

*Standing Committee on Estimates and Financial Operations — Seventy-eighth Report —
“2019–20 Budget Cycle — Part 1: Estimates Hearings and Related Matters” — Motion*

Resumed from 18 March on the following motion moved by Hon Stephen Dawson (Minister for Environment) —

That the report be noted.

Hon MARTIN PRITCHARD: I would like to make some brief comments on the seventy-eighth report of the Standing Committee on Estimates and Financial Operations. I would first like to thank the committee members for their hard work and the time they have spent on these issues: Hon Alanna Clohesy, the chair of the committee; Hon Tjorn Sibma, the deputy chair; Hon Diane Evers; Hon Colin Tincknell; and Hon Aaron Stonehouse. Committees are a very important part of the processes of this chamber and this Parliament. This committee is a good reflection of cooperation. I note that the committee has a Labor member, Hon Alanna Clohesy; a Liberal member, Hon Tjorn Sibma; a Greens member, Hon Diane Evers; a One Nation member, Hon Colin Tincknell; and a Liberal Democrats member, Hon Aaron Stonehouse. That comprises a very good cross-section of the members of this chamber. I would also like to thank the staff who have been working with the committee.

I had not expected the consideration of this committee report to come on so quickly. I want to make a couple of comments about the findings and recommendations of the committee, and the response that was provided by the government. The executive summary states in paragraph 2 —

The Committee held hearings with 11 agencies and asked questions of a further 23 agencies (either as questions prior to hearings or as additional questions). The Committee considers that the process provided an appropriate level of scrutiny of the 2019–20 Budget Estimates.

That obviously involves a big cross-section of the agencies, and the list of questions is generated from the requests of members of this chamber.

The committee raised two issues, and I was glad to see the government’s response to those issues. The first issue that the committee seemed to focus on in this round of hearings was the governance arrangements for special purpose accounts. Finding 1 states —

The governance arrangements for special purpose accounts are reasonable for meeting obligations under section 16(2) of the *Financial Management Act 2006*.

Finding 2 states —

Special purpose accounts are being audited regularly.

Finding 3 states —

That agencies and the general public may benefit from a more systematic approach to reporting individual special purpose accounts with a defined purpose in the Budget Papers.

I understand that a lot of money is held in special purpose accounts. Therefore, I was particularly glad that the committee focused on that. I am also glad that the committee was supportive of the fact that special purpose accounts are audited and accountable.

The second area of concern was errors that arise with the printing of such in-depth documents as the budget papers. The committee expressed its desire that every mistake that was found in the budget papers should be raised and corrected. I am trying to remember the word that was used to deal with that issue. I ask members to bear with me while I try to find it. The word is “corrigendum”. When a mistake is made and found in the budget papers, there is an obligation to provide a corrigendum to acknowledge that error and make it notifiable for people reading the papers at a later stage. There seemed to be some difference of opinion in the committee about its recommendation. It recommended that every error should be accompanied by a corrigendum. I understand that the government took a very practical view in its response and suggested that if an error would make some substantial or even minor difference when reading the budget papers, of course a corrigendum would be made. It would be onerous to provide corrigenda for slight spelling or grammatical errors. I happen to agree with the committee and believe that the government has taken a very commonsense approach to that particular item.

The conclusion relating to those two matters is worth reading. It states —

- 5.1 The Committee is satisfied with its thematic approach to this year’s Budget Estimates. The subject matter of SPAs was thoroughly canvassed. The evidence provided to the Committee indicates that agencies are managing SPAs appropriately and are audited regularly. Further, the Committee also highlighted the relationship between spending from SPAs and the impact on the broader, whole-of-government financial accounts.
- 5.2 The Committee considers that its approach for examining the estimates of expenditure are sound.

It gives me a great deal of confidence that the committee found that it could do its job appropriately in this round of hearings. As I said, I was quite complimentary of the responses that the government made. I will end my contribution there.

Hon KYLE MCGINN: I think Hon Nick Goiran is away on urgent parliamentary business. He cannot hear me speak.

Hon Stephen Dawson: I am sure he is listening.

Hon KYLE MCGINN: Absolutely. I am sure he is listening.

Here is the honourable member, who was trying to goad me to speak. Unfortunately, I could not speak to the last report because it was noted. We are now dealing with another report.

I rise to speak on the seventy-eighth report of the Standing Committee on Estimates and Financial Operations. I thank Hon Martin Pritchard for his very interesting contribution. I would also like to thank the members of the committee. Since coming into this Parliament, I have noted that this committee seems to be one of the harder working ones. Hon Alannah Clohesy, especially around estimates time with her whole committee, Hon Diane Evers, Hon Aaron Stonehouse, Hon Tjorn Sibma and Hon Colin Tincknell are flat out. It is quite a busy period. The budget processes that I have gone through since I have been in Parliament have been quite a learning experience, not coming from that type of background.

Reading the committee's report, it is interesting to see how the committee members went through the budget process and what could be improved, the findings it found on some things that went a little awry and some things that worked really well. One of the findings that I found quite interesting was that the committee's consideration of the 2019–20 budget estimates was not adversely affected by the transcription errors in the budget papers. Whilst sitting on my committees, I have learnt about issues with grammar and how things end up slightly wrong in committee reports. I can only imagine how easy it is to get something slightly wrong when we deal with numbers, and then it could become quite a big issue, potentially being raised in the house and so on.

Going through the report, I noticed, as Hon Martin Pritchard alluded to, the summary of agency hearings in appendix 1. It was quite interesting to read that and get a flashback of a great program run in the Kimberley. The report notes —

- The Ear Bus program was a three-year grant program and will be subject to formal evaluation.

The Earbus program is amazing. There are massive health issues in regional Western Australia in particular. Unfortunately, there is a high rate of ear problems in Indigenous kids. Ear infections can have massive ramifications on a young child's learning ability and also their ability to get through the ear infection can be quite hard. It is great to see that that program was funded. The report also refers to the dialysis services in the Kimberley—another very important health initiative that we need in the regions.

By the looks of it, many agency hearings were held. I can only imagine how the committee went through this whole process, basically having to find out from each agency where and how money was spent. There were many hearings relating to public transport and discussions around the rail corridors and the TransGeraldton bus services. I am sure that Hon Darren West could tell us how great that bus service is.

Hon Darren West: Always on time, member.

Hon KYLE MCGINN: That is good. I would like to say that the ones in Kalgoorlie are exactly the same—always on time.

There were meetings with the Department of Primary Industries and Regional Development on 18 June 2019. One of the items discussed was key performance indicators. The department is working to develop soil carbon, soil health and water retention. Water is a massive issue under discussion at the moment, particularly out in the goldfields region. I am sure that DPIRD is doing a very good job trying to find innovative ways to use our water. The more industry that comes out to the goldfields, the more water we need. If we do not do more work on this issue, we are limiting our ability to entice new investors and start new projects, which, as everyone knows, is very important in this current economic climate. Massive projects are coming on very soon, with the Lynas Corporation being one of them—worth about half a billion dollars. I am led to believe that a gigalitre of water is potentially needed straight off the bat. That is quite a lot of water.

There are also discussions on the Fitzroy River Management Plan, a capability review of the department, and funding and staffing for regional development commissions, which is a massive thing. Working closely with regional development commissions for local shires has been important. The role they are playing in further economic development is massive in regional Western Australia. I think the local content offices put back into the regions has been widely accepted as a positive to the regions. Locating them in the regions rather than in Perth, for example, has been very well received, particularly by shires in the goldfields. The local content offices are critical to ensuring that we have as much local content in our projects as possible.

The conclusion of the committee report states —

The Committee is satisfied with its thematic approach to this year's Budget Estimates. The subject matter of SPAs was thoroughly canvassed. The evidence provided to the Committee indicates that agencies are managing SPAs appropriately and are audited regularly. Further, the Committee also highlighted the relationship between spending from SPAs and the impact on the broader, whole-of-government financial accounts.

It is good to see that the process is working well, as per the report. The committee considers that its process for examining estimates of expenditure are sound. These processes contributed to scrutiny of the appropriation bills, which received royal assent on 15 August 2019.

I look forward to the estimates hearings again this year. As I said earlier in my contribution, it has been a learning experience to see the departments come into this chamber, sit with the minister and give us the opportunity to ask questions about the budget process directly to the department, through the minister obviously. To me, that was pretty interesting. I remember the first day I was given the budget papers. I was quite excited, thinking that it was going to be this yea-ha moment. Then I got the three volumes and went, "Oh my God! How am I supposed to get through that?" Seeing the committee work through that process each year and finding better ways and processes for us, as members, to extract more information in the time that we have in the estimates hearings is something we should applaud the committee for, absolutely.

The recommendation on page 14 of the committee's report states —

The Treasurer release a corrigendum to correct any known errors in the Budget Papers.

It was interesting to see only one recommendation. Finding 6, which I touched on earlier, led to the recommendation. It states that the committee's consideration was not adversely affected by transcription errors in the budget papers. Obviously, that finding went to recommendation 2 that the Treasurer release a corrigendum to correct any known errors in the budget papers. That was good to see. It is a good report. I look forward to hearing other members' contributions.

Hon LAURIE GRAHAM: My contribution on the report will be pretty short. Having received congratulations from Hon Nick Goiran, I thought I should perhaps stand up and participate every time!

Hon Nick Goiran: I would like to see that. You'll have to talk to your leader about that!

Hon LAURIE GRAHAM: There is obviously an hour here today so we will talk about the report. There are some great findings in this report, but I will concentrate on a couple of the issues raised in the hearings in particular. I will refer to the hearings in health and the summary of the agency hearings. Obviously, there are some very pertinent issues for regional Western Australia. Hon Martin Aldridge raised the proposed \$41 million for palliative care services across regional WA. He was advised that out of the \$41 million package, \$35.2 million will be spent on palliative care services across regional WA, including \$5 million in Carnarvon. It will be great to see those services provided in Carnarvon, where there is a large Aboriginal community. Having lived in Geraldton, I have in the past seen people needing to come to Geraldton. Obviously the method of getting from Geraldton to Carnarvon is not the easiest; buses arrive at all times of the day and night. Often, it is easier for people to come down to get some service rather than wait for the health services to get to the regions. Skilled people tend to be in the larger centres. It is great that Carnarvon will get much-improved facilities in town. A further \$30 million is left for across regional WA, and it is great to see that some of that will be rolled out to expand outreach services in the midwest. The minister also noted that there will be a total of \$11 million in the budget for regional palliative care, which is a 75 per cent increase on the existing level, according to questions asked in the Legislative Council. That is a tremendous increase for the year.

There was an interesting answer to a question on what will be provided in Carnarvon. On 9 May, the government announced an additional \$41 million, of which \$30.2 million—when members ask similar questions, they get the same answer—will be specifically to provide beds in the facility. The total available budget is \$16.6 million to achieve a 36-bed facility for aged and palliative care. Beds will be used with flexibility to accommodate community needs while ensuring appropriate infrastructure. To see those facilities will be a fantastic boost for regional WA. Too many people have to leave an area, and when they leave it is often necessary for their family to come to support them, and that causes enormous pressure on other families in regions where those facilities are provided.

I will briefly talk to related questions in volume 1 of budget paper No 2. Hon Nick Goiran asked questions in this area. Of the \$26.4 million to commence the recommendations on sustainable health care, he asked about the models, local communities, patients and career health professionals that would promote and integrate the social approaches to dying and bereavement at every level and for details of the key changes. He was given an interesting answer. Health had recently released a report, which was commented on earlier today, and the strategy outlines the government's statewide policy on its direction, vision and values in palliative care. I have to say, from my reading of the current situation, the funding already going into regional facilities has improved dramatically and people are now benefiting from that. How much will be spent on this recommendation? The \$26.4 million will be allocated

to pilot initiatives. A question was asked about how it will produce outcomes in realistic medicine. The answer given was that the final report developed by Nous Group for the Department of Health in 2018 reported that there is no standard model for compassionate communities; rather, they operate as part of a broader public health approach. It is great to see that it will be rolled out on that basis.

With those few words today, I close my remarks.

Hon PIERRE YANG: I rise to add a few words on the seventy-eighth report of the Standing Committee on Estimates and Financial Operations, “2019–20 Budget Cycle—Part 1: Estimates Hearings and Related Matters”. As I normally do, I will look at the committee’s terms of reference, which are listed at the back of the report. It is a very handy place to put the terms of reference, which are the fundamental principles and rules for the committee. Term of reference 3.3 states —

The functions of the Committee are to —

- (a) consider and report on —
 - (i) the estimates of expenditure laid before the Council each year;
 - (ii) any matter relating to the financial administration of the State; and
 - (iii) any Bill or other matter relating to the foregoing functions referred by the Council;
- and
- (b) consult regularly with the Auditor General.

Members who have attended budget estimates and annual report hearings know how much work the Standing Committee on Estimates and Financial Operations puts in during the budget estimates hearings and the annual report hearings twice a year, but the work of the committee does not stop there. The committee works very hard throughout the year. I would like to thank Hon Alanna Clohesy, chair; Hon Tjorn Sibma, deputy chair; and Hon Diane Evers, Hon Colin Tincknell and Hon Aaron Stonehouse for their work in performing the functions of the Standing Committee on Estimates and Financial Operations. The committee is ably supported by its administrative staff and legal officer: Mr Andrew Hawkes, advisory officer; Ms Anne Turner, advisory officer, legal; and Ms Clair Siva, committee clerk.

We heard from Hon Kyle McGinn during his contribution about his experience in receiving his first set of budget papers. That experience was not unique. I must say that I share that experience. I was handed three volumes of papers and a thumb drive that I promptly downloaded onto my computer, which helped me to research terms fairly quickly. I must say that it was a very unique and special experience as a member of Parliament and a legislator for the state of Western Australia to look at one of the most important functions of the Parliament, which is looking at the financial health of Western Australia. It is the very function that we as a state collect money from our taxpayers and disburse them to different sectors of the state for different needs so that the state can be at its best. Obviously, the needs are always great. We have a very important job to ensure that no-one in our beautiful state of Western Australia is left behind. That goes to the important functions of the Standing Committee on Estimates and Financial Operations, which are carried out by the committee chair, the deputy chair and members with excellence. The members put in many, many hours preparing for the estimates hearings and the annual report hearings. In fact, because of the pandemic that we are experiencing in 2020, a once-in-a-lifetime or, as some say, a once-in-a-century special event, the annual report hearings and the budget estimates will be combined this year in November. I am sure the chair of the committee, Hon Alanna Clohesy, and her member colleagues are looking forward to the time they can scrutinise and make all the agencies accountable. I certainly look forward to participating in that process.

Turning to the report before us, I have learnt quite a few things about how the committee performs its functions. Paragraph 2.2 of the committee’s report states that members could nominate agencies to appear for hearings; 22 agencies were nominated and 11 of them were selected to appear. I remember quite clearly that it was my third budget estimates hearing and I always find the responses to be quite important to the state of Western Australia. In hearings, obviously, members can submit questions to any agency. The committee of eight members submitted 220 questions to the 34 agencies and responses were made available online on 30 June. Members attending hearings could put forward their questions during hearings. I remember putting in probably one or two questions during the hearings I was interested in participating in.

The CHAIR: Order! Members, noting the time, I am required to interrupt debate. I will shortly leave the chair until the ringing of the bells. Then it is my intention to report progress in the little time that remains after question time.

Consideration of report adjourned, pursuant to standing orders.

[Continued on page 4740.]

Sitting suspended from 4.15 to 4.30 pm