

40TH PARLIAMENT



Public Accounts Committee

Report 16

REVIEW OF AUDITOR GENERAL REPORTS

*Selected reports 2015 - 2018*

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Presented by  
Dr A.D. Buti, MLA  
September 2020

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## **Public Accounts Committee**

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# **Review of Auditor General Reports**

**Selected reports 2015-2018**

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Report No. 16

Presented by

**Dr A.D. Buti, MLA**

Laid on the Table of the Legislative Assembly on 10 September 2020



## Chair's Foreword

**P**ut directly and simply, the Public Accounts Committee (PAC) scrutinises value for money – economy, efficiency and effectiveness – in public spending, and generally holds the Government, public servants and statutory bodies to account for the delivery of public services.

The PAC has the power to examine the financial affairs and accounts of government agencies, statutory bodies and Government Trading Enterprises. We also have the power to inquire into and report to the Legislative Assembly on any matter which: (a) we deem necessary to investigate; (b) is referred to us by a Minister; or (c) is referred to us by the Auditor General.

In relation to the Auditor General, the PAC and the Office of the Auditor General have demonstrated a shared commitment towards improving the quality of public administration in Western Australia.

We enjoy a good relationship with the Auditor General, Ms Caroline Spencer, and her officers, which is significant and necessary, as the Office of the Auditor General plays a critical role in public administration by examining how effectively public sector agencies implement government policies and programs. As part of this role, the Auditor General's team routinely conduct performance audits, which can highlight examples of good practice or identify deficiencies in an agency's operations and procedures.

Performance audit reports generally include recommendations designed to help the audited agency address identified shortcomings, thereby facilitating a more efficient use of public money. Yet there is no formal requirement for agencies to provide a response to these recommendations and the Auditor General has no authority to demand one.

Consequently, the PAC undertakes agency follow-ups, to find out what actions agencies have taken in response to the audit recommendations. Depending on the adequacy of these responses, the Committee can issue a report with its own recommendations requesting further action around issues raised in the audit or the follow-up.

In conducting follow-ups of performance audit reports, our approach is based on a triage methodology that assigns a follow-up rating based on five criteria: (a) program or policy cost; (b) public interest; (c) criticality of audit findings; (d) level of urgency; and (e) level of commitment and detail provided by the audited agency in its initial response (which is usually included in the performance audit report).

This 'omnibus' report continues the Committee's review of performance audit reports tabled by the Auditor General in 2015-2018. It deals with 34 reports tabled by the Auditor General, and stands alongside the five reports tabled in 2019 and 2020 on follow-ups of individual performance audits.

In concluding I would like to acknowledge the collaborative working relationship of our Committee and thank my fellow Committee members: Mr Dean Nalder, Deputy Chair and Member for Bateman; Mrs Lisa O'Malley, Member for Bicton; Mr Simon Millman, Member for Mount Lawley; and Mr Vince Catania, Member for North West Central, for their diligence and hard work. Further, on behalf of the Committee, I would like to thank our secretariat: Principal Research Officer Dr Alan Charlton and Research Officer Dr Sam Hutchinson for their excellent assistance and dedication.

A handwritten signature in blue ink that reads "A.D. Buti". The signature is written in a cursive, flowing style.

DR A.D. BUTI, MLA  
CHAIR

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# Chapter 1

## Format and status of Committee follow-ups

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### Background to follow-up process

This is the fifth report in a series presented by the Public Accounts Committee (the Committee) to inform Parliament of the actions public sector agencies have taken in response to recommendations made in performance audit reports tabled by the Auditor General. This report continues the Committee's review of performance audit reports tabled by the Auditor General in 2015-2018. It deals with 34 reports tabled by the Auditor General, and stands alongside the five reports tabled in 2019 and 2020 on follow-ups of individual performance audits.

The Auditor General conducts performance audits to assess the effectiveness and efficiency of programs and activities delivered by public sector agencies. Recommendations made in these reports aim to improve the performance of agencies, and to increase the outcomes gained through the expenditure of public funds. While these reports always provide an opportunity for agencies to respond about their support and timing for implementing recommendations, the Auditor General has no authority to enforce the adoption of recommendations. In 2018 the Auditor General began seeking formal confirmation whether or not agencies supported each recommendation, and also seeking expected completion dates for each recommendation. Until that time responses were often more generic, and only sometimes specifically accepted in the report to parliament.

Public Accounts Committees have traditionally followed-up with agencies to ensure that proper consideration is being given to implementing the Auditor General's recommendations. This process has been in place since 1996, although the various committees have adopted differing approaches.

This Committee, like its predecessors, has had to balance the time it dedicates to agency follow-ups against the needs of other inquiry-related work. Throughout the 40<sup>th</sup> session of Parliament, the Auditor General's team has produced many reports each year. In response, the Committee has continually refined its follow-up process in order to meet its inquiry-related demands while still providing oversight of audited agencies.

### Current approach to agency follow-ups

Since September 2014, the Committee has adopted a triage approach to determine the manner in which agencies will be followed up. The Committee considers each performance audit report against several criteria before rating the need for follow-up as low, medium, or high priority. These criteria include: the cost and/or financial impact of the audited program; the level of public interest in the topic; the criticality of the Auditor General's findings and; the extent to which an agency's initial response—usually cited in the Auditor General's report—addresses the recommendations made.

After the triage process, the Committee determines whether any further activity is needed. If the matter is deemed low risk, and if agencies' initial responses and/or public information shows they have accepted and acted on OAG recommendations, no further action is required. If the Committee determines that it needs more information, it generally takes one of two main options. In the main this involves writing to the agency seeking clarification on its actions in response to the Auditor General's recommendations. This information can satisfy the Committee that relevant action has been taken, in which case the Committee will close the follow-up. If the Committee needs more clarification it can ask further questions, by further correspondence and/or holding a hearing to question the agency leadership.

Having considered this information, the Committee can close the process, or it can resolve to report its conclusion and agency recommendations to Parliament. If the Committee feels the situation warrants, it can decide to hold hearings with the agency/ies. In all cases where the Committee has requested information, it informs the agencies of its decision. As a courtesy it normally informs the Auditor General and often passes on the information supplied by the agency, to assist the Auditor General in planning audit programs.

### **Follow-ups resulting in stand-alone reports to Parliament**

As noted above, when the Committee assesses agency responses and audit risks as high priority, the Committee generally corresponds with some or all of the agencies included in a performance audit. This normally involves asking the agencies to provide a formal written response indicating:

- whether the agency accepts the Auditor General's recommendations;
- the specific actions the agency is taking in response; and
- the expected timeframes for completing these actions.

The Committee might also opt to include a series of specific questions to an agency during this initial correspondence.

After receiving and considering an agency's response, the Committee's next action is determined by the adequacy of the response. If a response lacks sufficient detail, the Committee will continue its follow-up either by further written questions or a public hearing. Where the level of detail is adequate, the Committee may note an agency's initial correspondence and choose to conclude its follow-up.

During this session of Parliament, this Committee has so far tabled five stand-alone reports based on audit follow-ups. They are:

- [\*Building Slowly; Department of Mines, Industry Regulation and Safety's regulation of builders and building surveyors\*](#); Report No. 14 tabled on 18 June 2020. (Follow-up of agency response to Auditor General's Report No. 12 of 2016).
- [\*Where to from here? The status of the Ord-East Kimberley Development Plan\*](#); Report No. 9, tabled 21 March 2019. (Follow-up of Auditor General's Report No. 20 of 2016).

- *[Setting the Stage for Improvement](#); Department of Education's management of student attendance*; Report No. 8, tabled 29 November 2018. (Follow-up of Auditor General's Report No. 16 of 2015).
- *[Further Along the Path](#); The development and implementation of the Western Australian Bicycle Network Plan*; Report No. 7, tabled on 1 November 2018. (Follow-up of agency responses to the Auditor General's Report No. 22 of 2015).
- *[No \(More\) Time to Waste](#); The ongoing implementation of Western Australia's Waste Strategy*; Report No. 6 tabled on 11 October 2018. (Follow-up of the agency responses to Auditor General's Report No. 23 of 2016).

## Follow-ups concluded after seeking more information

Table 1.1 lists five performance audit reports involving eight agencies where the Committee received responses and decided to conclude its follow-up without further comment.

**Table 1.1: Report follow-ups closed after correspondence with agencies**

	Report title	Agencies contacted by PAC	Date concluded
No. 3 of 2015	Asbestos Management in Public Sector Agencies	<ul style="list-style-type: none"> <li>• Building Management and Works (Dep't of Finance)</li> <li>• Dep't of Education</li> <li>• Housing Authority (Dep't of Communities)</li> </ul>	January 2019
No. 10 of 2015	Management of Adults on Bail	<ul style="list-style-type: none"> <li>• Dep't of Corrective Services (Dep't of Justice)</li> </ul>	January 2019
No. 11 of 2015	Regulation of Training Organisations	<ul style="list-style-type: none"> <li>• Training Accreditation Council</li> </ul>	January 2019
No. 15 of 2015	Pilbara Underground Power Project	<ul style="list-style-type: none"> <li>• Horizon Power</li> <li>• Pilbara Development Commission</li> </ul>	September 2019
No. 11 of 2018	WA Schools Public Private Partnership	<ul style="list-style-type: none"> <li>• Dep't of Education</li> </ul>	August 2020

Table 1.2 lists nine performance audits where the Committee wanted to summarise the actions being taken by agencies, but which did not warrant a stand-alone report to Parliament. The detail about these follow-ups is included in Chapter Two. In all cases where agencies have provided information on their responses to audit recommendations, the Committee passes this information on to the Auditor General, to help in planning future performance audit programs.

**Table 1.2: Reports finalised with PAC comments (see Chapter 2 for detail)**

Report Number	Report title	Agencies contacted by PAC	Date concluded
No. 25 of 2015	Operating Theatre Efficiency	<ul style="list-style-type: none"> <li>• Dep't of Health</li> </ul>	October 2018
No. 7 of 2016	Fitting and Maintaining Safety Devices in Public housing – Follow-up	<ul style="list-style-type: none"> <li>• Housing Authority (Dep't of Communities)</li> </ul>	January 2019
No. 13 of 2016	Maintaining The State Road Network – Follow-on Audit	<ul style="list-style-type: none"> <li>• Main Roads</li> </ul>	January 2019
No. 19 of 2016	Information and Communication Technology (ICT) in education	<ul style="list-style-type: none"> <li>• Dep't of Education</li> </ul>	January 2019
No. 32 of 2016	Vocational Education and Training for Year 11 and 12 Students in Public Schools	<ul style="list-style-type: none"> <li>• Dep't of Education</li> <li>• Dep't of Training and Workforce Development</li> </ul>	January 2019
No. 14 of 2017	Non-Clinical Services at Fiona Stanley Hospital	<ul style="list-style-type: none"> <li>• South Metropolitan Health Service</li> </ul>	August 2020
No. 17 of 2017	Management of Pastoral Lands in Western Australia	<ul style="list-style-type: none"> <li>• Pastoral Lands Board</li> </ul>	August 2020
No. 18 of 2017	Diverting Young People Away From Court	<ul style="list-style-type: none"> <li>• Dep't of Justice</li> <li>• WA Police Force</li> <li>• Dep't of Communities</li> </ul>	August 2020
No. 23 of 2017	Planning and Management of Bus Services	<ul style="list-style-type: none"> <li>• Public Transport Authority</li> </ul>	August 2020

## Low Priority Audit Reports

Finally, where a follow-up is assessed as a low priority, the Committee can elect not to correspond with the audited agency, opting instead to note the general adequacy of the agency's initial response in a summary table. Table 1.3 shows that the Committee has concluded its follow-up of 27 agencies across 19 performance audits in this manner. It also includes the triage score for each report.

**Table 1.3: Audit Reports finalised without correspondence with agencies**

Report Number	Report title	Agencies in report	Triage score Max = 5
No. 2 of 2016	Consumable Stock Management in Hospitals	<ul style="list-style-type: none"> <li>Dep't of Health</li> </ul>	2.0
No. 4 of 2016	Land Asset Sales Program	<ul style="list-style-type: none"> <li>Dep't of Lands (Dep't of Planning, Lands and Heritage)</li> </ul>	2.4
No. 8 of 2016	Delivering Services Online	<ul style="list-style-type: none"> <li>Office of the Government Chief Information Officer (Dep't of Premier and Cabinet)</li> <li>Dep't of Commerce (Dep't of Mines, Industry Regulation and Safety)</li> <li>Landgate</li> <li>Synergy</li> <li>Dep't of Training and Workforce Development</li> <li>WA Police Force</li> </ul>	3.0
No. 14 of 2016	Management of Marine Parks and Reserves	<ul style="list-style-type: none"> <li>Dep't of Parks and Wildlife (Dep't of Biodiversity, Conservation and Attractions)</li> <li>Dep't of Fisheries (Dep't of Primary Industries and Regional Development)</li> <li>Conservation and Parks Commission</li> </ul>	2.6
No. 15 of 2016	Management of Feedback from Public Trustee Represented Persons	<ul style="list-style-type: none"> <li>Public Trustee</li> </ul>	2.4
No. 28 of 2016	Malware in the WA State Government	<ul style="list-style-type: none"> <li>Dep't of the Attorney General (Dep't of Justice)</li> <li>Dep't of Mines and Petroleum (Dep't of Mines, Industry Regulation and Safety)</li> <li>Dep't of Transport</li> <li>Main Roads Western Australia</li> <li>Office of the Government Chief Information Officer (Dep't of Premier and Cabinet)</li> </ul>	1.4
No. 29 of 2016	Improving Immunisation Rates of Children in WA	<ul style="list-style-type: none"> <li>Child and Adolescent Health Services</li> <li>Dep't of Health</li> <li>WA Country Health Service</li> </ul>	2.7
No. 30 of 2016	Measuring Tax Collection Performance	<ul style="list-style-type: none"> <li>Office of State Revenue</li> </ul>	2.2

## Chapter 1

No. 31 of 2016	Assessment Of Progress To Improve Payment Security For Government Construction Subcontractors	<ul style="list-style-type: none"> <li>• Building Management and Works (Dep't of Finance)</li> <li>• Dep't of Treasury</li> <li>• Housing Authority (Dep't of Communities)</li> <li>• Building Commission (Building and Energy, in Dep't of Mines, Industry Regulation and Safety)</li> <li>• Small Business Development Corporation</li> <li>• Construction Training Fund</li> </ul>	2.3
No. 5 of 2017	Accuracy of WA Health's Activity Based Funding Data	<ul style="list-style-type: none"> <li>• Dep't of Health</li> </ul>	1.7
No. 8 of 2017	Management of Medical Equipment	<ul style="list-style-type: none"> <li>• Dep't of Health</li> </ul>	3.5
No. 16 of 2017	Rich and Rare: Conservation of Threatened Species – Follow-up	<ul style="list-style-type: none"> <li>• Dep't of Biodiversity, Conservation and Attractions</li> </ul>	3.2
No. 22 of 2017	Minimising Drugs and Alcohol in Prisons	<ul style="list-style-type: none"> <li>• Dep't of Justice</li> </ul>	3.3
No. 23 of 2017	State Tourism Strategy 2020	<ul style="list-style-type: none"> <li>• Dep't Of Jobs, Science, Tourism And Innovation</li> </ul>	4.5
No. 25 of 2017	Local Content in Government Procurement	<ul style="list-style-type: none"> <li>• Dep't of Finance</li> <li>• Dep't Of Jobs, Science, Tourism And Innovation</li> </ul>	1.8
No. 5 of 2018	Confiscation of the Proceeds of Crime	<ul style="list-style-type: none"> <li>• Dep't of Justice</li> <li>• Office of the Director of Public Prosecutions</li> <li>• WA Police Force</li> </ul>	2.5
No. 8 of 2018	Management of Salinity	<ul style="list-style-type: none"> <li>• Dep't of Primary industries and Regional Development</li> <li>• Dep't of Water and Environmental Regulation</li> </ul>	3.4
No. 9 of 2018	Management of the State Art Collection	<ul style="list-style-type: none"> <li>• Art Gallery of WA</li> </ul>	2.8
No 13 of 2018	Management of Crown Land Contamination	<ul style="list-style-type: none"> <li>• Dep't of Planning, Lands and Heritage</li> <li>• Dep't of Water and Environmental Regulation</li> </ul>	3.2

## Chapter 2

### Follow-up summaries

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As noted in the Chapter 1, in some cases the Committee decided that there was benefit in reporting the main actions taken by agencies in response to particular reports without going to the level of a stand-alone report. This chapter includes nine such cases.

#### **Report 25 of 2015: Operating theatre efficiency**

This report examined the efficiency of operating theatre use and planning in five hospitals across the WA public health sector. Tabled in November 2015, it recommended that:

1. To better understand operating theatre performance and improve efficiency within public hospitals, Health should, by December 2016:
  - a) establish an effective monitoring and reporting framework that includes performance measures and targets, and provide guidance to hospitals to ensure consistent data collection and analysis
  - b) require all hospitals to ensure that operating theatre managers and key staff have the appropriate skills and allocated time to collect and audit operating theatre data to make it useful for analysis
  - c) update the Theatre Management System to improve functionality and develop a plan for improving the capability of the current data reporting system to analyse data and generate reports.
2. To provide direction and guidance on how hospitals can improve operating theatre efficiency, Health should, by March 2016:
  - a) require hospitals to complete regular reviews of operating theatre schedules using performance data
  - b) share guidance and information on strategies that have improved operating theatre performance at WA public hospitals.

After assessing the audit as a high priority for follow-up, the Committee called the Department of Health to attend a public hearing on [27 June 2018](#) to provide an update on its response to the Auditor General's recommendations. Following that hearing, the Committee requested further clarification from the Department, which it received in July 2018.

In summary, the Committee was pleased the Department's response to the audit had been swift, comprehensive and effective. Similarly, the Department's response to questions posed by the Committee was thorough and prompt. At its meeting on 17 October 2018, the Committee resolved to close the follow-up, and informed the Department and the Auditor General of this decision. The key actions taken by the Department are included in Table 2.1.

**Table 2.1: Department of Health responses to recommendations from Report 25 of 2015**

Recommendation	Actions taken
1a. Establish an effective monitoring and reporting framework that includes performance measures and targets, and provide guidance to hospitals to ensure consistent data collection and analysis	<ul style="list-style-type: none"> <li>• Health implemented the Theatre Efficiency Reform Program (TERP).</li> <li>• Under TERP, Health established a range of performance measures and associated targets.</li> <li>• Health can now monitor and report on operating theatre efficiency across the public hospital system.</li> <li>• System-wide trends in theatre utilisation and turnaround time for 2016/17 show improvement.</li> </ul>
1b. Require all hospitals to ensure that operating theatre managers and key staff have the appropriate skills and allocated time to collect and audit operating theatre data to make it useful for analysis	<ul style="list-style-type: none"> <li>• As part of TERP, Health undertook a stocktake of existing expertise, and provided a training program to aid operating theatre data collection and analysis.</li> <li>• The five largest public hospitals each have a dedicated FTE responsible for 'Theatre Management System' data collection and analysis. Other hospitals have suitably trained senior nursing staff.</li> </ul>
1c. Update the Theatre Management System to improve functionality and develop a plan for improving the capability of the current data reporting system to analyse data and generate reports.	<ul style="list-style-type: none"> <li>• The TERP involved a significant overhaul of the Theatre Management System.</li> <li>• As a part of this overhaul, an existing third-party was not renewed, based on identified deficiencies.</li> <li>• Analytical and reporting capability has now been established within Health. This includes reporting by each of the five health providers back to Health centrally.</li> </ul>
2a. Require hospitals to complete regular reviews of operating theatre schedules using performance data	<ul style="list-style-type: none"> <li>• Since the implementation of the TERP, Health service providers have started sharing information with each other with increased frequency.</li> </ul>
2b. Share guidance and information on strategies that have improved operating theatre performance at WA public hospitals.	<ul style="list-style-type: none"> <li>• Health provides guidance on how best to share, and provides the performance information so it is available to the health services for self-improvement.</li> </ul>



## **Report 7 of 2016: Fitting and Maintaining Safety Devices in Public Housing – Follow-up**

This report examined the Housing Authority's program to assess smoke alarms and residual current devices in public housing, following up on the report of 2010. It found that Housing (now part of the Department of Communities) had spent \$12 million in the last four years, and started a \$26 million 3-year program to ensure its properties were electrically safe. It concluded that while there had been some progress, Housing was still not managing electrical safety devices effectively. The report made the following recommendations:

1. Housing should immediately ensure that it captures all required electrical safety device information from its annual property inspections and maintenance and the ESD program and fully record the information in the Habitat system.
2. Housing should by April 2017:
  - a) Establish a more strategic approach for the management of safety devices in public housing properties that includes adequate review and management oversight.
  - b) Formally assess the risks associated with maintaining its properties in a safe condition and use this information to manage properties and set priorities.
  - c) Establish a robust and timely process to improve visibility and follow-up of overdue property inspections and emergency work orders.
  - d) Modify processes to ensure that receipt of a travel claim from a contractor who was unable to gain entry to a property to carry out electrical safety device work does not lead to the closure of the work order.

This report was assessed as a high priority for follow-up, and the Committee called the Department to a public hearing on [27 June 2018](#) to provide information on its response to the Auditor General's recommendations. Following that hearing, the Committee sought more information in July, and again in October of 2018.

In summary, the Committee was pleased that the Authority's response to the audit and the Committee's requests had been thorough, although it had taken longer than might have been expected after the original audit report from 2010.

Having considered that various sets of information, the Committee resolved at its meeting on 21 November 2018 to conclude the follow-up to this report, and to forward all correspondence to the Auditor General. The key actions taken by the Department are included in Table 2.2.

**Table 2.2: Housing Authority responses to recommendations from Report 7 of 2016**

Recommendation	Action taken
1. Housing should immediately ensure that it captures all required electrical safety device information from its annual property inspections and maintenance and the ESD program and fully record the information in the Habitat system.	<ul style="list-style-type: none"> <li>• 23,764 of 36,000 properties had received their ESD Program inspection and their relevant baseline data recorded.</li> <li>• Changes to the inspection process meant that relevant data (and photos) are directly synced from the iPad application used for ESD inspection's to Housing's 'Habitat' system.</li> <li>• Housing expected all properties to have had their baseline inspection by 30 June 2019, but has allowed a further 6 months to allow for properties that prove to be difficult to access for inspectors.</li> </ul>
2a. Establish a more strategic approach for the management of safety devices in public housing properties that includes adequate review and management oversight.	<ul style="list-style-type: none"> <li>• Housing's response indicated that it had addressed this issue.</li> <li>• Processes had been revised for both the 365-day inspection regime and the ESD (baseline data capture) Program.</li> <li>• Improvements include automated interface between inspectors and the Habitat system. As a result, faults identified during and ESD Program inspection can quickly generate emergency maintenance requests (by licensed electricians).</li> <li>• Multi-layered audit and assurance processes were in place to check the veracity of data entered into the Habitat system by onsite inspectors.</li> </ul>
2b. Formally assess the risks associated with maintaining its properties in a safe condition and use this information to manage properties and set priorities.	<ul style="list-style-type: none"> <li>• Housing had been slow to address this recommendation, which was carried over from the 2010 audit report.</li> <li>• Housing advised this was largely due to the roll-out of the Habitat system (to replace the under-performing Caretaker system), which took three years. Only after this, could the ESD Program of baseline data inspections commence.</li> </ul>
2c. Establish a robust and timely process to improve visibility and follow-up of overdue property inspections and emergency work orders.	<ul style="list-style-type: none"> <li>• Housing explained how its processes had been revised. These appeared reasonable, but the Committee did not pursue evidence to quantify the level of improvement.</li> </ul>

## **Report 13 of 2016: Maintaining the State Road Network – Follow-on Audit**

This report found that although there had been improvements since the original 2009 audit, Main Roads' maintenance approach was still reactive. There was a similar level of overdue maintenance, estimated to cost \$845 million, and the proportion of the road network past its design life had increased from 32 percent to 46 percent. It recommended that:

By February 2017, Main Roads should:

1. Formalise guidance to regions on assessing and prioritising maintenance needs.
2. Establish a consistent approach to calculating backlog to allow comparison over time.
3. Apply lessons learned from the Integrate Service Arrangements when developing and managing the new maintenance contracts.
4. Standardise the monitoring and evaluation of safety related maintenance tasks identified during crash investigations.
5. Identify the maintenance knowledge skills needed by Main Roads and plan for how current and future gaps will be addressed.

By July 2017, Main Roads should:

6. Implement a comprehensive strategy to address maintenance backlog. The strategy should focus on minimising the whole-of-life costs of the network.

The Committee assessed the report as moderate risk, and in April 2018 wrote to Main Roads seeking an update on its actions in response to the Auditor General's recommendations. That response was received in May 2018.

The Committee concluded that agency responses to the majority of the Auditor General's recommendations addressed matters quite thoroughly, although some matters were not expected to be completed before mid-2019. At its meeting of 16 November 2018 the Committee resolved to conclude its follow-up of this report. The Department's actions in response to the particular recommendations are included in Table 2.3.

**Table 2.3: Main Roads responses to recommendations from Report 13 of 2016**

Recommendation	Action taken
By December 2016	
1. Formalise guidance to regions on assessing and prioritising maintenance needs	<ul style="list-style-type: none"> <li>• Senior Main Roads staff visited each region and reviewed their individual 10-year maintenance plans.</li> <li>• New regional maintenance plan templates were prepared and regions were required to update initial drafts of these documents by March 2018.</li> <li>• Documents have since been centrally reviewed and senior staff have visited regions to provide feedback.</li> <li>• Main roads has undertaken a central review of the full state network to determine resurfacing and pavement rehabilitation needs and priorities for the next ten years.</li> <li>• Bi-annual conferences have been running since March 2017. These conferences allow regional network managers to share knowledge and discuss new processes.</li> </ul>
2. Establish a consistent approach to calculating backlog to allow comparison over time	<ul style="list-style-type: none"> <li>• Main Roads prepared a formal procedure for 'Ten Year Road Maintenance Planning', covering both prioritising maintenance needs and recording backlogs.</li> <li>• This formal procedure was developed with regional planning staff and defined backlog and deferred maintenance, and aligned to Treasury's Strategic Asset Management Framework.</li> <li>• Between Oct 2017 and Mar 2018, two experienced engineers conducted a 'visual assessment' of pavement condition and remaining life on 18,000 km of the State's rural road network (the total road network was calculated at 18,846 km in the audit report).</li> </ul>
3. Apply lessons learned from the Integrated Service Arrangements when developing and managing the new maintenance contracts Complete projects currently underway to improve internet speed and bandwidth	<ul style="list-style-type: none"> <li>• Main Roads applied the findings of both an external 2014 review and an internal review following the audit reviews to prepare a lessons learned document which helped shape the new round of road maintenance contracts to ensure: <ul style="list-style-type: none"> <li>○ Clearer accountability and greater commercial focus</li> <li>○ More flexibility between routine/reactive maintenance</li> <li>○ More consistency in delivering rural contracts</li> </ul> </li> <li>• Main Roads said it had generated savings in the order of 4 percent of the road maintenance budget [the audit report put the 2016/17 road maintenance budget at \$227 million], and that these savings had been applied to target the maintenance backlog.</li> </ul>

<p>4. Standardise the monitoring and evaluation of safety related maintenance tasks identified during crash investigations</p>	<ul style="list-style-type: none"> <li>• The audit reported system deficiencies stopped Main Roads ensuring that regional maintenance work recommended in fatal road crash investigations was carried out.</li> <li>• Main Roads believed that this work had always been done, but that its Maintenance Management Information System (MMIS) did not identify it clearly, but modifications to the MMIS resolved this.</li> <li>• Main Roads also deployed an April 2018 guideline to all regions on 'Management of Road Crash Inspections and Associated Defects within the MMIS'.</li> </ul>
<p>5. Identify the maintenance knowledge and skills needed by Main Roads and plan for how current and future gaps will be addressed</p>	<ul style="list-style-type: none"> <li>• In mid-2017, Main Roads completed a skills-needs assessment for its Network Management staff. This was followed in April 2018 by a capability review to assess knowledge gaps.</li> <li>• As a result, Main Roads recruited seven additional graduate engineering associates and engaged 'an experienced dedicated resource to provide guidance and mentoring to lesser experienced regional staff'.</li> </ul>
<p>6. Implement a comprehensive strategy to address maintenance backlog. The strategy should focus on minimising the whole-of-life costs of the network</p>	<ul style="list-style-type: none"> <li>• As part of the responses to recommendations 1 and 2, an initial visual assessment of the maintenance backlog was conducted in early 2017. More technical diagnostic assessments followed.</li> <li>• The initial assessment found that resurfacing made up 68 percent of the highest priority backlog of maintenance works.</li> <li>• A draft 'Asset Management Plan for Resurfacing' was prepared in April 2017 and was due for final sign off in June 2018.</li> <li>• \$170 million was committed over two years from 2017-18 as part of a four-year plan to bring the resurfacing backlog under control. Forward estimates include a sufficient amount to complete the four-year plan.</li> <li>• The initial assessment found that pavement rehabilitation made 24 percent of the highest priority backlog.</li> <li>• An initial pavement rehabilitation strategy was due to be completed in October 2018, which would form the basis of a 'Pavement Asset Management Plan'. This plan was due to be finalised in April 2019, once remaining technical diagnostic testing.</li> <li>• \$57 million was allocated to complete 120km of pavement rehabilitation over two years from 2017-18. Another allocation to complete a further 80km was to be considered in the 2019-20 Budget.</li> <li>• A state-wide strategy for other maintenance items (i.e. vegetation control, drainage and shoulder repairs) was due by December 2018.</li> </ul>

## **Report 19 of 2016: Information Communication Technology (ICT) in Education**

This report found that student and staff access to ICT in State schools varied considerably, and that the Department's vision for ICT across the system lacked implementation plans and communication strategies. It recommended that:

1. By February 2017 the Department of Education (DoE) should:
  - a) Update its ICT Vision Statement and Priorities document beyond 2016
  - b) Create an implementation strategy for the ICT Vision, including timeframes and measures of success
  - c) Consider ways to improve communication with schools to ensure they have a clear understanding of major projects and how they fit within DoE's strategic direction
  - d) Consider ways to identify schools that require more support from DoE and how to provide it
  - e) Make school Computer Census responses publicly available.
2. By August 2017 DoE should:
  - a) Complete projects currently underway to improve internet speed and bandwidth
  - b) Update its ICT information and guidance to be more user friendly and easier to find
  - c) Have a plan in place for schools that have chosen not to move to the SOE.

The Committee assessed the report as moderate risk, and in April 2018 wrote to the Department seeking an update on its actions in response to the Auditor General's recommendations. That response was received in June 2018.

The Committee concluded that the Department's responses to the majority of Auditor General's recommendations addressed matters quite thoroughly, although some matters were still evolving. At its meeting of 16 November 2018 the Committee resolved to conclude its follow-up of this report. We note that the Education and Health Standing Committee Report No. 8 in November 2019: *A Better Connected Future: Opportunities for digital innovation in secondary education* dealt with some of the same issues. The Department's actions in response to the particular recommendations are included in Table 2.4.

**Table 2.4: Department of Education responses to recommendations from Report 19 of 2016**

Recommendation	Action taken
By February 2017	
1a. Update the ICT Vision Statement and Priorities document beyond 2016	<ul style="list-style-type: none"> <li>Plans to update the ICT Vision stalled while DoE worked with the Office of the Government Chief Officer to determine how the sector could leverage off the GovNext-ICT suite of procurement options.</li> <li>Machinery of Government changes, along with targeted FTE reductions in late 2017 added to delays.</li> <li>DoE expected to publish a revised ICT Vision Statement and Priorities document by October 2018, which would seek to align with principles outlined in the DigitalWA Strategy that was released in May 2016.</li> </ul>
1b. Create an implementation strategy for the ICT Vision, including timeframes and measures of success	<ul style="list-style-type: none"> <li>Response to this was unclear.</li> </ul>
1c. Consider ways to improve communication with schools to ensure they have a clear understanding of major projects and how they fit within DoE's strategic direction	<ul style="list-style-type: none"> <li>In 2016-2017, DoE extensively engaged with schools to determine the most effective means of communicating around these issues. Following this, DoE established an Education Business Services (EBS) unit.</li> <li>The EBS unit conducted workshops, presentations, and roadshows across the State outlining its role and updating schools on major ICT-related initiatives.</li> <li>DoE deployed a 'new, more functional, highly searchable' Intranet in May 2018 [audit report had noted criticism of the intranet among schools].</li> <li>There was also an ICT Customer Engagement team to 'better inform' internal and external stakeholders about major projects.</li> </ul>
1d. Consider ways to identify schools that require more support from DoE and how to provide it	<ul style="list-style-type: none"> <li>Starting in 2017, DoE had 'designed and delivered a range of training in core ICT tools and knowledge' across 130 different schools, including some smaller remote and regional schools.</li> <li>The Department established a Customer Relationship Manager role in 2017 to 'provide advice and assistance on more complex ICT issues to schools that require it'.</li> </ul>
1e. Make school Computer Census responses publicly available	<ul style="list-style-type: none"> <li>DoE advised that it will make the 2018 census publicly available at the end of Term 3, after it has reviewed the data. [The Committee notes that this and following documents are publicly available.]</li> </ul>
By August 2017	
2a. Complete projects currently underway to improve internet speed and bandwidth	<ul style="list-style-type: none"> <li>In May 2016, DoE entered into a three-year agreement with Telstra to improve bandwidth across WA schools. Over 110 schools have received bandwidth upgrades.</li> <li>DoE expected to have 96 per cent of schools connected to high-speed bandwidth by mid-2018.</li> <li>DoE successfully piloted a Schools Managed Internet (SMI) program allowing schools to purchase additional connectivity beyond the departmental SOE.</li> <li>DoE was working through a procurement process to make the SMI available to all interested schools.</li> </ul>

<p>2b. Update the department's ICT information and guidance to be more user friendly and easier to find</p>	<ul style="list-style-type: none"> <li>• Beyond the upgraded intranet and training, DoE had enhanced its sector-wide Dashboard tool with updated ICT 'insights, tools, and information'.</li> <li>• DoE had developed additional training courses in conjunction with schools.</li> </ul>
<p>2c. Have a plan in place for schools that have chosen not to move to the standard operating environment (SOE)</p>	<ul style="list-style-type: none"> <li>• Of the eight schools operating outside the SOE at the time of the audit, three had transferred across, and one had committed to deploy the SOE in late 2018.</li> <li>• DoE was 'currently developing a plan' to address the four remaining non-SOE schools (two of which were 'likely' to migrate to the SOE by the end of 2019).</li> </ul>



## **Report 32 of 2016: Vocational Education Training for Year 11 and 12 Students in Public Schools**

This report found that legislative and policy changes made for Vocational Education and Training (VET) for year 11 and 12 students in the public system were rolled out reasonably well. Most student were in ‘auspiced’ courses, which was economical and scalable, but there were significant quality and compliance issues on both sides of these arrangements. There were no common contract elements or guidelines for choosing suitable courses, and more analysis needed to be put in place. It recommended that the Department of Education (DoE) should:

As soon as practical:

1. Finalise its response to the commissioned review of VET in schools and set timelines for implementing changes.
2. Work with SCSA [School Curriculum and Standards Authority] to finalise guidelines for selecting higher level courses.

By June 2017:

1. Review the level of VET-specific support provided in head and regional offices.
2. Establish a plan to regularly review school performance, experience, student outcomes and RTO [Registered Training Organisation] performance.
3. Work with DTWD [Department of Training and Workforce Development], SCSA and TAC [Training Accreditation Council] to:
  - a. establish criteria for a ‘school-ready’ RTO accreditation including options for allowing TAC to audit activities in public schools
  - b. develop a set of pre-approved courses, especially for auspicing.
4. Develop a clear policy on the scope and intent of DTWD-funded student contact hours across the public school system.
5. Together with DTWD, set guidelines for public school access to profile hours. These should include:
  - c. a method for calculating the number of student contact hours available for schools based on need
  - d. guidance for the TAFE sector on allocating profile hours to schools
  - e. guidance on which courses at which level should be offered for profile places.
6. Increase guidance and oversight for schools, including standard contract models for auspiced delivery. This could include standardising responsibilities of RTOs.

The Committee assessed the report as moderate risk, and in April 2018 wrote to the Department seeking an update on its actions in response to the Auditor General’s recommendations. That response was received in June 2018.

## Chapter 2

The Committee concluded that DoE's responses to the majority of Auditor General's recommendations addressed matters adequately, although the response to Recommendations 3 and 4 left the Committee unsure of what to expect, and several matters were still to be finalised. At its meeting of 16 November 2018 the Committee resolved to conclude its follow-up of this report. DoE's actions in response to particular recommendations are included in Table 2.5.

**Table 2.5: Department of Education responses to recommendations from Report 32 of 2016**

Recommendation	Action taken
By February 2017	
1. Finalise its response to the commissioned review of VET in schools and set timelines for implementing changes	<ul style="list-style-type: none"> <li>DoE commissioned the review, which was completed in June 2016, and developed a work plan to support VET following the review.</li> <li>After the review, DoE investigated the feasibility of becoming a RTO to support schools with VET delivery. Final report of this study was due at the end of June 2018.</li> </ul>
2. Work with SCSA to finalise guidelines for selecting higher level courses	<ul style="list-style-type: none"> <li>According to DoE, SCSA had a process to identify students doing higher-level qualifications and their reasons for course choices.</li> <li>DoE and DTWD had published a comprehensive VET Qualifications Register for Secondary Students, giving industry advice to guide the selection and delivery of qualifications. DTWD was to update the Register annually with input from industry training councils.</li> </ul>
3. Review the level of VET-specific support provided in head and regional offices	<ul style="list-style-type: none"> <li>The review was undertaken in early 2017.</li> <li>Findings was being assessed 'in light of resource changes' across DoE during the first half of 2018.</li> </ul>
4. Establish a plan to regularly review school performance, experience, student outcomes and RTO performance	<ul style="list-style-type: none"> <li>DoE only had jurisdiction to review school performance, not that of the RTOs.</li> <li>DoE was continuing to develop, and share with schools, strategies for working with RTOs.</li> </ul>
5. Work with DTWD, SCSA, and the Training Accreditation Council (TAC) to: <ol style="list-style-type: none"> <li>establish criteria for a 'school-ready' RTO accreditation including options for allowing TAC to audit activities in public schools; and</li> <li>develop a set of pre-approved courses, especially for auspicing.</li> </ol>	<ul style="list-style-type: none"> <li>TAC planned to analyse the level of RTO compliance against the Commonwealth's Standards for RTOs (2015) during the 2017-18 financial year.</li> <li>TAC audited all TAC-registered RTOs in 2017.</li> <li>DoE (supported by DTWD) was developing a 'preferred provider panel of RTOs that will have met specified qualitative requirements', thereby allowing them to deliver courses under auspicing arrangements.</li> </ul>
6. Develop a clear policy on the scope and intent of DTWD-funded student contact hours across the public school system	<ul style="list-style-type: none"> <li>DTWD introduced a funding policy in 2016 to increase the number of students accessing DTWD funded places to achieve their WA Certificate of Education.</li> <li>Funding now restricted to one qualification per student to maximise student access.</li> <li>Funded places restricted to Year 11 and 12 students on Certificate II or higher-level courses that provide industry-supported qualifications.</li> <li>Pilot program to measure the effectiveness of 'profile' hours (i.e. hours set aside for courses funded by DTWD and provided to school students: make up approximately 12 percent of VET courses).</li> </ul>

<p>7. Together with DTWD, set guidelines for public school access to profile hours. These should include:</p> <ul style="list-style-type: none"> <li>a) a method for calculating the number of student contact hours available for schools based on need;</li> <li>b) guidance for the TAFE sector on allocating profile hours to schools; and</li> <li>c) guidance on which courses at which level should be offered for profile places</li> </ul>	<ul style="list-style-type: none"> <li>• DTWD conducts annual reviews of its distribution of 'profile' places.</li> <li>• DTWD uses these reviews to guide the TAFE sector on allocating profile hours to schools.</li> <li>• DTWD completed a funding policy in 2017, which lists the courses that can be offered under profile places. This policy was informed by the supply of courses relative to labour market demand.</li> </ul>
<p>8. Increase guidance on which courses at which level should be offered for profile places</p>	<ul style="list-style-type: none"> <li>• DoE, working with DTWD and TAC, developed an RTO Auspicing Research Tool, including what should be in an auspicing agreement.</li> <li>• Available online to all schools, the tool was expected to 'help raise RTO's awareness' of what schools expect from auspicing arrangements.</li> <li>• DoE was developing standard auspicing contract templates for schools to use when contracting RTOs. DoE did not indicate when it would complete this work.</li> </ul>

## Report 14 of 2017: Non-Clinical Services at Fiona Stanley Hospital

This report found that non-clinical service delivery at Fiona Stanley Hospital had met its contractual obligations, and that the South Metropolitan Health Service (SMHS) had the resources to manage the contract. However, SMHS was not tracking cost against the original base estimate, and needed to monitor against the baseline, as costs were higher than originally estimated. The report also found that there were several unresolved contracts, and that extensive reporting obligations were absorbing a high level of SMHS and contractor resources but no always delivering a reliable picture of performance. It recommended that SMHS should:

By July 2018:

1. Drive cost effectiveness of the contract:
  - a. update the initial contract cost estimate and monitor contract costs against the revised estimates
  - b. update cost estimates by service type and set budget targets for service types
  - c. resolve outstanding contract disputes and potential disputes in a more timely manner
  - d. complete the audit of KPI failure points and associated payment abatements to ensure they have been correctly applied.
2. Improve reliability and value of reporting, and identify opportunities to drive service improvements
  - a. continue the program of work to improve reliability of reported information, ensuring that the importance of following procedures for clinical staff is addressed
  - b. review reporting obligations and the KPI framework including an assessment of the value of KPIs and the data that is monitored, in order to reduce the reporting burden
  - c. undertake more in-depth analysis of KPIs to identify areas which could drive service improvements.

The Committee assessed the report as moderate risk, and in February 2020 resolved to hear evidence from the SMHS on its response to the audit report. As a result of the challenges facing health institutions due to the COVID-19 pandemic, the Committee resolved in March 2020 to defer its inquiry. In May 2020 the Committee reopened its follow-up, and wrote to the agency seeking written details of actions taken in response to the audit report.

The Committee concluded that SMHS's responses to the Auditor General's report addressed matters effectively. The Committee also noted that the SMHS had effective and comprehensive procedures to track its response to the Auditor General's recommendations. At its meeting on 12 August 2020, the Committee concluded its follow-up. SMHS's actions in response to particular recommendations are included in Table 2.6.

**Table 2.6: South Metropolitan Health Service responses to recommendations from Report 14 of 2017**

Recommendation	Action taken
By July 2018:	
1. Drive cost effectiveness of the contract:	
a. update the initial contract cost estimate and monitor contract costs against the revised estimates	<ul style="list-style-type: none"> <li>SMHS reviewed and updated the Contract Estimate process.</li> </ul>
b. update cost estimates by service type and set budget targets for service types.	<ul style="list-style-type: none"> <li>Contract Estimate process was noted as part of the Facilities Management Services Contract budget setting and monitoring process but no explicit mention of an update.</li> </ul>
c. resolve outstanding contract disputes and potential disputes in a more timely manner.	<ul style="list-style-type: none"> <li>Several negotiation workshops had been held since the audit took place. As a result, there were currently no outstanding disputes arising from the contract.</li> </ul>
d. complete the audit of KPI failure points and associated payment abatements to ensure they were correctly applied.	<ul style="list-style-type: none"> <li>Audit was finalised and closed. Improvements identified during the internal audit had reduced the volume and value of discrepancies in the performance systems. This led to monthly reporting and reconciliation of pre-existing records.</li> </ul>
2. Improve reliability and value of reporting, and identify opportunities to drive service improvements:	
a. continue the program of work to improve reliability of reported information, ensuring that the importance of following procedures for clinical staff is addressed.	<ul style="list-style-type: none"> <li>Analysis of monthly service reports using purpose-built compliance tool to give assurance. Examples of changed policy education and analysis showing improved performance.</li> </ul>
b. review reporting obligations and the KPI framework including an assessment of the value of KPIs and the data that is monitored, in order to reduce the reporting burden	<ul style="list-style-type: none"> <li>A mapping exercise was undertaken on all reporting obligations under the Contract. Finalising the mapping exercise, implementing the reduction plan and updating the reporting tools became effect on 1 July 2018 and have resulted in a 62 percent reduction in reporting obligations.</li> </ul>
c. undertake more in-depth analysis of KPIs to identify areas which could drive service improvements.	<ul style="list-style-type: none"> <li>A review led to changed process for assessing contractual obligations and service improvement, which improved collaboration with the Facilities Manager. It has also helped map criteria to guide KPI discussion and service improvement.</li> </ul>

## Report 17 of 2017: Management of Pastoral Lands in Western Australia

This report found that the State's system of land monitoring and administration did not adequately protect the ecological sustainability of pastoral lands. This had been exacerbated by a reduction in monitoring since 2009. The new pastoral liaison approach to compliance was not well documented and better guidance to pastoralists was required. It recommended that:

1. By the end of June 2018, the PLB [Pastoral Lands Board] should:
  - a. finalise an MoU for DPIRD [Department of Primary Industries and Regional Development] service provision
  - b. define and adopt an inter-agency definition of 'ecological sustainability' for pastoral lands
  - c. develop an annual action plan to accompany its Strategic Plan to inform pastoral land management.
2. By the end of December 2018, the PLB, with support from DPLH [Department of Planning, lands and Heritage] should:
  - a. develop and implement a rigorous compliance program based on regular land condition monitoring that includes a combination of risk-based and systematic inspections, and checks of pastoral lessee annual returns
  - b. develop an accessible inter-agency database that contains lease compliance and compliance-related monitoring information
  - c. increase opportunity for agency, lessee and stakeholder engagement to promote better coordination of pastoral land management by all entities involved
  - d. undertake an independent review of its performance in line with the Public Sector Commission's Good Governance Checklist.
3. By the end of December 2019, the PLB, with support from DPLH and DPIRD, should:
  - a. develop and implement a reliable statewide system to monitor changes in land condition within the rangelands:
    - i. to inform land management activities across land tenure boundaries
    - ii. at the individual lease level
    - iii. that includes both remote sensing technology and ground monitoring
  - b. develop, publish and circulate policies to prevent the degradation of rangelands and to rehabilitate degraded or eroded rangelands to restore their pastoral potential, as prescribed under the LA Act
  - c. provide guidance on good practice soil, vegetation, stocking and feral animal management techniques, and rehabilitation techniques, to protect and improve the environmental condition of pastoral lands

- d. develop an inter-agency permit approvals process with timelines for each agency, transparency for proponents, and options to streamline and fast track standard applications.

The Committee assessed the report as moderate risk, and in February 2020 resolved to hear evidence from the PLB on its response to the audit report. As a result of the challenges facing activity due to the COVID-19 pandemic, the Committee determined in March 2020 to defer its inquiry. In May 2020 the Committee reopened its follow-up, and wrote to the PLB seeking written details of actions taken in response to the audit report.

The Committee concluded that the PLB responses to the Auditor General's report in the main addressed matters effectively, especially where it was solely responsible for the outcomes. However, where coordination and cooperation with other agencies were involved, there were considerable delays, and some recommendations will not be completed until at least 2023.

The Committee also noted that the PLB provided exemplary evidence that it was tracking the progress of the Auditor General's recommendations, for which we commend them. At its meeting on 12 August 2020, the Committee concluded its follow-up. The PLB's actions in response to particular recommendations are included in Table 2.7.



**Table 2.7: Pastoral Lands Board responses to recommendations from Report 17 of 2017**

Recommendation	Action taken
<b>3. By the end of 2018, the PLB should:</b>	
a. finalise an MOU for DPIRD service provision.	<ul style="list-style-type: none"> <li>The MOU between the PLB, DPLH, DPIRD and the Commissioner of Soil and Land Conservation was finalised on 19 October 2017 and remains in place. A review of the MOU is planned.</li> </ul>
b. define and adopt an inter-agency definition of 'ecological sustainability' for pastoral lands.	<ul style="list-style-type: none"> <li>The PLB developed and approved a definition of 'ecologically sustainable pastoralism' in December 2017. The definition was circulated as part consultation process for the Good Pastoral Land Management Guidelines, and some feedback led to the change of the definition from 'ecological sustainability' to the current definition.</li> </ul>
c. develop an annual action plan to accompany its Strategic Plan to inform pastoral land management.	<ul style="list-style-type: none"> <li>The PLB developed a Statement of Intent and Action Plan in November 2017 which outlined actions to be undertaken by the PLB to support the development of the pastoral industry and ensure sustainable ecological management of the pastoral estate. That Plan was reviewed on 19 June 2020 and is being updated.</li> </ul>
<b>4. By the end of December 2018, the PLB, with support from DPLH should:</b>	
a. develop and implement a rigorous compliance program based on regular land condition monitoring that includes a combination of risk-based and systematic inspections, and checks of pastoral lessee annual returns.	<ul style="list-style-type: none"> <li>Planned completion by June 2023. DPLH in collaboration with DPIRD has initiated development of a rigorous compliance program, but progression is dependent upon the establishment of land condition standards specific to each region, and the land condition monitoring program being progressed in accordance with Recommendation 3a, and, in some aspects, enabling legislative amendments to the LAA.</li> </ul>
b. develop an accessible inter-agency database that contains lease compliance and compliance-related monitoring information.	<ul style="list-style-type: none"> <li>Implementation of this Recommendation has been deferred due to the dependency on Recommendations 2a and 3a.</li> </ul>
c. increase opportunity for agency, lessee & stakeholder engagement to promote better coordination of pastoral land management by all entities involved.	<ul style="list-style-type: none"> <li>The PLB developed a Stakeholder Management and Communications Plan in March 2018 and consulted widely with pastoralists and industry in regional WA to determine strategic priorities. This led to improved coordination and engagement between environmental agencies (in particular DPLH and DPIRD) with lessees and stakeholders. The rights and responsibilities of pastoral lessees have been documented in a publicly available Pastoral Purposes Framework.</li> </ul>
d. undertake an independent review of its performance in line with the PSC's Good Governance Checklist	<ul style="list-style-type: none"> <li>An independent review of the PLB was completed in April 2020, after being twice deferred to wait for new PLB Member appointments and to ensure greater clarity around the PLB's role.</li> </ul>
<b>3. By the end of December 2019, the PLB, with support from DPLH and DPIRD, should:</b>	

<p>a. develop and implement a reliable state-wide system to monitor changes in land condition within the rangelands:</p> <ul style="list-style-type: none"> <li>i. to inform land management activities across land tenure boundaries;</li> <li>ii. at the individual lease level;</li> <li>iii. that includes both remote sensing technology and ground monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Not due for completion until June 2023. DPIRD is leading the Land Condition Workstream to deliver an enhanced land condition monitoring regime. This will use satellite monitoring data. As noted in Recommendation 2a, development of clear land condition standards specific to each region has commenced.</li> </ul>
<p>b. develop, publish and circulate policies to prevent the degradation of rangelands and to rehabilitate degraded or eroded rangelands to restore their pastoral potential, as prescribed under the LAA.</p>	<ul style="list-style-type: none"> <li>In progress, but not due for completion until June 2023. Some policies have been completed that are significant in helping prevent degradation and rehabilitate degraded areas, e.g. the Stocking Policy. Planning of policies dependent on Recommendations 2a and 3a has commenced.</li> </ul>
<p>c. provide guidance on good practice soil, vegetation, stocking and feral animal management techniques, and rehabilitation techniques, to protect and improve the environmental condition of pastoral lands.</p>	<ul style="list-style-type: none"> <li>Guidelines have been approved and will soon be published. Field Guides for each of the key sections of the Guidelines are under development and due for completion by the end of 2020.</li> </ul>
<p>d. develop an inter-agency permit approval process with timelines for each agency, transparency for proponents, and options to streamline and fast track standard applications.</p>	<ul style="list-style-type: none"> <li>Due for completion in June 2023. Review of interagency permit approval processes has focused on a trial of PLB Policy #3 – Cultivation of Non-Indigenous Plant Species on a Pastoral Lease. Discussions with Streamline WA on the suitability of the interagency permit approval process being analysed through their processes have occurred, but not progressed.</li> </ul>

## Report 18 of 2017: Diverting Young People Away From Court

The Report found that while diversion is an opportunity to provide a positive intervention for young people who come into contact with police, in most cases WA Police, DoJ and other agencies were missing that opportunity. Despite a legislative preference for diversion, for complex reasons police chose to divert in less than half of eligible cases. Further, only a small proportion of the young people diverted away from court were linked with services to help them better manage issues that influence their offending, and the use of those services was reduced because young people's needs were not being assessed, and agencies did not evaluate their effectiveness. It recommended that:

1. By the end of 2017, WA Police should improve its diversion of young people by:
  - a. identifying scheduled offence information in performance monitoring data
  - b. ensuring officers include a brief record of their reasons for choosing not to divert when they complete paperwork to charge a young person with an offence.
2. To improve young people's access to services, by the end of June 2018, the DoJ and the Department of Communities should:
  - c. review caution follow ups and communicate expectations to youth justice offices
  - d. reintroduce screening tools for young people referred by police to JJTs, and introduce structured assessments for those who screen as high-risk
  - e. ensure services young people are directed to match the assessment of their needs, and that they are assessed as effective.
3. By the end of June 2018, agencies should work together to improve outcomes for young offenders by:
  - f. ensuring young people are screened and assessed to determine what help they need
  - g. extending case management to young people before their offending reaches serious levels, if they are assessed as high-risk and have complex needs
  - h. defining desired outcomes for youth justice diversion
  - i. measuring youth diversion performance and progress towards desired outcomes
  - j. determining early diversion service needs and gaps
  - k. better educating police officers about diversion
  - l. reviewing local collaboration initiatives to ensure they focus on outcomes.

The Committee assessed the report as moderate risk, and in February 2020 resolved to seek written information from the Department of Justice (Justice), WA Police Force (Police) and the Department of Communities (Communities) about their response to the audit report. As a result of the challenges facing all government activity due to the COVID-19 pandemic, the

Committee determined in March 2020 to defer its inquiry. In May 2020 the Committee reopened its follow-up.

The Committee concluded that the agency responses to the Auditor General's report in most areas addressed matters effectively, although some had taken much longer than expected to finalise. Further, the evidence supplied by the agencies did not provide sufficient confidence that the coordination expected to fulfil the Auditor General's recommendations was in place.

The Committee also noted that the agencies each gave reasonable assurance that their executive was being informed of the progress of responses to the audit recommendations. At its meeting on 12 August 2020, the Committee concluded its follow-up. The actions taken by the agencies in response to particular recommendations are included in Table 2.8.

**Table 2.8: Agency responses to recommendations from Report 18 of 2017**

Recommendation	Action taken
1. By the end of 2017, WA Police should improve its diversion of young people by:	
a. identifying scheduled offence information in performance monitoring data.	<ul style="list-style-type: none"><li>Completed and implemented in January 2020. The WA Police Force (WA Police) established a regime to report on scheduled offence information in performance monitoring data.</li></ul>
b. ensuring officers include a brief record of their reasons for choosing not to divert when they complete paperwork to charge a young person with an offence.	<ul style="list-style-type: none"><li>Completed and implemented in May 2020, with performance reporting scheduled July 2020, through a new Incident Management System.</li></ul>
2. To improve young people’s access to services, by the end of June 2018, the Department of Justice and the Department of Communities should:	
a. review caution follow-ups and communicate expectations to youth justice offices.	<ul style="list-style-type: none"><li>The Dep’t of Justice (Justice) conducted reviews of its cautioning follow-up process and concluded that it was not part of its statutory requirement under the <i>Young Offenders Act 1994</i> and has since ceased the practice across regional WA.</li></ul>
b. reintroduce screening tools for young people referred by police to JJTs, and introduce structured assessments for those who screen as high-risk.	<ul style="list-style-type: none"><li>Since September 2018, Justice has reintroduced and continues to implement a screening tool for young people referred to its Juvenile Justice Teams. This tool was formally developed for young people aged 12-18 years but is also used for children aged 10-11 years, with ‘professional caution’. The screening tool is used to ensure young people are directed to services that match their needs. Justice informed us that these assessments ‘can be disclosed to internal and external supports services’ to improve case management.</li></ul>
c. ensure services young people are directed to match the assessment of their needs, and that they are assessed as effective.	
3. By the end of December 2018, agencies should work together to improve outcomes for young offenders by:	
a. ensuring young people are screened and assessed to determine what help they need.	<ul style="list-style-type: none"><li>Justice, as noted above, implemented a risk/needs assessment tool to improve outcomes for young people.</li><li>WA Police accepted this recommendation and was working in multiple ways with other agencies. This included each Metropolitan District engaging in Integrated Offender Management Working Groups with partner agencies and non-government organisations. It was also engaged regionally with District working groups, and specifically in Juvenile Justice Team meetings with Justice.</li><li>The Department of Communities noted across all parts of Recommendation 3 that it had many activities and programs on this front, including the Target 120 program working with many partners; a new information-sharing arrangement with the Dep’t of Justice; and a multi-agency early intervention and Family Support Strategy</li></ul>

b. extending case management to young people before their offending reaches serious levels, if they are assessed as high-risk and have complex needs..	<ul style="list-style-type: none"> <li>Although Justice told the Committee that it accepted this recommendation once it the wording was amended to 'assessed' rather than 'identified', it informed us that 'extending case management though the Juvenile Justice Teams is not currently supported' under its statutory functions as prescribed in the <i>Young Offenders Act 1994</i>.</li> <li>WA Police accepted the recommendation as is, and informed us that its Youth Division had introduced an improved internal case management framework in the metropolitan area and was working to embed the process state-wide.</li> </ul>
c. defining desired outcomes for youth justice diversion.	<ul style="list-style-type: none"> <li>Justice told us that it had 'considered' this recommendation, but gave no details on how it had been resolved.</li> <li>WA Police accepted the recommendation, and informed us it was working with Justice's Juvenile Justice Teams to fulfil its obligations under the <i>Young Offenders Act 1994</i>.</li> </ul>
d. measuring youth diversion performance and progress towards desired outcomes.	<ul style="list-style-type: none"> <li>Justice's response described an individualistic approach that understood diversion and outcomes on a person-by-person front, but gave little information and did not address the concept of 'measuring' success.</li> <li>WA Police explained it had improved its internal data systems in May 2020, and was expecting performance reporting on diversion by July 2020.</li> </ul>
e. determining early diversion service needs and gaps	<ul style="list-style-type: none"> <li>Justice had 'considered' this recommendation, but gave no detail on whether they accepted it, or on how they had responded to it.</li> <li>WA Police accepted this as an ongoing matter, and discussed ways it was working with partner agencies.</li> </ul>
f. better educating police officers about diversion.	<ul style="list-style-type: none"> <li>Justice reported that it accepted this in full and that implementation was ongoing. By way of example, it was engaged in monthly meetings with Police to progress this.</li> <li>WA Police as accepted the recommendation, and told us of enhancements to recruitment it had put in place in May 2020, and that it expected to have broader training in place by the end of 2020.</li> </ul>
g. reviewing local collaboration initiatives to ensure they focus on outcomes.	<ul style="list-style-type: none"> <li>Justice accepted this in full and told us that implementation was ongoing. We noted that its view of 'collaboration' rested on providing guidance to other agencies.</li> <li>WA Police also accepted this, but gave less detail than in its other responses.</li> </ul>

## Report 23 of 2017: Planning and Management of Bus Services

The Report found that the Public Transport Authority (PTA) met its quality targets for accessible, reliable and safe bus services. But it also found that fewer customers were using buses at the same time as costs were rising, with the State subsidy expected to reach \$410.5 million by 2016-17. The report found that, to 'prevent the subsidy from growing even further, the PTA needs to reduce the cost of bus services and grow patronage.' Noting constraints on the PTSA's ability to do this, the report noted that increased usage on individual routes had not improved overall efficiency, and that lacked the required systematic analysis to identify the most effective service changes. It recommended that:

1. Given the unsustainable rising costs and declining patronage of bus services, PTA should be June 2018:
  - a. Identify ways to reduce costs while balancing impacts on patronage, by using bus operations data more effectively to identify service changes that deliver greatest efficiencies
  - b. Review how effectively the current arrangements transfer risk and provide flexibility to respond to changes in demand and manage costs
  - c. Expand the focus of its initiatives to increase bus patronage beyond increasing services through mass transit corridors.
2. The Department of Transport and PTA should by June 2018:
  - a. Set targets for the share or journeys that should be made by bus and patronage targets in order to measure achievements against the *Perth and Peel Transport Plan for 3.5 Million People and Beyond*
  - b. Identify strategies that help facilitate bus priority measures (bus lanes and infrastructure) in a more timely manner.

The Committee assessed the report as moderate risk, and in February 2020 resolved to hear evidence from the PTA on the actions it had taken in response to the audit report. As a result of the challenges facing all government activity due to the COVID-19 pandemic, the Committee determined in March 2020 to defer its inquiry. In May 2020 the Committee reopened its follow-up, and wrote to the PTA seeking written details of actions taken in response to the audit report. The PTA sought an extension until 30 July, which was granted.

The Committee concluded that the agency responses to the Auditor General's report showed that the PTA continued to seek improvements in its core business, but that it had not made much progress against most of the recommendations. The Committee noted that the PTA disputed the basis of several recommendations and findings. It had, however, carried out several key reviews, and improved some analytical activities which should improve the efficient use of the bus service. It has also initiated a wide-ranging optimisation project which, if carried through, should deal with the majority of the Auditor General's findings and recommendations.

The Committee was disappointed to find that there appeared to be no formal tracking of the PTA's response to the Auditor General's recommendations. While the Managing Director

told us these matters fell within business as usual, we expected to see them tracked and monitored individually. At its meeting on 12 August 2020, the Committee concluded its follow-up. The actions taken by in response to particular recommendations are included in Table 2.9.



**Table 2.9: PTA responses to recommendations from Report 23 of 2017**

Recommendation	Action taken
1. Given the unsustainable rising costs and declining patronage of bus services, PTA should be June 2018:	
a. identify ways to reduce costs while balancing impacts on patronage, by using bus operations data more effectively to identify service changes that deliver greatest efficiencies.	<ul style="list-style-type: none"> <li>• The PTA accepted that from 2006-07 to 2016-17, costs rose and patronage declined but argued that the declining patronage was predominately outside the control of the PTA and not reflective of its long-term performance.</li> <li>• Transperth undertook a review of its systems and processes, and implemented a structured bus route assessment and review program where all bus services are reviewed at least once per year against a standard assessment framework.</li> <li>• PTA requested the creation of a Public Transport Optimisation Project. It was looking forward to working with other Government agencies on the PTOP to develop systems and processes designed to extract even greater levels of service efficiency from the existing network of bus services and deliver more value for money for the taxpayers of Western Australia.</li> </ul>
b. review how effectively the current arrangements transfer risk and provide flexibility to respond to changes in demand and manage cost.	<ul style="list-style-type: none"> <li>• PTA believes that the OAG based its findings on an inaccurate view of risk sharing, which then inferred a way of off-loading buses when not in use. PTA stands by its government-owned approach to buses as central to better practice. It states that it has made savings on each iteration of renewed contracts:</li> <li>• ‘The PTA strongly believes that its current bus service contracting model provides an appropriate level of risk transfer to the private sector. In a commercial setting, risk transfer does not come for free and contractors will always factor in full cost recovery in their pricing structures, plus a risk margin which increases if the proposed arrangements transfer more risk to the contractor. Over the past thirty years of operating to this model, Transperth management has continuously worked on ensuring that risks are appropriately allocated so that best value for money outcomes are delivered.’</li> <li>• ‘The PTA strongly believes that its current arrangements provide unparalleled levels of flexibility to appropriately respond to changes in passenger demand and the requirements of Government and that the existing contract model facilitates the timely capture of savings when reduced service levels are implemented.’</li> </ul>
c. expand the focus of its initiatives to increase bus patronage beyond increasing services through mass transit corridors.	<ul style="list-style-type: none"> <li>• The PTA explained that it had ‘difficulty understanding why the OAG came to this conclusion’, and that ‘the PTA’s only initiative to increase patronage is to increase services through mass transit corridors’.</li> <li>• It referred to many actions it has taken, all reasonably aimed at increasing usage, if not connected to the recommendation (some of these had marginal apparent value/impact – e.g. a \$1.25 million advertising campaign that ‘led’ to 726,000 new rides – a 0.92 percent increase, at \$1.72 per additional ride).</li> </ul>

2. The Department of Transport and PTA should by June 2018:	
a. set targets for the share of journeys that should be made by bus and patronage targets in order to measure achievements against the <i>Perth and Peel Transport Plan for 3.5 Million People and Beyond</i> .	<ul style="list-style-type: none"> <li>• The DoT and the PTA 'does not accept the recommendation that a target be set for the measurement of bus trips compared to total journeys, noting that the PTA already sets bus passenger per service kilometre targets each year.' We note that it reports this figure in its Annual Report.</li> <li>• The PTA told us that bus travel must be seen as part of the overall public transport picture, but provided no clear examples of this principle at work.</li> </ul>
b. identify strategies that help facilitate bus priority measures (bus lanes and infrastructure) in a more timely manner.	<ul style="list-style-type: none"> <li>• The PTA accepted this was important, and explicitly 'accepts the recommendation made' and explained that 'DoT have implemented improved strategic and structure planning frameworks and the PTA has changed its organisational structure and operational focus which is now providing improved outcomes and better community and stakeholder engagement for the delivery of bus priority measures.'</li> <li>• The PTA reported it was frustrated by the delays identified in the report, but surprisingly laid the lack of progress at the feet of the Auditor General for not recommending that the PTA take responsibility for planning and managing public transport corridors.</li> </ul>

# Appendix One

## Committee's functions and powers

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The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund. Standing Order 286 of the Legislative Assembly states that:

The Committee may -

- 1      Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- 2      Inquire into and report to the Assembly on any question which -
  - a)   it deems necessary to investigate;
  - b)   (Deleted V. & P. p. 225, 18 June 2008);
  - c)   is referred to it by a Minister; or
  - d)   is referred to it by the Auditor General.
- 3      Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4      Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.
- 5      The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.



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