

40TH PARLIAMENT



Joint Standing Committee on the
Corruption and Crime Commission

Report 9
ANNUAL REPORT 2017—18

Presented by
Ms M.M. Quirk, MLA
November 2018

Committee Members

Chair	Ms M.M. Quirk, MLA Member for Girrawheen
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Members	Mr M. Hughes, MLA Member for Kalamunda
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and Crime Commission**

Annual Report

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Presented by

Ms M.M. Quirk, MLA and Mr J.E. Chown, MLC

Laid on the Table of the Legislative Assembly and the Legislative Council on
29 November 2018

Chair's Foreword

The 2017-18 reporting period was a busy one for the Joint Standing Committee on the Corruption and Crime Commission, including tabling seven reports in the Parliament. Given the Committee was only formed in June 2017, it was the first full year that the Committee was operational in the 40th Parliament.

Early on, it became necessary for the Committee to obtain clarification of its legal composition and powers, due to a level of controversy surrounding the nomination of committee members at its inception. It was argued by some that the appointment of two Government members from the Legislative Assembly, and a member each from the Opposition and Greens party in the Legislative Council, was contrary to legislation and defied established conventions. It was asserted that there must be an Opposition committee member appointed from the Legislative Assembly.

In October 2017, the Committee tabled the opinion of senior counsel sought by the Committee, which confirmed that the Committee's current composition—two Labor members, one Liberal member, and one Greens member—was, and is, compliant with the requirements of the *Corruption, Crime and Misconduct Act 2003*.

Important work completed by the Committee during the reporting period includes two reports tabled in relation to an historic complaint against WA Police by Dr Robert Cunningham and Ms Catherine Atoms. The Committee became aware of the plight of these two individuals and, after reviewing the details of their situation, resolved to bring it to the attention of the current Corruption and Crime Commissioner and the Parliamentary Inspector. The Parliamentary Inspector's report on the matter, tabled by the Committee in October 2017, was fully endorsed by the Committee and demonstrates that robust oversight of organisations such as the Corruption and Crime Commission and WA Police continues to be essential.

In addition to its ongoing oversight role and functions, in late 2017 the Committee initiated an extensive investigative inquiry into the vulnerability of public procurement to corruption. This work is ongoing and the Committee expects to table its first report in relation to the inquiry in early 2019.

I thank members for their hard work during 2017–18 and look forward to continuing the important work of the Committee throughout 2018–19.



MS M.M. QUIRK, MLA
CHAIR

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Chapter 1

Committee Activities

Introduction

This report covers the works undertaken by the Joint Standing Committee on the Corruption and Crime Committee of the 40th Parliament during the 2017–2018 financial year. During the period between 1 July 2017 and 30 June 2018 the Committee:

- held 16 deliberative meetings
- took evidence from 32 witnesses at 10 hearings¹
- met with 14 people at six briefings
- conducted one inquiry
- travelled to Sydney to attend the Sixth Australian Public Sector Anti-Corruption Conference in November 2017
- tabled seven reports in both Houses of Parliament.

Table 1.1 Summary of activities of the Committee, 1 July 2017 to 30 June 2018

Description	Activity
Deliberative meetings	16
Briefings	6
Formal evidence hearings	10
Witnesses appearing	46
Reports tabled	7
Report findings tabled	88
Report recommendations tabled	7

Public Hearings

Pursuant to Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2017—30 June 2018, the Committee conducted seven public hearings, taking evidence from 25 witnesses to assist with its investigations (Table 1.2)

1 Hearings which are partly public and partly closed are counted as one hearing when calculating the total number of hearings, but are counted separately when calculating the number of public hearings and closed hearings.

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Table 1.2 Public Hearings of the Committee, 1 July 2017 - 30 June 2018

Date	Witness	Position	Organisation
14 August 2017	Dr Karl O'Callaghan	Commissioner of Police	Western Australia Police Force
	Mr Gary Dreibergs	Deputy Commissioner	
	Mr Nicholas Anticich	Assistant Commissioner, Professional Standards	
	Mr Pryce Scanlan	Commander, State Crime	
13 September 2017	Mr Malcolm Wauchope	Public Sector Commissioner	Public Sector Commission
	Ms Rebecca Harris	A/Executive Director, Strategic Engagement and Coordination	
	Mr Lindsay Warner	A/Executive Director, Workforce Performance and Renewal	
18 October 2017	Hon. John McKechnie, QC	Commissioner	Corruption and Crime Commission
	Mr Ray Warnes	Chief Executive	
	Mr David Robinson	Director, Operations	
	Ms Wendy Endebrock-Brown	Director, Legal Services	
	Ms Emma Johnson	Director, Assessment and Strategy Development	
	Ms Emma Milne	Director, Corporate Services	
1 November 2017	Hon Michael Murray, QC	Parliamentary Inspector	Office of the Parliamentary Inspector of the Corruption and Crime Commission
9 May 2018	Mr John Langoulant, AO	Special Inquirer	Inquiry into Government Programs and Projects

20 June 2018	Mr Christopher Dawson	Commissioner of Police	Western Australia Police Force
	Mr Noel Gartlan	Detective Superintendent, Internal Affairs Unit	
	Ms Kylie Whitely	Commander	
	Mr Brian Hunter	Detective Senior Sergeant, Internal Affairs Unit	
	Mr Howard Gretton	Director, Media and Corporate Communications	
	Mr Bradley Jackson	Detective Inspector, Office of Investigative Practices	
27 June 2018	Ms Stephanie Black	A/Director General	Department of Finance
	Ms Kate Ingham	Director, Strategic Advisory Services	
	Mr Mark Bryden	Director, Strategic Issues	
	Mr Tony Halberg	Director, Policy and Procurement Services, Building Management and Works	

Closed Hearings

In support of its role overseeing the Corruption and Crime Commission, and of its Inquiry into public sector procurement of goods and services and its vulnerability to corrupt practice, the Committee held six closed hearings with 17 witnesses.

Briefings

In addition to gathering evidence during the formal hearings, the Committee received a number of informal briefings. The briefings were used to gain information in relation to the Committee's inquiry as well as other matters (Table 1.3).

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Table 1.3 Briefings provided to the Committees, 1 July 2017 - 30 June 2018

Date	Name	Position	Organisation
16 November 2017	Mr Peter Hall	Chief Commissioner	Independent Commission Against Corruption
17 November 2017	Mr Bruce McClintock SC	Inspector of the Independent Commission Against Corruption	Office of the Inspector of the Independent Commission Against Corruption
	Professor Terry Buddin QC	Inspector of the Law Enforcement Conduct Commission	Office of the Inspector of the Law Enforcement Conduct Commission
17 November 2017	Ms Patricia McDonald SC	Commissioner	Independent Commission Against Corruption
	Mr Lewis Rangott	Executive Director, Corruption Prevention Division	
	Mr Roy Waldon	Executive Director, Legal Division	
	Mr John Hoytink	Executive Director, Investigative Division	
17 November 2017	Mr Damien Tudehope	Member of the Legislative Assembly of NSW	Committee on the Independent Commission Against Corruption
	Mr Ron Hoenig	Member of the Legislative Assembly of NSW	
5 February 2018	Hon. John McKechnie, QC	Commissioner	Corruption and Crime Commission
	Mr Ray Warnes	Chief Executive	
	Ms Emma Johnson	Director, Assessment and Strategy Development	
	Mr Darren Wallis	Senior Assessor Assessment and Strategy Development Directorate	
11 April 2018	Mr Colin Murphy	Auditor General	Office of the Auditor General
	Ms Sandra Labuschagne	A/Deputy Auditor General	

Reports tabled

The Committee tabled seven reports during the period 1 July 2017 - 30 June 2018.

Report 1 – *The efficiency and timeliness of the current appointment process for Commissioners and Parliamentary Inspectors of the CCC* (14 September 2017)

Report 2 – *The ability of the Corruption and Crime Commission to charge and prosecute* (14 September 2017)

Report 3 – *Annual Report 2016-17* (14 September 2017)

Report 4 – *Parliamentary Inspector's report on a complaint by Dr Robert Cunningham and Ms Catherine Atoms* (12 October 2017)

Report 5 – *Current Committee Confirmed – Clarifying the legal composition and powers of the Committee* (19 October 2017)

Report 6 – *Parliamentary Inspector's report on the issuing of notices by the Corruption and Crime Commission under s 42 of the Corruption, Crime and Misconduct Act* (30 November 2017)

Report 7 – *Unfinished business: The Corruption and Crime Commission's response to the Committee's report on Dr Cunningham and Ms Atoms* (30 November 2017)

Oversight function

The Committee has continued to perform its oversight function, closely monitoring the activities of the Corruption and Crime Commission and the Parliamentary Inspector of the Corruption and Crime Commission and, to the extent relevant to its portfolio, the activities of the Western Australia Police Force and the Public Sector Commission.

The activities of the Committee during the 2017–2018 financial year were many and varied; a select few are set out below.

In November 2017, the Committee attended the Sixth Australian Public Sector Anti-Corruption Conference, Australia's premier corruption and misconduct prevention forum, in Sydney. Committee members were able to inform themselves about current issues and trends in corruption and misconduct. The Committee also took the opportunity to network with other anti-corruption practitioners during and after the conference, meeting with representatives of the NSW Independent Commission Against Corruption, the NSW Committee on the Independent Commission Against Corruption, the Inspector of the Independent Commission Against Corruption and the Inspector of the Law Enforcement Conduct Commission.

Chapter 1

The Committee followed up on a number of recommendations made by the Committee of the 39th Parliament. One outstanding recommendation is to make clear that the remit of the Committee includes overseeing the activities of the Public Sector Commission in relation to its minor misconduct and prevention and education function provided by the *Corruption, Crime and Misconduct Act 2003*. The Committee will continue to monitor progress of this recommendation.

The Committee participated in the appointment process for the Parliamentary Inspector of the Corruption and Crime Commission. Out of a pool of well-qualified candidates, the Committee was pleased to endorse the continued tenure of the Mr Michael Murray AM QC.

The Committee has been liaising with the Parliamentary Inspector, Corruption and Crime Commission, and the Attorney General regarding the Parliamentary Inspector's lack of statutory authority to audit affidavits used, and warrants obtained by, the Corruption and Crime Commission under the *Telecommunications (Interception and Access) Act 1979* (Cth). Such affidavits and warrants, and the use of information obtained via them, are the only investigative tools of the Commission that the Parliamentary Inspector is precluded from accessing and auditing.

The same issue affects the Parliamentary Inspector's counterparts in other states across Australia, and has been a concern of the Inspectors for some time. The most effective resolution to this issue would require amendment to the Commonwealth legislation. The Committee is continuing its efforts to influence a suitable resolution to this issue.

Inquiry into the vulnerability of public procurement to corruption

Public procurement is a high-risk area for corruption. The volume and value of transactions, the often complex process, the close interaction between public servants and business, and the multitude of stakeholders all contribute to corruption risk.

The potential monetary cost of corruption in procurement is staggering. Transparency International Australia reported in 2016 that public procurement spending worldwide averages between 13–20% of gross domestic product (about \$US9.5 trillion every year), and that currently 20–25% of this is estimated as being lost to corruption.

In Western Australia, the Department of Finance calculated that in the 2016–17 financial year, total expenditure reported by state government agencies was just over \$15.5 billion.² Even if 10% of this was lost to corruption, this equates to around \$1.5 billion lost in taxpayers' money in one financial year.

² Data is for public authorities only and includes works, goods and services expenditure.

However, the impact of corruption is not just monetary. Corruption entering and influencing the public procurement process diverts funds away from social needs, engenders bad decisions, distorts markets and competition, raises prices and costs, limits market access and reduces business appetite for foreign investors, and increases the likelihood that services and goods will be poor quality, potentially putting sustainability, the environment and human life at risk.

Given the significance of the possible costs that may arise if public procurement processes are corrupted, on 22 November 2017 the Committee resolved to conduct an inquiry into public sector procurement of goods and services and its vulnerability to corrupt practice.

The Committee is due to report on its inquiry in April 2019.

Chapter 2

Financial Statement

The Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 1 July 2017 – 30 June 2018 (in accordance with Standing Order 276) is detailed below.

Table 2.1 Expenditure items of the Committee, 1 July 2017 - 30 June 2018

Expenditure Item	\$
Advertising	\$1,999
Consultants	\$5,886
Couriers	\$565
Staff and Member Amenities	\$723
Conferences	\$8,864
Travel	\$24,713
Taxis/Hire	\$623
TOTAL	\$43,373

Notes:

- Figures rounded off to nearest dollar.
- Salaries of committee staff are not included.
- Costs of shared administrative expenses, including lease costs for committee accommodation, are not included.



Ms M.M. Quirk, MLA
CHAIR

Appendix One

Committee's functions and powers

By concurrence between the Legislative Assembly and the Legislative Council, the Joint Standing Committee on the Corruption and Crime Commission was established on 15 June 2017.

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

It is the function of the Joint Standing Committee to –

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

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



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