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CORRUPTION AND CRIME COMMISSION
OF WESTERN AUSTRALIA

COMMISSIONER JOHN MCKECHNIE QC

TRANSCRIPT OF PROCEEDINGS

AT PERTH ON MONDAY, 23 MAY 2022, AT 10.00 AM

COUNSEL:

MR A. WILLINGE

WITNESS: MR LORNE O'MARA

1 **THE ASSOCIATE:** The Commission is about to conduct a number
2 of examinations for the purposes of an investigation under
3 the Corruption, Crime and Misconduct Act 2003. That
4 investigation has been designated the name Operation Taurus.
5 The scope and purpose of the Commission's investigation is
6 to determine whether any current and/or former public
7 officers from the Department of Communities and/or its former
8 entities engaged in serious misconduct by corruptly
9 obtaining a benefit for themselves or any other person or by
10 corruptly acting or failing to act in the performance of
11 their functions as a public officer.

12
13 Witnesses may be called for an examination before the
14 Commission for all sorts of reasons. Many witnesses are
15 called whose own conduct is not in question. They may be
16 called because they can assist the Commission by giving
17 information about events, circumstances, systems, procedures
18 or the activities of other persons. The examination of a
19 person before the Commission is but one part of an
20 investigative process, the purpose of which is to get to the
21 truth of a matter.

22
23 The Commission is not bound by the rules of evidence and can
24 exercise its functions with as little formality and
25 technicality as possible. It will conduct these examinations
26 as an investigative inquiry and not as an adversarial
27 contest, such as applies in a court. And may inform itself
28 of any matter in such a manner as it (indistinct).

29
30 An examination in the context of an investigative inquiry is
31 an open ended and very often unpredictable process and is
32 essentially one that is intended to be instrumental in
33 discovering facts, which, once assessed by the Commission in
34 conjunction with other material available to him, forms the
35 basis for its subsequent opinions concerning misconduct and
36 any recommendations it might make.

37
38 A Commission practice direction which prohibits the use of
39 electronic devices in the hearing room while an examination
40 is in session. Therefore, all mobile phones and tablets
41 must be switched off. Bona fide members of the media and
42 members of the legal profession sitting at the bench are
43 exempt. Copies of the practice direction are available upon
44 request.

45
46 **THE COMMISSIONER:** The land on which the Commission is
47 housed to be fertile land for fishing and hunting for
48 millennia in lakes that stretched from here through to Hyde
49 Park. So on behalf of the Commission, I acknowledge the
50 traditional owners of this land, the Whadjuk people of the
51 Noongar nation and pay my respects to their elders, those

1 who have gone before, those with us and those who are to
2 come.

3
4 The Commission generally goes about its work covertly.
5 Firstly, that protects the integrity of the investigation.
6 And secondly, but of equal importance, it protects the
7 reputation of a person whose conduct may be subject to
8 investigations. Many investigations in fact conclude with
9 an opinion that there has been no (indistinct).

10
11 If no one knows there has been an investigation, the person
12 affected and their reputation is not harmed. Under the
13 Corruption, Crime and Misconduct Act, the default position
14 is that an examination will be conducted as private.
15 However, I may exercise a discretion to open examination if,
16 having weighed the benefits of public exposure and public
17 awareness against the potential for prejudice or privacy
18 infringements, I consider that it is in the public interest
19 to do so.

20
21 Many aspects of this investigation are now in the public
22 domain. Having weighed the benefits that, I have just
23 outlined, I have considered that it is in the public interest
24 to open at least some examinations to the public. This week
25 there will be a number of examinations, many will be private
26 but not all. And at any time, I may decide that the balance
27 has shifted and close a public examination entirely or for
28 a period.

29
30 Specific considerations to which I've had regard include the
31 fact that the depredations of Paul Whyte, in respect of the
32 departments that he was a part of and his high level within
33 the public sector are now well known. He himself is serving
34 a significant term of imprisonment. The investigation of
35 which these examinations are but one part will explore how
36 it was that he came to commit his crimes within the
37 departments and how and what the misconduct risks were and
38 what may have been overlooked.

39
40 It is not suggested that any other person was in company
41 with or acted in concert with Paul Whyte. But questions
42 need to be asked by this Commission as a misconduct
43 Commission as to how it was that his behaviour went
44 undetected for so long.

45
46 To assist me in these examinations, I appoint Mr Anthony
47 Willinge and Ms Kirsten Nelson as counsel assisting the
48 Commission. They will ask witnesses questions on my behalf.
49 And I will shortly invite Mr Willinge to make an opening
50 statement, should he wish to do so.

1 The Commission has mandated the wearing of masks for all
2 persons within the building due to the ongoing pandemic.
3 However, counsel assisting and a witness may, should they
4 choose, remove their masks while they carry out their
5 examinations and otherwise.

6
7 Mr Willinge?

8
9 **WILLINGE, MR:** Thank you, Commissioner. I do propose to
10 make a short opening address. Thank you.

11
12 These examinations, as you have mentioned, continue the
13 Commission's investigation into serious misconduct,
14 including misuse and misappropriation of funds at what was
15 then the Housing Authority and is now part of the Department
16 of Communities.

17
18 Government departments provide important services for the
19 benefit of the community. They do so with public funds.
20 The Department of Communities provides many important
21 services, including affordable housing. The director
22 general and other leaders in government departments have an
23 important role to play.

24
25 They help set and maintain the culture of the departments
26 they lead. They are stewards of public funds. They are
27 ultimately responsible for integrity and governance
28 frameworks. And they have obligations to report and act on
29 alleged misconduct.

30
31 On 16 November 2021, the Commission released a report
32 entitled "Exposing Corruption in the Department of
33 Communities". That report outlined the Commission's
34 investigation into Paul Ronald Whyte, who in 2017, was acting
35 chief executive officer of the Housing Authority when it
36 became part of the Department of Communities.

37
38 Mr Whyte became an assistant director general at the
39 Department and was part of its corporate executive. As
40 discussed in the Commission's 2021 report, Mr Whyte was an
41 inveterate gambler, who stole a very significant amount of
42 money from this state.

43
44 From around 2009 until 2019, Mr Whyte used his corporate
45 credit card and electronic funds transfers to make payments
46 to companies which were not providing services to the
47 Department. In all, Mr Whyte stole more than \$22 million
48 from the State.

49
50 The Commission briefed the WA Police Force and following a
51 WA Police operation, Mr Whyte was charged with 564 counts of

1 corruption and property laundering. He pleaded guilty and
2 was sentenced in November 2021 to 12 years' imprisonment.

3
4 However, the Commission's work did not end there. The
5 Commission has a number of operations that have revealed
6 historical instances of corruption and fraud in procurement
7 practices within the Department. During the course of 2020
8 and 2021, the Commission has undertaken public and private
9 examinations in relation to other allegations of serious
10 misconduct concerning flawed systems and poor oversight at
11 the Department of Housing.

12
13 Some of these allegations have resulted in criminal charges
14 that are still to be dealt with by the courts. Other
15 allegations will be or have been subject to parliamentary
16 report. The Commission has recently released a parliamentary
17 report addressing allegations of serious misconduct in the
18 provision of regional social housing and building projects.

19
20 The Commission has received further information and
21 continues to investigate. Areas of interest include how it
22 was that a person in a senior position was able to
23 systematically defraud the state to such an extent over such
24 an extensive period and other matters relating to the
25 operation of the Department and its governance.

26
27 These examinations are part of the Commission's ongoing
28 investigation. In accordance with section 7A of the
29 Corruption, Crime and Misconduct Act, one of the main
30 purposes of the Act is to improve continuously the integrity
31 of the public sector and reduce the incidence of misconduct
32 in the public sector.

33
34 In accordance with section 7B of the Act, the Commission is
35 able to investigate cases of serious misconduct. As you
36 know, misconduct is defined in section 4 of the Act to
37 include:

38
39 Where a public officer corruptly takes advantage of the
40 public officer's office or employment as a public officer to
41 obtain a benefit for himself or herself or for another
42 person.

43
44 Serious misconduct is defined in section 4 of the Act to
45 include conduct of that kind by a public officer. A public
46 officer includes a public service officer or employee within
47 the meaning of the Public Sector Management Act.

48
49 A number of matters will be explored in these examinations,
50 including financial oversight, the creation of the
51 Department's corporate executive, including the recruitment

1 process, the use of corporate credit cards and the acquittal
2 process, certain payments made to individuals in the
3 Department, the approach taken in the Department to
4 identifying, disclosing and managing conflicts of interest,
5 the approach in the Department in relation to the
6 investigation and reporting of alleged serious misconduct,
7 steps taken in relation to departmental employees who were
8 the subject of those allegations, whether a failure to follow
9 or enforce good governance practices created an environment
10 or culture which enabled serious misconduct to occur, whether
11 a failure to follow Department policies enabled Mr Whyte to
12 receive a financial benefit from the misuse of his corporate
13 credit card and whether certain alleged misconduct by
14 departmental employees was minimised or not acted upon
15 appropriately.

16

17 As you have mentioned, during the course of this week, there
18 will be some private and public examinations. In accordance
19 with section 137 of the Act, the Commission may conduct
20 examinations. And in accordance with sections 139 and 140
21 of the Act, examinations may be private or public, if having
22 weighed the benefits of public exposure and public awareness
23 against the potential for prejudice or privacy
24 infringements, the Commission considers that it is in the
25 public interest to do so.

26

27 Factors that the Commission may consider relevant to the
28 decision to hold a public examination include whether the
29 conduct being investigated was an isolated incident or
30 systemic in nature, the benefit of exposing corrupt conduct
31 to the public, the seriousness of the matters being
32 investigated, the risk of undue prejudice to a person's
33 reputation, including prejudice that might arise from not
34 holding an inquiry and whether the public interest in
35 exposing the conduct is outweighed by the public interest in
36 preserving the privacy of the persons concerned.

37

38 A public examination provides an opportunity for public
39 scrutiny of the Commission's activities. It is well known
40 that the Commission has been involved in the investigation
41 of alleged serious misconduct by Mr Paul Whyte and others.
42 These examinations provide a measure of accountability.

43

44 The first witness will be Mr Lorne O'Mara, who held a senior
45 accounting position in the Department at the relevant time.
46 Mr O'Mara may be able to assist in relation to some of the
47 Department's processes, including for corporate credit card
48 acquittals.

49

50 Mr O'Mara was also a longstanding employee of the Department
51 and may be able to assist in relation to changes in the

1 Department's corporate executive and its culture. Mr O'Mara
2 will be examined in public. A number of witnesses will then
3 be examined in private. Mr Grahame Searle, who was the
4 director general of the Department at relevant times, will
5 also be examined.

6
7 Subject to any questions you have, Commissioner, that is the
8 opening.

9
10 **THE COMMISSIONER:** Thank you, Mr Willinge.

11
12 I'll adjourn briefly so that people can sort out cameras and
13 the like.

14
15 (Short adjournment)

16
17 (TIMESTAMP) / 10.19.34 AM

18

1 **O'MARA, LORNE SWORN AT 10.26 AM:**

2
3 **THE COMMISSIONER:** Mr O'Mara, the Commission has mandated
4 the wearing of masks. However, I make an exception of that
5 for counsel assisting and for you. Should you so desire,
6 you may take off your mask while you're answering questions.
7 Entirely a matter for you.

8
9 A couple of things before we get underway. I see you've
10 signed the notice to witnesses. May sound an odd question,
11 did you read it?---Yeah. I've read it.

12
13 And did you understand it?---Yes.

14
15 Thank you. I have appointed Mr Anthony Willinge as counsel
16 assisting. And he will, in fact, be asking questions of you
17 on my behalf.

18
19 Mr Willinge?

20
21 **WILLINGE, MR:** Thank you, Commissioner.

22
23 Could you please state your full name?---Lorne Raymond
24 O'Mara.

25
26 What is your date of birth?---30th of the 8th 1961.

27
28 And you save us doing the math, how old are you now?---60.

29
30 When did you start work in the public sector?---26 August
31 1987.

32
33 What position were you in?---Level 1, like a payments clerk,
34 I think. Something along those lines.

35
36 In what department?---In the Department of Housing. Well,
37 Homeswest as it was called back then.

38
39 And although that department has had a number of name
40 changes, in general terms, have you continued working in
41 that department for many years?---Yes.

42
43 Are you still working today?---In the Department of
44 Communities, yes.

45
46 And how long all up have you worked in the Department of
47 Housing or its later name change?---34 years.

48
49 Have they generally been in accounting or accounting related
50 roles?---Always been in accounting roles.

1 And in addition to on the job training, have you had any
2 other training in relation to accounting?---Yeah. I'm a
3 qualified accountant.
4
5 Where did you obtain your qualification?---At TAFE.
6
7 And when?---Probably 2089[sic] or thereabouts. I think.
8
9 I might have misheard you, it sounded like a year - - -?---
10 Sorry.
11
12 - - - we haven't arrived at yet. I thought I heard 2089?--
13 -1989 around that period of time. Sorry.
14
15 No, no, thank you. What level are you now in the Department
16 of Communities?---Level 8.
17
18 You mentioned Homeswest in one of your earlier answers so we
19 might get these name changes out of the way as best - - -?--
20 --Okay.
21
22 As best we can. You worked at Homeswest for a time, I think
23 you said?---Yep.
24
25 And you also worked for the Housing Authority?---Yes.
26
27 Is the Housing Authority sometimes referred to as the
28 Department of Housing?---Correct.
29
30 And do those, whether correctly under that law or not, do
31 those names - tend to have been used interchangeably over
32 the years?---Yes. They have been.
33
34 And is the Department of Housing/Housing Authority now part
35 of the Department of Communities?---Yes. They are. Yes it
36 is.
37
38 If I just refer to the Department, will that be sufficiently
39 clear to you?---That's fine for me, yes.
40
41 **THE COMMISSIONER:** Department or Housing.
42
43 **WILLINGE, MR:** Yes. Thank you, Commissioner. Perhaps
44 Housing is even clearer.
45
46 Did you become the CFO of Housing?---Yes.
47
48 When was that?---2010, I believe.
49
50 How long were you in that position?---Approximately six
51 years.

1
2 So from around 2010 to around?---2016.
3
4 What did the position involve?---It involved doing the annual
5 report mainly. The annual report and looking after the
6 financial accounting area as a whole. It was - we were - I
7 was reporting to a director of, like, a corporate service
8 type director. And then up the tree from there. I looked
9 after about 50 people.
10
11 And you mentioned, I think, In your answer, an accounting
12 and finance role?---Yes.
13
14 Was there a different role that was more on the management
15 accounting, audit, treasury side?---Yes, there was. There
16 was - I looked after the financial accounting side and there
17 was a separate role, same level as myself, looking after the
18 management accounting. The budgeting side.
19
20 Who was in that role at the time?---Greer Kuipers, I think,
21 was in that role at the time.
22
23 And you mentioned reporting to the executive. Over the time
24 you were CFO - - -?---Yes.
25
26 - - - who did you directly report to?---Like the director of
27 - I forgot what they were called. Was it a class one above
28 me looked after the management accounting side and the
29 financial accounting side.
30
31 Do you recall that person's name?---There were six or seven
32 of them through the course of my - my tenure there. Keith
33 Derbyshire(?) was one. Lyn Brooks was one. Jeremy Hubble
34 was one. Louise Evan Smith(?) was also one. Richard
35 Barry(?) was one. Not sure if Bradley was one.
36
37 The last name, sorry?---Rachelle Bradley(?).
38
39 You're not sure if she was one?---She was one definitely.
40 Yep.
41
42 And this is over the period that you were CFO?---Yes.
43
44 And over that period, who was the relevant member of the
45 corporate executive that you reported up to?---Paul Whyte.
46
47 Could I come to the Department's funding?---Mm hmm.
48
49 Generally speaking, over the period, where did Housing's
50 funds come from?---Over the period we were self-funded. So

1 from land sales construction, bits and pieces and all that.
2 That's where our funding came from.

3
4 And did any funding come from government?---No. We get some
5 from the Commonwealth Government. A stimulus package, that
6 was 530 million when Kevin Rudd was in - in the - was Prime
7 Minister. Other than that, we were self -funded.

8
9 You've mentioned that you worked at the department for many
10 years. Can we take it that you would have worked under
11 different director generals or leaders of the department
12 over that period?---Yes. I have been. Yep.

13
14 Was one of the leaders in the Department of Housing when you
15 were there Greg Joyce?---Yes.

16
17 Do you recall when about he was the leader or director
18 general?---He was there for a good period of time. He was
19 there before Grahame Searle came along. I think - - -

20
21 **THE COMMISSIONER:** He took time out to do a law degree?---
22 I think he - he, yes - - -

23
24 For the Commission?--- - - - he did, Commissioner. He did
25 a law degree, yes.

26
27 **WILLINGE, MR:** He did, Commissioner?

28
29 **THE COMMISSIONER:** Yes.

30
31 **WILLINGE, MR:** It sounds like he may have been in illustrious
32 company.

33
34 As you recall it, Mr O'Mara, was Mr Joyce the head of the
35 department immediately before Mr Searle?---He could have
36 been actually. He could have been a bit before.

37
38 Do you recall Grahame Searle becoming the director general
39 of Housing?---Yes.

40
41 When abouts was that?---2019, 2010, around that period of
42 time.

43
44 And how long did you work in a department headed by Greg
45 Joyce?---Probably 10 or 12 years.

46
47 And what was your role over that period?---Mainly manager of
48 general ledger. Looking after the ledgers as a level 4.
49 And then manager of expenditure, the level 5 position. Then
50 I was level - I stayed level 5 for a number of years under
51 Greg Joyce.

1
2 Did you have many interactions with Mr Joyce?---Mr Joyce,
3 yes, I did.
4
5 What kind of interactions did you have with him?---Wasn't in
6 an official capacity. More a personal capacity. He sort of
7 - Greg Joyce (indistinct) the names of my children,
8 relationships, he knew all that sort of stuff. He was quite
9 good with that. I would have met with him on the audit exit
10 interviews, I think, as an official process. That's the
11 only time I went to executive when the audit was doing as
12 exit interview.
13
14 What was Mr Joyce's leadership style like?---I've - well,
15 personally, it was very good, he - he knew what was happening
16 in the organisation. He used to have executive meetings
17 weekly. My boss at the time was John Coles(?). I reported,
18 well through my direct up to John Coles. I used to report
19 to him. He was the CFO under Greg Joyce.
20
21 And - so did John Coles as CFO attend those executive
22 meetings as you understood it?---Yes. He did.
23
24 And I think you said those meetings were weekly?---They were.
25 Yes.
26
27 And as you understood it, did Mr Joyce as the head of Housing
28 also attend those - - -?---Yes.
29
30 - - - executive meetings?---Yes. Yes he did.
31
32 How long did you work with Mr Grahame Searle when he was
33 director general?---Probably from when he became the DG of
34 the organisation until he left.
35
36 And do you recall now about when he left?---2016, '17 around
37 that period of time. And he went to the North-West, I think.
38
39 And I think you said he began as DG in around 2009?---Around
40 then. Yes.
41
42 And - so are you saying - it's not meant to be a memory
43 test?---Yes.
44
45 Just to give us a broad idea, are you saying that as you
46 recall it you worked under Mr Searle as the DG from about
47 2009 until about 2016?---Yes.
48
49 What was your role during that period?---I was CFO in 2010.
50 I think I had to be appointed by Mr Searle at that time.
51

1 Did you have many interactions with Mr Searle?---Not often.
2 Only at audit exit interviews. That was about the only
3 interaction.
4
5 And you mentioned that previously, Mr Coles as a CFO, had
6 attended weekly meetings with the executive?---Yes.
7
8 Did you attend any meetings with the executive other than in
9 relation to audit?---No.
10
11 So not any regular meetings?---No. Definitely not regular
12 meetings.
13
14 Are you saying not any meetings at all apart from in relation
15 to audit?---Basically, yes.
16
17 And how often did the audit meetings with the executive
18 occur?---Annually.
19
20 Could there also be a half-yearly? Or was it only an annual?--
21 --Annual. Audit came twice a year but only exited once a
22 year.
23
24 And when you say "Audit came to us", are you referring to
25 external auditors?---External auditors. Yeah.
26
27 And over the period you were CFO, were the external auditors
28 from private enterprise or the office of auditor general or
29 did it change?---We had private, PWC were the initial
30 auditors for five years, I believe. And then the auditor
31 general took the audit over.
32
33 Do you recall around when the officer of the auditor general
34 took over the audit?---2013, '14, around that period of time.
35 I think they started taking it over then.
36
37 In your experience over that period from around 2009 to 1026,
38 what was Mr Searle's leadership style like?---It was more
39 like a private sector type of leadership. It was delegating
40 a lot of work down to people. Decisions were down to their
41 next rung down and downwards, as such. He looked after a
42 lot of the strategic issues, of course, as a DG would. But
43 it was quite aloof is the word I'd use. He was - he was
44 there, but he wasn't there. It could be hard to - hard to
45 meet with him. Hard to contact him all the time. So, yeah,
46 it was - he ran the organisation like a - I think, like a
47 commercial organisation more than a government organisation.
48 I think that was his role from when he came from Landgate.
49 He got Landgate to be GTE - a government trading enterprise.
50 And I think his - his meaning was to get Housing to be a GTE
51 as well, a government trading enterprise.

1
2 Sorry, I missed one word of that answer. You said his
3 something was to get - - -?---He was trying to get Housing
4 into - to be a government trading enterprise.
5
6 And you referred a few times in that answer to running it
7 like a private enterprise?---Yep.
8
9 Or more like a private sector enterprise?---Yes.
10
11 When you said that, are you basing that on the difference of
12 the department in the prior period, including under Mr Joyce
13 with your experience in the period under Mr Searle, or are
14 you basing it on something else?---Based on the experience
15 with Mr Joyce initially, coming from a very controlled
16 government department to Mr Searle coming in and opening it
17 up to a - acting like a private sort of company. Changed
18 the way we did business through Mr Searle. We started
19 building our own properties and selling them, whereas we'd
20 never - never done that before. We built for social housing
21 particularly. Greg Joyce used to say he'd keep the titles
22 of the property under his pillow. That was his mantra
23 because he used to tell me all the time. Grahame Searle was
24 more about building properties, getting trophies for having
25 nice properties and spending the money wisely in the building
26 and constructing of properties. We demolished a lot of
27 properties under Grahame Searle. A lot of high rise
28 departments were demolished. And I felt we built more units
29 and stuff out of that. So it was more - more - a bit like
30 a developer type process going on. Royalties for Regions
31 came into us from the - from the government and we had
32 different - different developments going on across Western
33 Australia for Royalties for Region funding. That was under
34 Grahame Searle as well. Whether that would have happened
35 under Greg Joyce, I suspect that would have happened. But
36 it would have been different. It would have been done in a
37 different manner.
38
39 When you're referring to Mr Joyce in your answer, you used
40 the word "controlled". Can you explain what you mean when
41 you refer to Housing having been controlled at that time?--
42 -Well, Greg - Greg had his weekly meetings with his
43 executive. The CFO was on that executive. So - and of -
44 different - there was probably around five or six directors
45 around that time. And if they wanted extra money, they'd
46 have to go Colesy for money and he's say, "No, he hasn't got
47 the money. He's not budgeted for all those particular -
48 those controls in place". Joyce understood what was
49 happening in his whole department. There was probably around
50 1,000 in the department around that time. 900 to 1,000
51 people. So he - he knew what was happening in that

1 department. You could ask him a question and he knew what
2 was going on. Whereas, Grahame was a different - he knew
3 his projects. He knew about the projects what was happening.
4 Some of the other stuff he wasn't that - that sure about
5 when I asked him the questions and did audit processes. We
6 changed the way we did maintenance under Grahame Searle, I
7 think it was under Grahame Searle. We used to have about
8 600 blue-collar workers. Painters, electricians, plumbers.
9 And we had a wages payroll area we used to pay these people.
10 Then it changed to a head contractor model. So we had about
11 three head contractors and then they'd employ the people out
12 of that. So we - we lost - we lost that ability to control
13 our own maintenance on our properties, whereas the regions
14 used to be able to call the painter in or the plumber in to
15 get things done in Broome or Kununurra or Albany, whichever
16 way it might have been. Now, it's through a - a hotline.
17 Someone had to ring up and that went out the head contractor.
18 And the head contractor got someone in to do the work. I
19 think that cost us more money going through that process.
20 Before, the regional managers used to know the tradesmen and
21 they could say, "Well, we need a tap fixed or a window's
22 broken" so they could ring them and get it fixed quickly and
23 it was a lot cheaper getting it done that way compared to
24 the head contractor model where they take their 10 per cent
25 profit and the tradesmen get less money out of that.

26
27 Thank you. Could I come back to a couple of things you
28 mentioned in those answers? One of them was the size of the
29 department. I think you said under Mr Joyce there might
30 have been 900 to 1,000 - - -?---Around there. Yes.

31
32 - - - people?---Yep.

33
34 When Mr Searle became the DG, did the number of people in
35 the department change very significantly?---It did. It got
36 to about 1,200 people when Mr Searle was DG of the
37 department.

38
39 And am I right in understanding perhaps from your maintenance
40 example that as you saw it in some ways the conduct of the
41 department became more complicated because there was more
42 outsourcing and less visibility over work that was being
43 done? Is that a fair - - -?---That's a fair comment to make.
44 Yes. Yep.

45
46 And have you also said that at the same time that was
47 happening there were less meetings involving the CFO. And,
48 in fact, unlike the past situation where there were weekly
49 meetings the CFO would attend, there were no weekly meetings
50 which you attended with the executive?---Correct.

51

1 You also mentioned - and I think you were searching for the
2 word, so it's absolutely fine if you want to change it. I
3 think you also mentioned that one way of describing Mr
4 Searle's leadership style might be "aloof". And you also
5 mentioned that there were some times which you asked him
6 things at audit and so on and he wouldn't seem across them.
7 Can you give us a bit of a feel as to why you say aloof and
8 the sort of areas that he didn't seem to have been across to
9 you?---Aloof in the fact that it was hard to get to see him.
10 You couldn't actually see him before. Whereas, Greg Joyce
11 you could - you could virtually just about walk into his
12 office and talk to him. Different process in - in that and
13 different protections, I suppose, from his personal
14 assistants and how to get to him. With Grahame I'd been to
15 a few estimate hearings at Parliament House with Grahame.
16 He would get quite animated against the questions that would
17 come to him. And when Minister Kitsibanis(?), I think, had
18 a word to him about some development somewhere and he said,
19 "Well, you don't know about big developments". And they -
20 they chose to meet together off site away from the committee
21 somewhere. SO those sort of comments sort of grabbed me as
22 a bit aloof, a bit controlling in his space, not that - not
23 that open to the rest of the organisation and protecting the
24 organisation as such. Different - different process.
25 Whereas Greg wanted to protect the organisation.

26
27 And as CFO, did you feel listened to by Mr Searle?---No.

28
29 And did you feel that you really had a line of communication
30 in with him?---No.

31
32 You mentioned that when Mr Searle came in, you felt it was
33 moving more to a private enterprise of GTE, government
34 trading - - -?---Yeah. Government trading enterprise.

35
36 One of the things you mentioned was in your experience he
37 tended to delegate to others. Do you include in that members
38 of the corporate executive?---As me meeting with them
39 or - - -

40
41 I'm sorry. That was probably a very poor question by me.
42 In your experience, did Mr Searle tend to delegate to the
43 members of his corporate executive?---Yes. He did.

44
45 And could I show you an organisational - - -?---Yes.

46
47 - - - chart?

48
49 **THE COMMISSIONER:** Do we have this electronically? No.
50 Will we have it electronically?

51

1 **WILLINGE, MR:** I'm sure the answer to that question is
2 "yes", Commissioner.
3
4 **THE COMMISSIONER:** Excellent.
5
6 **WILLINGE, MR:** Mr O'Mara, do you have in front of you - - -?-
7 --Yes.
8
9 - - - an organisational chart?---Yes. I do.
10
11 And does it have at the top:
12
13 Minister for Housing Mr Marmion(?).
14
15 ?---Yes.
16
17 And then under the minister:
18
19 Director General Grahame Searle.
20
21 ?---Yes.
22
23 And then underneath that do you see four positions?---I do.
24
25 Strategy and policy, commercial and business operations,
26 service delivery and organisational transformation.
27
28 ?---Yes.
29
30 As you understand it, were they either deputy director
31 general or GM positions under Mr Searle?---They were. Yep.
32 I think there were two positions that were deputy director
33 generals.
34
35 And the rest were GM positions - general manager positions?--
36 --Yes.
37
38 And was this the way that the executive had been structured
39 before Mr Searle came in?---No. It was different.
40
41 And when did this change take place?---I believe once Grahame
42 got in there and put his own footprint or imprint on the
43 organisation. It could have been a year later.
44
45 So you're not sure exactly when, but certainly, these - the
46 change - this change, the change to this structure came in
47 after Mr Searle became director general?---Yes.
48
49 And do you recall Tania Loosley-Smith acting in the strategy
50 and policy position?---Yes, I do. Yep.
51

1 Paul Whyte acting in the commercial and business operations
2 position?---Yes. Yes.
3
4 The service delivery was the position initially held by Shane
5 Hamilton?---Can't recall that name.
6
7 Can you recall Steve Parry being in the position?---I can.
8
9 And in organisational transformation, can you recall Helen
10 Harvey being in the position?---I do remember that name but
11 I can't recall her as such.
12
13 And you recall Duncan McKay(?) being in that position?---
14 Yes. I do. Yep. Duncan.
15
16 And in the period when you were CFO from around 2009 to
17 around 2016 who was in these positions?---Tania was always
18 there whilst I was CFO. Paul Whyte was always there whilst
19 I was CFO. Steve Parry was there for a little while. Not
20 all the time. And Duncan McKay was in the organisational
21 transformation position.
22
23 During your time as CFO?---Yes.
24
25 And who did you report to?---Up through to Paul Whyte. Paul
26 Whyte was my assistant DG in the hierarchy.
27
28 Yes. So I think you've mentioned, you went to - - -?---A
29 director.
30
31 Yes?---In the meantime and then up to Paul Whyte.
32
33 But your corporate executive report was Mr Whyte?---Yes.
34
35 Did you see Mr Whyte and Ms Loosley-Smith interacting?---No.
36
37 Did you see Mr Whyte and Mr Searle interacting?---Nope.
38
39 In general terms, did you see members of the corporate
40 executive interacting either with Mr Searle or with each
41 other?---Visually, no. Verbally, I heard Paul Whyte say
42 he's been talking to Tania and Grahame. But visually, no.
43
44 So as CFO, you really weren't involved and didn't have
45 visibility over the interactions of the corporate
46 executive?---No.
47
48 **THE COMMISSIONER:** I wonder, if you wouldn't mind, exploring
49 the architecture of the physical space in which everybody
50 was.
51

1 **WILLINGE, MR:** Yes, thank you, Commissioner.
2
3 **THE COMMISSIONER:** Just so I can gain an appreciation of
4 where Mr O'Mara actually was as opposed to the chart.
5
6 **WILLINGE, MR:** Thank you, Commissioner.
7
8 **THE COMMISSIONER:** You don't have to do it now, but - - -
9
10 **WILLINGE, MR:** No, no, no, no, no, now is fine. Thank you.
11
12 Mr O'Mara, at the time when you were CFO, where were you
13 housed in Housing, if I can put it in that way?---On the
14 third floor, near the back stairs.
15
16 And were most of the accounting team - I think you mentioned
17 there were 50 people who might have been in your team, were
18 they nearby?---They were all on that same floor.
19
20 And where were the members of the corporate executive?---On
21 the second floor.
22
23 All of them?---I think so.
24
25 Was that - - -?---Tania might have been somewhere else
26 because she had control over the policy area, which grew
27 significantly when Grahame came.
28
29 And where was Mr Searle's office?---On the second floor.
30 They had a wing on the second floor, which had all the
31 directors and Grahame Searle and the whole area in that wing.
32
33 I see. So they were relatively close to each other?---Yes.
34
35 But physically, a little bit removed from people at other
36 levels?---Yes.
37
38 And on a different floor to your accounting and finance
39 team?---Yes.
40
41 Did you see Mr Whyte coming down very often to engage with
42 you or anyone on the finance and accounting side?---Not very
43 often at all. Cos my director was up the other end of the
44 floor, near the lifts. So we were opposite ends of the
45 building basically. And they tend to look at the management
46 accounting area more than the financial accounting area.
47
48 So (indistinct)'s area?---Might have had more to do with
49 Paul than myself.
50

1 And do you recall Mr Searle coming down to see you as CFO?--
2 --No.
3
4 Ever?---Maybe a Christmas thing or something to say "Go
5 home". But that's it. Not an official process, no.
6
7 So just to make sure I'm putting this fairly in relation to
8 Mr Searle, in terms of work meetings or discussions with Mr
9 Searle when you were CFO, you've mentioned that you
10 interacted around the time of the audit process?---Yes.
11
12 And attended a meeting together at that time?---Yes.
13
14 Is that correct?---Yes.
15
16 Were there any other times during your time as CFO when you
17 had meetings with Mr Searle in relation to your CFO role?--
18 -There might have been two or three other times during the
19 course of that six years that I met with him about other
20 issues, other accounting issues.
21
22 Digging up some of the evidence that you've given so far, I
23 want to ask you a couple of questions about culture. How
24 would you describe the culture of the Department when Mr
25 Joyce was in charge?---It was good. People - staff were
26 happy. People were happy to be there. People were happy to
27 come to work. It was - it was like a large family process.
28 It was very well done and people respected Greg and the
29 directors at the time. It was a good place to work.
30
31 And how would you describe the culture of the Department
32 when Mr Searle was in charge?---It ended up being - the work
33 was harder. It was more complex. It become more complex as
34 Grahame got into the organisation. It still was a reasonable
35 place to work. Under me, I think I kept my people pretty
36 well involved in the process and we had a strong family
37 orientated - I did a lot of things with my staff which
38 helped them still engage with the organisation. We got
39 through a lot of hard stuff, ourselves and the financial
40 accounting area. But that was up to me to worry about that
41 and worry about the organisation in the annual reporting
42 process so we didn't get qualified on the audit process. Mr
43 Searle, it was - a lot of people didn't appreciate him, I
44 don't think, compared to Joycey. Cos we had a - in the
45 public service you get a lot of long termers in there. So
46 a lot of people have been around when Greg Joyce is there.
47 And they understood what Greg was doing, how he was doing
48 it, the fact that Greg could remember your kids names and
49 people's names was very good and people appreciated that.
50 And they knew that the exec was a weekly meeting. They could
51 see that they had to putting something up to executive. They

1 could organise and timetables around that. When Grahame
2 came along, it changed the culture of the organisation
3 completely. It went from a good, family orientated
4 organisation, long term public servants in there. People
5 knew their job, what they were doing. When Grahame come
6 along, it changed considerably and it - a lot of it, the
7 decision making went down the tree a bit from the corp ex
8 process. And a lot more people came on board, more
9 contractors came on board. And people didn't like the
10 contractors coming on board because they were taking
11 knowledge away from people's day-to-day work, that type of
12 organisation was happening. And it was tough. It was a
13 tough time. But financial accounting area seemed to gel
14 together all right.

15
16 I'm going to come to some particular changes around financial
17 controls and so on. But just staying more general for a
18 little while, did you observe any changing approach under
19 the new corporate executive team?---Yeah, it was - Paul Whyte
20 seemed to make a lot of decisions, not Grahame Searle. So
21 a delegation of powers to Paul Whyte. And that was weird in
22 itself cos he had commercial and he had financial accounting
23 as his directorate. Whereas before, financial accounting
24 had always been separate. It's a separate group, separate
25 area because it's - should have controls in it. And
26 shouldn't have - shouldn't be polluted by any other type
27 work going into organisation, that way, you can call people
28 out if you need to. If you're doing the same job, it's hard
29 to call somebody out.

30
31 Do you still have the organisational chart with you?---Yes.

32
33 You mentioned - - -

34
35 **THE COMMISSIONER:** And you might explore that last answer
36 a bit further for me.

37
38 **WILLINGE, MR:** Yes, thank you, Commissioner.

39
40 If you go to the organisational chart, just picking up on
41 your last answer, you see in the commercial and business
42 operations part of the structure that the GM commercial and
43 business operations was Paul Whyte?---Yes.

44
45 I think you've mentioned he was in that role during your
46 time as CFO?---He was, yes.

47
48 If you then look down the chart under his role, does it
49 include responsibility and oversight for Housing programs?--
50 Yes.

51

1 For built, form and civil construction?---Yes.
2
3 Financial operations?---Yes.
4
5 Land and housing development?---Yes.
6
7 Business operations?---Yes.
8
9 Commercial operations?---Yes.
10
11 And complex projects?---Yes.
12
13 You'd mentioned in your answer, I think you were drawing a
14 distinction but please correct me if I'm wrong, about the
15 financial side and controls and other sides?---Yeah.
16
17 Is that correct? Is that a distinction you were making?---
18 Yes, yes.
19
20 And does it help - if you look down this organisational
21 chart, under Mr Whyte as GM commercial and business
22 operations, which one of these roles would you see as the
23 financial role and which kind more as a business or
24 commercial role?---The financial role should be financial
25 operations and business operations. They should be the
26 financial roles. The other ones are the
27 development/commercial type operations.
28
29 And when you refer to the financial and business operations
30 roles, you referred in your earlier answer to controls?---
31 Mm hmm.
32
33 And finance, accounting should be separate?---Yes.
34
35 Could you expand, please, on what you meant?---If financial
36 accounting is separate, you can - if someone says "I want to
37 build something somewhere", they haven't got a budget for
38 it, you can knock it on the head at that point in time and
39 say "Well, you don't have the budget for it. It's not" -
40 it's the way budgeting works in government is it's done 18
41 months to the budget process. It starts back then. Business
42 cases are put forward, put into the budgeting area. They go
43 to Treasury. They're approved or disapproved. And then you
44 get the current year and you have your budget process. It
45 could be, I don't know, you might get \$500 million to do
46 commercial work, build houses, that sort of stuff. And
47 within that 500 million, you have business cases as to what
48 you're going to build, different programs. You might do
49 some residential building. You might do some social welfare
50 stuff. You might do some royalties to region building. But
51 you've got a budget to do that. You've got X dollars and

1 that's what you do. Now, if someone from the commercial
2 area went to the finance person and said "I want to do
3 something different", they say "Well, no, you don't have -
4 you haven't budgeted for that. You don't have the money to
5 do that". And it will be stopped at that point in time.
6 That's the control that's missing. It's saying no, you can't
7 do that because you're not budgeted for it. If you've got
8 the budget for the money, more than often, you'll let the
9 process go because you've got a budget to build 10 units
10 somewhere, so off you go and build them. And it might hit
11 the budget. It might not hit the budget, depending on the
12 construction details and what's happening in that world. But
13 that's normal business process. When you go to something
14 new or a different process within the organisation, the
15 finance group should say "Well, no, you can't do that. Put
16 your budget bid in for 18 months' time and let the process
17 run". That's what it should be. That sort of stuff gets
18 left behind when the commercial and the finance person are
19 together cos they make the same decision. It's the same
20 person making the decision.

21
22 Thank you. When you said - I think in a previous answer if
23 you're all doing the same job, it's hard to call someone
24 out, can you just explain what you meant?---Well, call them
25 out, saying "You can't do that because you haven't got the
26 budget for it". So it's sort of telling his team if Joe
27 Bloggs, for example, come to us and said "I need to build 10
28 units somewhere", you go "Have you got a budget for it".
29 "Yes". "You can do it". "Have you got a budget for it".
30 "No". "You can't do it". And as simple as that, you just
31 can't do it. Unless it's a political thing from the
32 government that says do something. But normally, with that,
33 comes the money to do it. So it's over and above the budget
34 but it normally comes with money to do it. So then the
35 person could do it. But only at that stage. So all the
36 boxes are ticked. Everything is kosher and off you go and
37 do your development. If you haven't got the money for it,
38 none of that stuff should happen. It just should not happen.

39
40 And prior to this time, in your experience in Housing, did
41 the same GM have responsibility for financial operations and
42 the commercial side?---The assistant DG did, yes.

43
44 And at the next level down, so a person in the position of
45 Mr Whyte?---He did, yes.

46
47 And so in your experience in the Department was having
48 responsibility for both the financial operations and the
49 commercial side in the same person normal?---No.

50
51 And in - - -

1
2 **THE COMMISSIONER:** I think the witness might have understood
3 about three questions ago.
4
5 **WILLINGE, MR:** Yes. I think that's right, Commissioner.
6
7 In your opinion, should the roles have been kept separate?--
8 --Yes, they should have been kept separate.
9
10 And in your opinion, should the same person have been given
11 oversight of both functions?---No, they shouldn't have been.
12
13 And you've touched on this, and you've certainly mentioned
14 in relation to budget and budgetary controls, I'm just going
15 to ask you this question in case there's anything you wish
16 to add, did combining the functions pose any risk to the
17 Department?---Yes, it did. Because the person doing all the
18 development and the buildings had control of the finances as
19 well. So they could have approved their own projects.
20 To your knowledge, were there any other State Government
21 departments at the time where the same area had
22 responsibility for requesting money and approving the use of
23 the money?---Not - I wasn't aware of any other departments
24 like that.
25
26 **THE COMMISSIONER:** When you reach a convenient time, we'll
27 take the morning break.
28
29 **WILLINGE, MR:** That would be a convenient time,
30 Commissioner, thank you.
31
32 **THE COMMISSIONER:** Very well.
33
34 We'll take a break for 15 minutes so you can stretch your
35 legs.
36
37 (THE WITNESS WITHDREW)
38
39 (Short adjournment)
40
41 (TIMESTAMP) / 11.10.43 AM
42

1 **O'MARA, LORNE RECALLED ON FORMER OATH AT 11.28 AM:**

2

3 **WILLINGE, MR:** Thank you, Commissioner.

4

5 Mr O'Mara, before the morning break, you had mentioned in
6 one of your answers that as you saw it, Mr Searle tended to
7 delegate - - -?---Yes.

8

9 - - - to others more. And I think you mentioned in another
10 answer that Mr Whyte had oversight of a number of different
11 functions?---Yes.

12

13 Could I ask you this question, in your experience at Housing
14 at this time, were the lines of decision making clear, did
15 they appear clear to you?---They appeared clear. But now
16 knowing what Paul had done of course, any honest person doing
17 the job, you'd expect it to get done correctly. It wasn't
18 that clear to me. It still should have been separated.

19

20 And this is the finance - - -?---The finance and the - it
21 could have been under a totally different area.

22

23 Could we come to financial controls then?---Mm hmm.

24

25 And I'll start a little bit generally, but please be as
26 specific as you like when you answer. And then we'll move
27 into some of the accounting systems - - -?---Okay.

28

29 - - - themselves. But to being generally, in your
30 experience, what were the financial controls like when Mr
31 Joyce headed up Housing?---They were strong but they were
32 manual as well cos we didn't have complexity systems we now
33 have of course. Like, the processes, had control of people
34 putting payment vouchers into the systems. I had people
35 checking that a person could actually make that payment,
36 that's called an incurring register. So we had a register
37 of people who can actually incur payments. And we had people
38 checking, we called it the certifying officer, who checks
39 that the payment is - that the person can actually make that
40 payment against that account and that cost centre. That was
41 a process, that was a manual process that happened. Only
42 recently, probably the last - since - that was when
43 SmartStream was the accounting system we had at that
44 particular time. We moved to AX 2012 in 2016, 2017 on that
45 project. And then it became a system process. The system
46 would check that you had the authorisation to put that
47 payment into the system. And the tables behind the system
48 said yes, you can make that payment or no, you can't make
49 that payment. That happened then. So we didn't have
50 purchase orders in SmartStream at all. When we - - -

51

1 **THE COMMISSIONER:** Sorry, didn't have?---Purchase orders.

2
3 Purchase orders, thank you?---Purchase orders. When we put
4 purchase orders in, in 2012, they were in for about three or
5 four months then they got taken out. And that was by the -
6 my initial director. Not by Paul, by the person underneath
7 him, my director of corporate services, I call him. They
8 were taken out. We had budget controls over accounts and
9 cost centres within the system. They caused that many
10 issues, that that was taken away as well. So under Greg
11 Joyce, it was - the manual controls, they were tight. We
12 had other subsystems that fed into the accounting system.
13 And within those subsystems, people who could - there were
14 tables behind. People could actually incur a payment or
15 make a payment were held in tables in those subsystems as
16 well. That was called Caretaker at the time. That was our
17 rental system. And our construction system was in there as
18 well. So that was heavily guarded by some system controls
19 in there, needs to pass files (indistinct) accounting system
20 and the payment would go out of the organisation. As for
21 the receivings, like the other side of the money coming into
22 the organisation, that was done by - normally by cheque back
23 in those days, not by EFT. The cheque would come in. We
24 had somebody who looked after the cheques initially. They
25 put them in a register. And they'd take them up the bank
26 and bank those particular cheques. There were no real issues
27 about that. And that still happens today. People still
28 write cheques to people and we still take it to the bank and
29 bank those cheques. But there was a register put in for -
30 the cheques would come in the mail for our records
31 department. They used to open the mail and record the
32 cheques and give that to our accounting person to record on
33 the accounting system and bank them. That still happened
34 until 2016, I think, those processes.

35
36 **WILLINGE, MR:** And we'll come to the AX system and
37 SmartStream in a bit more detail shortly?---Okay.

38
39 But thank you. You've mentioned both the purchasing side
40 and the receipt side. When you're referring to purchasing
41 in your answers, what sort of things was the Department
42 purchasing?---I didn't have a lot of oversight of what people
43 were actually purchasing. But on the system side of it,
44 they were making payments to builders, projects, building
45 properties. All our project stuff was done on the system,
46 on Caretaker system. So budgets were put against there.
47 They had all the transactions were on that system. And there
48 were project officers looking after those particular
49 projects within the organisation. That was in Caretaker.
50 Then it become PAMS, Property Asset and Management System.
51 It morphed into that. And that still occurs. That process

1 still occurs in Department of Communities at the moment.
2 Still that old system is still there. They have funded it.
3 Treasury have funded it to replace that system into something
4 more. But fairly robust system and it worked. The other
5 one was just - (indistinct) coming into the organisation.
6 Pencils, cleaning, all those type of things would come in as
7 an admin - it would come in an invoice attached to a payment
8 voucher. There would be a voucher which is incurred. It
9 would have the account number on it, the reason why it's
10 there and the invoice attached to it. And that would get
11 processed into the system and the payment would go out to
12 that particular vendor.

13
14 I asked you at the start of your answer about the systems in
15 place when Mr Joyce was the DG. I just want to check with
16 you that the answers you gave in responding to that question,
17 about the systems in place when Mr Joyce was the director
18 general or if you also moved a little bit into systems when
19 Mr Searle was the DG?---Pretty well stayed with most of what
20 Mr Joyce was controlling.

21
22 And so again, to ask generally, before we come to the systems
23 and the changes in controls that you've mentioned, when Mr
24 Searle became the DG, were there any significant changes in
25 the overall financial controls?---Mr Searle put in two
26 significant systems in the organisation. One was he got rid
27 of the Caretaker rental book and brought in a system called
28 Habitat, which has its own issues and problems. And we
29 brought in AX 2012, 2016, 2017. That system came in. It
30 was a Microsoft product. I think Grahame was into Microsoft
31 products as a shop. So we brought in AX 2012 was the product.
32 That came in. With that, we had purchase orders initially.
33 I said - I went out and trained the regions how to do purchase
34 orders. We had budget controls within there. So a certain
35 account cost centre had \$100 in it if you had to spend
36 something worth \$110 it wouldn't go through the system. It
37 would be blocked at that point in time. The purchase order
38 system went for a little while, then we had - CFO then was
39 Liam Carren I think was the CFO at that point in time. And
40 he pulled those away because it involved have three staff
41 checking the purchase orders compared to the invoice,
42 compared to the whole process. And we were just starting to
43 get ahead on that and that got pulled away from us. Then we
44 had the budget controls, which were hard for the organisation
45 because they'd never had them before. So it was a brand new
46 process for these people. And that got pulled away as well,
47 about three months after we put the system in.

48
49 So let's explore that. As you recall it, did the Microsoft
50 Dynamics AX 2012 system come in - when do you recall that
51 coming in?---2016 I think.

1
2 And did - - -?---July.
3
4 So July 2016?---Yep.
5
6 And you've mentioned some of the controls that were in place.
7 One of those was a matching with purchase orders?---Yes.
8
9 And I think another one was potentially a match expenditure
10 against budget?---Yes.
11
12 Now, I think if I've understood you correctly, you've
13 mentioned that after a time, both those controls were - - -?
14 --Turned off.
15
16 - - - turned off?---Yes.
17
18 Let's take it carefully though, one at a time, please. In
19 relation to the purchase order control, when was that turned
20 off?---Probably a year, 18 months afterwards. Because - - -
21
22 After the system came in?---Because people were doing
23 retrospective POs. So they get a payment in then they'd
24 raise a purchase order for that particular payment. So it
25 was defeating the system.
26
27 I think you mentioned that there used to be three people, or
28 at the time - - -?---There was.
29
30 - - - there were three people who were checking in relation
31 to purchase orders. But the then CFO changed that?---Yes,
32 he didn't want any more contractors in place so they were
33 contract people. And he took that process away.
34
35 Who was the CFO?---Liam Carren.
36
37 And was any explanation given to you as to why that change
38 was made?---Mainly just getting rid of contractors. That
39 was it. But we couldn't continue the process. And why
40 couldn't the process be continued, simply because of a lack
41 of people or lack of anyone with a responsibility for that
42 function?---Lack of staff.
43
44 This is once those people were moved?---Yes.
45
46 You mentioned a control in relation to the budget. And
47 that's your expenditure against budget. Did you also say
48 that control was turned off?---It was.
49
50 And could you let us know who, when, why?---Louise Avon-
51 Smith was my direct manager at the time. She was an HR

1 manager. Knew nothing about finance. So we had PwC in
2 helping her with finance decisions. I thought a little evil
3 person on her shoulder. That's what I called them.

4

5 **THE COMMISSIONER:** A little what?---The evil person on the
6 shoulder. It was - and within three or four months, because
7 people were having issues with getting payments through, she
8 ordered it taken down.

9

10 **WILLINGE, MR:** Who did Ms Avon-Smith report to?---Paul
11 Whyte.

12

13 So far as you are aware, was Mr Whyte aware of this change?--
14 --I have no idea.

15

16 Once those changes had been made, what system was used?---
17 Back to the system under Greg Joyce again for budgeting
18 particularly, business cases were brought up, approved. But
19 again, the person who controlled it was Paul. He had
20 commercial and financial accounting. So it went back to
21 that process. As for the three-way matching, it disappeared
22 and it's back down now but it disappeared back then.

23

24 When you say three-way matching, could you please explain
25 for us what you mean?---Three-way matching is you do the
26 purchase order for your pens and pencils. \$100 for your
27 pens and pencils. You put a purchase order for \$100 in the
28 system. That goes to the supplier and the invoice would
29 have the purchase order number on it, coming back, charging
30 each of those pens and pencils. And the three-way matching
31 process is the fact that there's a purchase order in the
32 system for Joe Bloggs supplies, purchase order number 1. So
33 the invoice should come back from Joe Bloggs supplies,
34 purchase order number 1, \$100 or less, \$90 for those pencils.
35 And then the people used to match that purchase order with
36 that invoice, come in and then approve it. And then it would
37 go - they call it receipting in the system. So you receipt
38 the invoice against the purchase order and that would flow
39 through to get paid.

40

41 So you mentioned three-way matching. Two of the ways is
42 matching a purchase order and an invoice. What's the third
43 (indistinct)?---The third was the people doing the work.

44

45 Sorry, people doing what work?---Doing the matching process
46 itself, is it a function called receipting in there. So
47 they receipt the invoice against the purchase order. So
48 it's basically saying it was ordered. The invoice has come
49 in, get it paid.

50

51 Could we come then to Mr Whyte?---Mm hmm.

1
2 This may seem an odd question. But are you now aware of
3 Mr Whyte's conduct while he was - - -?---Yes.
4
5 - - - at the Department?---I am.
6
7 What is your understanding of what he did?---Untrustworthy,
8 despicable behaviour.
9
10 And in terms of what he factually did - - -?---Factually
11 did.
12
13 - - - what's your understanding?---He incurred payments, I
14 think, through his own company's benefits. And he kept them
15 under such a level that they weren't looked at. Under such
16 a limit of dollar figure going through. He used to get his
17 people to do the payment vouchers for him. He had - Paul
18 had about four or five people around him who did his work.
19 PAs, executive assistants, those type of people. They'd do
20 it for him and it would be in the system. It would come up
21 to our financial people. They'd see if anything incurring
22 is okay. Certify it. And through the system it would go.
23
24 And what is your understanding of how Mr Whyte did it?---He
25 would have known how the system worked. And how the controls
26 worked. And - so he's able to get around the controls by
27 reducing the dollar figure of payments and getting other
28 people to incur those payments so it looked all above board.
29 But he was careful not to give it to people who knew what
30 was on the form (indistinct). On the payments vouchers.
31
32 Could you please explain that?---Some of the ones I've seen
33 since he's been found guilty of what he was doing - the
34 information on there was related to a project that was an
35 old project, was Keralup, which was a pile of land down
36 south. I did a bit of work on that and stopped it because
37 the government was the planning 2030 process or something
38 and we had to stop developing that land. And they instituted
39 some other land back to us. It was a land swap with the
40 planning commission. So that - that project had finished.
41 But apparently he had that information on some payment
42 vouchers he'd put through. But the people who did it did
43 not know that because they were lower level in the
44 organisation. So they just processed the payment vouchers
45 and off they went.
46
47 And, firstly, a simple question, could you please spell the
48 name of that project?---Keralup - K-i-r-l-u-p I think it
49 was.
50
51 **THE COMMISSIONER:** I'm sure we'll find it.

1
2 **WILLINGE, MR:** Yes. Thank you, Commissioner.
3
4 And more importantly, you mentioned there were people
5 underneath Mr Whyte that wouldn't have known about that
6 project and the background. What level about Mr Whyte would
7 have known about that project and the background?---I'd say
8 Grahame Searle would have known it was finished.
9
10 Were you aware of what Mr Whyte was doing at the time?---No.
11
12 To your knowledge, was anyone else in the department aware
13 of what he was doing at the time apart, of course, from Mr
14 Whyte?---Nope.
15
16 Should anyone else in the department have been aware of what
17 he was doing?---I would have thought Grahame Searle should
18 be aware of what his people are doing under him.
19
20 And why do you say that?---Cos he's the direct report to
21 Grahame so you would - you would think that Grahame would be
22 aware of what he's actually doing in the project world.
23
24 And what about in terms of what Mr Whyte was doing in relation
25 to authorising payments to companies which weren't providing
26 services to the department?---He was putting in voices on
27 payment vouchers that were coming through the system.
28
29 And we'll come - and we'll come to that process. But thank
30 you. What systems were in place, if any, that should have
31 prevented Mr Whyte from being able to steal money in the way
32 that he did?---What should have been in place is a split
33 between financial accounting and commercial operations.
34 That should have been a given. That should have been
35 separate. Then Paul Whyte should not have been doing
36 projects on his own back. He should have gone to the project
37 officers using the PAM system or caretaker system. All
38 projects are on those components. But Paul must have had a
39 budget he could make payments against. So I think the - the
40 worst thing is he must have had a budget he could play with.
41 And that would have been approved by probably himself as a
42 financial - as in charge of finance.
43
44 And when you say, "A budget he could play with", do you mean
45 a discretionary - - -?---A discretionary - - -
46
47 - - - budget?--- - - - type budget yes.
48
49 And are you aware of there having been a discretionary budget
50 at the time, or the size?---I think he had about \$2 million.
51 I think most of the assistant DGs had that same budget.

1
2 And what oversight was there in relation to the discretionary
3 part of the budget?---None from my point of view. Getting
4 the budget initially should have been - it should have been
5 a business case for it. I don't know if there was or wasn't
6 with that. And, really, the DG should know what budgets
7 these people have got to spend discretion-wise.
8
9 And under the previous director general, Mr Joyce, in your
10 experience, were people held accountable for budget
11 spending?---Yes.
12
13 And in your experience under Mr Searle, were people held
14 accountable for budget spending?---Not that I saw.
15
16 And I just want to be sure I'm understanding your answer.
17 When you say, "not that I saw", are you simply saying you're
18 not in a position to comment or are you saying you didn't
19 see any - any sign of that in your day-to-day work?---I did
20 not see any sign of that at all.
21
22 And when you say you "didn't see any sign of that at all",
23 if there had been accountability for budget spending under
24 Mr Searle, do you think in your position as CFO that you
25 would have become aware of that?---Possibly not. Mainly
26 because I wasn't high enough up the - the governance tree to
27 see those things.
28
29 And as CFO, should you have been in a position to be aware
30 of that?---CFO should report directly to the DG.
31
32 And I think from your earlier answers, you were reporting at
33 least two levels below?---Yes.
34
35 You were reporting to someone who's reporting to Whyte who's
36 reporting to the DG?---Yes.
37
38 Could we come to corporate credit cards and acquittals. What
39 mechanisms were in place at the time to enable the department
40 to monitor Mr Whyte's use of his corporate credit card?---
41 There was nothing special for Paul's credit card as such.
42 Acquittals to the corporate credit cards were done manually.
43 All the receipts were put in on a file and held in head
44 office. They'd have to come in from the regions in the own
45 (indistinct). They were checked off to make sure that if
46 you spend \$1,000 on the corporate card you had \$1,000 worth
47 of receipts. They were checked off and then it was approved.
48 That's how it went through the system. Paul would have been
49 in that process. I know he did come up a few times and give
50 us a cheque for \$500 occasionally for telephone usage or
51 something on those lines. He did that occasionally for his

1 corporate expenses because he said they were private
2 expenses. That's about it for that. In the new system,
3 Flexipurchase(?) it's all done online now. So you've got to
4 scan your documents into the system, then it goes to the
5 next level up for approval. I know the corporate card stuff
6 - when I was CFO we used to have trouble with people doing
7 it, particularly the corporate executive doing it. We used
8 to cancel their cards if they weren't inputting on a timely
9 basis. And we used to get in trouble for doing that because
10 people were going to Melbourne or Sydney or something - we
11 used to cancel their cards on them. So we - we did used to
12 do it if people weren't doing their acquittals correctly.

13
14 That sounds like it wouldn't have been the most popular thing
15 to have done?---It wasn't, sir, not at all. No. No. It
16 wasn't.

17
18 **THE COMMISSIONER:** Presuming that's not something you do
19 lightly?---No, it's not. I used to talk to my direct report
20 upwards about cancelling someone's card or suspending their
21 card. We did it and when Jeremy Hubble came along we - we
22 - we backed off on those things. I'm not sure why, cos it
23 wasn't - wasn't a nice thing to, of course. But we backed
24 off on those things and gave people more leeway to get their
25 acquittals done.

26
27 **WILLINGE, MR:** So if we go back before Jeremy Hubble came
28 in, what time period are we talking about?---I gave them a
29 month. Like, the month the expenditure finishes - May.
30 Finishes end of May. You should do your acquittals within
31 the next month, back from your previous month's processes.

32
33 And I'm sure the Commissioner understands, but just so it's
34 clear in the evidence, when you talk about acquittals, what
35 is that process and how does it work?---The acquittal for
36 the expenses is - is attaching invoices that you charge to
37 your credit card, you know, under Greg Joyce at the time it
38 was all manual, so it would be 10 invoices, for example,
39 would add up to the \$100. And that would be done and one of
40 our people used to sign off and go, "Yep. It's done. It's
41 acquitted". We didn't have to follow it up anymore.

42
43 Did that system apply to everyone in housing with a corporate
44 credit card?---Yes. It did.

45
46 **THE COMMISSIONER:** Can I just inquire as a rough figure how
47 many people had corporate cards in the levels?

48
49 **WILLINGE, MR:** The very next question, Commissioner.

50
51 **THE COMMISSIONER:** I should just sit quietly next time.

1
2 **WILLINGE, MR:** Not at all, Commissioner.
3
4 How many people in the department at this time had a
5 corporate credit card?---It was probably around 100.
6
7 And what level within the department did one tend to have to
8 be before one got a corporate credit card?---It wasn't - it
9 wasn't done by levels in the department. It was done by
10 your - your work needs. So we mainly put credit cards out
11 for travel purposes. And most of those people were regional
12 travellers. So they'd go from Broome to Kununurra. They'd
13 do their regional visits. They'd have to get plane tickets,
14 those sorts of things in hotels. So that's what - that was
15 what it was mainly for. But then the government brought in
16 a Treasurer's instruct and said anything under \$5,000 should
17 be purchase on the credit card. So then it grew. That was
18 probably 2017 it grew. It grew to a lot of people had credit
19 cards for buying stuff under \$5,000. That was a government
20 - said anything under \$5,000 should be done with a credit
21 card.
22
23 Did you have a corporate credit card?---I did.
24
25 Who approved your credit card expenditure?---My director.
26
27 **THE COMMISSIONER:** I should just state, I don't have a
28 corporate credit card. I'll just put that out there. I do
29 not have a corporate credit card.
30
31 **WILLINGE, MR:** And who was that at the time?---One of those
32 six people I mentioned earlier.
33
34 Yes. So whoever was in that role - - -?---Whoever was in
35 that - - -
36
37 - - - at the time?--- - - - role at the time. Yep.
38
39 Your boss, if I could put it - - -?---Yes. Yep.
40
41 And within Housing itself, who generally approved someone's
42 corporate credit card expenditure?---Their supervisor.
43
44 And what information had to be provided?---The invoices for
45 the charges on that credit card. That's what had to be
46 provided.
47
48 And that's the acquittal process you've described?---Yes.
49
50 So one would put in - you just correct me if this is wrong.
51 One would put in their credit card statement from the bank

1 and then one would provide copies of each of the invoices,
2 or what we now tend to call tax receipts?---Yes.

3
4 For each one of those purchases?---Yes.

5
6 And then another person in the department, generally their
7 supervisor, would check that acquittal?---Yes. Then they
8 would send it into finance for final process.

9
10 And what should the supervisor have done when they were
11 checking the acquittals?---Ensure that the - the money had
12 been spent on work - work stuff, not buying stuff at Coles
13 or Woolies. We did come across a few of those and we dealt
14 with those ones. But mainly it should be a travel things,
15 buying your lunch because you're out in the bush somewhere,
16 those types of things. That's what they should be checking.
17 Because most of the people who were approvers in the
18 corporate card system were also incurring officers. So they
19 were given some - some importance of you know exactly what
20 you're spending your money on.

21
22 Do I take from that that the idea of having a supervisor
23 involved in checking acquittals - part of the reason was
24 that that supervisor should understand what you should be
25 spending your money on and - so be in a position to query
26 something which seemed out of the ordinary?---Yes.

27
28 You've touched on the corporate executive. I'm going to
29 come back to problems with the corporate executive and their
30 use of corporate credit cards. But is the system you've
31 described in relation to acquittals the same system that was
32 in place for members of the corporate executive?---Yes.

33
34 Did you approve their corporate credit card acquittals?---
35 No.

36
37 Who did?---Their supervisors. It would have gone up the
38 tree to whoever was their supervisor.

39
40 Could I take you to policy document?---Mm.

41
42 And ask the associate to put up this document please? 02134-
43 2019-0925.

44
45 02134-2019-0925^

46
47 **WILLINGE, MR:** And if we can rotate it? We'll leave it on
48 the first page for now, please.

49
50 Can you see that's:

51

1 Department of Housing Government of Western Australia
2 Corporate Credit Card 2009.
3
4 ?---Yes.
5
6 Do you recognise the document? We might need to go a bit
7 further?---Yeah, it's a policy. Yep.
8
9 If - if we can scroll down, please, Mr Associate, to section
10 3 in the document? In fact, if we pause there?
11
12 You see there point 2 on the left:
13
14 Corporate credit card holders and card supervisors must
15 comply with the conditions of use as described in this policy
16 document.
17
18 ?---Mm hmm.
19
20 And then picking up one of the matters you've referred to in
21 evidence under conditions of use, can you see point number
22 4:
23
24 The card must be - must only be used for official purposes.
25
26 ?---Purposes. Yes.
27
28 All right.
29
30 And then if we go to the next page, please? And pause there.
31
32 Again, in section 3 you see the heading:
33
34 Corporate credit holders and card supervisors must comply
35 with the purpose of use as described in this policy document.
36
37 ?---Yes.
38
39 The first point is the point you've mentioned already. The
40 card must be used for official business only?---Yep.
41
42 And the second point is also one you've mentioned, I think,
43 but I want to check with you:
44
45 The card can be used to purchase goods and selected services
46 under \$5,000.
47
48 ?---Yes.
49
50 Is that the point you were making earlier?---It was. Yes.
51

1 About a limit of \$5,000:
2
3 Government contracts must be used where applicable.
4
5 ?---Yep.
6
7 Then it goes on. At point 3:
8
9 The card is to be used for all accommodation bookings for
10 travel.
11
12 I think that is also is a point you've made?---Yes.
13
14 That is was brought in partly for that purpose?---Yep.
15
16 And then point 5:
17
18 The card can be used for official travel expenses whilst
19 travelling on official duties.
20
21 You see that point there?---Yep.
22
23 And I've said that accurately?---You have. Yes. Yes.
24
25 All right. Then if we go over to the following section,
26 "Responsibility of card holders", do you agree that point 3
27 is:
28
29 Be aware of the purpose acquittal conditions - - -
30
31 ?---Yes.
32
33 - - - of holding a corporate card
34
35 ?---Yes.
36
37 And then point 4 is:
38
39 Retain all transaction receipts, sales dockets, tax invoices
40 relating to transactions made on card.
41
42 ?---Yes.
43
44 And point 5 is:
45
46 Ensure that transactions are official business expenses.
47
48 ?---Yes.
49
50 Could we go down then, please, to section 6 on the left-hand
51 side which refers to acquittals?

1
2 So section 6 of the policy headed "Billing statements":
3
4 Are sent to card holders via email as soon as billing period
5 closes via email to all card holders. All costs on statement
6 relate to previous month's activity.
7
8 ?---Yes.
9
10 Then can we go to acquittal of expenses? Does that begin in
11 the first point:
12
13 All charges must be supported by the tax invoice or official
14 receipt.
15
16 ?---Yes, it does.
17
18 Does it then go on:
19
20 For amounts of \$50 or less, if no receipt is available, a
21 substitute slip must be submitted.
22
23 ?---Yes.
24
25 And then in bold:
26
27 For amounts greater than \$50 a substitute slip is not
28 acceptable.
29
30 ?---Yes.
31
32 Is "not acceptable" in bold capitals?---Yes. Yes, it is.
33
34 If we then go down over onto the next page to point 6:
35
36 If any of the charges on the billing statement is considered
37 incorrect you must complete a dispute form.
38
39 ?---Yes.
40
41 With some details about that. And then point 7 in bold:
42
43 All documents required to be sent to finance head office by
44 the due date.
45
46 ?---Yep.
47
48 If the card holder fails to comply there will be an automatic
49 suspension of the card.
50
51 ?---Yes.

1
2 Is that the process that you described earlier?---Yes, it
3 is. Yep.
4
5 Is that the process that you - you mentioned you implemented
6 or had implemented in relation to some members of the
7 corporate executive at this time?---I had done. Yes.
8
9 Which members of the corporate executive?---Specifically
10 Tania Loosley-Smith, I believe.
11
12 And I'll come back to that with you. You've seen in that
13 policy document a reference to acquittals for expenses for
14 amounts greater than \$50?---Yep.
15
16 And you recall seeing that as a requirement?---Yep.
17
18 Could I take you to another document? It is 85817807. We're
19 finished with this document, thank you.
20
21 85817807^
22
23 **WILLINGE, MR:** So the first page you'll see is an internal
24 Commission document. If we go to the next page, you will
25 see an email from you, manager, accounting service, to all
26 staff, dated March 12 2009?---Yes.
27
28 Does that appear correct to you?---Yes, it does, yep.
29
30 And is it a message from you to all staff about the corporate
31 credit card policy?---Yep.
32
33 And does that appear to be a hyperlink to the corporate
34 credit card policy?---It does appear that way.
35
36 And so on the face of it, it appears when you issued this
37 email, you also gave each staff member a link to the
38 corporate credit card policy?---Yes.
39
40 You mentioned or you said at the start:
41
42 All staff, please note that the corporate credit card policy
43 has been revised.
44
45 Is that correct?---Yes.
46
47 And you then mentioned:
48
49 The main change relates to substitute slips.
50

1 Did you then say, clearly stated in point 6 under the heading
2 of "Acquittal of Expenses":
3
4 For amounts greater than \$50 substitute slips are not
5 acceptable.
6
7 ?---Yes.
8
9 Did you go on to say:
10
11 Where a tax invoice or official receipt is not submitted
12 with the acquittal, the cost will be at the employee's
13 expense.
14
15 ?---Yep.
16
17 And needs to be reimbursed to the Department of Housing with
18 the acquittal.
19
20 ?---Yes.
21
22 And did you then say:
23
24 This change is effective for all charges from 1 March 2009.
25
26 ?---Yep.
27
28 And finally, before signing off, did you say:
29
30 Please ensure that you read the entire policy document as
31 there are other minor changes.
32
33 ?---Yes.
34
35 This might seem an obvious question, but given it's addressed
36 to all staff, are you able to say whether that email would
37 have gone to members of the corporate executive?---It should
38 have gone to everybody in the organisation.
39
40 Would that include the director general at the time, Mr
41 Searle?---Yes, it would, yep.
42
43 Thank you. That's all I wanted to take you to in that
44 document. Could I ask you a question about training? What
45 training was there in relation to the use of corporate credit
46 cards?---Whenever a corporate credit card was issued, there
47 was a records file attached to that corporate card to store
48 your tax invoices on and your acquittals on. with that, was
49 a copy of a credit card policy. And early on, there was a
50 little bit of training done with the corporate card people.
51 Now, because it's system orientated, there's a lot of

1 training done with corporate - I'm not sure what's the word,
2 but I'd imagine a lot of corporate card training with system
3 processes. But normally, when I got my credit card, I was
4 given a file with a corporate card policy on it. I knew
5 what to do with it so I wasn't trained. But those people
6 who didn't know what to do with it were trained in what they
7 should do.

8
9 What were they trained that they should do?---Have you read
10 the policy? I think we had some documentation around that
11 said they've read the policy. Once they're aware of the
12 policy, they were trained on how to do the acquittal.
13 Attached to invoices there was probably an acquittal form or
14 the statement, the credit card statement. And that has to
15 go into finance for finalising.

16
17 And what if any training was there in relation to people who
18 would be checking acquittals and approving credit card
19 acquittals?---Even the supervisors had to read the credit
20 card policy and be aware of the credit card policy. Anybody
21 involved in credit cards had to be aware of that policy.

22
23 Could we come then to Mr Whyte?---Mm hmm.

24
25 Who used his corporate credit card to defraud the State. If
26 Mr Whyte had sought approval from you in relation to his
27 corporate credit card expenditure - I'm not saying he did?--
28 --Yep.

29
30 I'm asking you a hypothetical. You weren't ever involved in
31 approving Mr Whyte's corporate credit card expenditure, were
32 you?---No.

33
34 No. If Mr Whyte had sought approval from you in relation to
35 his corporate credit card expenditure, what would you have
36 done?---If there were documents on there that were for
37 personal expense, I would have gone back to him and say "You
38 have to refund the money". If it happened on a number of
39 times, it would have gone up the ladder a bit, would have
40 gone to the DG and talked about it.

41
42 And would you have queried any of his expenditure at the
43 time as best you can now say, looking back?---I would have,
44 yes.

45
46 Why is that?---Because it was against the policy. It didn't
47 look like - if it was not official business, then it
48 shouldn't be on the corporate card.

49
50 And you mentioned earlier a project, Keralup?---Keralup.

51

1 Keralup, sorry. Oh, Keralup?---K-i-r.
2
3 Yes. I think a place a little bit closer to Bunbury than
4 Perth. Keralup. All right. In any event, you mentioned
5 earlier a project?---Yes.
6
7 Your understanding - let's just work on this assumption.
8 Your understanding is that Mr Whyte claimed something in
9 relation to the project?---I believe so, yes.
10
11 And your understanding is that at the time, that project
12 wasn't continued?---Correct.
13
14 It was not an operational - - -?---Operational project
15 anymore.
16
17 And so if you'd seen a claim in relation to that project,
18 what would you have done?---I wouldn't process it and they
19 would have gone and asked probably him the question. Or I
20 would have asked the DG the question.
21
22 What question?---Why are expenses being logged against this
23 project?
24
25 Was there a maximum monthly expenditure on a corporate credit
26 card at the time?---Depending who you were and what limit
27 you had. I had \$40,000 at the time because I was doing a
28 lot of contracting payments within there. I'm not sure who
29 - all odd limits around the place. Now, this changed now to
30 levels, I think, I believe.
31
32 Was there any particular magic in \$50,000 monthly figure so
33 far as you're aware?---No.
34
35 The reason why I ask that is that on a number of occasions,
36 Mr Whyte's monthly expenditure on the corporate credit card
37 came to just under \$50,000. One possibility of course is
38 that was his maximum - - -?---Limit.
39
40 - - - permitted spend per month. Leaving that to one side
41 at the moment, is there anything else, as you recall it,
42 about departmental processes at the time that mean that
43 amounts under 50,000 might be subject to less scrutiny than
44 amounts over 50,000?---I know later in - when (indistinct)
45 CFO I don't think that we looked at any transactions over
46 \$50,000 in the payment system and investigated those ones.
47 Anything under \$50,000, they wouldn't look at.
48
49 So at least at that time, a \$50,000 payment may be subject
50 to more scrutiny. At the time you were mentioning, do you
51 know what time that was?---No, I'm not sure of that. I

1 believe I was on 140 so it would have been 2018, '19, I would
2 think, around that period of time.

3
4 If you were reviewing someone's monthly corporate credit
5 card acquittal and their monthly expenditure was often very
6 close to their limit, would that have caused you any
7 concern?---No.

8
9 And if someone's monthly corporate credit card expenditure
10 involved multiple amounts just below \$2,000, was there any
11 reason why that would have caused you any concern?---No, I
12 wouldn't think so.

13
14 So far as you were aware at the time, was there any reason
15 why Mr Whyte's monthly corporate credit card expenditure
16 should be different to the other GM's monthly corporate
17 credit card expenditure?---No, we were mainly concerned with
18 people acquitting it correctly and on time.

19
20 If Mr Whyte's monthly corporate credit card expenditure had
21 been much higher than other GM's corporate credit card
22 expenditure month after month, would that have given you any
23 cause for concern?---If it was over and above his limit, it
24 would have.

25
26 I'm going to suggest something to you and ask you to comment
27 on it. This is the suggestion. Between October 2009 and
28 November 2011, (indistinct) assume that Mr Whyte used his
29 corporate credit card to pay invoices from a company named
30 Boldline worth more than \$1.1 million. Over the same period,
31 the expenditure on the GM service deliveries card, that's
32 the total expenditure, was 19,500. The expenditure on the
33 GM strategy and policy card was about 10,500. And the
34 expenditure on the GM organisational transformation card was
35 a little over 3,000. If you had been involved in corporate
36 credit card acquittals for the corporate executive and three
37 of them had acquittals for that period under \$20,000 and one
38 of them had acquittals for that period over \$1 million, would
39 that have caused you any concern?---Yes, it would.

40
41 Why?---Because that's significant amount of money to spend
42 on a corporate card if you have DGs spending 20-odd thousand
43 or \$10,000.

44
45 Are you aware - I think you've said your expectation would
46 have been that Mr Whyte's corporate credit card acquittals
47 would have been reviewed by someone above him?---Yep.

48
49 Are you aware that Mr Searle signed off on Mr Whyte's
50 corporate credit card acquittals on various occasions?---I
51 suppose he would have, being his supervisor.

1
2 You're not personally aware but that doesn't surprise you?--
3 --No.
4
5 Because Mr Searle was Mr Whyte's supervisor?---Correct.
6
7 If Mr Whyte's acquittals repeatedly referred to payments to
8 a company named Boldline, and you weren't aware of that
9 company, would that have caused you concern if you were
10 looking at the acquittal process?---It would do. Cos
11 normally, a corporate credit card process is normally a one-
12 off process. It's not consistently to the same person. In
13 reality, it should be under \$5,000 anyway.
14
15 If Mr Searle was signing off on Mr Whyte's credit card
16 acquittals and Mr Whyte's acquittals repeatedly referred to
17 payments to a company named Boldline, what do you consider
18 that Mr Searle should have done?---He should have been asking
19 Paul the question about what are the payments for.
20
21 If Mr Whyte's acquittals included invoices that referred to
22 hundreds of hours of work by a company called Boldline but
23 did not mention any specific project name, would that have
24 caused you any concern?---Yes, it would. Because you still
25 should be putting money against projects. Whether they're
26 administrative projects or whether they're building
27 projects, there still should be a project attached to it.
28
29 If the invoices that referred to hundreds of hours of work
30 by Boldline and didn't mention a specific project also didn't
31 contain any statement about what statement had been provided,
32 would that have caused you any concern?---Yes, it would.
33
34 Why?---Cos it smells. Cos there's no project number attached
35 to it. There's no reason why all those hours are going
36 against a particular company. Normally, hours went against
37 contractors for specific work. For me, it was data
38 processing people, I'd pay their money. And it was through
39 Hays or one of those particular groups under CUA stuff. So
40 I wouldn't think Boldline would even be under the CUA
41 process.
42
43 Was there any requirement for suppliers to be approved?---
44 No, no. If it was - if a vendor was put into the system, it
45 would have been just approved by the incurring officer.
46
47 Were approved vendors recorded anywhere?---Only in the
48 system.
49
50 Would it have been possible to check at any point whether
51 Boldline was an approved vendor?---Possibly not. Because in

1 the system, would have been - would have been in the system,
2 it would have been through the normal process. An incurring
3 officer would have got the vendor approved in the system.
4 Would have been checked by the vendor controller. We have
5 had a vendor controller in the thing. The money the vendor
6 controller checked. But the invoice said it was the right
7 company. The ABN was correct. All those particular details
8 were correct. And the bank account details were correct.
9 And they would have checked that off and approved the vendor
10 in the system.

11
12 **THE COMMISSIONER:** That vendor controller, that would be a
13 one-off, I take it. At some point, taking the hypothetical
14 example at Boldline - - -?---Yes.

15
16 - - - would check it really was a company, it had an ABN,
17 bank, it wouldn't check it on each invoice?---No, no, just
18 check it the first time and it would have been said "Yep,
19 you can create the vendor in the system. Entering - it's a
20 ridgy-didge company according to the system and that's fine.
21 So it's the invoice. It's got the bank account details, the
22 ABN, the name of the company on it. And that would have
23 been put in the system. Each vendor's got their name, either
24 company or a personal name in the system, their bank account
25 details are correct and the ABN - if it's a company, ABN
26 number is in the system as well.

27
28 **WILLINGE, MR:** And so at that stage of vendor control, is
29 that essentially setting up a vendor within the system for
30 potential later payments?---Yes.

31
32 And as you've described the essence of that stage of the
33 process, is that the vendor exists, that it has an ABN and
34 that you have bank account details?---Yep.

35
36 Is the question of whether that vendor should actually be
37 paid for any work done or allegedly done for the Department
38 later entirely different question?---Entirely different
39 question.

40
41 Dealt with by different people?---Yep.

42
43 And if the expenditure was on the corporate credit card, one
44 way in which that could be considered was in the corporate
45 credit card acquittal process?---Yes.

46
47 Could I take you to an example, acquittal for Mr Whyte. The
48 document is 02134-2019-0932

49
50 02134-2019-0932^

51

1 **WILLINGE, MR:** And so you look at the top of the first page,
2 can you see a reference to Paul Whyte, 28 November to 29
3 December 2009 corp card?---Yes.
4
5 No doubt that's a reference to corporate credit card?---Yep.
6
7 If we go to the next page, please, does that refer to a
8 summary sheet of corporate credit card expenditure?---Looks
9 that way, yes.
10
11 And does it refer to three accounts to be debited and the
12 costs entered and then amounts?---Yes, it does.
13
14 Can you see that the total amount of \$49,902.25 if I'm
15 reading - - -?---Yes.
16
17 - - - it correctly from here?---Yes.
18
19 Is that the figure?---Yep.
20
21 All right. So thank you. \$49 - - -?---900 and - yep.
22
23 - - - 992.25?---Yes.
24
25 Very close to 50,000?---Yes.
26
27 And does it appear to you that Mr Searle has signed off as
28 the card holder supervisor?---Yes, it does.
29
30 You see a reference to his name there?---Yes.
31
32 And the position title director general?---Yes.
33
34 And do you recognise the signature?---Not really, but - - -
35
36 All right. You don't the signature, but the reference is to
37 him and - - -?---It is, yes.
38
39 - - - he was in the position of director general at the
40 time?---Yep.
41
42 Could we go to the next page, please? And pause there. You
43 see a reference there to three transactions all in December
44 2009. And all for the supply of Boldline business service?--
45 --Yes.
46
47 And three different amounts that add up to the amount just
48 under \$50,000?---Yes.
49
50 Can you see any indication on that page of what Boldline
51 business service had been doing for the Department?---No.

1
2 Or the project?---No.
3
4 Could we go to the next page, please? So this is the invoice.
5 You see the reference at the top to Boldline business
6 services?---Yes.
7
8 Billed to Department of Housing. The date, 14 December -
9 sorry, the date 14 December 2009. Then I'd ask you to look
10 at the description please:
11
12 Project services 55 hours.
13
14 What would you have made of that description if you'd been
15 looking at this acquittal at the time?---I'd be looking at
16 the project outcome 10 on the third line down.
17
18 All right. So where it says, in the second line - we might
19 go through line by line if you don't mind. We don't do this
20 many times. The second line:
21
22 Her contract 2009 1.3.10.
23
24 ?---Yes.
25
26 What do you understand that to be referring to?---It would
27 have been a contract with Boldline services, whoever that
28 is.
29
30 So that would be your assumption, looking at that?---Yep.
31
32 In the next line, it refers to:
33
34 Services provided 2009, project outcome 10.
35
36 ?---What would you have understood that to mean?---There's
37 a contract for it and there's a project for it.
38
39 And then reference - - -?---Not within PAMS though. Not
40 within the PAMS contract system.
41
42 Please explain?---PAMS had all the development, the building
43 sort of stuff, in it. This project outcome would have been
44 some other system. Excel spreadsheet perhaps or something
45 along those lines.
46
47 Why do you say that?---Some of the administration contracts
48 and projects weren't done within the system. They were done
49 outside the system. So it would have been an Excel
50 spreadsheet, I would imagine, running the project.
51

1 If you had been doing the acquittal in relation to this
2 invoice, would you have been able to tell what services
3 Boldline were said to have provided to the Department?---No.
4
5 And how would you have been able to tell whether the services
6 had been incurred at all, let alone appropriately incurred?--
7 --You wouldn't be able to. Not from this.
8
9 Thank you. They were the questions I wanted to ask you about
10 that topic, unless the Commissioner wishes to ask you
11 anything.
12
13 **THE COMMISSIONER:** No, thank you.
14
15 **WILLINGE, MR:** Could we go to one other example? The
16 document is 02134-2019-0933.
17
18 02134-2019-0933^
19
20 **WILLINGE, MR:** Again, you see a familiar first page, Paul
21 Whyte 30 December '09 to 28 January corp card. And the
22 amount this time of \$47,237.14?---Yes.
23
24 If we scroll through the document and take you again to the
25 next page, you see in this case, again, there are, in the
26 top three entries, payments to Boldline business service.
27 The first two entries in the same amount, \$18,865. And the
28 third amount, \$9,432.50?---Yes.
29
30 And if we scroll down the page a bit, you see a cardholder
31 declaration. Do you recognise that signature?---I think
32 that's Paul Whyte's signature.
33
34 All right. And that's dated 8 March '10?---Mm hmm.
35
36 And then there's an approval with a signature on 10 March
37 2010?---Yep.
38
39 And if we keep going in the document, please, so that appears
40 to be an example of a substitute slip?---Yes, it does.
41
42 And that's from an amount less than \$50?---Yes.
43
44 And that relates to Swan Taxis?---Taxis, yep.
45
46 And it has account details and cost centre. All right.
47 Then, if we go to the next page, please, there's another
48 example of a substitute slip?---Yes.
49
50 Again, for a very small amount?---Yep.
51

1 \$2.60. If we go to the next page, we see the invoice from
2 Boldline business services. Again, do you see the reference
3 for:
4
5 Project services, 50 hours.
6
7 ?---Yep.
8
9 Do the hours ring a bell compared to the last invoice on
10 that?---Yeah, the last one was 55 hours.
11
12 And then the second line:
13
14 Per contract 2009 1.3.13. Services provided 2009 project
15 outcomes 13.
16
17 ?---Project number has changed.
18
19 And do you notice - really asking you the same questions as
20 last time. If you'd been asked to acquit - sorry, to consider
21 this acquittal, would you have been in a position to
22 consider, assess or determine what it is that Boldline had
23 allegedly done for the Department?---No, I wouldn't.
24
25 What would you have had to do in order to be able to determine
26 whether these expenses have been incurred at all or properly
27 incurred?---I would have had to look at that contract to see
28 what it said initially. And then what is the project about?
29 I'd need that documentation to make a valid decision on this.
30
31 And I know it might be said, well, it's easy now. We're in
32 2022. You know exactly what happened or you have a fair
33 idea of what happened in relation to Mr Whyte, but doing the
34 best you can, are you saying that if you had been involved
35 in this acquittal process at the time and you'd received
36 that information that you would have queried it?---I would
37 have queried maybe the second time it came up. The first
38 time, maybe not because they just did those sort of things.
39 If I saw it a second time and a third time, I'd be asking
40 the question, well, what really is it.
41
42 All right. And then you would have taken the steps you
43 referred to?---Yes.
44
45 Including checking for a contract and then what the contract
46 was?---Yep.
47
48 Would you have raised it with Mr Whyte?---I might have raised
49 it with my manager of internal audit initially.
50

1 Why?---Because it could be an audit process. There's
2 something there that's not quite right. And I would have
3 basically internal audited it. Internal audit would have
4 brought to account in the audit committee. And also, manager
5 contract of external auditors as well. So it would have
6 gone through that process.
7
8 And are you saying that they're steps that you would have
9 considered and might have taken once you'd seen a Boldline
10 invoice like this more than once?---Yes.
11
12 And having attempted to find a contract and match - - -?---
13 Couldn't find it anywhere or couldn't find the project, I
14 would have handed it over to a manager internal audit.
15
16 And who would that have been at the time?---Gary Bromley.
17
18 Could we scroll a little further in this document, please?
19 That's another Boldline Service invoice and it's essentially
20 in the same form with the same level or absence of detail?--
21 --Yes.
22
23 All right. Can we scroll further, please? Same again?---
24 Yep.
25
26 So there are multiple examples now in the same invoice?---
27 And noted the contract ending number the same as the project
28 ending number on all three invoices.
29
30 If you had received multiple invoices like this in the same
31 corporate credit card acquittal for the same company with
32 this same level or absence of detail, would that have caused
33 you concern?---It would have the second time it happened,
34 yes.
35
36 And if we scroll a little bit further, there's one particular
37 statement I wish to take you to. So this document is headed
38 "Submission":
39
40 Government of Western Australia Department of Housing
41 submission date in March 2010 to director general from Paul
42 Whyte subject credit card statement - for signing.
43
44 ?---Mm hmm.
45
46 Have you seen these submissions in relation to corporate
47 credit card acquittals?---I probably have in the past.
48
49 And then if we go down to notice to director general:
50
51 FYI.

1
2 Does it read:
3
4 Grahame, payouts to Boldline on my credit card are for
5 contract services where preferred payment (and -
6
7 - can you read that next word? Discount?---Discount, yep.
8
9 Is offered for CC payment.
10
11 ?---Yep.
12
13 Procurement has been undertaken in accordance with
14 government policy.
15
16 ?---Policy, yep.
17
18 Then signed by Paul Whyte and dated?---Yes.
19
20 If you had been - - -
21
22 **THE COMMISSIONER:** I think the first word - and I'm having
23 difficulty - might be payments not payouts.
24
25 **WILLINGE, MR:** I'm sorry, Commissioner, I think that's
26 right?---Payments, yes.
27
28 Yes, I'm sorry, Commissioner. So it begins:
29
30 Payments to Boldline on my credit card.
31
32 ?---Yes, it does.
33
34 If you had received that statement, would it have increased
35 your concerns, alleviated your concerns or made no difference
36 to you?---Wouldn't have made a lot of difference to me. It's
37 just - it's the first time he'd done it, it's the first time
38 he's paid Boldline. I'd have to see the invoice underneath
39 that process to work it out.
40
41 All right. In your experience, did suppliers at this time
42 tend to offer discounts for payments via credit card?---Not
43 normally, just a straight payment. Here's your credit card.
44 Not many people give discounts at all for any sort of
45 payment.
46
47 In your experience, did suppliers at the time prefer payment
48 by credit card?---Not sure to tell you the truth. Not sure.
49
50 Thank you.
51

1 **THE COMMISSIONER:** During that time, how long would an
2 account usually take to be processed and paid? If you're a
3 supplier, put it on my account, say at the end of May, how
4 long could I expect to wait for payment?---By the end of
5 June. Should be 30 days from dated invoice. If you go for
6 a normal payment system.
7
8 And would suppliers with Department of Housing know that
9 that was the Department policy?---They should do because
10 they would have been receiving the payments in that time
11 period.
12
13 I suppose the advantage of a credit card payment might be
14 that you would be paid more quickly?---Most definitely would
15 be.
16
17 **WILLINGE, MR:** And just picking up on the Commissioner's
18 question about discount for preferred payment, is your
19 understanding - sorry, discount for payment by credit card,
20 is your understanding that credit card providers generally
21 impose a fee?---Yes, it is.
22
23 And who pays it?---We used to pay bank fees as a normal
24 monthly process. Cos the contract was done by Treasury. So
25 we were using National Australia Bank, I think, as the
26 preferred person. So - and we would pay them every month,
27 the corporate card balance. And any fees attached to that.
28
29 And from the perspective of a vendor or supplier like
30 Boldline, if Boldline was paid by credit card, would it
31 receive the same amount of money or a different amount of
32 money if it had not been paid by credit card? In other
33 words, did the credit card provider impose any cost on
34 Boldline?---No, it would have been the same amount. Cos we
35 pay the invoice total of the company.
36
37 Would the reference to procurement have been undertaken in
38 accordance with government policy have meant anything to you
39 at the time?---I would have thought that it would have been
40 more - all official government policy for doing it. It would
41 have meant the same to Grahame, I would imagine.
42
43 Were you aware that Mr Searle knew Mr Whyte and had worked
44 with him previously?---Yes.
45
46 Were you aware that Mr Searle was part of the decision to
47 hire Mr Whyte?---Yes.
48
49 Do those - knowing about their history and background, does
50 that affect your answers about whether Mr Searle should have

1 had concerns and done more in relation to Mr Whyte's
2 corporate credit card acquittals?

3

4 **THE COMMISSIONER:** I don't think I'll allow that question.
5 I think that's one for me ultimately, not the witness.

6

7 **WILLINGE, MR:** Thank you, Commissioner.

8

9 Had there been any problems in the Department in the past
10 with corporate credit cards being used to defraud the
11 Department?---Yes. We had one lady who defrauded it. Sarah
12 Capel(?) her name was. That got reported to the CCC when we
13 discovered that one. She was a financial accounting person.

14

15 And do you recall other examples of previous misuse of
16 corporate credit cards?---There were a couple that went to
17 the internal auditor and they were dealt with according to
18 whatever policy was there at the time.

19

20 You've mentioned one example, which was Sarah Capel?---Or
21 (indistinct) sorry, (indistinct), yep. That's the big one.
22 She - we had the forensic auditors in doing bits and pieces
23 on that and that was reported to the CCC I think, that one.

24

25 **THE COMMISSIONER:** While counsel is looking, could you just
26 bring up one of the invoices for Paul Whyte? I can't read
27 that from this distance. But does it have a GST amount?---
28 Yes, it does.

29

30 How would the Department handle that if at all, the GST
31 aspect?---The GST - cos the Department of Housing is complex
32 the way it handles GST, a lot of our projects are input taxed
33 so they can't claim a GST on those particular projects. So
34 all our administration-type stuff, we never claim the GST
35 on. We just paid it out. And we'd do a process after the
36 event, a proportion of taxable supplies and input supplies
37 and claim a little bit of that GST at a later date. That's
38 how we worked it.

39

40 **WILLINGE, MR:** Thank you, Commissioner. Was another example
41 of misuse of the Department's corporate credit card by Ms
42 Sandra Pegg(?), not one you recall?---Doesn't ring a bell,
43 no.

44

45 Not one you recall sitting here now?---Nah.

46

47 You mentioned earlier that there'd been some problems with
48 corporate credit card acquittals that had led to suspensions
49 of the card. Were there - and we're finished with this
50 document, thank you, if the Commissioner is finished with
51 it.

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THE COMMISSIONER: Yes.

WILLINGE, MR: Around this time, so late-2009, early-2010, were there many problems with corporate credit card acquittals?---The problems we had with corporate credit card was always the upper level of - in the organisation.

And when - - -?---Assistant DGs, those type of people. They'd approve a policy but they wouldn't follow it.

So when you say upper levels in the organisation, you gave an example of assistant DG?---Yes.

You've also mentioned Ms Loosley-Smith previously, who was the GM strategy and policy role?---Yes.

I think you mentioned there'd been problems with Ms Loosley-Smith's corporate credit card - - -?---There had been, yes.

- - - acquittals at the time?---Yes.

What were the problems?---The acquittals weren't done. So I think she was in Melbourne at that stage when we put her corporate card on hold.

Are you aware of what Ms Loosley-Smith's reaction was to that occurring?---It was quite abrupt and she wanted it to be released straightaway cos she was trying to pay her hotel cost or something along those lines.

And was there - - -?---Sorry, her reaction was her people hadn't done her acquittal yet.

And was that a reaction to you directly or that you heard about from a colleague?---No, I heard that from my director.

I want to come now more broadly to the conduct we've been discussing in relation to Mr Whyte. You were CFO at the Department at the time. Do you consider that you should have picked up what Mr Whyte was doing?---No, if you're doing stuff within the regulations and financial controls, no one would (indistinct) looking at it.

And on your understanding of what Mr Whyte and the way he defrauded the State, what was overlooked by the Department in relation to his conduct?---I think the fact that he was doing both financial accounting and commercial development as the one job, I think that was overlooked. It should have been separate. The TI specifically said the CFO should report straight to the DG. That never occurred. And the

1 budget process. Like, he should never have been given a
2 slush fund as such, a \$2 million discretionary fund to spend
3 money. If he did receive that fund, it should be controlled
4 by the DG.

5
6 And when you referred in your answer to a TI, was that a
7 reference to a Treasurer's instruction or a Treasury
8 instruction?---Treasurer's instruction, yes.

9
10 And that instruction, as you recall, was that the CFO should
11 report - - -?---Should have access to the DG.

12
13 You may think you've answered this, but I want to ask you
14 this question in this way. Do you consider that the changed
15 to the corporate executive made after Mr Searle became DG
16 contributed to Mr Whyte's ability to defraud the Department
17 and the State?---Yes.

18
19 And is that essentially for the reasons you've given?---Yes,
20 but the structure looks that way as well. It's a financial
21 thing being wrapped up and put down the tree a bit compared
22 to other stuff. Like, financial accounting was sort of put
23 down to the side, back office stuff. We don't worry about
24 that sort of stuff.

25
26 I see. So it's not just that the activities were combined
27 under Mr Whyte's oversight when they shouldn't have been.
28 It's also, as you perceived it, a lessening of the importance
29 of the financial control - - -?---Yes.

30
31 - - - and financial oversight role?---Yes.

32
33 Do you consider that the culture of the Department while Mr
34 Searle was director general contributed to Mr Whyte's ability
35 to defraud the Department and the State?---It probably did
36 contribute a bit towards it because it was a little bit of
37 mayhem with the Ministers changing and the R for R stuff
38 coming on board, the regional spending of money. Cos a lot
39 of money given to us but not a big increase of the staff for
40 that particular area.

41
42 And my question was about culture. I just want to give you
43 an opportunity to answer it. And you certainly don't have
44 to agree with any of my questions?---Okay.

45
46 We're just asking to give your truly held views. Do you
47 consider that the culture of the Department while Mr Searle
48 was director general contributed to Mr Whyte's ability to
49 defraud the Department and the State?---Yes, it did.

50

1 And why do you say that?---Because the delegation and the
2 process was pushed down to other people and it gave them the
3 ability to make decisions on their own and make payments on
4 their own.

5
6 And again, this might feel a similar question, but I would
7 like to ask you, do you consider that Mr Searle's management
8 style as director general contributed to Mr Whyte's ability
9 to defraud the Department and the State?---The way that he
10 structured, yes.

11
12 That's really for the reasons you've mentioned?---Yes, yep.

13
14 Do you consider that Mr - assuming that Mr Searle approved
15 Mr Whyte's corporate credit card acquittals, including the
16 examples I've shown you, do you consider Mr Searle's approval
17 of Mr Whyte's corporate credit card acquittals contributed
18 to Mr Whyte's ability to defraud the Department and the
19 State?---Yes, I do.

20
21 And why do you say that?---Because Mr Searle should have
22 seen that it was constantly happening, time and time again.
23 But in Mr Searle's defence, he was doing strategic stuff so
24 he would have just seen it on his desk and signed it off, I
25 presume.

26
27 **THE COMMISSIONER:** Well, he would be entitled, I would have
28 thought, to trust - - -?---He would have been.

29
30 - - - the people around him too?---Yes, Commissioner, he
31 would have been. That's what most people thought. He was
32 a trustworthy person.

33
34 **WILLINGE, MR:** To the extent you haven't said this in your
35 evidence so far, what do you consider should have been done
36 differently at the Department over this period?---Number 1,
37 the CFO should have been a higher up within the levels of
38 the organisation. Should have been on the corporate
39 executive meetings that Grahame Searle had. That would have
40 changed things a little bit. That person would have had
41 total control over any new system or any process that
42 happened in the organisation and having a greater knowledge
43 of what happened within the organisation could have instilled
44 those rules were followed closer. But also, looking after
45 the budget process then would have asked questions on why
46 these particular people have these discretionary funds to
47 spend and why do they need them. Those sort of questions
48 would have been asked at an executive level.

49
50 Have any significant changes been made at the Department
51 since to prevent this sort of activity from going undetected

1 again?---Yeah, well, the CFO is now on the executive - they
2 call it the Communities leadership team. The CFO is on that
3 Communities leadership team. It was just the CFO. The CFO
4 now looks after facilities, contracting, I think legal. I
5 think they're looking after that as well. So it was just
6 finance, now it's starting to grow again. It's like a
7 corporate services type director within the organisation.
8 But being a CFO - and the CFO is on the leadership team. So
9 Mike has a voice on that team. And not related to commercial
10 developments, those types of things.

11
12 Just coming back to one particular matter about credit card
13 acquittals, you mentioned that Ms Loosley-Smith's response
14 as it was relayed to you was that her people had done her
15 acquittal yet?---Yes.

16
17 In your experience, was it usual for someone's credit card
18 acquittal to be given to someone other than the cardholder?--
19 --At that higher level, particularly with Tania, it was.
20 I'm not sure about the other DGs at all. But it was always
21 Tania who always seemed with her stuff and she was always
22 blaming her people for not putting it together for her.

23
24 And in your experience at this time, are you able to comment
25 on whether people who had responsibility for considering and
26 approving acquittals tended to do it themselves or rely on
27 other people?---99.9 per cent of people did it themselves
28 cos it was their responsibility, their card, and they were
29 given the task of doing it themselves. But I think the
30 assistant DG, I think Tania particularly, got - it was just
31 work that had to be done so she had her people do that sort
32 of work.

33
34 And leaving aside now someone putting in their acquittal, in
35 your experience, in terms of the people who were more senior,
36 who were considering someone's corporate card acquittal, in
37 your experience, did those people tend to consider the
38 acquittal themselves or hand it off to someone else to do
39 for them?---Majority of people (indistinct) the acquittal
40 themselves.

41
42 Commissioner, subject to any questions you have, that's my
43 examination of Mr O'Mara.

44
45 **THE COMMISSIONER:** Thank you.

46
47 And thank you for your attendance here today, Mr O'Mara?---
48 Yes, sir.

49

1 I realise you didn't have any choice but thank you anyway.
2 And you are now discharged from any further duties under the
3 summons?---Thank you.

4
5 And free to go. We will adjourn.

6
7 (THE WITNESS WITHDREW)

8
9 AT 12.51 PM THE MATTER WAS ADJOURNED ACCORDINGLY

**Certificate Made Under Section 50A of the
Evidence Act 1906**

The transcript of Lorne O'Mara heard on Monday, 23 May 2022

was made in good faith and, subject to any qualification referred to below, is correct, accurate and complete transcription of the contents of the recording;

was produced from recordings that were suitable for making an accurate and complete transcript except where otherwise stated in the body of the transcript. Any "indistinct" or "inaudible" or other notations indicating difficulty with the transcription contained within the transcript refers to those parts of the proceedings that could not be accurately transcribed due to speech clarity, recording quality or other factors impacting word intelligibility.

Certified on this 24th day of May 2022 by: Melissa Cain,
Joshua Stevenson

Full Name: Melissa Cain
Joshua Stevenson

Occupation: Transcriber and officer of the Commission under the Corruption, Crime and Misconduct Act 2003 ss 182, 3 who has taken an oath before the Commissioner.

Signature: (Melissa Cain) (Joshua Stevenson)

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