

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 7 NOVEMBER 2007**

CLOSED SESSION

**INQUIRY INTO THE MEMORANDUM OF UNDERSTANDING BETWEEN
BALGA SENIOR HIGH SCHOOL AND MANUFACTURING INDUSTRY TRAINING
SERVICES PTY LTD**

Members

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

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

Hearing commenced at 10.09 am

[The committee took evidence in closed session.]

HAMMOND, MR MERVYN FREDERICK
Former Principal,
Balga Senior High School, examined:

The CHAIR: Thanks very much. On behalf of the committee, I would like to welcome you to the meeting. To begin with, could you please state your full name, your contact address and the capacity in which you appear before the committee?

Mr Hammond: Mervyn Frederick Hammond [address given]. I am a retired principal of Balga high school.

The CHAIR: Thank you very much, Mr Hammond. You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

Mr Hammond: Yes.

The CHAIR: Thank you. These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record, and please be aware of the microphone; if you could, talk directly into it.

Even though this is a private hearing, you should note that the committee retains the power to publish any private evidence. The Legislative Council may also authorise publication. This means that your private evidence may become public. Please note that you should not publish or disclose any private evidence to any other person at any time, unless the committee or the Legislative Council has already publicly released the evidence. I advise you that premature publication of private evidence may constitute a contempt of Parliament, and may mean that the material published or disclosed is not subject to parliamentary privilege.

The subject of the sub judice convention, I just wanted to make some reference to that. The sub judice convention has its origins in Parliament's reluctance to be seen to interfere with the judicial process by publicly commenting on matters pending adjudication in the courts of record. The rule operates not as a gag, but as a self-imposed restraint on Parliament's right of speech. As such, it is an acknowledgement that the courts must be free from improper or undue influences in their adjudications. In criminal cases, the laying of charges might be regarded as the point at which the public discussion of the circumstances may influence a determination by a court. In general terms, the risk of prejudice is considered greater where the court proceedings involve a jury. The effect of the sub judice convention is that, subject to the right of the Legislative Council to legislate on any matter, matters awaiting a decision in a court of record should not be brought forward in debate, motions or questions. The intention is that the proceedings of the Legislative Council should not interfere with the course of justice. Committees, being extensions of the Legislative Council, are bound to have regard to the sub judice convention. It is for these reasons that the committee has resolved to conduct today's hearings in private, and the committee has resolved not to make public any of the evidence received in this hearing if it would be inappropriate to do so under the sub judice convention.

I also wanted to provide some information with regard to the role of counsel for the witness. The committee has allowed the witness to have counsel present to advise the witness in the course of

today's proceedings. Counsel's role is one of assistance to the witness, and it does not mean that counsel represents the witness at the inquiry in any real sense. The benefit of counsel, as stated in the standing orders, is not an entitlement to be represented by counsel. Witnesses' legal counsel are not permitted to answer questions or give evidence on behalf of the witness, or otherwise address the committee. Counsel's role is that of an adviser, and counsel cannot, of his own motion, object to questions on behalf of a witness. The witness is at liberty to confer with his counsel, but that discussion will not be recorded by Hansard. I repeat that it is for the witness to make any submission and answer the committee's questions. This is reflective of the custom and practice of the Legislative Council in relation to permissible parameters of the role of counsel as applied by other Legislative Council committees, and of the house itself.

Mr Hammond, we might proceed with some questions, if that is okay.

Mr Brennan: Madam Chair, may I speak?

The CHAIR: We are not at liberty to hear from you. Mr Brennan, the committee has considered the letter that was provided to the committee yesterday -

Mr Brennan: Oh, right. That is all I was -

The CHAIR: Yes.

Mr Brennan: From my instructing solicitor?

The CHAIR: Yes. We received a facsimile from Mr Laurie Levy yesterday. We have considered the matters that were in that document and we have deliberated this morning on that and resolved to conduct this hearing in private. That is what we are proceeding to do now.

Mr Brennan: Notwithstanding Hammond v Commonwealth?

The CHAIR: Notwithstanding that.

Mr Brennan: Thank you.

Hon KEN TRAVERS: I think we have considered Hammond v Commonwealth - we have considered that point that has been put to us.

Mr Brennan: Thank you.

Hon KEN TRAVERS: So it is notwithstanding.

The CHAIR: Mr Hammond, we might proceed with some questions if we could, please. Can you please explain to the committee how the Balga Works program came to be established?

Mr Hammond: Can I just have that question again, please?

The CHAIR: Yes, certainly: can you please explain to the committee how the Balga Works program came to be established?

Mr Hammond: Yes. I was approached by one of my staff members about an interesting program in Melbourne for difficult students, and that was called MITS. In fact, Michael Carton, who worked for MITS, eventually rang me, and then came over and made a submission with his CEO, John McQuay, and, on balance, it seemed that the great strength of the program, which was based on manufacturing in Melbourne, could be and should be transferable to Perth, and so that presentation indicated that this was worth looking at. Other people I invited to the presentation: there was Bob Somerville, the director of Aboriginal education at DET. So that was the initial starting point. Because I run Balga on a series of different programs - so there is nothing conventional about the school; in fact, it has 11 separate, or it had 11 separate programs which related, in the main, to students at risk. I just mention that because one of the programs which did relate to students not going on the dole and joining the workforce was actually called the No Dole program. I was a speaker at a No Dole conference in Melbourne which was funded by the AMP and the Beacon Foundation, so I was in Melbourne, and MITS, through Michael Carton, invited me to have a look

at the operations of MITS. At the same time there were some other Perth-based people in Melbourne on different matters to me, namely, again, Bob Somerville, and Gary Hodge. We went and had a look at the program, interviewed some students, realised that some of these Melbourne students were coming from, you know, the wrong side of the fence, and it seemed exactly what we needed to start in Perth, particularly for Balga, with a high Aboriginal content and a high migrant content. It seemed exactly the program that we needed. It was not something that I decided by myself; there was Bob Somerville, the director of Aboriginal education, as I said, and Gary Hodge. We discussed it at length over a period of time and the program slowly unfolded. Some seeding money was provided by Bob Somerville, director of Aboriginal education - I cannot remember the exact amount - and it unfolded from there.

The CHAIR: Given the minister's disapproval of the program in August 2004, why did you establish the Balga Works program in 2004?

[10.20 am]

Mr Hammond: I think you are talking about a meeting that was called for in the minister's office. If I can take a step back to Bob Somerville. I think the way it unfolded is that Bob Somerville asked Gary Hodge to prepare a submission on the strengths of the program. He did do that. That was delivered to the head office of the Department of Education and Training. At some point there was some distortion of figures. The distorted figures went to the minister's office. We were a bit disappointed at the outcome of the meeting, that the minister could have been given the total cost of some very, very expanded figures. I mentioned earlier that Balga was a unique environment. We developed programs. It unfolded that we developed Balga Works around an enrolment-driven model, which was fairly small to start with. It just took off just like all the other programs did.

Hon PETER COLLIER: With regard to that meeting with the minister, Mr Hammond, do you recall at the beginning of that meeting any discussion about a proposal that had been developed by Mr Hodge for the Balga Works program not being available for the minister?

Mr Hammond: I remember some discussion about Gary Hodge's submission disappearing in head office and not finding its way through. I certainly recall some discussion like that.

Hon PETER COLLIER: At that meeting?

Mr Hammond: Yes.

Hon HELEN MORTON: Mr Hammond, you mentioned that it unfolded that you developed a program around the enrolment figure model. What level of support did you have for that within the Department of Education and Training?

Mr Hammond: We ended up with these students arriving over school holidays wanting to be taught. We went to head office and said that we had these students on board. In a conventional school setting, enrolment happens at the start of the year and then staff are allocated accordingly. I was given cash for 8.8 full-time equivalent teachers. If we were to multiply 8.8 by \$55 000 or thereabouts, it came to \$450 000 per annum. That cash component, if you like, came to me electronically via the school rank. That was then distributed on invoice to MITS and eventually Hurson and enabled the instructors to be paid. That was one level of support. The second level of support is that we indicated to HR in head office that a lot of these students required after-hours activities and certainly went well beyond the 40-week year. To give them a lot of credit, they decided - they called this the out-of-school component. They simply took a teacher's salary multiplied by 48 and 40, which pushed the school year from 40 weeks to 48, and then multiplied that by 10 on six, which pushed the length of the day from six to 10 hours. When all that is calculated, the \$450 000-odd grew to a significant amount, something like \$700 000. A bit further down the track they decided in HR that perhaps DET was operating outside its guidelines and it was outside the school day, so they removed that out-of-school multiplier. Certainly for the best part of two years we have had approval of \$450 000. For some of that time we had approval for \$450 000

multiplied by those multipliers, until that was removed. There was obviously some dialogue when DET would indicate that it does not provide any services out of school hours. The cynical response was, "What about your music programs, what about your ballet programs and all those other things they do fund?" That fell on deaf ears, that was removed and we could not get it back.

Hon HELEN MORTON: You mentioned "they" a few times. Can you be any more explicit about who "they" were?

Mr Hammond: The person who helped get the out-of-school multiplier in place was Melissa Gillett. She was working inside the HR section of DET. It was ultimately removed by one of the managers of DET, Kim Ward. They are the two names that come to mind.

Hon HELEN MORTON: What level of involvement did the district office have?

Mr Hammond: Melissa Gillett, who I just mentioned, had some role in central office and also the district office. My line manager, who was John Garnaut - I kept him up to date with all these facts - was there. I need to say that alongside the Balga Works program - this is where some confusion steps in - the Swan District Education Office via education and TAFE was looking at commencing its program, which was called Swan Works. Swan Works ultimately did not get a guernsey. Sometimes you will see something like "I proceeded without permission" or whatever. Swan Works was dead in the water, so to speak. Someone stopped that from happening. Yes, we knew that, but I need to reiterate that Balga Works was enrolment driven. Kids were coming through the front and back door of the school, so there were bums on seats, and we continued to allow that program to function.

Hon HELEN MORTON: Was there any level of support that you can recall from the minister's office? We have talked about DET and the regional office, but I am also interested in the minister's office.

Mr Hammond: Certainly, at the political level, the Department of the Premier and Cabinet funded \$44 000 as some seeding money to do a survey on the need or whatever. The \$44 000 only came down on two extra parameters - one, that there had already been some DET Aboriginal money forwarded, and that had happened. There were some deliberations to try to get some capped money from DET and also the minister's office. Those deliberations kept going but did not get anywhere.

Hon PETER COLLIER: Did you say that the money from Bob Somerville -

Mr Hammond: The director of Aboriginal education.

Hon PETER COLLIER: And that money came through?

Mr Hammond: Yes.

Hon PETER COLLIER: Just to clarify something, Mr Hammond, when you met with the Minister for Education and Training, are you saying he was not supportive originally? Is that right?

Mr Hammond: That is the impression I got. I need to put a corollary to that. He was not supportive because of the figures he was presented.

Hon PETER COLLIER: The program that eventually got established was not the program that you took to the minister for education?

Mr Hammond: I am just trying to suggest that there is some confusion between a very holistic whole-of-district program called Swan Works, which was a mixture of education and TAFE. We understood, because we knew the Balga students backwards, that none of these students were TAFE ready. It was always our philosophy at Balga to help these sorts of students. I can remember clearly that one of these students, aged 16, had been to school for four days in his whole life. He was never going to get to TAFE. We generated for him and those other students who were very similar to him - ultimately, when Corrective Services, the Department of Justice, the Children's Court and the Drug Court came on board, some of these students were being sentenced to the care

of the program rather than incarceration. We had a whole array of students who were never going to be TAFE ready, at least in the initial term.

Hon KEN TRAVERS: Can I ask about the distorted figures? Can you elaborate on what you mean by the distorted figures that were provided? Also, do you know who provided those figures to the minister's office? Were you or the school involved in preparing any briefing notes prior to that meeting for the minister?

Mr Hammond: No. If I could just go back to Bob Somerville, who commissioned Gary Hodge to write all that up. They were none of my figures. We might have had some discussion about 15 students, a teacher for the year and those sorts of things. They were very mundane staffing allocative measures. That was my involvement.

Hon KEN TRAVERS: What was the distortion in the figures that were provided?

Mr Hammond: I need to be a bit careful here because I know it is being recorded. It was some time ago now, but I think the figures were punched out as though it was going to be a three-year program and "here's the bottom line". We were just putting our toes in the water. We wanted some funding for six months or 12 months to see if this thing was going to work. We never went along asking for the Taj Mahal.

Hon KEN TRAVERS: I think this is quite an interesting point from this committee's point of view in terms of the financial management of this stage and whether the quality of the advice that was being provided to the minister at the time accurately reflected what was being proposed.

Mr Hammond: We think not, but the DET bureaucrats would have to answer that. I cannot answer how they worked it out.

Hon KEN TRAVERS: That is why I asked whether you as the principal of the school were ever consulted.

Mr Hammond: No, I never saw them.

Hon KEN TRAVERS: You never saw the proposal that was being put up, although it was arguably being presented as a proposal coming from yourself?

Mr Hammond: I certainly saw our proposal, which went to DET, but when it arrived on the minister's table, I never saw anything.

The CHAIR: We are experiencing technical problems. Hansard is having some trouble with their equipment. I am sorry but we will have to suspend. My apologies.

Proceedings suspended from 10.33 to 10.46 am

The CHAIR: Thanks very much, Mr Hammond. I apologise for that. We are now back in business.

Mr Hammond: I am not sure if I finished that last answer on support.

The CHAIR: No, please continue. Just if you want to restart where you believe you left off, that would be fine.

Mr Hammond: I am not sure if it was the last question or a question prior to that, about what was the district office support and that sort of thing, but my answer to the district office support is that with my array of programs at Balga - and it was just getting extremely complex to manage, so we put up a submission to the district director, John Garnaut, for an extra deputy principal to be appointed to help massage and manage the programs, particularly the financial points; and so, ultimately, a statewide advert went around for a deputy principal, but that had about six months in the making by the time that we seeded it, took it to the district office; I assume they took it to central office; I assume that the executive director of DET approved it. Ultimately, we ran an ad and, ultimately, a deputy was appointed in the form of Gary Taylor, and Gary was on board to help

look after the wide array of programs, in particular Balga Works. That was the one that was causing the concern at the time. Having said that, we did have concerns with programs over the years, which we fixed bit by bit, one being the childcare centre, which had its formation with some commonwealth money in the form of federation money at the turn of the century. That money did not flow through as it was supposed to. I seeded some money and eventually we got it back, and I think that childcare program is one of three or four operating across Australia and I believe it is still functioning. There is a lot of DET people and a lot of politicians take a lot of credit for it, but we started it by giving it the support it needed.

Hon KEN TRAVERS: I guess I am not sure if you finished the distorted figures being provided to the minister as well. What was your understanding of how those figures were distorted?

Mr Hammond: Someone in the DET bureaucracy must have worked something out what we were asking for, and that paper then went up, we assume, to the minister's office and then we had the meeting in the minister's office. That, according to Gary Hodge, if I can recollect correctly, had no bearing on what he provided with "Silver City", so to speak.

Hon KEN TRAVERS: Right; yes.

Hon HELEN MORTON: Can I just clarify that point? You had said previously that the Swan Works program never got approved and you -

Mr Hammond: I think there was a - I think I was told from John Garnaut, district director, that the director general said that the Swan Works program was not to proceed -

Hon HELEN MORTON: Yes; okay.

Mr Hammond: - which we agreed with for all those reasons which I have already expanded upon.

Hon HELEN MORTON: Yes.

Mr Hammond: Eventually, in my office there was another one of the consultants I was using, Jon Cook, and we rang John Garnaut and said, "Look, we've got students arriving. We need to start a program" - it had already started - "We need to continue to run a program which we will call Balga Works, which is enrolment driven."

Hon HELEN MORTON: Okay.

Mr Hammond: I just reiterate the point that that gets confused by a lot of people that Swan Works is a district-wide combination of education and TAFE, theoretically coming out of Swan TAFE, with maybe an offshoot at Balga Senior High School, and that never got going.

Hon HELEN MORTON: Okay.

Mr Hammond: Except for that, there was Balga Works, which is enrolment driven by the students that came through the front gate of the school.

[10.50 am]

Hon HELEN MORTON: Okay. What I was wanting to ask is: I understand about the Swan Works program not getting approved and I also understand that the proposal that was eventually sent to the minister's office, which had a substantial amount of money attached to it, was not approved, but it appears from what you are telling me that it was approved for the enrolment-driven model of Balga Works to get underway, and that students were arriving. Can you explain to me whether that third program, or the enrolment-driven program for Balga Works got an approval, any official approval; and if it did not, why did the students start to arrive? How did that all sort of happen?

Mr Hammond: Well, cash started - you see, in an enrolment-driven model, one of the funny quirks, the unusual quirks at running schools in Western Australia, the enrolment-driven model works on a number of students in your school in week 1 of a school year, you know. In August and

September these students were just arriving. So we said, "Look, we need an enrolment-driven model of when the students arrive, not on 1 February." Your question is: was that approved? Well, my answer is: well, the funds started coming down into the school grant electronically at the rate of one teacher for 15 students, or whatever it was, and they paid me for 8.8 FTEs. So someone approved the money. Now, does that answer the question?

Hon HELEN MORTON: That is fine, yes.

Hon PETER COLLIER: So having said that, that then would have had to have come from someone either at the district level or within DET itself, that so-called approval, or someone would have known with regard to the fact that there had been an increase in the number of FTEs.

Mr Hammond: Well, the complexities that start arising - and certainly the director of finance, Peter McCaffrey knew all about it; the director of school grants, Milan Trifunovic, knew all about it; HR knew all about it, because they were developing out-of-school multipliers or whatever. My discussions with my line manager, John Garnaut, indicated that eventually down the track there would have to be an application by the state tender board to see who is going to be the winning provider. So I had discussions with the manager of - I forget his title - Joe Di Pietro is his name, manager of contracts, contractual services, something like that - and his advice was that we could perhaps get this moving on a trial basis, because we do not know what we are getting ourselves into. So that was sort of his advice: "Let's start this on trial." I have since seen a letter somewhere that Peter McCaffrey was given state tender board approval to start this on trial. I mentioned Gary Taylor as the extra deputy. One of his major jobs was to help liaise with state tender board people and DET people to lay down the parameters of the tender board, which he did do, and I was not privy to any of those discussions. So, Gary could possibly tell you how all that sort of unfolded, and I do not - to my knowledge it went to advert, it went to tender, someone decided there was no winning tender, so we just kept on doing what we were doing on the enrolment-driven model.

Hon PETER COLLIER: So this tender process you are talking about, how early in the development of the program was this original -

Mr Hammond: The -

Hon PETER COLLIER: - tender process.

Mr Hammond: I am sorry, I cut you off.

Hon PETER COLLIER: That is all right.

Mr Hammond: The actual tender board advert was later down the track, and we always knew that to be the case. In the early stages we were given some loose advice that we could keep going as we were going.

Hon PETER COLLIER: So just to clarify one thing, Mr Hammond, and to pick up on something Helen said: so from the program that, Mr Hammond, you took or the group of you - Mr Hodge, Mr Somerville and yourself - took to the education minister in August '04, which did not get ministerial approval, was not the program that was established at the end of 2004, but you did feel that you had departmental support for the program that you instituted.

Mr Hammond: Well, they were paying for the salaries of the teachers to look after these kids, so, you know, they do not pay if they do not support it.

The CHAIR: Just a couple of follow-up questions, if I could. The letter from Mr McCaffrey about the exemption to run a trial: when was that letter provided?

Mr Hammond: I have seen it; when, I am not sure. I cannot answer that, sorry. I would be guessing at a date, but I just do not know.

The CHAIR: And who specifically gave advice to keep going in terms of the trial going?

Mr Hammond: Certainly the manager of contractual services, a Mr Joe Di Pietro, suggested that we could commence a trial, but he did say it would have to go to full state tender board advert, which happened eventually.

The CHAIR: Could I just take you back to a couple of things, because with regards to the Swan Works, do you know who directed that to cease or to not be continued?

Mr Hammond: Well, I am led to believe - there was a very big advisory group for Swan Works and I believe, I am led to believe, that my line manager, John Garnaut, said that the director general, Paul Albert, said it was not going to get a guernsey. Now, whether that was executive director or Paul Albert or whatever, I do not know. But I am sure there would be executive director minutes in relation to that somewhere. I have not seen them.

[11.00 am]

Hon KEN TRAVERS: I just want to be clear about the comment about Joe Di Pietro saying you could commence a trial. Do you have any recollection about when that was that he said he could do that?

Mr Hammond: There was a meeting in my office - no, I cannot remember the date.

Hon KEN TRAVERS: Would it have been before the program commenced or after the program was already -

Mr Hammond: The program was certainly - it was early 2005. I am just sort of scratching my head and thinking, but the program had kick started in a minimal sort of way in latish 2004. We were on the way.

Hon KEN TRAVERS: Would there have been any written record of that conversation or instruction?

Mr Hammond: By Mr Di Pietro?

Hon KEN TRAVERS: Di Pietro. Either a record of minutes of the meeting, or did he ever confirm it by email or anything?

Mr Hammond: We did not keep any minutes of that.

Hon KEN TRAVERS: So there is no written record of that approval?

Mr Hammond: No.

Hon KEN TRAVERS: Two other things I wanted to clear up from earlier. The meeting you attended at the minister's office - you were given no input into the briefing note that was provided to the minister prior to you attending, even though it was about a program that was being proposed to occur at your school?

Mr Hammond: Never saw it.

Hon KEN TRAVERS: Were you requested to provide any input on which the briefing note could have been based, as the principal of the school?

Mr Hammond: Obviously, with the ministerials, they come down and ask for certain things. My only input, which I have already said, is I just spoke about the staffing level requirement.

Hon KEN TRAVERS: All right. I just want to clarify to make sure that we have it right. The \$250 000 from the Aboriginal - I am not sure what it is called - area of the department that Bob Somerville heads up, that \$250 000 was approved? The school actually received that \$250 000? That was actually paid to the school?

Mr Hammond: My registrar told me that was received, yes.

The CHAIR: Okay, I might move to another line of question, which is in regards to: in 2004, in what capacity was Michael Carton involved in the program?

Mr Hammond: Well, Michael Carton was the private provider and in those days he was the person on the ground for MITS. He was the private provider and he selected his own staff, whether they be councillor-type people or trades-type people or literacy-type people, and on the invoice I paid him on the basis that the invoices came through.

The CHAIR: And could I clarify he was employed as a representative from MITS? In what capacity was he representing MITS? What was his role in MITS? What was his position?

Mr Hammond: His position; it certainly was not CEO. I am not sure what it was in terms of MITS. He was a person on the ground in Perth that - and he certainly was liaising with other people in MITS. Bit by bit we developed a process where he would invoice me for bills and we paid accordingly.

The CHAIR: So when exactly did MITS become involved with the Balga Works program?

Mr Hammond: Latish 2004. The actual month, I would be guessing at this stage.

The CHAIR: Why did you engage with MITS, given the directive of the director general in October 2004?

Mr Hammond: Well, I'm - again, there is confusion between Swan Works and Balga Works. That would be one answer to that question. Why did I keep going? We were being funded on an enrolment-driven basis.

The CHAIR: I think you have talked a little about the role Gary Hodge and Bob Somerville played in the establishment of Balga Works. Is there anything else you would like to elaborate on there, in terms of their role in the establishment of the program?

Mr Hammond: Certainly they were both supporters of the program because they certainly felt there was a need in Western Australia and Balga was a school that appeared to be quite adept at starting these specialist programs. Their thinking was - not mine, because I did not think beyond Balga - that perhaps if we can get it going at Balga, it may be able to transfer to other sites.

Hon PETER COLLIER: Just with regard to that to follow up on that, Mr Hammond, you mentioned you got the grant from the Office of Crime Prevention, which was -

Mr Hammond: \$44 000, I think, from memory.

Hon PETER COLLIER: That is right. Why did you go to the Office of Crime Prevention for that grant? Do you know?

Mr Hammond: It would not have been instigated by me. We went there on the advice of Gary Hodge. There was money to help a community look after itself and the Balga P&C is very community minded in helping with difficult kids. It was Gary Hodge that arranged the meeting in the Department of the Premier and Cabinet and Keith Mynard, I am sure was there, and we went and spoke to a chap by the name of Michael Thorn. Things just flowed from there.

Hon PETER COLLIER: You went to discuss the proposal with Mr Thorn, did you?

Mr Hammond: The \$44 000 and how that money and what was the governance of that and the P&C and those sorts of things.

Hon PETER COLLIER: Sorry, you went to discuss the proposal with Mr Thorn with Mr Hodge?

Mr Hammond: Mr Hodge; and I think Keith Mynard, the P&C president, was there as well.

Hon PETER COLLIER: To speak on behalf of the proposal, was it?

Mr Hammond: Our first meeting was to work out what was needed and then the proposal was written up and then eventually the money came through to the P&C.

Hon PETER COLLIER: Do you recall - I think the grant was for the employment of a liaison officer. Do you recall who was employed in that position?

Mr Hammond: No, I do not.

Hon PETER COLLIER: You do not recall?

Mr Hammond: No. I do not recall who it was, no.

Hon PETER COLLIER: But there was a liaison officer?

Mr Hammond: There was some P&C money, which came across to the school, and I think the liaison officer could well have been someone from the MITS side of things that developed a wider look at the program.

Hon PETER COLLIER: But that grant from Office of Crime Prevention was for a liaison officer - is that right?

Mr Hammond: Honestly, I cannot remember the exact parameters of how that money was to be spent or whatever. It was something to do with the community and looking at the project in very general terms. I cannot remember whether it was a liaison officer or not.

Hon HELEN MORTON: Can I ask a little about the \$250 000 that you said came through from Bob Somerville's section of the Department of Education and Training? Did you get anything - either an email or something in writing - saying that money was going to come?

Mr Hammond: What I do remember, to answer that, is the money came through for Balga Works and then it was stopped and then it came through again for another program, which was called Follow the Dream. The money came through twice. So the money certainly came through, according to my registrar.

Hon HELEN MORTON: Okay. So if you say it was stopped - it was going to come through and it was stopped, or it came through and it was stopped?

Mr Hammond: It came through twice. It obviously cannot come through twice, so I - it is obviously very fuzzy, but I think it went to the wrong place or something and it came through a second time.

Hon HELEN MORTON: And it came through a second time under a different banner, did it, or in a different form?

Mr Hammond: I think Bob said it had to come through for Follow the Dream and then it was going to be shifted over within the school to Balga Works.

[11.10 am]

Hon HELEN MORTON: Why do you think -

Mr Hammond: Why? I do not know.

Hon HELEN MORTON: You do not know why it could not stay as it was in the first place?

Mr Hammond: I do not know anything about that at all.

Hon HELEN MORTON: What was your understanding, though, of why it could not come in the first place -

Mr Hammond: Never heard it.

Hon HELEN MORTON: - versus it could come the second time?

Mr Hammond: Never heard it.

Hon HELEN MORTON: Was the Follow the Dream program, was that dealing with the same kids or a different group of kids?

Mr Hammond: It could have been. To answer your question, it could have been the same kids and it could have been different kids - Aboriginal kids - that is what it was for.

Hon HELEN MORTON: But was it your understanding that it was going to be spent on people involved in the Balga Works program?

Mr Hammond: Yes.

The CHAIR: Did you undertake any checks on Michael Carton's background?

Mr Hammond: No. I had his brother on the staff. I sort of spoke to Michael fairly - fairly - long about his own background, being an ex-Balga high school student in the seventies and those sorts of things, but, no, I did not check.

The CHAIR: Were you aware of Mr Carton's bankruptcy, and if so, when and how did you become aware?

Mr Hammond: I certainly read things in the paper much later in the piece, but nothing in the early stages.

The CHAIR: So, can I clarify: are you saying you became aware of Mr Carton's bankruptcy via the media?

Mr Hammond: He changed - he came to me once and said that the MITS was going to change its name to Hurson because of an issue and then I stumbled on the fact that there was possibly some bankruptcy-type things evolving at that point in time. Now, I cannot remember what month or what year or whatever.

Hon KEN TRAVERS: So, bankruptcy for MITS or for Mr Carton?

Mr Hammond: Well, I am not quite sure, to be honest. It certainly was something that was around the place. I do not think it was bankruptcy for Carton that was - it must have been bankruptcy for MITS, I think.

Hon KEN TRAVERS: So, Mr Carton has never spoken to you to advise you that he is a - he was in - bankrupt?

Mr Hammond: I do not, I cannot remember any discussion like that. No, I do not remember that, no.

Hon PETER COLLIER: Did he ever discuss or were you ever made aware of the fact that he was facing fraud charges at this time?

Mr Hammond: There was something he mentioned about some commonwealth TAFE-type sort of liaison things, which was developing. He mentioned it and that was it. I did not pursue it any further than that.

Hon PETER COLLIER: Do you recall when that would have been, Mr Hammond?

Mr Hammond: No, I cannot remember. I do not - we had many discussions almost on a daily basis.

Hon KEN TRAVERS: If he had advised you that he was a bankrupt, would that have changed the way in which you dealt with him, do you think?

Mr Hammond: I would have got some clearance from someone.

The CHAIR: Mr Hammond, when were the first students enrolled in the Balga Works program?

Mr Hammond: Latish 2004, and certainly into the Christmas holidays 2004, yes.

The CHAIR: And when did the Balga Works program begin at the Balga Senior High School; that is, when did the students begin attending the program? We believe there was a different starting time in that respect.

Mr Hammond: Well, dribs and drabs latish 2004, but, you know, the multiplier kicking in, effectively, in the 2005 calendar year via the school grant.

The CHAIR: I wanted to refer to a memorandum of understanding that you signed with Mr Michael Carton on 14 February 2005. Did you consider that the MOU was a contract for services to be supplied by MITS to Balga Senior High School?

Mr Hammond: The MOU was only - it had a number of stages to it and there was sort of just some loose lower level contractual things between the school and MITS, and there were some extra pages, which had some financial implications, which I did not sign; in fact, crossed them out. Someone is being a little bit - I forget the word I am looking for - but someone is producing documents where I have not crossed out the financial pages, but I never ever signed those. I only signed the - I think it was the first couple of contractual pages. The memorandum of understanding - I went and did my own research, and it would indicate that an MOU between a government section and a private company was something on the very initial stages and it would have to be followed up by contracts and everything else further down the track, and my research indicated that it was hardly worth the paper it was written on and, so, yes, I was quite happy to sign that.

Hon PETER COLLIER: Did you have any discussions with either Mr John McQuay from MITS or Tom Sturt from MITS with regard to the MOU?

Mr Hammond: No, all my discussions were through Michael Carton.

Hon HELEN MORTON: The MOU that you signed around about February, or whatever it was, was that the - was that for something from February onwards or was that for something that had led up to February?

Mr Hammond: I think it would have been onwards, but we were already underway, so maybe someone suggested it could have been beforehand, but I think it was from then on.

Hon HELEN MORTON: Were you aware that the exemption from the tendering process was conditional upon having a signed MOU?

Mr Hammond: No, I was not aware of that, no. But I do not know what - I am not sure what that question suggests.

Hon HELEN MORTON: It is not suggesting anything. I am really just trying to understand about the MOU, because I understand that there was an MOU signed - but there was a continuing involvement to try and get another one signed, even while the tendering process was out.

Mr Hammond: When Gary Taylor came on board as the next - as the extra help - one of his roles was to work with the legal people in DET to shore up an MOU between the school, the district office and - it was not MITS in those days, it was Hurson. So, he had involvement in that.

Hon HELEN MORTON: Yes.

Mr Hammond: So there was two MOUs, if you like.

Hon HELEN MORTON: Yes. That was what I was just trying to just get clarification from you about. I understand there were two MOUs.

Mr Hammond: The first question was in relation to the MOU with MITS -

Hon HELEN MORTON: Yes.

Mr Hammond: - which I certainly signed on the basis that there were no financials attached to it. Later in the piece, after Gary Taylor was in the school and after MITS went to one side and Hurson started, that was the second MOU - which there was a lot of toing and froing in that second one to get it right - and Gary Taylor could answer those questions better than me.

Hon HELEN MORTON: Thanks.

Hon KEN TRAVERS: I just had one quick question: when Mr Carton signed that on behalf of - the MOU on behalf of - I assume he, I understand he -

Mr Hammond: I am sure it was my signature and his signature, yes.

Hon KEN TRAVERS: In what capacity did he present himself when he signed it? Well, what did you believe he was, what capacity he was -

Mr Hammond: Well, he was not in charge of the total company, but he was - what would you call it - the Perth-based person for MITS, and I do not know what his title was.

Hon KEN TRAVERS: Right.

Mr Hammond: It was not CEO, but I am not sure what it was.

Hon PETER COLLIER: What about with Hurson? What was his title in Hurson?

Mr Hammond: Well, I think his wife, Kate, Katherine Day, was the - you know, again, I mean, I am at a loss to know what exactly he was.

Hon KEN TRAVERS: Did he present himself as a director of either Hurson or MITS?

Mr Hammond: He could have done; I am not sure. I mean, it was just - to me, it was just he was the person on the ground and I was working with him.

The CHAIR: Just again, with reference to that first MOU, the one in February 2005: did that MOU have departmental approval?

Mr Hammond: No, and I signed it because it was - my research indicated that it was a fairly low-level document, so I did not feel the need to ask anyone, so away we went.

The CHAIR: When did you plan on putting out the tender for the running of the program?

[11.20 am]

Mr Hammond: Part of that long, convoluted process to get the extra deputy on board to help start that, so whenever Gary Taylor was on board, which would have been July 2005. That is when we proposed to at least get the ball rolling to develop the state tender board - to fulfil the state tender board requirements.

The CHAIR: Did you ever sign an MOU with Hurson?

Mr Hammond: We are now talking about the second MOU -

The CHAIR: Yes.

Mr Hammond: - and Gary Taylor set that up and came to me, on legal advice from the lawyers in central office, and then I signed it; what date, I am not sure.

The CHAIR: Could I now refer to the accommodation component? Whose idea was it to establish the accommodation component of the program?

Mr Hammond: Michael Carton via his own contacts with the Department of Corrective Services, the Department of Justice and a large array of commonwealth departments, one of those being the ICC - the Indigenous Coordination Centre - which was a round table of commonwealth departments in Perth run by Peter Bass, and they were very keen. That collection of people - Michael Carton, the Children's Court, the Department of Corrective Services and the ICC - were very keen for the accommodation side of things to evolve. The ICC - I went along at least two or three times - were sending proposals backwards and forwards to Canberra and there was some \$2.6 million in recurrent funding per annum outside of debt funding to enable this to take place, and I can remember at one of these meetings saying - because I was first taken to the ICC by one of the project officers of DEWR; I just cannot think of his name right now. It was his suggestion - there was a lot of commonwealth money available and we went and made a number of presentations, and I said, "Well, does DET know about this?" Peter Bass said, "Does DET know about this funding - this ICC funding for Aboriginal education?" It was his comment, not mine, that the director general, Paul Albert, the executive director, Kevin O'Keefe, and the director, Bob Somerville, could not even get their diaries to coordinate to come and talk about some funds, so that was interesting in itself, and we were sort of promised that all this funding was there. I remember having a meeting

with my line manager, John Garnaut, who asked why his line manager, Keith Newton, was not at the meeting. I said that the same question was asked by the commonwealth, and I would have thought he was going to be there. For us, in a piddly little school, \$2.6 million worth of funding in a year is a lot of money. So I do not know what was happening between the commonwealth and state relations, but we got caught in the middle. We were promised all these funds. A lot of it was for accommodation. The funds did not come; students were being turfed out in the street. The moral side of me said that I probably needed to pay for the gas, otherwise we would get cut off; that I needed to pay for the accommodation, otherwise they would get turfed out in the street. Morally, I was - you know, I was not on the moral high ground; I felt it was just something I had to do, given that these funds were going to come. DET, in all their wisdom, decided in the third quarter of 2006 that the program was to stop. So that is the accommodation side of things.

Hon PETER COLLIER: With regard to that funding, did you say that that funding came from Balga Senior High School for the accommodation component?

Mr Hammond: It may have been a mixture; it could well have been a mixture of me giving money to the Balga P&C for them to pay the accommodation. Why? Because the Balga P&C, being very community minded, were looking at a whole range of issues in relation to community capacity building, one arm being accommodation, another arm being transport, and so the funds were moving around like that, yes.

Hon PETER COLLIER: Was that early in the piece? Was that early in the program?

Mr Hammond: The accommodation did not start that early; it was further down the track.

Hon PETER COLLIER: When would you have thought it would have commenced?

Mr Hammond: I would be guessing. It was certainly there in 2006. Was it there in 2005? It was certainly there in latish 2005, because I know I was up there myself over the Christmas holidays of 2005, cooking meals and looking after kids, so it was latish 2005, I think.

Hon PETER COLLIER: The actual accommodation commenced in latish 2005 - is that your recollection?

Mr Hammond: I have not got an exact date for it.

Hon PETER COLLIER: No. Okay, so the funding that was transferred from Balga Senior High School, perhaps, to the P&C or to -

Mr Hammond: Yes, to the P&C and then on to Hurson.

Hon PETER COLLIER: - Hurson - that was on the understanding that that would be reimbursed through DET?

Mr Hammond: Not so much from DET, but from the array of funds which would nominally be commonwealth funds, or it might have been state government funds in the form of the Department of Corrective Services or whatever.

Hon PETER COLLIER: So have you any idea how else the accommodation component was funded, other than Balga Senior High School?

Mr Hammond: The ICC - there is a whole funding sheet which indicates where all these funds were going to come from and what they were for. There was accommodation, there was transport, there was the Northbridge - the kids in strife at Northbridge after midnight. All those things are categorised on the funding schedule, which I do not have, but the ICC has got that.

Hon KEN TRAVERS: The meeting you attended that you were talking about a minute ago, with the -

Mr Hammond: The ICC?

Hon KEN TRAVERS: That was a meeting of the ICC, was it?

Mr Hammond: Yes. I went to at least two or three of those.

Hon KEN TRAVERS: How did you come to - that was where the issue of creating the accommodation program was first discussed? Is that where you first became involved in it?

Mr Hammond: It was underway, but they wanted to help fund it.

Hon KEN TRAVERS: Who initially established the accommodation program?

Mr Hammond: It was nothing to do with the school; it was Michael Carton. Whether it was MITS and Michael Carton, or whether it was Hurson and Michael Carton, I am not sure.

Hon KEN TRAVERS: So the school was not involved?

Mr Hammond: No.

Hon KEN TRAVERS: When did the school become involved - after that meeting with the ICC?

Mr Hammond: Yes. The only real involvement was the school, apart from me and some of my staff giving up their own private time to go and help out. Whenever there was a problem in writing a cheque that Hurson could not fund or the P&C could not fund, I helped out on the proviso that the money was coming back.

Hon KEN TRAVERS: And that proviso was based around the meetings that you had at that ICC meeting?

Mr Hammond: That and other meetings with the Department of Corrective Services and the justice people in WA.

Hon KEN TRAVERS: How did you come to go to the meeting - who invited you to the meeting of the ICC?

Mr Hammond: I am just trying to think of the name of the - as I said, a project manager from DEWR said that there was a thing called the ICC. I did not even know what the ICC was. He laid the groundwork with his own line manager, Peter Bass, who was the manager of the ICC, and then we eventually met Peter and he invited me to come along.

Hon KEN TRAVERS: And at that meeting he was offering you financial support, or offering the accommodation program financial support?

[11.30 am]

Mr Hammond: Except you need to bear in mind that the commonwealth never gives money to a school. The governance had to be by some other authority, and in this case it was the P&C.

Hon KEN TRAVERS: Right.

Mr Hammond: So, the P&C was involved. I mean, I did not even know - as a high school principal, I did not even know what ICC was until these people made me aware of it and I went along.

Hon KEN TRAVERS: Were you ever given any indication of ministerial support within the commonwealth for the accommodation program?

Mr Hammond: Certainly we had discussions with Chris Ellison, though I am led to believe that might have been more around the Northbridge arm of the program. Who else in the commonwealth? Certainly we had meetings with Chris Ellison and his staff. That is the only one I can think of.

Hon KEN TRAVERS: When you talk about the Northbridge arm of the program, what do you mean by that?

Mr Hammond: Well, both at the state and commonwealth levels, there has been, and I think still is, a campaign to stop youths getting into Northbridge on Friday and Saturday nights, and one arm of - whether it is MITS or Hurson or whatever, they developed this program where they drove a bus

around there, at about midnight. It was supported by state and commonwealth governments in a whole variety of - you know, minimal buckets of money. So, when this whole thing came together, the program was to pick these kids up who were too young to be in Northbridge and take them out to a PCYC, which was a police program at either Balga or Morley, and play basketball with these kids at midnight plus - and do that deliberately - and then drive them home after 2.00 am. Why 2.00 am - because if you took them home before that, they would get back on the train and come back to Northbridge again! So, it was a program that had the best of intentions, and it was funded by little buckets of money all over the place, some commonwealth, some state.

Hon KEN TRAVERS: Was it intended that some of those students that you picked up through that program would then feed into the education programs at Balga and also into the accommodation program at Joondalup?

Mr Hammond: So were already ours, but there were others there that joined in.

Hon KEN TRAVERS: Was that part of the plan, though, that you would use that as a ground for recruitment?

Mr Hammond: We did not have any problems in - we were having a problem in getting too many students, so we were not out there putting the flag up to say we wanted this many. We never turned anyone away, put it that way, and some of those kids on Friday and Saturday nights ended up in the program.

Hon KEN TRAVERS: Just to go back to confirm it, you were saying the ICC should have a sheet of how the accommodation program would be funded and where the different sources of funding would come from?

Mr Hammond: Well, certainly, and I have seen a sheet, and it has got Hurson, budget 2006. It is a broadsheet, and it adds up to \$2.6 million, outside of debt money, per annum, and it goes through each of the commonwealth departments, and the various other private enterprise and state sources. I do not have the sheet of paper.

Hon KEN TRAVERS: No, I understand that, but if we were looking for it, the ICC would be the best place to start?

Mr Hammond: Or Michael Carton, or Hurson, or Gary Taylor. I mean, it was a sheet of paper that was around the place.

Hon HELEN MORTON: Who put it together?

Mr Hammond: Oh, it would have been - it was not me, but it was Michael Carton, I think in conjunction with Gary Taylor. Either of those people could get it. I might be able to source it myself for you if you want it.

Hon KEN TRAVERS: But you earlier said it was at the ICC.

Mr Hammond: The ICC - I mean, I have enough trouble understanding the WA bureaucracy without getting into the commonwealth one, but if you like I will endeavour to explain how I think it happens. I think the ICC is a roundtable where every commonwealth department in Perth can get called in, and then they talk about possible submissions, and they talk about whether they can fund this as the ICC conglomerate of commonwealth departments in Perth, and then I believe that goes off to Canberra for rubber stamping, and then I believe that comes back and then it gets approved. I never got one approved, because DET stopped the program.

Hon KEN TRAVERS: Yes, but the discussions that were ongoing to get funding for the accommodation program were being held with the ICC, so that document that Gary Taylor and Michael Carton would have was about -

Mr Hammond: That was a summary of all those various -

Hon KEN TRAVERS: As a result of their discussions with the ICC?

Mr Hammond: Yes. I went to two meetings.

The CHAIR: Were you aware of any problems with the accommodation component of the Balga Works program? If yes, what was your understanding of these problems, and what did you do to resolve them?

Mr Hammond: I certainly had an understanding when they were short of cash they went to the P&C, and Keith Mynard and/or Michael Carton would come to me and say, "Look, we're having trouble funding this", if you are talking about funding. If you are talking about problems in the financial sense, I think we have covered that. If you are talking about problems in a behavioural sense, I certainly received a few phone calls, and I would hand that over to Michael Carton. I went to a meeting at least twice with the state member in Joondalup, I just cannot think of his name right now -

The CHAIR: Mr O'Gorman?

Mr Hammond: Mr O'Gorman, yes. I went with Michael Carton to one community meeting. So, I am aware of the problems.

The CHAIR: Right. Who gave authorisation to Michael Carton to sign purchase order forms on behalf of Balga Senior High School for the accommodation residence at Joondalup?

Mr Hammond: I am not sure what you mean.

Hon KEN TRAVERS: I guess another way of asking the question is: are you aware of whether purchase orders were ever used to purchase accommodation - to source the accommodation at Joondalup for the accommodation component of Balga Works?

Mr Hammond: Am I aware of it? That is something that I would have thought Michael Carton had been working with the registrars on. No, I cannot answer that. I do not know.

Hon KEN TRAVERS: Who would be responsible for authorising the use of purchase orders at the school?

Mr Hammond: Well, initially, the registrars, and then above the registrars there would have been a deputy principal. In this case it would have been Gary Taylor.

Hon KEN TRAVERS: Right. If they were going to use purchase orders in the school to try and get accommodation - to pay for or to source accommodation - would something of that nature have required it to come to you as the principal?

Mr Hammond: I think I sort of answered in a round about sort of way initially. Whenever I had trouble funding some accommodation, either Keith Mynard or Michael Carton would come to me, and clearly morally I needed to help out, given that the money was on the way back, but I do not think I approved any purchase orders to be used, no.

Hon KEN TRAVERS: Are you aware of whether purchase orders were ever used for the school in relation to the accommodation?

Mr Hammond: I think my registrar told me that, for ease of convenience, Michael Carton had a purchase order book, which - I remember that discussion.

Hon PETER COLLIER: Who was the registrar, Mr Hammond?

Mr Hammond: Michelle Green.

Hon KEN TRAVERS: Had a book - but were you aware of whether he ever used that to source accommodation?

Mr Hammond: No, I am not aware of that, no.

Hon HELEN MORTON: Having a book and being able to fill it out is one thing, but having a book and being able to fill it out and sign it is another thing. What level of “had a book” do you mean in regard to Michael Carton?

Mr Hammond: Well, I mean, the way we ran the school in the various programs, it was run like that. There was a supervising registrar. There was a supervising deputy to oversee it.

[11.40 am]

Hon HELEN MORTON: Would he have been able to sign a Balga Senior High School local purchase order for himself?

Mr Hammond: If he had a book, he could have signed it, I suppose, yes.

Hon HELEN MORTON: Can I just ask, following up from a previous question: any of the money that you were expecting to come back to the Balga Senior High School that you paid out on behalf of - on the understanding that the ICC’s money and various other bits of money was going to come back - did any of that money come back?

Mr Hammond: No, DET stopped the program before, you know, the end. Peter Bass and the ICC said this had gone to Canberra and the money was imminent, and we thought we were all okay, and then DET decided to stop the program.

The CHAIR: Could I ask how did Hurson’s come to take over the running of the program from MITS - the circumstances?

Mr Hammond: I think I have answered, in the sense that Michael Carton came to me and decided there was a problem with MITS, and Hurson was going to take it over. I think I said, “Well, what difference will it make to me here at the school, and what difference will it make to the students?” and he said “None”, and that was it.

The CHAIR: What services were being provided, firstly through MITS and then through Hurson’s, to the Balga Senior High School?

Mr Hammond: They were the company that was the private provider to employ staff to train these students.

Hon PETER COLLIER: Why would you need a private provider, Mr Hammond, to provide the staff? Why would you not do it in-shop?

Mr Hammond: Well, DET does not have the people who handle these sorts of kids. They always struggle. In fact, it was so bad at Balga high school that my metalwork, woodwork and prevocational centre had virtually closed down, as staff were just not here.

Hon PETER COLLIER: What calibre of staff are we talking about? What sort of qualifications are we talking about?

Mr Hammond: A lot of Michael Carton’s staff were trades assistants. Whether he paid them fair average wages or whatever, or what we would deem a teacher’s salary, I am not sure - that was his problem, not mine - but he seemed to be able to find these staff that could relate to these sorts of kids, and I think I said in a very early response that some of these students had been incarcerated - they had never been to school - so our system was just not set up to be able to provide those sorts of staff to look after those sorts of kids.

Hon PETER COLLIER: What did the program actually deliver to students at Balga Senior High School in the Balga Works program? What did Hurson actually deliver? What were the outcomes of the program?

Mr Hammond: Certainly, training, literacy, numeracy, life skills, social skills, learning how to - it seems very over-simplistic - how to get a decent meal, how to be fed, how to be clothed; and certainly for the kids in the accommodation to have their own bedroom with a lock on the door and

knowing that there is some chance that there is no-one else going to bust in there overnight - lot of those things which in middle-class Perth we take for granted, which is not happening out there.

Hon PETER COLLIER: You mentioned training. What aspect of training would they provide?

Mr Hammond: Well, these students were actually building a bus shed. They were actually doing bricklaying; they were into printmaking for signs; we were developing an agricultural arm - market gardening - the art program, where some of these indigenous students were developing structures for their programs to be shown in galleries. That is where DEWR was involved. If I can just go back, I said that I had forgotten the name of the manager of DEWR; it was Brian Hunter. That relates to an earlier question. Why did I suddenly realise Brian Hunter then? Because DEWR had funded some minimal amount of moneys for the students to be gainfully employed to produce artwork which then could be on sold, and hopefully these students would learn how to develop some structures for themselves and take in something they were good at. Probably the best thing that Balga Works could do was to build on some of the strengths of these students, who had very high-class hand skills - hand-eye coordination skills - but were not students who could sit in a conventional classroom, and there's not many places in WA where that is happening.

Hon PETER COLLIER: So, was Hurson an RTO?

Mr Hammond: Yes.

Hon PETER COLLIER: It was? Did Michael tell you it was an RTO, or did you know it was an RTO?

Mr Hammond: That is an interesting question. I am sure - he told me it was an RTO.

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

Mr Hammond: In very obtuse sorts of ways. We certainly were in the home economics field. We are not an overall RTO for it depends on your categories.

Hon PETER COLLIER: Did any students coordinate with TAFE, or work through the Swan TAFE for its development?

Mr Hammond: Some students moved on to TAFE, yes.

Hon PETER COLLIER: No, while they were in the program, in the Balga Works program?

Mr Hammond: Yes, because we had some students both in Balga Works and some in the main school who were attending a satellite of Swan TAFE, which is Balga TAFE.

Hon PETER COLLIER: Have you got any idea how many students that were enrolled in Balga Works would have been attending Swan TAFE?

Mr Hammond: No, I do not; sorry, I have not got a figure.

Hon PETER COLLIER: The staff that were employed by Hurson - now responsibility for their employment was entirely through Hurson?

Mr Hammond: Yes, and we paid them on invoice.

Hon PETER COLLIER: Did they have WACOT numbers, any of those teachers?

Mr Hammond: No, because they were outside - well, there could have been some who may have been previous DET employees who Michael employed.

Hon PETER COLLIER: What about police clearances? Do you know if the staff had police clearances?

Mr Hammond: We insisted that Michael did crim checks, and he said that happened all the time.

Hon PETER COLLIER: Was there any connection there between established standards in the employment of staff through Hurson and Balga Senior High School? Were there any checks? Like,

did Gary Taylor or anyone else in the high school actually do any checks in terms of the qualifications and the police checks etc of the staff with Hurson?

Mr Hammond: Certainly, Gary would have been checking on the people delivering literacy and numeracy; and Gary, whose own background, I am led to believe, was manual arts himself, he would have been seeing if the trades assistants were delivering work which was comparable.

Hon HELEN MORTON: Just following up on something that we just were talking about, you were talking about DET stopping the program before the ICC money came in, and that costs had already been expended and that you had forwarded that funds through the P&C to pay for some of those bills, or whatever it was, like the gas or whatever it was that you said -

Mr Hammond: The accommodation?

Hon HELEN MORTON: Yes. Why could not the ICC still pay for those things, given that it was money that was going to come to the P&C, it was not coming through the school? Why could not the ICC still pay for the things, at least the things that had already been expended?

Mr Hammond: It is a question that possibly needs to be asked of the ICC. But I think that, again, the layers on this particular sheet of paper I have indicated to you indicates line by line, column by column, what the funds were for and where it was going. I cannot answer how come the ICC could not pay, and did not pay; no.

Hon HELEN MORTON: Did you raise the issue about the fact that when it was indicated that the program - Balga Works - was going to stop, did you raise the issue about this money, that you had already paid out and that you were expecting to have returned through the ICC, with people at a regional or a head-office level?

[11.50 am]

Mr Hammond: Certainly I had discussions with John Garnaut about where the ICC funds were, and we were expecting them. He knew quite clearly, because, as I said previously, he asked me why Keith Newton, who was an executive director, was not at the meeting. I said, "Well, I don't know why he wasn't at the meeting." It was asked at the meeting why he was not there. I do not know why.

Hon HELEN MORTON: How did they expect then to deal with the fact that you had already made payments on the basis that that money was going to come back before the program stopped? What was their response to that issue?

Mr Hammond: I possibly did not discuss that at length. I was just simply going to register finance and once the money came through shore it all up further down the track.

Hon HELEN MORTON: When you knew the money was not going to come through, was there a discussion about the fact that this amount of money now had been put out on behalf of the program but was not now going to get covered. Was that discussion taking place?

Mr Hammond: It was just never discussed, I do not think. It all got too complex and too hard, I think.

The CHAIR: Were the courses offered as part of the program TAFE accredited?

Mr Hammond: These students were at a much lower level than apprenticeship. If you want to use some very old language, they were at a very low pre-apprenticeship level. For example, how low is low? We had the social skills mapped on a 10-point parameter and we think once they got to about level 7, socially they would be ready for TAFE. Ours were functioning about 3 and 4. I need to impress upon this committee that these students were at extremely low level. How low is low? Certainly primary school reading ages; social skills which were extremely poor; and some had effectively never been to school.

The CHAIR: Who was responsible to undertake police clearances for the staff employed at the Balga Works program both in the in-school component and the accommodation component?

Mr Hammond: Michael Carton told me his staff were crim checked so I assumed that he was doing that.

The CHAIR: Were police clearances undertaken for all staff employed at Balga Works program in your view?

Mr Hammond: I have answered that to the best of my ability.

The CHAIR: Yes, and they were done by Mr Carton?

Mr Hammond: Yes.

The CHAIR: How many staff were employed at the Balga Works program?

Mr Hammond: It is a difficult question to answer because there were a lot of part-timers. There were staff in the accommodation; there were staff in the school. They seemed to come and go. To give you a total number I would be guessing. I am not sure I can do that.

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

Mr Hammond: It was up to 150 at any one time and these were coming and going, depending on whether they were based on campus or working outside.

Hon PETER COLLIER: With regard to the enrolment of students, Mr Hammond, how many would be on campus on average would you say per day?

Mr Hammond: It would vary on the days of the week and would vary on when the buses picked them up. There could be 20 or 30 full-time there at any one time and it could be higher than that on other days, yes.

Hon PETER COLLIER: Were any concerns raised with you from the district level or any other avenue with regard to precise numbers of students?

Mr Hammond: Yes; certainly my line manager, John Garnaut, and his staff and Gary Taylor had a very complex checking procedure, which I think was done every month or every eight weeks, or certainly something like twice a term to see all the whereabouts of these students. I saw some sheets of paper with all these names on it so that was passed by Gary Taylor and there were people from district office who would come out and do a check.

Hon PETER COLLIER: What would be the usual protocol in terms of audits for student numbers?

Mr Hammond: This was a special audit that was set up by the district office to check on the program. Did you mean in a school-based or in the Balga -

Hon PETER COLLIER: Just say in a school-based and then compare it to Balga Works, say, at Balga Senior High School, what -

Mr Hammond: We would keep rolls for all our students.

Hon PETER COLLIER: It would be in the SIS program; did you enter them in the SIS program?

Mr Hammond: Yes, that is right, yes.

Hon PETER COLLIER: Were the Balga Works students entered into the SIS program?

Mr Hammond: I think Gary Taylor was working on a way that could happen. That was evolving. In the early days it was hard to get them into the SIS parameters I think. It is a question that Gary could answer better than me.

Hon PETER COLLIER: So the actual audits then were based upon the numbers or the student numbers that were provided from Hurson as opposed to the SIS program?

Mr Hammond: They were numbers provided by Hurson but, as I have already said, district office people came out and did head counts and checks.

Hon PETER COLLIER: Spot checks?

Mr Hammond: Yes. How often, I am not sure, but I got the idea it was about twice a term.

Hon PETER COLLIER: Do you recall ever having any discussions with Mr Cook with regard to student numbers or issues with student numbers?

Mr Hammond: Certainly John Cook and Gary Taylor were developing a way of developing an audit trail of student numbers, yes.

Hon PETER COLLIER: Any concerns that were raised with you, were they that there was perhaps a discrepancy between what was on paper as opposed to what students were in attendance?

Mr Hammond: Certainly, we had some feelings that it was different to the way the rest of the school was counted and that sort of thing. There was discussion, and certainly - you mentioned John Cook and I said Gary Taylor - those two were having discussions, I think, reasonably often. John Cook, I think, was also involved in developing structures for central office for these very high level kids at risk and using this as some sort of model to take further.

Hon PETER COLLIER: Did you have any concerns yourself with regard to the accuracy of the numbers?

Mr Hammond: I certainly would stroll down to the area where the kids were working, fairly regularly, to see that things were in hand and how many students were there. Did I have any concerns? No; because I knew the calibre of students that we were working with. Often I would speak to Michael Carton like: where was so and so? And he would say he has either gone back to incarceration or he is in the accommodation. So, yes, I did ask those questions.

Hon PETER COLLIER: You do recall having discussions or raising concerns that you had with both Mr Carton. What about Mr Taylor?

Mr Hammond: We had some discussions about the general welfare of the students and who was coming and who was not coming. You know, I said reasonably often that these kids need to be accounted for; we need to know where they are. It was very hard to get the processes in place.

Hon PETER COLLIER: That is right because the funding, of course, would be dependent on enrolments, would it not, in terms of funding for -

Mr Hammond: Yes, but it was funding that was dependent on enrolments but not dependent on attendance.

Hon PETER COLLIER: No; that is right.

Mr Hammond: In WA if you funded for bums on seats, you would get rid of half your teachers straight away.

Hon PETER COLLIER: I understand that.

Mr Hammond: I am talking about difficult schools.

Hon PETER COLLIER: I agree with you and I understand that we are dealing with a fundamentally disengaged group of youth, and I am very conscious of the work that is done.

Mr Hammond: There is a difference between funding on enrolment and funding on attendance.

Hon PETER COLLIER: That is right. But did you at any stage have any concerns about whether or not the enrolments were accurate - not the attendance - the enrolments?

Mr Hammond: I never raised the question but I certainly went down and tried to see where students were and asked both Gary and Michael certain questions from time to time, as a caring principal. But I did not go down and count them all.

[12 noon]

Hon PETER COLLIER: And you were satisfied with the response you got from them on most occasions?

Mr Hammond: It was a long time ago; yes, I think so, yes.

Hon KEN TRAVERS: I just want to know how and who recruited the students? How were they recruited in the first instance to be put on the enrolment list and who was doing that in the school?

Mr Hammond: It depends what level you want to talk at. I can remember being asked to go to the Children's Court, and the magistrate asked me would I take this student from the school. She was a girl from Cullacabardee and the magistrate and I had a discussion - this is in the full court - and he said that, "She is developing arts", and I said, "Yes, we'll take her." So that was that. That is just one example. How else would they get there? They would just turn up. We would get phone calls.

Hon KEN TRAVERS: I guess my question is probably, put another way: in the initial stages of the program was there a systematic sort of process to try to recruit students to it or was it that organic process of people turning up, or you would pick one up here or you would pick one up there; was there actually a program to go out there and actually recruit students to the program?

Mr Hammond: In the early days, I took Michael Carton around to a few of the high schools. The questions were, "Have you got any students you don't want?" Of course, every principal would say, "Here's a dozen. You can have those straightaway." Clearly, we would go to Carine and Churchlands. They would say, "Yes, these are the students we don't want." In fact, the worst students we had in the school came from Churchlands, but that is by the bye.

Hon KEN TRAVERS: "Our TEE averages will go up this way"!

Mr Hammond: That is the name of the game. John Garnaut, who was my line manager, invited Michael Carton to speak to all the principals, and part of his speech - not in so many words - was, "Give me all the students you don't want." So, yes, it was spreading the word out there that here was a program that was looking after difficult kids that no-one wanted.

Hon HELEN MORTON: When was that? At what venue did Michael Carton be asked to speak by John Garnaut and what month?

Mr Hammond: I actually thought it was a Christmas function with all the principals of the Swan district. Now, what year was it?

Hon HELEN MORTON: Yes.

Hon KEN TRAVERS: Did they consider that their Christmas present that year?

Mr Hammond: I am not sure. It was certainly not '06, so was it '05; or was it '04? I cannot answer.

Hon HELEN MORTON: Did you say that in the end anyway you were getting too many, that you had more kids than you knew what to do with? They were just turning up and there was -

Mr Hammond: It was not so much too many kids but the sort of mix of kids you have got. Unfortunately, you saw the Lockridge thing of a few nights ago, and you are always sitting on that powder keg at Balga high school, so you need to be a little bit careful of who you took and who you did not take. We were not short of people trying to get in.

The CHAIR: Mr Hammond, members, I propose that we take a break for five minutes, just to stretch our legs or do whatever we need to do.

Mr Hammond: How much longer do you think this is going to go?

The CHAIR: That is a good question. I would suggest that we are probably two-thirds of the way through questions, so perhaps another hour. I am sorry, but it is a lengthy process.

Mr Hammond: Could we make sure that it is only one more hour because I do have another commitment later on, and I have to be there.

The CHAIR: We will do our best.

Hon KEN TRAVERS: At what time is that commitment?

Mr Hammond: I think I have got to be in hospital with my wife at 1.30.

The CHAIR: We will take a short break and certainly attempt to accommodate that. Thank you very much.

Proceedings suspended from 12.03 to 12.13 pm

The CHAIR: Thank you very much. We will attempt to finish by 1.00.

Mr Hammond: Thank you.

The CHAIR: Mr Hammond, can you please explain the role of the P&C in the Balga Works program?

Mr Hammond: I think I have touched on it on a number of occasions. Certainly, the Balga P&C is a hands-on P&C, particularly from the community aspects. As the different programs in the school evolved, they have always been at the forefront of new programs; for example, the childcare centre; for example, the football and netball academies. Balga Works was no different, except that this time they wanted to have a part to play in, one, transport; and, two, eventually the accommodation. Keith Mynard is the person to ask exactly about all those things.

The CHAIR: Were you aware that Michael Carton was visiting Banksia Hill Detention Centre as a representative of Balga Senior High School?

Mr Hammond: I was aware that he was visiting corrective services' satellites, certainly Banksia Hill, certainly Rangeview, as a member of Balga Works. Now, was he a member of Balga Senior High School is your question. I was not aware that he was going there in any capacity other than as a Balga Works representative. I went with him to each institution once, I think, and had discussions with people out there as the principal of the school.

The CHAIR: So that might perhaps have at least led to a suggestion that, therefore, he was in effect representing the high school as well. I am just trying to -

Mr Hammond: I am not quite sure if that would be true. I mean, I certainly went with him to Children's Court, Rangeview and Banksia, and we met with, for example, Judge Denis Reynolds in the Children's Court. I was the principal and he was a member of Balga Works. I am not sure where the question is leading. I thought he was a representative of Balga Works. I was the representative of Balga Senior High School, but I did not go very often.

The CHAIR: Did you at any time provide Mr Carton with a school identification?

Mr Hammond: School ID?

The CHAIR: Yes.

Mr Hammond: Not quite sure that I did - no.

The CHAIR: With regards to the issue of funding of non-payment of wages, can you explain why the staff of the Balga Works program were not paid regularly?

Mr Hammond: As I explained, the funds came to me in the school grant and I handed that down to Michael Carton on invoice, I think, on a monthly basis. Whether he was paying too many of his staff some month and there was no money for the next month and those sorts of things - as I said earlier, I did attempt to shore up some dollars from time to time under the principles of devolution, which I am entitled to do, but I am not quite sure - there was certainly some flak sometimes when

people were not paid. There was plenty of press and plenty of phone calls, and I did what I could from time to time.

The CHAIR: How was the program to be funded?

Mr Hammond: You want me to go right through the whole scenario again? We were given the okay to fund on - to fund via electronic transfer, dollars from head office, to fund the program at about 8.8 FTE per annum and for a while there was the after-school component that was one set of funding. There was some other funds which was not my domain, but the P&C and Balga Works and - we have touched on that - corrective services, juvenile justice, Centrelink, ICC plus other commonwealth departments.

The CHAIR: Was sufficient funding provided by the Department of Education and Training for the Balga Works program in your view?

Mr Hammond: Certainly, we were going all right while the outer-school multiplier was in place. Once that was removed, I think we started the struggle. The removal of the outer-school multiplier by DET caused issues which we possibly started to struggle with.

The CHAIR: Did you envisage that the internal school resources would be used to supplement the budget of the Balga Works program?

[12.20 pm]

Mr Hammond: Only in the sense that I wished to shore up some shortfall while the funds were sourced from other sources.

Hon GIZ WATSON: Did you receive any complaints from staff regarding non-payment of salaries? If yes, what action did you take?

Mr Hammond: Certainly I received some phone calls and contact from people who had not been paid. My first response was to hand that on to Michael Carton, because it was his issue, not mine. Occasionally, when things were so bad, we helped out.

Hon PETER COLLIER: Mr Hammond, are you aware of any period at the end of 2005 or early 2006 when funding from the Department of Education and Training was frozen?

Mr Hammond: I am not sure if it was. Certainly, as I said, the out-of-school multiplier was stopped.

Hon PETER COLLIER: Yes.

Mr Hammond: Now, what was frozen in 2005?

Hon PETER COLLIER: I was just wondering if any funding that came to the school to be forwarded to Hurson was frozen.

Mr Hammond: I don't recollect it.

Hon PETER COLLIER: That is fine. Just one quick question: who paid Michael Carton?

Mr Hammond: Well, he would have - I assume on invoice to the registrars - put up the salaries of his staff and he may well have had a managerial-type expectation to receive some sort of salary.

Hon PETER COLLIER: Okay, so that was through the school?

Mr Hammond: Yes, through the school, yes.

Hon PETER COLLIER: Have you any idea what his salary was?

Mr Hammond: No.

Hon PETER COLLIER: How could we access that information?

Mr Hammond: Gary Taylor may have known or the registrars. I mean, I am not aware of his salary.

Hon GIZ WATSON: Mr Hammond, did you receive any complaints from staff regarding student behaviour? If yes, what action did you take?

Mr Hammond: At Balga Senior High School - I probably received complaints on a daily basis about students right across the school. So, what was special about these kids? They were very different and we would try and manage that between myself and the deputy, Gary Taylor, and then with Michael Carton. Sometimes these students would have to be isolated and sometimes they would have to be taken home. Probably, one strategy with the Balga Works students was to get them out of the school grounds. That was a problem in itself because one staff member would have to go with one student.

Hon GIZ WATSON: What level of support did you believe you had for the program, and across which departments?

Mr Hammond: Well, certainly DET is covered, by the staffing formula. Certainly Michael Carton led me to believe - and I was there at meetings where corrective services and DCD were providing some source of funds. As I have said before, the ICC was involved as well. Some of these things came to fruition, and some did not.

Hon GIZ WATSON: You have mentioned a number of government departments. Can you also elaborate which officers you felt were giving support to the establishment, progress and even expansion of the program?

Mr Hammond: Well, certainly DCD at the state and the district level - it would have been the Mirrabooka district officers that were supportive. Corrective services were supportive. At the commonwealth level: the Attorney-General and DEWR. The ICC also had all the various departments under them.

Hon GIZ WATSON: During the progress of the Balga Works program did you believe that you had government support for the establishment of the Balga Works program? If yes, what specific evidence such as actions, briefings or documents can you identify for the committee?

Mr Hammond: Well, yes, we had its support because it was paying the salaries of the staff on an enrolment basis. There were submissions that went up to the Department of the Premier and Cabinet which were also passed and of course the "big bucket" was the ICC. That is all in the submissions and they will be around somewhere.

Hon GIZ WATSON: Did you believe that you had government support for the progress or expansion of the Balga Works program? If yes, what specific action or government support - for instance meetings, documented discussions - led you to that belief?

Mr Hammond: Well, already the school grants audit trail would show you the salaries that were coming down. So, that was support from DET. The other departments were not quite my domain, but they were supportive in principle. What did I see that came down? I am sure Michael Carton would show me documents, from time to time, from DCD and corrective services etc.

Hon GIZ WATSON: Can I clarify that? You are saying that the documentation was provided to you by Mr Carton, rather than directly from the agencies or departments involved?

Mr Hammond: Well, that is right. I did not have any - there was no reason why DCD would liaise with me about its funding arrangements, you know, particularly with the students that they were dealing with - wards of the state and those sorts of things.

Hon HELEN MORTON: Can I just clarify that a little bit?

Hon GIZ WATSON: Yes.

Hon HELEN MORTON: This question was about going beyond a trial; about expanding or progressing the program beyond the initial trial period. Was there any indication that you had approval to go beyond that trial period?

Mr Hammond: Well, certainly Gary Taylor produced the state tender board documents - which were advertised. They went off in their own world and interviewed people and someone decided that there was no winning tender; but no-one said that because there was no winning tender that is the end of the program. So, it just kept happening.

Hon GIZ WATSON: Mr Hammond, was there any communication between yourself and the Department of Education and Training at all levels regarding problems with the Balga Works program. If so, could you please outline those communications?

Mr Hammond: I had discussions with my line manager, John Garnaut, about issues that we were having - that we were struggling; back in the early days, just getting another person on board in the form of the deputy who could make it happen. Then Gary Taylor was in constant contact with the district office and John Garnaut in particular about the issues that we were having in the program. So, there was a line of communication between Gary Taylor and the district director and other district staff about issues that we were struggling with.

Hon GIZ WATSON: That was your only line of communication?

Mr Hammond: Certainly I had discussions with HR about Kim Ward, in particular, about removing the out-of-school multiplier. But if you want, the most common thread was Gary Taylor through to John Garnaut to specify some of the issues. In response to that, John Garnaut appointed someone, I think his name was Gerry Borger, a financial bean counter from district office, to help get these finances in order and happening.

Hon GIZ WATSON: When did you hear that the government support for the Balga Works program ceased and why did you think that happened?

Mr Hammond: John Garnaut came out and said the program was going to cease.

Hon GIZ WATSON: That was the first time that you were aware that the government support was to be withdrawn?

Mr Hammond: That is right.

Hon PETER COLLIER: When was that?

Mr Hammond: Well, I would be guessing August or September 2006.

Hon HELEN MORTON: And the reasons why?

Mr Hammond: He did not say.

Hon HELEN MORTON: Did you question that?

Mr Hammond: I obviously had been having a lot of dialogue with him about the ICC moneys and he even asked why Keith Newton was not at that meeting. Well, I did not know the answer to that. Did I question it? It was all getting too hard. I got the impression they were not interested in the program continuing, so my question was, "Well, what are you going to do with these students? Just let them go back on the streets?" which I think is the answer.

[12.30 pm]

The CHAIR: In your opinion, what was the cause and who was responsible for the problems with the Balga Works program?

Mr Hammond: The initial one, I think perhaps, was DET removing the out-of-school multiplier. In a fiscal sense that was probably the first nail in the coffin. The second nail in the coffin was probably DET not providing people to come along to the ICC meetings to enable that commonwealth money to flow down. That is it.

The CHAIR: Do you have any idea why that occurred?

Mr Hammond: I think that the commonwealth-state relations are far beyond a small-minded person like me to elaborate to you about. No, I do not know. I mean, seriously, I just do not know why, but can I tell you that Peter Bass said the director general, the executive director, and the Director of Aboriginal Education could not even get their diaries to correlate so they could all attend a meeting about ICC money. I just do not believe - you know, someone is giving you buckets of money - I was a very lowly school principal; all we were trying to do all the time was to get buckets of money to help kids that no-one else would help.

Hon HELEN MORTON: That conversation about the fact that they could not get their diaries to correlate; in terms of the Balga Works program, what was the time frame that that discussion took place? Was it -

Mr Hammond: Certainly the Balga Works program was underway, and the ICC, I did not even know about until later in the piece, but we went to a couple of meetings in - I am suggesting about the middle of 2006 the ICC were saying, you know, "Here is some money."

Hon HELEN MORTON: Was it -

Mr Hammond: They were saying, "How much do you want?"

Hon HELEN MORTON: Was it your understanding that they had been invited to attend the meeting and could not make it happen -

Mr Hammond: My line manager's question to me was, "Why wasn't Keith Newton at the meeting?" I said, "I don't know. He sits up there, I am in a school, I am the meeting," and the question was asked, "I thought Keith Newton was supposed to be here." So my line manager is asking me, "Why wasn't Keith Newton at the meeting?" and the meeting told me he was - they did not know either. So if the Executive Director of DET was not going to be there at this all-important meeting to make this money start flowing, that should have suggested a danger signal, but, I mean, I could be cynical and say, well, he had more important things to do, but it was critical for us at that stage.

Hon HELEN MORTON: Is it your understanding that Keith Newton had been invited, or was aware of the meeting?

Mr Hammond: It was my understanding that he had been invited. I am sure it was my line manager's impression also.

Hon KEN TRAVERS: So he had been invited by ICC or been -

Mr Hammond: Not by me, I mean -

Hon KEN TRAVERS: Yes. No, no - so he had been invited by the ICC to attend?

Mr Hammond: That is the impression I got.

Hon KEN TRAVERS: Yes, yes.

The CHAIR: So can I just be clear: who called the meeting?

Mr Hammond: Peter Bass is the manager of the ICC.

The CHAIR: So he called the meeting?

Mr Hammond: He called the meeting.

The CHAIR: Right. Mr Hammond, I just need to touch on a couple of other matters in terms of allegations. Some allegations have made in relation to the running of the Balga Works program, and the committee asks you to respond to the following: (1) That in seeking to run the Balga Works program in the manner that you did, that you acted outside the scope of your authority and relevant policies of the Department of Education and Training and the government.

Mr Hammond: So under devolution - under the principles of devolution - I guess you people know all about the “four squiggle books”, which are the devolution Bibles, which came down in the early 1990s. High school principals - all school principals - are encouraged to look for new ways to do things. Under the principle of devolution, I believe I had that authority.

The CHAIR: Thank you. The second allegation is that you misled your line managers about the program and Michael Carton’s involvement in the program.

Mr Hammond: I had constant contact with my line manager; Gary Taylor had constant contact with myself; Gary Taylor had constant contact with the district office. I do not think there was anything misleading in any of that.

The CHAIR: Thank you. That is the end of my questions.

Hon KEN TRAVERS: I just had a couple of questions. You said that you felt that the removal of the out-of-school multiplier was the thing that actually ended the program, but my understanding was always, when the original approval was given by the department for the program to be established, it was to be established within existing school resources?

Mr Hammond: Mm, mm.

Hon KEN TRAVERS: Was the multiplier a part of the existing school resources, or is that something that was then added on after the initial commencement of the program?

Mr Hammond: Melissa Gillett, who worked in HR in “Silver City”, realised that these sorts of kids were struggling beyond the six hours; that is, you know, what do you do with highly deviant kids between 3.00 pm and 6.00 pm, when they have got nowhere to go, and if you can keep them occupied either in school - and certainly these - funnily enough, these kids, who had never been at school, once the schooling started, once you told them to go home for the six weeks of the school holidays at Christmas time, you know, the streets were awash with crime or whatever. So we were better off keeping them at school over the Christmas holidays, which we endeavoured to do, and the multiplier enabled that to happen. Once the multiplier was removed, we lost that 3.00 pm to 6 o’clock avenue to shore up their activities, and then we lost them over the holidays, too. I mean, I did not say it was the end of the program, but it was the first nail in the coffin.

Hon KEN TRAVERS: No. I guess that was not where I was. My main point of my question was that you were saying that that was one of the contributory factors.

Mr Hammond: Yes.

Hon KEN TRAVERS: But when the program was established, my understanding - and correct me if I am wrong - was that the program was to operate within existing school - within - I mean, there seems to be no doubt that you were given approval from within the department to operate the program so long as it was within existing school resources.

Mr Hammond: Yes.

Hon KEN TRAVERS: Therefore was the - the issues regarding the multiplier - were those issues that then arose as a result of getting the program up and running, that you needed to go back and seek additional funding?

Mr Hammond: Well, in any evolving program that is always what you have to do, and certainly within normal school resources. I mean, it is all right for, you know, the general principle of making good kids better, and I think, you know, the Perth modern schools in the Churchlands, they can always say, “Look, we want to run a music program”, and I would say, “Here is some funds to look after these kids from 3 o’clock to 6 o’clock”, and they can go and do music and ballet and all those sorts of things. So we just were doing the same thing. We were saying, “These are the kids at the bottom end of the scale and they probably need help more than what your ballet kids do and what your music kids do.” So every school has got programs outside the 9 o’clock to 3 o’clock timescale.

Hon KEN TRAVERS: Can I say, from that point - I do not disagree with you about that point -

Mr Hammond: I know, but I am not saying -

Hon KEN TRAVERS: - which is why I am trying to get the answer to this point, because one of the issue is whether or not we need these programs in Western Australia and whether or not - how do you actually get them up and running. I guess I am trying to get an understanding of was it possible to have run a program from within existing school resources?

Mr Hammond: Certainly, it is possible to start a program from in existing school resources, but until you put your toes in the water and work out what is going to happen. Yes, so -

Hon KEN TRAVERS: I guess that is one of the conflicts, though, isn't it, because in terms of your reputation - and high reputation, I should say - your successes have been by dipping your toes in and getting the projects off and running. The bureaucracy of the DET probably would operate from a more of a "we want to have every "t" crossed and every "i" dotted and work out all of the potential ramifications of this program before we even dip our toes in the water." Is that an inherent conflict?

[12.40 pm]

Mr Hammond: Of course there is a conflict there. There are plenty of bureaucrats in there to dot the i's and cross the t's but there are probably not enough practitioners in schools making these things happen. These sorts of kids are real hard work. We started off within school resources. DET approved us to go outside school resources, like "Here's some more cash" for the out-of-school multiplier. They give it to you and then say, "You're not having that any more", and it's gone.

Hon KEN TRAVERS: How long after you started would you have realised that you needed additional resources?

Mr Hammond: That is a hard question to answer. Probably six months into the program we knew we had to do something else.

Hon KEN TRAVERS: Do you recall when that multiplier applied?

Mr Hammond: I cannot remember the exact dates. You can track that through the email audits. Being retired, I do not have access to all these bits of paper these days. Certainly, the electronic transfer of funds would indicate when multipliers were there and when they were not there.

Hon KEN TRAVERS: Were you ever given a multiplier for the fact that they were difficult-to-teach students, as well as the extra hours component in terms of multipliers?

Mr Hammond: Yes and no. They were all classified as year 11 VET students. The staffing is about a five to 10 per cent loading on top of that, state-wide, not just for Balga Works. Apart from things that are inside formulas, no.

Hon KEN TRAVERS: Again, I would have thought, realistically, the sort of students we are talking about, a ratio of one to 15 was never going to be enough in terms of the intensity that you would have to put into these sorts of students from time to time.

Mr Hammond: I have learnt the hard way. The correct formula is one tutor with four or five incarcerated kids. That team of five needs a four-wheel drive plus a trailer equipped for carpentry, welding or whatever, and that team of five goes around workplaces. Some teams of five will work and some will not. That is about the staffing formula that you are looking for. You might say that is very expensive, but it is a helluva lot cheaper than kids being incarcerated.

Hon KEN TRAVERS: Would there still need to be the literacy and numeracy on top of that?

Mr Hammond: Absolutely. I have a model that can enable all that to happen, but unfortunately in this case I have only learnt that through some fairly bitter experiences.

Hon KEN TRAVERS: Would the bureaucracy ever have been able to work that out without doing it by trial and error?

Mr Hammond: No. Not sitting in "Silver City". Do we send five students and see if they can do it in there? Sorry, I should not be like that, should I?

Hon KEN TRAVERS: Trust me, we can get just as cynical about it.

Mr Hammond: Can I retract that? I did not mean that.

Hon KEN TRAVERS: You talked earlier about the lines of communication going through Garnaut and Taylor and up and down through there. What is your view of the knowledge of Mr Peter McCaffrey and his involvement and knowledge of this program?

Mr Hammond: As I said earlier, I saw a letter or paragraph or something about how we apply to the state tender board for this to proceed on trial.

Hon KEN TRAVERS: That tends to be towards the second year of the program. I am thinking throughout the first year, when the multipliers and those sorts of issues were being raised. Was he being kept informed?

Mr Hammond: Not by me. Kim Ward, a manager of HR, came to me and said, "The state legislation says that I can't give you the out-of-school multiplier." I said, "Okay, Kim, let's take the out-of-school multiplier away." I did not ask this question but I should have said, "Why don't you cancel every music program and any other program that's outside school hours in the state?" It would be too cynical of me to ask that question.

Hon PETER COLLIER: When did that out-of-school model cease?

Mr Hammond: I do not know the exact date.

Hon PETER COLLIER: Do you have any idea? Would you know the year at least?

Mr Hammond: The mind is a bit of a haze. We can work it out by the electronic transfers to the school grant somehow or other.

Hon PETER COLLIER: Ultimately, that would have been when issues arose with regard to the payment of salaries etc.

Mr Hammond: Yes, that is a good observation. I would say that that follows. I cannot give you a month.

Hon PETER COLLIER: If that were the case, and when Mr Garnaut came to you in September 2006 and said it was closing, by that stage there was a plethora of issues with regard to wages and salaries.

Mr Hammond: That was not tied up with the out-of-school multiplier. The out-of-school multiplier removal was much earlier than that. I cannot give you a month.

Hon PETER COLLIER: At that stage I would imagine you would have said to Mr Garnaut, "Essentially, we are in this predicament because of the fact that the out-of-school multiplier has been removed."

Mr Hammond: It had been said by me, Gary Taylor and others reasonably often.

Hon PETER COLLIER: Did you articulate those concerns with DET, with Mr Garnaut, fairly regularly?

Mr Hammond: Yes.

Hon PETER COLLIER: I wish to clarify a point. You mentioned that the year 11 VET formula with regard to the multiplier is across the board, it is in all schools, it is generic.

Mr Hammond: That is nothing to do with Balga. It is a state-wide thing.

Hon PETER COLLIER: Was no consideration given to the disengaged component of the students that you were dealing with?

Mr Hammond: No.

Hon PETER COLLIER: Did you ever have any one-on-one discussions with Mr Albert as the director general?

Mr Hammond: When they have high school principals' conferences, sometimes the DGs make themselves available for one-on-one discussions. It was down at Observation City in Scarborough in the middle of the year, May or June 2006. I think that is right. I had a discussion with Paul Albert. I said Balga Works was struggling. He said, "What you need is not registrars but business managers, and we'll start doing a few things."

Hon PETER COLLIER: Did he give you any indication that things may improve? What impression did you get from him?

Mr Hammond: He led me to believe that he was going back to "Silver City" to look into it. I did not hear any more.

Hon PETER COLLIER: When the issues arose with regard to the staff not being paid and a number of them went to the minister's office, did you have any communication with the minister's office at all?

Mr Hammond: I think there was a ministerial. I remember this because it was very unusual for a ministerial to be removed. That never happens, but in this case the ministerial was negated by someone's funds being fixed up or whatever. In that sense, I knew it was happening.

Hon PETER COLLIER: You retired in September 2006 - is that correct?

Mr Hammond: The last day of term 3, 2006. That would have been 29 or 30 September 2006.

Hon PETER COLLIER: Was there any pressure placed upon you to retire?

Mr Hammond: I was getting a bit sick of this whole thing.

Hon PETER COLLIER: The Balga Works thing you mean?

Mr Hammond: That in the main. Was there any pressure put on me? I would prefer not to answer that. I was intent on developing a private school for high-level students at risk and develop those models I was talking about with the tutor and four or five students. That is what I wanted to do. I was happy to retire in that sense.

Hon KEN TRAVERS: You were talking about Michael Carton going to the Department of Corrective Services' institutions. You said he was going there to represent Balga Works. What do you mean by Balga Works when you say that?

[12.50 pm]

Mr Hammond: He was in charge of Hurson, who was the private provider. He had a far better relationship with these departments outside of DET than me, because my whole life is education. He had a very strong relationship with the police, corrective services. I do not know - the question was asked: was he representing the school? My answer was: I am sure he was representing Balga Works. Occasionally, I went with him as the school principal and I was representing the school. I had no sense he was representing the school. He was representing -

Hon KEN TRAVERS: But, and I guess this is one of the problems with the blurring that I am trying to understand because the accommodation program stands alone, and I accept that, but the in-school programs, Hurson were providing them, but they were providing them on behalf of the school. So, for someone sitting outside of that, for their ability to say if someone turns up and they are representing Balga Works - that is, this program running on the Balga Senior High School - how would they have known that that was separate to the school?

Mr Hammond: That is a good question. They probably would not. For a lot of those people who have not been near a school for some time, they would have that blurred, I think. But I did not send him out as a rep of the Balga school; I sent him out as a rep of Balga Works. That is what I was trying to say.

Hon KEN TRAVERS: Yes. But I was just trying to - the other one I had, and I think you touched on it in your evidence, but I want to be clear that I am not misrepresenting you. In terms of a number of the other programs that you have established in the past at Balga high school - I think you gave the example of the childcare centre - there were previous occasions where anticipated funding was promised to the school and that -

Mr Hammond: Certainly, in child care there was Lotteries Commission money coming down to get the building right, but it was not coming down for another two months, so I got the building right so the program could start. Then the money went back to them and they came back to me.

Hon KEN TRAVERS: So that was a common practice at the school; basically, for the school resources to be used to support programs?

Mr Hammond: Yes - not every day of the week, but whenever there was a new program that was struggling, you would sort of push money around to get it underway on the understanding it was coming back.

Hon KEN TRAVERS: Did you ever require written commitments in that regard -

Mr Hammond: No.

Hon KEN TRAVERS: - or it was more verbal?

Mr Hammond: Verbal.

Hon KEN TRAVERS: Was that known to your managers that that had happened in the past at the school? Was that something that Mr Garnaut or Mr McCaffrey and others would have known about?

Mr Hammond: There was no need to tell them. The precedent had been set that it worked with child care, and I would be hoping that it would have worked in the future.

Hon KEN TRAVERS: So did they know? I know you just said you did not need to tell them, but would they have known that that was how it operated?

Mr Hammond: They did not even know I had a childcare centre.

Hon KEN TRAVERS: Sorry?

Mr Hammond: Sorry, but there is some belief that when girls are pregnant and when they have babies, they are not supposed to go to school because it does not happen to teenagers. The P&C wanted to do something, because they provided some funds to go and work out there were 55 teenagers giving birth every year in the Balga intake, so they wanted to do that. To stay within legislative requirements for school-age kids - the fact they had a baby was by the bye, so we had an unused caretaker's cottage which was given some Lotteries Commission money to bring up to scratch to pass the very rigorous childcare board requirements, so I funded that. These babies were on campus. Certainly, I was attacked by someone about promoting free sex on the campus and all that sort of stuff.

Hon KEN TRAVERS: I think it might have been the first time I visited the school was the opening of that facility.

Mr Hammond: I believe the program is still running. Hopefully it is.

Hon KEN TRAVERS: The other final question I had was: you talked about the fact that I think it was Mr Newton failed to attend the ICC meeting. Was the ICC still indicating, though, that they were prepared to fund the program even though -

Mr Hammond: Peter Bass said these submissions, this dialogue was going to Canberra and the funds were imminent.

Hon KEN TRAVERS: Even though the senior management within DET were not showing support by turning up, he was still happy to -

Mr Hammond: Do not forget the ICC would not give money to a school -

Hon KEN TRAVERS: They give it back to the P&C.

Mr Hammond: - they give it to an outside authority for governance. In this case, it was the P&C.

Hon KEN TRAVERS: The last question I had was: when you were talking about the indications of support for the program from within the department, you mentioned submissions to the Department of the Premier and Cabinet being funded. Is that the grant relating to the Office of Crime Prevention or were there other grants on top of that as well, or other submissions to the department -

Mr Hammond: That was the first one, but we were led to believe there could be more, which they called CAT funding, which would come further down the track. That never happened.

Hon HELEN MORTON: You spoke previously about not being aware of funds being frozen to the program.

Mr Hammond: No. That seems news to me. I am not quite sure what that means. And Peter, I think, said 2005.

Hon PETER COLLIER: End of 2005 to 2006.

Hon HELEN MORTON: Apparently, my understanding is that the funds were frozen for a period of time - I do not know how long that time was - conditional upon certain things getting fixed up documentation wise, I think. But we have had lots of other people say that following that, there was something that is loosely referred to as a rescue package that was also made from the Department of Education and Training to the Balga Senior High School. Do you know much - do you know anything about this concept of a rescue package?

Mr Hammond: We were given - and it is some time back now and I have moved on to other things - but there was some dialogue and there was some extra money, extra school grant money, sent down early, and that was the rescue package I think they were talking about.

Hon HELEN MORTON: Early, as in?

Mr Hammond: You normally only get your school grant in certain allotments in the year, like February, July, October, whatever, and we got some early; so, in other words, the July money came through in March or something like that.

Hon HELEN MORTON: Was there any strings attached to that?

Mr Hammond: Not that I was aware of.

Hon HELEN MORTON: One of the things that has impressed me about this business is the conflicting advice that I have picked up that, on one hand, we are hearing go ahead, proceed, expand and that there will be a way around it somehow or other, and, on the other hand, a lack of official approval. Is that a fair summation of what happens in Department of Education and Training?

Mr Hammond: That is a fairly delicate question, but if you are saying there are too many bureaucrats down there and they get in each other's way, that might be one cynical answer. But, generally, "Silver City" have let me do what I want to do because I generally make things happen. We just struggled in this program for all sorts of reasons which I think this committee has delved into fairly accurately. And you are quite right and the out-of-school multiplier - it is on, now it is off - is an example in point. There are quite a few things like that which have happened.

Hon HELEN MORTON: What does that sort of an approach do to an emerging new program or a new program trying to get off the ground? Does it give you a sense of “go for it” or does it give you a sense of “hold back from it”? How does that kind of approach -

Mr Hammond: You would want to give up completely, but when you know that there are students at risk on the streets doing all sorts of things, you keep on bashing your head against the wall and you keep on trying, and if DET will not provide the money, you sort of go somewhere else to try and make it happen.

The CHAIR: Now the last, last question.

Hon KEN TRAVERS: Sorry; yes, just to raise the question just to clarify that issue about that “rescue payment”. Are you ever aware of additional funding or a special payment being made to the school to allow Hursons to be paid so that they could pay staff that had outstanding pay claims?

Mr Hammond: I think you are talking about issues beyond my retirement where they - I retired in September 2006. The program was going to continue until the end of the calendar year 2006.

Hon KEN TRAVERS: No; this would have been before 30 June in 2006.

Mr Hammond: No, I cannot - sorry.

Hon KEN TRAVERS: You cannot recall; that is fine.

The CHAIR: Mr Hammond, thank you very much for your time. We just squeaked in before one o'clock. I appreciate your coming to the committee. I also need to formally tell you that we will not be requiring your attendance again, so your summons is effectively released, I think, is the correct terminology. Thank you very much.

Mr Hammond: Okay.

The CHAIR: Sorry; yes, a copy of the transcript will be forwarded to you for any corrections that you think might be needed.

Mr Hammond: In what time frame would that be?

The CHAIR: Looking at Hansard, within the next couple of days. Thank you.

Committee hearing concluded at 12.59 pm