

*Standing Committee on Estimates and Financial Operations — Seventy-third Report —
“2017–18 Budget Cycle — Part 1: Estimates hearings and related matters” — Motion*

Resumed from 9 May on the following motion moved by Hon Peter Collier (Leader of the Opposition) —

That the report be noted.

Hon TJORN SIBMA: Thank you very much, Mr Chair, for this opportunity to speak to the seventy-third report of the Standing Committee on Estimates and Financial Operations. It is a slim and elegant volume. I was hoping to say a slim, elegant and timely volume. The opportunity to say that lapsed last week, but two out of three is not bad! Nevertheless, the budget handed down last Thursday and the initiation of the budget estimates process is useful context for delving into the experience not only of the committee, but also of the participating members through that process last year. For the benefit of the chamber, I want to identify some useful statistical information that provides some context for how the process was used by all members. I refer here to page 1 of the report. This is just useful context. There were 23 agencies nominated by members to appear at the hearings, 10 members submitted questions prior to hearings, 32 members attended a hearing, nine members submitted additional questions and, most interestingly—I think we have embarked on the process of continual improvement—14 members provided feedback to the committee on the hearings process. That was an open invitation that slightly more than one-third of the chamber took the opportunity to avail itself of. I think the learnings—I hate that word, but nevertheless it is the word of the moment—that came from the feedback were in places robust, but most often constructive and very good.

I want to reflect on the fact that the budget estimates process, at least in this chamber as is conducted by this committee, is a process in three parts. Members will all be aware of the ability to submit questions to agencies prior to hearings, pose questions to agencies at hearings and again to submit further questions after hearings. There are three bites of the cherry. I think that provides sufficient grounds for their curiosity to be satisfied and for accountability to be discharged and upheld. I want to provide some information for the benefit of members about the volume of questions dealt with, because I think it is informative and goes to demonstrate that we operate a healthy, albeit perhaps imperfect, system that provides all members who wish to submit questions for answer. Ten members submitted 166 questions across 23 agencies prior to hearings. The actual process of calling in agencies to the hearing took 31 and a half hours of sitting. Ministers took 147 questions on notice and, further, nine members submitted 123 questions after the hearings were completed. Hundreds of questions were posed and hundreds of questions were answered.

Hon Stephen Dawson: Mostly to me!

Hon TJORN SIBMA: Yes, my good friend the Minister for Environment distinguished himself in those hearings, and he did at the annual report hearings as well. Can I address a common view across the chamber about how hearings were conducted and the time that was allocated to members to ask questions. I will put it this way, with my parliamentary hat on: I doubt there can ever be a process that would satisfy every member consistently. If members avail themselves of the seventy-third report, I ask them to flick quickly to pages 5 and 6. Table 1 is a tabulation of the time allocated to members to put questions. They will see that that table is segmented between the five committee members and the rest of the chamber, and I am happy to report that more than two-thirds of the total 30 hours of hearing time was allocated to participating members—that is, non-committee members. I concede that the subjective experience of people does not always equate with the objective facts. I am sorry, but the facts are plain; they are there.

Hon Alison Xamon: There might be a difference between the beginning of the week and the end of the week.

Hon TJORN SIBMA: The facts are what they are. We can delve into a finer analysis if the member wants. Hon Alison Xamon, with some indulgence, Mr Chair, was very well served, at least in the last day of those hearings, by a very easy Chair, if I recall. That person, who looks a lot like me, was a very easy, soft mark.

Particular recommendations were not made in this report, but I think some significant observations were made, around the nitty-gritty of the reporting of financial information. Is the purpose for which these hearings are held being satisfied by the quality of the information presented? Some observations are made here that I think will find favour with the majority of members, suggesting some improvements to permit the comparability of statistics between agencies and between financial years, to permit a better usability—if I can use that as a word—to allow for deeper dives into the numbers. An oddity of this process is that the budget is presented in Word format. There is no Excel version of the budget papers. I think we should do that. I do not see why providing two different file formats would be too much to ask of the state government, and I hope that Treasury will come around to doing that. Of course, we want to ensure some consistency in the kinds of financial information that are presented. There is an issue, for example, about the two transport agencies, Main Roads and the Public Transport Authority, and their attitudes to reporting on the return of investment. That is illustrative of cultural differences, but one agency

is prepared to do that, although another that is effectively in the same business but just in a different transport modality is not so inclined.

I want to speak to the capacity for comparability across budget years, particularly when there is a change of government. I think this is important. I refer to page 12 of the report, paragraphs 4.24 to 4.26 inclusive, headed “Showing changes since the previous budget in the spending changes table”. This might be very boring, but I think it is important. The report states —

4.24 In the 2017–18 Budget Papers, the Government adopted the practice of showing recurrent spending changes that occurred since the 2016–17 Pre-election Financial Projections Statement. This differs from earlier budgets, which showed spending changes since the previous budget.

We want to compare budget with budget, noting the fact that there was a change in government after an election. I think that is an important consideration. It would also save time during the hearing process if people were trying to find their way towards seeing how changes occurred across financial years. The report continues, referring to the 2016–17 budget —

Consequently, the tables in this budget omitted spending changes between 19 April 2016 and 2 February 2017.

That is quite a considerable period of time. Bearing in mind the lapse of time, at the rate of one second per second, this report reads for itself. I commend the seventy-third report to all members. It is provided in good spirit to be a useful document, and I hope it serves members in some useful way in their experience as we embark on the 2018–19 budget estimates period. I have no doubt that many of the themes explored in this document may recur in a subsequent one.

Hon DIANE EVERS: I would also like to speak to the Standing Committee on Estimates and Financial Operations’ first report for this new term. It was a privilege to be on this committee. It was the one that I had hoped to be a part of. As it happened, it was quite a new committee; there were a number of members who had not been on the committee before, and we were therefore open to looking at the processes and how things work and adapting to changes. First of all, I remind everyone that the terms of reference for the committee are to consider and report on the estimates of expenditure laid before the Council each year and any matter relating to the financial administration of the state. We took that very seriously. It is the committee’s responsibility to report on that. In the process of doing that, we hold these hearings, invite everyone in and encourage participation. The more participation and review of the budget we have, the better chance we have of finding details that might help or influence us towards a better budget, a better government and a better situation for all Western Australians.

When we considered the 2017–18 budget, which this report refers to, we did so in the framework of it being the first step in a two-part series. We will look at the annual reports for that 2017–18 year at the end of this year, when the reports are released. That is a very important way to look at it. Rather than just looking at the budget, and then half a year later looking at the annual reports, those annual reports relate to a previous budget, not the one we have just seen. We are trying to pull that all together, so that our comments on this budget will be reflected when we review the annual reports. Now, as we go into another budget cycle, the budget that we will be looking at over the next couple of weeks and months will finish not at the end of this year but at the end of next year when those annual reports come out. We start to think of it as a two-part cycle, with this being the first part of a cycle that will end at the end of the following year.

As Hon Tjorn Sibma mentioned, we also made some suggestions on a few matters to consider for future budgets. We would like the budget to be more accessible and readable, and more likely to convey what the government and its departments are trying to convey. Among other things, one simple one was using paragraph numbers instead of dot points. Anyone who has already opened up the budget papers will see that it still uses dot points, and there may be a dozen of these. In the hearings, that made it a bit difficult to refer to a particular dot point. Maybe next year we will see them numbered, so that we can more easily refer to them. It is a simple improvement, but anything that can make the estimates hearings run more smoothly, without the back and forth—what are we looking at; what are we talking about?—will make the process better, and will allow us to either reduce the time or allow more time for more questions, if that is what members want.

Another item was the spending on an adjusted basis by the Commissioner of Main Roads to bring the department into line with all the other departments. It makes sense that that is looked at similarly. We want to be able to compare apples with apples across the departments, and that would make it easier for us. Another improvement would be separately identifying projects funded by royalties for regions. I have not had an in-depth look at that part of the budget for this one, but in the previous budget it was very difficult. I would see an item in one place and then try to find out where it fitted in, where the funding comes from and whether it is part of royalties for regions. Those are some improvements that would make the budget more readable and interesting, and make it easier for us to ask our questions.

I also want to point out the changes that have been put through this process. Because I did not have any previous experience of this, it was good to ask people how things had been done in the past and hear about how things could be done in the future. It was good to be part of something that is bringing us into the future, by being able to email questions and using the electronic lodgement system. I hope everyone who used it found it accessible; and, if they did not, I am sure that the committee staff would be more than happy to explore how people can be trained to use it. It made the process much simpler for the committee staff because the committee was then able to pass questions on to ministers and it sped up the process. I understand that in the other place, members have almost completed their contributions to the second reading of the budget bills, but in here we are looking forward to hearing in the next few weeks debate on consideration of the budget papers. If we can speed up that process by holding hearings earlier in the year—we are trying for mid-June now—and making it more effective by putting in our questions and having them answered before members get to the hearings, maybe that can help speed up our process a little bit too.

Hon Tjorn Sibma responded to the amount of time this all takes. We try to cater for the needs of other members of the chamber and we do ask that members attend the hearings; the committee appreciates extra questions from those members because they give us a wider scope for looking into matters—whatever broadens it out. I like budgets; I like the financial side of them, and I really appreciate that input from other members, because we can all learn from each other's questions. We can all encourage each other to take a stronger look at the budget. I know that I often rave on about the politics in here—the fights between different parties, the one-upmanship and the need to make a decision just to be on the opposite side of the argument—but, on the other hand, budgets contain so much on which we all agree, or on which we closely agree. There may be a few of us who have issues, but the majority do not—it is not so political. The departments have been doing this for years and they are putting forward these budgets, and there is a lot more agreement in there now. It is important to note that some members may raise questions about certain things and think that the funding in the budget should go to one place rather than to another place, but we agree on the majority of it. If we can agree on that, that is a good place to start. Maybe we can then agree on the direction of one department over another, and we can help to change it just through the budget. I am not talking about major changes—I am not saying that it is either this or that, but negotiation can happen if we work together to make it a better budget. Through the estimates hearing processes when some of those issues are raised, there is an opportunity to work together to focus on the important things.

I urge everyone to look at this report and I urge everyone to come along to the hearings, even if it is just to take an interest in whatever department they might be interested in. Members might not have any questions, but they may like to come along to see how it operates. It is a very worthwhile process. We would be lost without it. I recommend this report to the chamber as the first one of this new committee.

Hon COLIN TINCKNELL: I would also like to say that it was a real pleasure sitting for the first time on the Standing Committee on Estimates and Financial Operations. Five different parties were represented on the committee. I do not know whether that was a first, but it was great to see how the committee worked very closely together with four brand-new members of Parliament and an inexperienced Chair. It was very good to see the way the committee worked together.

It was a major learning curve for me and I certainly learnt very rapidly as the months went by about what was done previously and the changes that we were trying to introduce to improve the processes and the transparency of the agencies and departments as they report to the committee. That was good to note.

Going through the changes to the committee procedures, members were asked to email the committee with nominations for agencies to appear at the hearings. There was also an introduction of the electronic lodgement system. Individual members were allocated a specific amount of time for questions at the hearings, so there have been some changes. Members were also surveyed for their feedback on the hearings and the electronic lodgement system.

Members should note that the title of the report, “2017–18 Budget Cycle — Part 1: Estimates hearings and related matters”, reflects, as Hon Diane Evers mentioned, that we have a new government that introduced a budget after only a few months in government and is bringing in another budget seven months later, and changes were needed. It is a cycle—it is not one year on year—and we need information from the annual reports and the previous budgets to give a proper, clear, precise report in the future.

I will move on to the member feedback on the hearings. Quite a few comments were made about agency selection. We took note of that. Comments were also made about the electronic lodgement system and on the time allocated. Some members had some very passionate suggestions about time allocation. As Hon Tjorn Sibma pointed out, there was discussion about the time allocated to questions, the number of questions that were answered either beforehand, during or after, and the 20-odd agencies and departments that appeared, including some new agencies. It is important to note that some agencies that had never been called before the estimates committee were called and, hopefully, that will be a trend in the future. Transparency is important. As I said, I found this process to be a good experience and very rewarding. I would like to also commend this report to the chamber.

Consideration of report adjourned, pursuant to standing orders.

Progress reported and leave granted to sit again, pursuant to standing orders.