps it under the carpet.

MR P.G. PENDAL (South Perth) [5.50 pm]: This is a very serious issue. I support the motion for a select committee principally for two reasons. First, Jean Thornton is a constituent of mine in South Perth and has come to me for assistance. Secondly, I want to ask the House to dwell on the implications that this matter has for the Public Interest Disclosure Act, which was passed in this House as recently as a few months ago. I took an interest in matters to do with whistleblowers specifically during the inquiry into the South Perth City Council that was ordered by the previous Government and continued by the current Government some years ago. A number of issues that led to the public inquiry were raised because a whistleblower - that is not a term I particularly hold dear - made certain disclosures in the most courageous circumstances. Were it not for the fact that that person, a senior officer of the City of South Perth, made those disclosures, I doubt that the matters involving the maladministration of the City of South Perth would ever have been properly dealt with.

When the Government was elected to office in 2001, among the first pieces of legislation it introduced was the whistleblowers Bill. The Attorney General might recall that I supported it and indeed moved the only amendment that was accepted, which was to get rid of the term whistleblowers in the title. We used the term that the Commission on Government said was preferable and so it became the Public Interest Disclosure Bill. I made the point then that I will make now; that is, the whole basis upon which that legislation rests is dependent on

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public confidence and, in particular, public service confidence in the system. I make the case that if the public service does not have confidence in the system, and believes that the provisions of the Public Interest Disclosure Act are weak or that their application is weak, the system simply will not work.

What I find the greatest breach of all in this matter is that when Jean Thornton was wending her way through the public service with this complaint 16 or 17 months ago, at the very moment she was being subjected to what she believes to be harassment, intimidation and bullying tactics, this very House of Parliament, ignorant of that, was dealing with the Public Interest Disclosure Bill. I remind members of the timing, because it goes to the heart of what we are dealing with tonight. That Bill was introduced on 20 March last year, the second reading began in earnest on 20 March and it was agreed to in this Chamber on 7 May. If my figures are correct, it was read for the third time on 8 May last year. That was when Jean Thornton was going through her greatest trial. Incidentally, I will tell members something she told me. I do not know whether it is public knowledge, but she certainly was not backward in coming forward and saying it. She is a Labor supporter and she is appalled that she has been treated the way she has been, which is absolutely contrary to the provisions of the Public Interest Disclosure Act.

I will remind members of a couple of the provisions we dealt with. I put it to members that the former Minister for Health, now the Minister for Tourism in this House, is, at the very least, *prima facie* guilty of an unlawful act under section 14 of the Public Interest Disclosure Act. Attached to that section is a penalty of \$24 000 or imprisonment for two years. That is the seriousness of the matter with which we are dealing, and at the behest of Jean Thornton. I remind the House of the provision we passed, and this matter was not the subject of dispute between any parties in this Chamber. Section 14, reprisal an offence, states -

- (1) A person must not take or threaten to take detrimental action against another because anyone has made, or intends to make, a disclosure of public interest information under this Act.

The Attorney General will recall that the penalty is \$24 000 or imprisonment for two years. It is an unlawful act. What is the reprisal? The reprisal, at least on the evidence of Jean Thornton, is that she was bullied, harassed and intimidated - incidentally those are all words from her letter - but, most of all, she was threatened that she had to be careful about what she said or she could find herself being sued. I ask this House and the Attorney General - I ask him to respond to this in due course - how is it that that does not offend against section 14, which makes reprisal an offence. He will say - he is entitled to say it - that at the time the Minister for Health was alleged to have abused and intimidated this woman and threatened her with reprisal, this was not the law. Yes, it had gone through this House, but it did not become law until 1 July this year. However, will the Attorney General say that he does not believe the spirit of that legislation should not be observed? There is a responsibility on the part of the Government to determine whether the former Minister for Health should be stood down on that basis alone.

Section 16 of the Act deals with confidentiality, the very issue that Jean Thornton says was breached by no less a person in this place than the Premier. However, the significance of the Premier's assault against this woman was that the legislation was on the statute books by the time the Premier breached confidentiality. In case anyone believes that Jean Thornton is equivocal about these things, I will quote what she told the Premier in her letter of 18 August -

I also regard the responses you have given to me to mainly consist of a combination of half-truths, obfuscations and fictitious statements.

If that is not bad enough - I am coming to the nub of what I am concerned about today - her ultimate paragraph read -

As you saw fit to breach confidentiality with my 'private and confidential' letter . . .

That is her charge against the Premier. Anyone who breaches the confidentiality provisions of the Public Interest Disclosure Act faces a penalty of \$24 000 or two years imprisonment. The confidentiality provisions were on the statute books when the Premier made his remarks. What is his defence? He was speaking under parliamentary privilege. That is an abuse of parliamentary privilege. As you know, Mr Speaker, parliamentary privilege is very important to the operation of this place. In the past, people have abused parliamentary privilege by saying in this place things that they are reluctant to say outside and against which there is no comeback. I suggest that the Premier knew exactly what he was doing when he spoke in this House and breached the confidentiality of this woman. I remind members that Jean Thornton is not someone who has come in off the streets with ill will against a Labor Government. She has said openly that she was a Labor supporter until this incident.

We are now confronted with two situations: an Act of Parliament that was passed and given the royal assent barely a couple months ago has been directly breached at least once by the Premier under parliamentary

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privilege, and the spirit of it has been breached by the then Minister for Health's threatening reprisals against the woman concerned. The matter will not rest here, although some members on the government side may think it will. If we were to allow the matter to rest here, we would set aside a lot of statutes. The Public Sector Management Act has been mentioned at length today. However, my real interest is in the Public Interest Disclosure Act. It will amount to nothing if the Government, the Premier and the Attorney General, who happens to be the present Minister for Health, are not prepared to ensure that its provisions are applied. The first port of call must be the behaviour of the former Minister for Health in the way he berated and bullied this woman. Let us suppose for a moment that Jean Thornton is wrong - she has misunderstood the situation and is a particularly sensitive individual who does not know how the world works. There is only one way that these disputes are ever tested - at law. A judge listens to one side and then the other. If that is not taken to a court of law, as it should be, but cannot be because of the matters to which I referred earlier, at the very least, it can be taken to a body higher than that - a select committee of this Parliament. The benefits of a select committee of this Parliament are that it has a public profile and it is under scrutiny because the media can check on its activities and make assessments about its fairness. Ultimately a committee is obliged to report to the Parliament. A select committee is no more, but certainly no less, than an extension of this very Chamber. If the law is to mean anything, the Government cannot walk away from the Jean Thornton scandal in the belief that nothing will come of it or on the grounds that the alleged threats of reprisal by the then Minister for Health were not covered by the Act. The Government cannot walk away from the Public Interest Disclosure Act and the Premier's alleged breach of confidentiality simply because he used what is available to him, me and all other members of Parliament but not to Jean Thornton. That is why the case is irrefutable that this issue must be heard by an inquiry of this House to finally work out whether the Public Interest Disclosure Act will be worth anything more than the piece of paper it is written on. If this matter goes through to the keeper, no public servant in Western Australia or employee of any government and local government authority will ever trust this place or that statute. That is how important it is. It is the first test of the Act. To my knowledge no major complaints have been put to the commissioner since 1 July. What are we to do - falter at the first step? So far the Act has failed abjectly, not because of the commissioner, who is in charge of its administration, for the reasons I have already mentioned. She is not to blame. It has failed because the Premier and the former Minister for Health - and possibly, but we have not heard from him, the Attorney General - have said that they will close ranks on this issue and pretend that the provisions and aspirations of the Public Interest Disclosure Act do not count. Every single public servant in this State will now put the Government on trial in deciding whether it is worth coming forward. One of the most poignant comments in Jean Thornton's letter that was circulated reads -

... I would like to say that standing up for what you believe to be right is a very difficult task.

Hallelujah! No-one else will have the courage that this woman had if they find that this statute is not worth the paper it is written on. Who introduced the legislation? Who nursed it through the election campaign? Who sold its virtues to the electorate and explained it in this House as well as he did? I congratulated him at the time. It was the Attorney General. He is now able to do something about it. If the Government acts to vote against this motion to appoint a select committee, the Public Interest Disclosure Act will not be worth the paper it is written on. That will be a reflection on not only this Parliament, but most effectively on the Premier who sponsored it and the Attorney General who introduced it. I support the motion.

MR J.A. MCGINTY (Fremantle - Attorney General) [6.08 pm]: I will address my opening comments tonight to the first part of the motion before the House -

That a select committee of the Legislative Assembly be appointed to -

- (1) conduct an inquiry into any mismanagement of Department of Health funds, provided to the Western Australian Aboriginal Community Controlled Health Organisation - WAACCHO - and other non-government agencies through the Office of Aboriginal Health for the financial periods -
 - (a) 2000-01;
 - (b) 2001-02; and
 - (c) 2002-03;

In other words, it would relate to the term of the current Government. That is a fatal flaw in the motion.

Mrs C.L. Edwardes: Amend it.

Mr J.A. MCGINTY: It is the member for Kingsley's motion.

Mr P.G. Pendal: It is your reputation.

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Mr J.A. McGINTY: Let me develop the point I want to make. If the Opposition were serious about doing more than scoring political points and about having an inquiry into financial mismanagement, fraud, misappropriation and who did what, it would include its own period of government within the time covered by the motion. I make that point very simply.

Mr P.G. Pental: They were things you did in opposition, which you were entitled to do. However, that is not the issue that is before the Chamber today, and you know it.

Mr J.A. McGINTY: The first part of the motion is exactly that. It is about financial misappropriation in the Western Australian Aboriginal Community Controlled Health Organisation. The member for Kingsley has carefully drawn the time limit at the change of government. That is not genuine on her part. It might be a tactic that is employed from time to time by Oppositions. It does not then shroud it with a cloak of decency or appropriateness to exclude its own conduct, which was in many respects as bad, worse, less responsive -

Mrs C.L. Edwardes: If we amended it, would you support the establishment of a select committee?

Mr J.A. McGINTY: I am just making a point in response. The Opposition has moved this motion -

Mr P.G. Pental: You move the amendment and I'll second it.

Mr J.A. McGINTY: The member may well do. The point I am making is that it says something about the mentality that underpins this motion.

Mrs C.L. Edwardes: Now, be kind; be nice.

Mr J.A. McGINTY: It does.

Mr J.L. Bradshaw: We are happy to amend it.

Mr J.A. McGINTY: The Opposition has not done so. If we go back to the late 1990s, prior to the change of government, in my view worse behaviour will be found. I say worse, because when allegations of fraud were drawn to the attention of the then minister, he did absolutely nothing.

The criticism that the Opposition can make of the former Labor Minister for Health is that there was some tardiness in referring the matter to the police. However, the matter was referred to the police before it became a public issue. There was also an attempt to refer the matter to the Anti-Corruption Commission in April this year, and it became a political issue in July, according to my recollection. It was not a matter of the Government fearing that it would become a public matter; it was -

Mrs C.L. Edwardes: The Auditor General's report was in April 2003, the same month that it was referred to the police.

Mr J.A. McGINTY: However, it was well before it became a contentious political matter.

Mr J.L. Bradshaw: You could see it becoming contentious.

Mr J.A. McGINTY: I make this point: the proposal is to investigate things that might have occurred during the life of the current Government. I believe it is important to bear in mind what occurred before that. I do not say this by way of excusing any of the conduct. In fact, my actions in terminating the funding to WAACCHO said it all about my view of the services that WAACCHO was providing for the \$600 000 a year the State Government was putting into it, in terms of both WAACCHO's financial mismanagement and the services it was delivering back to the Government. However, I point out that for a long time WAACCHO had been beset by great difficulties in its financial management. For the year 1999-2000, which was well before the state election, Sheppard West Dwyer Pty Ltd, which was the auditor for WAACCHO, wrote a post-audit management letter to the chairperson of WAACCHO and drew attention to a number of matters. I will read out a couple of the more relevant ones. First, on the question of solvency, the letter reads -

The 30th June 2000 balance shows a net asset deficiency of \$138,050, in that liabilities of \$185,233 exceed assets of \$47,183.

The question of solvency therefore arises, as an organisation should cease to trade if it cannot meet the payment of its bills as and when they fall due for payment. The solvency of WAACCHO appears to be dependant on whether the asset shortfall can be made good by way of additional funding and support from governments.

Then there is a recommendation associated with that. However, as a result of the 1999-2000 audit, it was reported back that the organisation was insolvent. The Opposition is not proposing to inquire into that in this recommendation to establish a select committee.

Mrs C.L. Edwardes: What was that again?

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Mr J.A. McGINTY: The Opposition is not proposing to inquire into the insolvency of WAACCHO revealed in the 1999-2000 report.

Mrs C.L. Edwardes: When did that report go to the Office of Aboriginal Health? It was not until 1 November 2001, when you were in government.

Mr J.A. McGINTY: It may well have done. However, I am talking about the issues -

Mrs C.L. Edwardes: We had contracts in place; you didn't. You can't get out of that.

Mr J.A. McGINTY: The member for Kingsley has walked right into it, because the point is not in any sense to condemn the previous Government, or what occurred on the member for Kingsley's watch, but to draw attention to the fact that she is not being fair.

Mrs C.L. Edwardes: We will move an amendment if the Government will support the establishment of a select committee.

Mr J.A. McGINTY: An amendment has not been moved; that is the issue. Already the member is trying to say that the previous Government did not know about it and it was not its fault; therefore it must be the fault of the present Government. The member cannot say that, because a range of matters need to be looked at. The audit report for 1999-2000 drew attention to problems with the fixed assets of WAACCHO. It reads -

The Organisation has not maintained a fixed asset register.

That is how bad the keeping of the books was. The report continues -

The lack of a register would appear to be contrary to your funding terms of reference. Accordingly we have raised one during the course of the audit, a copy of which is attached.

The Organisation does not appear to gain 3 quotes when purchasing fixed assets as required by Commonwealth regulation.

Again, recommendations are made there.

Mr M.W. Trenorden: What is that document?

Mr J.A. McGINTY: This is the letter to management included in the auditor's report for the financial year 1999-2000.

I am not seeking to apportion blame. All I am saying is that this goes back to before the time the Opposition wants to inquire into, and I suggest that there is a political reason for drafting the motion in this way. I will keep going, because there is more. The document goes on to deal with lost fixed assets, and states -

A physical check of fixed assets to the asset register highlighted the following anomalies:

Goods listed as lost or stolen included two televisions and two video cassette recorders valued \$1 178, and another television and video recorder valued at \$589. Goods donated included office furniture to the value of \$737. A Toshiba computer valued at \$6 394 was shown as on loan to the substance misuse officer and a sofa valued at \$1 000 was loaned to P. Hunter. Other items simply not sighted included a bookcase, a chair, two rosewood cabinets and two single-drawer Baltic pine pedestals, adding up to many hundreds of dollars.

Then, further observations were made, going back to the late 1990s -

E Minutes

We noted that Committee minutes are not filed in a readily accessible manner. Accordingly we were not necessarily able to review Committee decisions which may have a bearing on the financial statements.

...

F Authorisation of expenses

In a review of expenses, we noted that many were not supported by invoices and also were not authorised. The following sample of expense for June 2000 was still unauthorised and unsubstantiated in February 2001, eight months after the payments. It goes on to list perhaps a dozen or 15 payments, generally speaking for entitlements of staff, adding up to many thousands of dollars. The most common of these were travel allowances worth hundreds, and in some cases thousands, of dollars. Recommendations were made. This document refers to a year that fell outside the period proposed for the inquiry envisaged by the motion before the House. I suggest that the books of the organisation were a shambles. There was, if I can say so with due respect to the organisation, misappropriation and fraud in the year 1999-2000.

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Mr R.F. Johnson: I will be moving an amendment to take that into account.

Mr J.A. McGINTY: Nonetheless, there is a report by the auditor on all these matters. All the shortcomings have been identified. Anyone who receives a management report of that nature for any organisation for which he or she is responsible would have to regard that as a damning indictment of the way in which the organisation is conducting itself. This was back in 1999. To the best of my knowledge, the first occasion on which the question of fraud in WAACCHO raised its head in a very specific and concrete way was in transactions that occurred in 1998, going back a bit further than that.

A memo in December 1998 to the then Minister for Health, the member for Darling Range, stated that there were questions about whether fraud had occurred within WAACCHO. Action was taken somewhat belatedly. More than two years after that was drawn to the attention of the then Minister for Health, he appointed Hall Chadwick to inquire into the allegations of fraud and misappropriation of funds during the period July to November 1998.

Mr R.F. Johnson: What was the suspected amount of the fraud at that time?

Mr J.A. McGINTY: It seems to be about \$10 000.

Mr R.F. Johnson: I thought it was \$5 000, and \$600 for another matter. However, I will accept that.

Mr J.A. McGINTY: The \$1 million - or just short of \$1 million - that was not properly accounted for was made up of many hundreds and thousands of dollars. That was a specific inquiry over payment that was triggered by staff. However, it was two years before Hall Chadwick was appointed to conduct an audit to determine whether any misappropriation of funds occurred during the period 1 July 1998 to 17 November 1998. Hall Chadwick was appointed during the caretaker period of the Government in January 2001. The fraud was alleged to have occurred in 1998 and was drawn to the minister's -

Mr M.W. Trenorden: Did the officer who uncovered the fraud report it to the Commissioner for Public Sector Standards?

Mr J.A. McGINTY: There is no evidence that that occurred.

Mr M.W. Trenorden: That public servant should be sacked.

Mr J.A. McGINTY: The member might well be right. I do not say this in any exculpatory way, but this matter is complicated by the fact that the Anti-Corruption Commission said when the matter was ultimately referred to it - some time in the past six or nine months - that WAACCHO is a private organisation over which it does not have jurisdiction.

Mrs C.L. Edwardes: It was just a telephone call to the commission. It was not reported.

Mr J.A. McGINTY: Nonetheless, that was the response. I think that is right.

Mrs C.L. Edwardes: When the whistleblower raised it with the ACC, it immediately referred it to the Auditor General.

Mr J.A. McGINTY: Sure. I am making the point that when misappropriation was alleged to have occurred in 1998, it took more than two years for the then Minister for Health to appoint Hall Chadwick - which he did in January 2001 - to conduct an audit to investigate whether any misappropriation of funds occurred during that time.

Mr M.W. Trenorden: That is probably correct and non-contestable, but it is not the point. You are clearly proving that there is a culture within the Department of Health of not obeying the law. Your own ministerial statements say that that activity occurred in 1998 and again in 2001. It keeps happening. There is clearly a culture within the Department of Health that must be cleaned out.

Mr J.A. McGINTY: Much of what has been said tonight is, with due respect, a rehash of the debate of Tuesday of last week.

Mrs C.L. Edwardes: Not all the details were included -

Mr J.A. McGINTY: Not all, but much of it is a rehashing of those facts. I do not wish to take the time of the Parliament this evening -

Mrs C.L. Edwardes: That is just a message to the media to say that this is old hat and has already been done. The minister is trying to say that there is nothing new, but there was.

Mr J.A. McGINTY: A significant amount of what has been said tonight was raised during the course of that debate. On 11 December 1998 the Commissioner of Health, Alan Bansemer, reported to the then Minister for Health under the heading "WAACCHO Secretariat - Allegations of Fraud". That was noted by the minister on

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14 January 1999. A little over two years after he noted it, Hall Chadwick was appointed to conduct the audit. I refer to the executive summary of his report, which states -

As a result of our review we wish to highlight the following matters:

- Our review findings revealed that Linda Dorendorf was apparently overpaid wages on seven occasions, amounting to \$8,501.30 . . . As well we were advised that on seven occasions Linda Dorendorf cashed cheques amounting to \$2,950.29 for which no evidence as to how the funds were expended could be produced.

That is where I get the \$10 000 to which I just referred. The second point observed in the executive summary - bear in mind that this is a few months into the second half of 1998 - reads as follows -

- It was noted that Bank West on eight occasions cashed cheques despite having only one authorised signatory on the cheque. On two further occasions a direct debit of wages to Ms Dorendorf's bank account was processed without correct authorisation. According to WAACCHO's constitution and the "banking relationship letter", a minimum of two signatories on each cheque or direct debit authority was required. From this it would appear that WAACCHO may have a possible action against the Bank to recover some of these amounts and we recommend that consideration be given to undertake such action.

[Leave granted for the member's time to be extended.]

Mr J.A. McGINTY: The third point reads as follows -

- The above overpayment of wages and cashing of cheques occurred due to inadequate payment procedures within WAACCHO. We have identified certain control weaknesses and made recommendations to improve controls and payment procedures.

The fourth point states -

- Our review of wages paid for the period 1st July 1998 to 17th November 1998 also revealed an apparent overpayment of wages to Di Potter amounting to \$5,088.15 . . . Of this amount we have confirmed that Di Potter received \$4,070.52 however we have not been able to determine who received the balance of \$1,017.63. As our review did not extend beyond 17th November 1998 we have not been able to determine whether any adjustments to correct the apparent overpayments were made after that date.

Mrs C.L. Edwardes: Can we have a copy of that report?

Mr J.A. McGINTY: Yes. It continues -

- Our review of cheque payments during the period revealed the documentation supporting certain payments was missing and/or not properly authorised. A detailed listing of these payments is provided at Appendix 1.
- We have not been able to conclude whether any misappropriation of funds occurred, although it is apparent that during the period subject to our review, wages were overpaid by \$13,589.45 and the proceeds of cheques cashed amounting to \$2,950.29 cannot be accounted for. We were advised by Di Potter that no funds have been recovered or repaid in respect to the overpayment of wages to, or cheques cashed by, Linda Dorendorf. We consider that there is sufficient evidence available to warrant further investigation of this matter by the police. We have also not sighted any adjustment for, or evidence of repayment of wages apparently overpaid to Di Potter, although this may have occurred after 17th November 1998.

Again, a most uncomplimentary description of the way in which WAACCHO conducted its affairs during 1998 and, again, that is well before the period to which this motion relates. There are numerous examples of financial mismanagement within WAACCHO from 1998 on. The Department of Health's file records on this issue reveal a number of shortcomings. In November 1999, a letter from the auditors Sheppard West Dwyer Pty Ltd to the chairman of WAACCHO reported on the 1998-99 audit. It noted that whereas WAACCHO's draft account statements showed net assets of \$120 928, the audited account showed a deficit of \$72 032, a change in position of \$192 960. In the notes forming part of the financial statement for the year ended 30 June 2000 within the WAACCHO financial report for the year, the figures indicate a 440 per cent increase in travel expenditure for WAACCHO between the 1999 and 2000 financial years. Air fares leapt from \$20 368 to \$71 428. Travel allowance skyrocketed from \$31 886 in 1999 to \$163 107 in 2000. Accommodation jumped from \$1 988 to \$4 407. If we add up those items, the travel-related expenditure of WAACCHO increased from \$54 242 in 1999 to a massive \$238 942 in 2000. Numerous other documents are on file that indicate the extent of the problem

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that was occurring at WAACCHO during 1998, 1999 and 2000. However, all of that is intended to be excluded from the parliamentary select committee proposed by the Opposition. The only reason that the motion has been crafted in this way is to avoid scrutiny of the time during which members opposite were at the helm and were overseeing the misconduct and inappropriate behaviour within Aboriginal health organisations, particularly WAACCHO.

Mr Shane Houston, who was a public servant employed in this area, was the subject of a recommendation from the Anti-Corruption Commission to the Director of Public Prosecutions on a matter that disturbs me greatly; namely, he used the funds of the organisation to acquire a box at the Fremantle Dockers games. Precious Aboriginal health money was used for that purpose. The Anti-Corruption Commission recommended prosecution. This was all during the time of the former Government.

Mr E.S. Ripper: And he had no taste in football teams!

Mr J.A. McGINTY: He had excellent taste in football teams! No action was taken by the Director of Public Prosecutions, and the DPP ultimately referred the matter back to the Department of Health to proceed by way of internal disciplinary proceedings rather than launch criminal charges for fraud or misappropriation of funds.

I am skipping over a number of things because of the time, but on 18 May 2002 - which again falls outside the period of time proposed in the motion - the then Minister for Health was provided with a comprehensive briefing note on WAACCHO.

Mrs C.L. Edwardes: Will you be tabling that document?

Mr J.A. McGINTY: I think I did that during the last debate; therefore, to the extent that I have accused other people of being repetitious by covering old ground, I must apply a mea culpa to myself as well. The letter states in part -

It should be noted that:

- WAACCHO have received \$474,500 from the Office of Aboriginal Health in the 1999/00 financial year.
- WAACHO have advised the OAH they will not be in a position to submit their budget proposal for 2000/01 until 10 June 2000.
- The OAH intends, at this point in time, to offer WAACCHO a similar level of funding as it received in 1999/2000, with no provision for escalation.
- The OAH has not yet received the March quarter financial report from WAACCHO despite it being due on 3 May 2000, and requests from OAH for the report to be submitted.
- The OAH is yet to receive a special audit following an alleged misappropriation of funds by a staff member (not currently employed).

Those were the matters that were reported to the minister. I presume that, as often happens in these matters, there was a briefing note for a meeting that the minister was to have with WAACCHO, and those matters were discussed between WAACCHO and the then Minister for Health.

A number of other things occurred. We referred during the previous debate on this matter to the Glenvale Lodge incident of November 1999 - I will not bore members with the details of that again -

Mrs C.L. Edwardes: No, but it would have been nice if you had read out the whole letter rather than just the deliberate point that met your particular issue.

Mr J.A. McGINTY: The fact is that the account is still unpaid.

Mrs C.L. Edwardes: Do you know why? WAACCHO threatened the Department of Health officers with legal action.

Mr J.A. McGINTY: Surely officers do not buckle to threats of legal action in such matters.

Mrs C.L. Edwardes: It is your Department of Health.

Mr J.A. McGINTY: If a threat of legal action occurred over an unpaid account over which the minister had intervened personally, it would be a very weak and poor response if he buckled and said not to bother about it.

Mrs C.L. Edwardes: Not him, the Office of Aboriginal Health. It was asked to follow through with WAACCHO to see whether it would pay the account. The office was told in no uncertain terms that it was a private matter and none of its business. The office was told that if it took it any further it would be sued.

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Mr J.A. McGINTY: I am disappointed if it did not follow up the matter because it clearly should have. There was a ministerial request that the matter be proceeded with. The public servants employed at the time, particularly in the Office of Aboriginal Health - I believe Shane Houston was head at the time - received ongoing correspondence about the Glenvale Lodge account. The matter was raised unsuccessfully. I was surprised to hear from the motel proprietor that the account remained unpaid.

I raise this point to show that the problems of financial management in WAACCHO have been there for a long period, at least since 1998. We have not bothered to go back any further than that because it would not serve any purpose other than to realise that from 1998 until the de-funding occurred the organisation was beset with problems. Inadequate systems were in place and there were allegations of fraud and misappropriation of funds that covered the periods of office of both Governments. If there was a genuine desire to go into the matter in order to ascertain what happened, one would have thought it would cover the previous Government's period in office as well. I simply make that point.

I concur with the view of the Premier in respect of the first part of the motion. The matter has been dealt with. I have de-funded the organisation. It now ceases to be a current problem; it is a historical problem. I have made it quite clear to the Department of Health that I expect these matters to be pursued vigorously. I have raised personally with the department whether civil recovery can take place if there is sufficient evidence to justify it.

Mrs C.L. Edwardes: Are other organisations being funded without a contract?

Mr J.A. McGINTY: A number are funded on an ongoing rollover basis month by month.

Mrs C.L. Edwardes: Not on temporary payments without a contract? The Auditor General says no to that.

Mr J.A. McGINTY: As members know, there are current problems with the Derbarl Yerrigan Health Service. I stand to be corrected but I believe it is being funded on a month-to-month basis because it is the only prudent thing to do given the current instability in its management. It would be unwise to enter into a long-term contract. There is also a problem with the South West Aboriginal Medical Service. I cannot answer any more specifically than that.

Mrs C.L. Edwardes: Was that being said about WAACCHO? What advice are you receiving? The advice about WAACCHO is that it would be unwise to stop funding. Are you receiving that advice about Derbarl Yerrigan? What have its audit reports been like?

Mr J.A. McGINTY: That was not the advice I received on WAACCHO. Bear in mind that I had been in the job for only a week or two at the time. The department advised that that was what it did. I am never advised whether to fund or de-fund. We discussed the consequences of funding or de-funding at the senior officer level. There was never positive advice to me to go one way or the other.

MR R.F. JOHNSON (Hillarys) [6.39 pm]: I foreshadow that I will move an amendment to the motion. It is an amendment that the Government, Premier and minister should willingly accept. It will refer back to the previous Minister for Health under the Court coalition Government. The inquiry will refer to 1998 and 1999 and years further back. I will not move that amendment just yet. I hope that once the amendment is moved, the Government, including the Attorney General and current Minister for Health and, indeed, the Premier, will accept that it is in the best interests of the public.

The House is considering the actions of the Western Australian Aboriginal Community Controlled Health Organisation and the misappropriation - it looks like possibly fraud - of nearly \$1 million over that time. It is nearly \$1 million of taxpayers' money not used for the purposes for which it was given by the Government, previous or present. This is a very serious issue that needs to be considered carefully. The only way to get to the bottom of it is to appoint a parliamentary select committee. Members need to know which public servants have acted inappropriately, not only in the possible million-dollar fraud, but also in relation to the allegations made under the whistleblower legislation.

The current minister is exempt from much of this activity, but he has a clear duty to ensure that public servants in his ministerial office, the Department of Health and the Office of Aboriginal Health have fulfilled their duties under the statutes of this State. Members on this side of the House certainly do not believe that the people involved have done that. My colleagues the members for Kingsley and South Perth enunciated it clearly in their speeches. I will do the same. I am more than disappointed with the Premier; I am disgusted with him: he is responsible for the actions of his ministers and public servants as he has portfolio responsibility for public sector management. After listening to the extremely good speech of the member for Kingsley, the Premier spoke for six minutes, and, without having heard all the arguments, statements and questions put before the House during this debate, he had made up his mind that his Government, his ministers and the Labor Party would not support the motion. I was not surprised. In my heart of hearts I did not expect him to support the motion. I do not

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expect the Premier to be truly accountable to the people of Western Australia. He has broken many promises, and this is a classic example of another broken promise.

It is clearly in the public interest for a parliamentary select committee to look into this debacle. Almost \$1 million of taxpayers' money has gone astray. It reminds me of the WA Inc years. The Gallop Labor Government seems to be blasé about taxpayers' money, as was the case with a previous Labor Government during the WA Inc years. The Premier was a minister in the Government at that time. The losses involved may have been \$1.5 billion then, but the principle is the same whether it is \$1.5 billion or \$1 million of taxpayers' money - it is just as important. This House has a duty to investigate the actions of the Department of Health, the Office of Aboriginal Health and the minister.

I am disturbed greatly by the actions of one of the Premier's staff in hyping up the media that the whistleblower, Ms Jean Thornton, is unbalanced and should not be listened to. I know exactly who that person is. That person knows who it is. I will not name that person in this House. I will wait for the Premier to take some action against that person, who is a top person in his department, for trying to spread the vile rumours to the media so this issue would not be picked up. I find that absolutely despicable. Here we have a slight lady, not of big build, who has a clear conscience in doing her job in the public service. She wanted to bring the issue to the attention of the Department of Health and to the minister. What did she get? She got a great big minister who bullied her, intimidated her and tried to stop her from talking about it. I find that deplorable. It reminds me of when that minister was the officer in charge of the Belmont Police Station and did not know what was going on in his own police station. He went out and bought hamburgers. I would have thought that he would send a constable out there to get hamburgers, not go as a sergeant and the officer in charge.

I went to a police station recently. The officer in charge knew exactly what was going on in that police station.

The ACTING SPEAKER (Mr P.W. Andrews): The member for Hillarys needs to address the motion before the House.

Mr R.F. JOHNSON: I will certainly do that. I was trying to explain and enunciate the problems that people have with the previous Minister for Health. One must ask the question -

Mr J.B. D'Orazio: It depends where the camera is.

Mr R.F. JOHNSON: I do not care where the camera is. I am not like the member's colleagues who put on their make-up and look at cameras. I am talking to you, Mr Acting Speaker, because you are the person who listens. I am talking about the disgraceful behaviour of the previous Minister for Health towards somebody whose duty was to explain the problems, misappropriations and mismanagement that were taking place in the Office of Aboriginal Health. That person would have been in contravention of the Act had she not done that. What have we seen? We have seen a whole collection of public servants not wanting to know about the situation because it was too difficult. They were backed by the previous Minister for Health, who tried to keep that woman quiet. He bullied her and intimidated her. That is what she said, and I believe her; I would believe her rather than the previous Minister for Health any day of the week.

I asked the Premier a question that related to the motion before the House and this issue. I asked him why he had dumped the previous Minister for Health, having said what an excellent job he had been doing for two and a half years. The Premier said that he had been doing an excellent job and that he had every confidence in him. Why did he dump him? I have my suspicions about why he dumped him. The minute things get hot for the previous Minister for Health, he gets moved sideways so that he does not have to answer to this House. He has gone missing, the Premier has gone missing and the current Minister for Health has gone missing. The current Minister for Health had the decency to say a few words on this subject. I expected him to back up his mate and I expected the Premier to come out with his usual rhetoric. However, I expected more than six minutes of rhetoric from the Premier. I would have thought he might try to live up to his election promises of being open and accountable.

Mrs C.L. Edwardes interjected.

Ms S.M. McHale: He is just getting into the swing of it.

Mr R.F. JOHNSON: I am just getting into the swing of it. I feel very strongly about this. My question yesterday to the Premier, which basically related to the content of this motion, was why he got rid of the former Minister for Health, having made all those statements about what a wonderful fellow he was, what an excellent job he was doing, how he was working hard and how he would fix the problems. Of course, we know that the previous Minister for Health did not fix them. The situation with health is worse than ever. If his actions in this debacle over the missing nearly \$1 million of taxpayers' money are any measure of him, I am not surprised that the Premier got rid of him. The problem with the Premier's doing that is that we do not get the opportunity to

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make the previous Minister for Health accountable, because we cannot ask him questions as it is not now his portfolio area. He would not answer questions on Mickelberg, Lewandowski and all the rest of them. Now we cannot even ask him questions about a million dollars that has gone astray. It has more than gone astray; we know where it has gone, but we cannot ask him those questions. Is that why the Premier moved him out of the health portfolio? I suggest it was. I wanted the Premier to tell me whether it was because health was in a terrible crisis or because he received advice from his team of spin doctors. We now know how they work. The number of staff in the Department of the Premier and Cabinet has increased enormously and they are all for promoting the Premier as the top guy. People refer to him as Good News Gallop, because that is all we ever hear from the Premier, and there is no substance for that whatsoever. He makes his ministers or public servants take the rap. I want him to live up to his election promises and be open and accountable to the people. I want to see some integrity brought back into that office, because it is badly lacking.

Mr Acting Speaker, why on earth would the previous Minister for Health not stay in this Chamber and try to defend himself? If somebody were accusing me of bullying and intimidation and acting in a dreadful, cowardly way towards a woman, I would want to explain myself. Last week the Premier and the Attorney General tried to put the focus back on the Minister for Health in our Government, the member for Darling Range. He had the guts to stand up and put the record straight - and we were talking about \$600 of an unpaid hotel bill for an official at WAACCHO! I believe she is alleged to have spent the money gambling at Burswood Casino. Another \$5 000 went missing in another area. The Attorney General said it was \$10 000. Fine. I want to incorporate those issues, because this is so serious that we have a duty to ensure that taxpayers' funds are expended in an appropriate way. That has not happened. It has been covered up. It was covered up by the previous Minister for Health, it has been covered up by the Attorney General and current Minister for Health, and it has been covered up by the Premier. Why? Because they will not agree to this select committee. When we were in government we had select committees that were proposed by the Opposition - we did not allow them every time, obviously, but we did for issues as important as this, the possible fraud of \$1 million of taxpayers' money. We would have agreed to that.

The backbenchers who smile and sit behind their Premier and ministers think they are wonderful. They are guilty of not carrying out their duties, and they may live to rue the day, because their first obligation is to the taxpayers and the people of Western Australia. They are the people we should be considering, not the good name of the previous Minister for Health, the Attorney General and present minister, or the Premier. The first duty of those on the back bench is to the people of Western Australia as their representatives in this Parliament, and they should not forget that. When they come up with their snide, rude comments, they should remember what their job is, because it is not only about trying to protect the Premier and the ministers. They are doing a pretty rough job of it at the moment. The same thing happened during the WA Inc years. The backbench of the Labor Party never said a word. They backed the Brian Burkes, the Peter Dowdings and then the Lawrence Government. They went like blind lambs to the slaughter. Those on the back bench of this Government are doing exactly the same thing: by rejecting this motion, and the amended motion that I will be putting forward, they are as guilty as the ministers for doing nothing. They are saying to the people of Western Australia that it does not matter if one of our ministers bullies and intimidates a female whistleblower, who under the Act must come before the appropriate authorities and tell them what she knows, because if she does not she is guilty of an offence. Members should think about what their real duty is, instead of dozing off to sleep.

I will move an amendment. I hope that the Government will agree to the amended motion. It has made a big thing about going back to 1998 and 1999. Let us see whether it is just a lot of hot air or whether the Government has any credibility or integrity. I doubt it, but let us put it to the test.

Amendment to Motion

Mr R.F. JOHNSON: I move -

To delete all words after "Office of Aboriginal Health" in paragraph (1), down to and including "Hon Dr G.I. Gallop MLA, in -" in paragraph (2), and substitute the following -

- (2) examine, report and make recommendations on -
 - (a) the role and conduct of the Directors General of Health; staff of the Department of Health; the Ministers of Health and the Premiers at all relevant times, in -"

The amendment will cover former Premiers, former Ministers of Health, former Directors General of Health, the Department of Health, obviously, and the Office of Aboriginal Health. The Government can then attack former Premiers, as the amendment covers them. However, let us deal with this matter properly and appoint a parliamentary select committee so that we can do the job in this place that we are paid for; that is, to work in the

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best interests of Western Australian people and to protect the taxes they pay. I look forward to the Government and those ministers standing with us and supporting the amendment.

MRS C.L. EDWARDES (Kingsley) [6.56 pm]: I support the amendment to the motion because the Opposition genuinely wants a select committee to consider the matters referred to in the motion. The Attorney General said that the Opposition was not genuine in its desire for a select committee because the motion did not cover earlier periods. Quite frankly, he has missed the point. He has, through obfuscation and without giving full details, raised other matters that occurred in the period before he came to government; yet it is obvious that he has not fully read the documents that were kindly provided to him. I will get back to that matter shortly.

The Attorney General has totally missed the point of the motion; that is, this Government made payments on a regular basis to the Western Australian Aboriginal Community Controlled Health Organisation without a contract. The Attorney General said that temporary payments continue to be made to the Derbarl Yerrigan community. The advice that was given to the whistleblower in the past two and a half to three years from senior staff of the Department of Health was that it could not stop the funding of WAACCHO. The current Minister for Health received the same advice in respect of the Derbarl Yerrigan community. The minister said that funding to Derbarl Yerrigan continued because of the turmoil in its current management, and in respect of WAACCHO because the organisation was undergoing restructure and rehabilitation.

There are serious issues underlying the whole way in which the Department of Health has been operating. The only way that the Government will get public servants to come forward will be to establish a parliamentary select committee, particularly bearing in mind that the former Minister for Health intimidated and bullied a whistleblower. That was great leadership for the rest of the public service. Public servants will not come forward when they see that sort of behaviour; when they see the Premier table personal and confidential letters in the Parliament; and when they see him table a letter sent to his home with a specific notation from the whistleblower that it not be sent to the Department of Health. What did the Premier do? He tabled the letter in the other place.

Mr R.F. Johnson: When it suits him.

Mrs C.L. EDWARDES: When it suited him to back himself up and the actions he took, he was prepared to make a scapegoat of the whistleblower. Public servants will not come forward.

With due respect to the Attorney General, he has totally missed the point of this motion. The motion is not just about the mismanagement by the Department of Health and the actions that have been undertaken. More importantly, it is about the actions that were taken on the funding of non-government organisations on the basis of temporary payments. There were no contracts and no specific requirements. On what will the police, to whom the fraud allegation was finally sent, base any recommendation for a charge? No specific requirements have been laid out for any form of temporary letter of agreement. Now, 18 months later, how many documents are missing?

Debate interrupted, pursuant to standing orders.

House adjourned at 7.00 pm
