



THIRTY-NINTH PARLIAMENT

REPORT 67

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

BUDGET ESTIMATES HEARINGS 2016-17

Presented by Hon Peter Katsambanis MLC (Deputy Chair)

September 2016

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Date first appointed:

30 June 2005

Terms of Reference:

The following is an extract from Schedule 1 of the Legislative Council Standing Orders:

‘3. Standing Committee on Estimates and Financial Operations

3.1 An *Estimates and Financial Operations Committee* is established.

3.2 The Committee consists of 5 Members, 3 of whom shall be non-government Members.

3.3 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 as at the time of this inquiry:

Hon Ken Travers MLC (Chair) (to 29 August 2016) Hon Peter Katsambanis MLC (Deputy Chair)

Hon Helen Morton MLC

Hon Alanna Clohesy MLC

Hon Rick Mazza MLC

Hon Sally Talbot MLC (from 6 September 2016)

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Government Response

This Report is subject to Standing Order 191(1):

Where a report recommends action by, or seeks a response from, the Government, the responsible Minister or the Leader of the House shall provide its response to the Council within not more than 2 months or at the earliest opportunity after that time if the Council is adjourned or in recess.

The two-month period commences on the date of tabling.

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EXECUTIVE SUMMARY, FINDING AND RECOMMENDATIONS FOR THE
REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
IN RELATION TO THE
BUDGET ESTIMATES HEARINGS 2016-17

EXECUTIVE SUMMARY

- 1 The Standing Committee on Estimates and Financial Operations (Committee) conducted hearings in relation to the 2016-17 Budget Estimates from Monday 13 to Friday 17 June 2016.
- 2 The Committee was generally pleased with the conduct of the hearings, with a good cross-section of questions asked by Members and a large number of matters canvassed.
- 3 The Committee also asked 55 agencies generic questions on whole of government issues. The Committee has not asked agencies generic questions since the 2007-08 Budget Estimates process.
- 4 As was the case with the 2014-15 Agency Annual Report hearings process, the Committee was, again, denied access to Strategic Asset Plans of agencies. It looks forward to the Departments of Treasury and Premier and Cabinet providing guidance to agencies on options for releasing information contained in Strategic Asset Plans as recommended by the Auditor General in his Report 18, *Opinions on Ministerial Notifications*.¹

FINDING AND RECOMMENDATIONS

- 5 Findings and Recommendations are grouped as they appear in the text at the page number indicated:

¹ Western Australian Auditor General's Report, *Opinions on Ministerial Notifications*, Report 18, August 2016 (see <https://audit.wa.gov.au/reports-and-publications/reports/> Viewed 31 August 2016).

Recommendation 1: The Committee recommends that, should there not be a complete list of all Commonwealth grants, whether through national partnership agreements or other mechanisms, in Budget Paper No.3, the Department of Treasury should provide a complete list.

Finding 1: The Committee finds that agency expenditure on media monitoring and the differences in approaches taken across agencies is a possible topic of inquiry for the Committee of the 40th Parliament.

Recommendation 2: The Committee recommends that the Premier advise all Ministers, when tabling notices pursuant to section 82 of the *Financial Management Act 2006*, to make clear when the notice is intended to cover multiple refusals to provide information to the Parliament.

REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

IN RELATION TO THE

BUDGET ESTIMATES HEARINGS 2016-17

1 REFERENCE AND PROCEDURE

The Committee's function of expenditure review

- 1.1 It is a function of the Estimates and Financial Operations Committee (Committee) to consider and report to the Legislative Council on the estimates of expenditure laid before the Council each year and any matter relating to the financial administration of the State.²
- 1.2 The Committee conducts annual Budget Estimates Hearings for the consideration of the estimates of expenditure. This facilitates the examination by Members of the finances and expenditure of the Executive, thereby improving the financial management of the State.
- 1.3 Government revenue is credited to the Consolidated Account, which is the major source of funding for the State public sector.³ The Government's estimates of expenditure for a financial year comprise the Appropriation (Consolidated Account) Bills and the supporting documentation (Budget Papers). These are presented to Parliament on an annual basis to enable the Government to access or appropriate money from the Consolidated Account to fund expenditure over a given financial year.⁴
- 1.4 This report relates to the Budget Estimates Hearings for 2016–17.⁵

² Term of reference 3.3(a).

³ *Financial Management Act 2006*, s 8(2). The major revenue sources for the Western Australian Government include taxes, imposts, rates, duties and royalties: *Constitution Act 1889*, s 64.

⁴ *Constitution Act 1889*, s 72.

⁵ The 2016–17 Budget Statements were tabled in the Legislative Council on 12 May 2016. The Appropriation (Capital 2016–17) Bill 2016 and the Appropriation (Recurrent 2016–17) Bill 2016 were assented to on 26 August 2016.

2 BUDGET ESTIMATES HEARINGS

Hearings

- 2.1 To assist the Committee in determining which agencies to examine, the Committee authorised Members to consult with their colleagues.
- 2.2 Details of the hearings were placed on the Committee’s website (www.parliament.wa.gov.au/est). Hearings were held from 13 to 17 June 2016.
- 2.3 A list of the agencies with whom the Committee held hearings relating to the estimates of expenditure and a summary of some of the subjects discussed at the hearings is set out at Table 1.

Table 1

2016–17 Budget Estimates Hearings with agencies

Date and agency	Subjects discussed
13 June 2016 Department of Treasury	<ul style="list-style-type: none"> • financial impact of the Perth Stadium and the treatment of life cycle maintenance costs and their disclosure over a 25 year depreciation life cycle • contributions by Chevron Australia Pty Ltd regarding Chevron Parkland • internal costs reflected in the budget for the sale of ports assets • construction delays for the old Treasury building project • costs of the Department moving to the old Treasury building • the increase in the payroll tax threshold from \$800,000 to \$850,000 • modelling to predict the potential rate of deflation in Western Australia • key drivers of Treasury’s revenue models • complaints from subcontracting companies regarding non-payment for work on the Perth Children’s Hospital • scope of the <i>Construction Contracts Act 2004</i> and sub-subcontractors • roads in Western Australia funded by the Commonwealth that do not meet the criteria for the national network • analysis by the Department and external consultants on GST relativities • proportion of royalty revenue redistributed to other Australian jurisdictions

Date and agency	Subjects discussed
	<ul style="list-style-type: none"> • forecast of an increase to GST relativity to 75.9% by the end of the forward estimates period • expenditure on regional areas not recognised by the Commonwealth Grants Commission (CGC) in the assessment of GST distribution • ‘remote’ and ‘very remote’ classifications as part of the CGC GST distribution process • difference between Western Australian and Queensland GST relativities • workforce renewal savings in the Department of Education • increase in net worth of the total budget sector from 2008 • reduction in land tax due to lower land values • outstanding works for the Perth Children’s Hospital • Land Asset Sales program • effectiveness of the Public Sector Wages Policy • low growth in the wage price index • sale of Keystart home loans.
<p>14 June 2016</p> <p>Department for Child Protection and Family Support</p>	<ul style="list-style-type: none"> • additional resources for the Working with Children Check unit (amendments to the <i>Working with Children (Criminal Record Checking) Act 2004</i> are in the process of being considered for drafting) • length of time taken to obtain a working with children check • foster carers without either a working with children check card or an application for a check card in process • monitoring of persons with a lapsed working with children check card • cuts to homelessness services by nearly \$20 million a year over the forward estimates as a result of the national partnership ending • cuts to responsible parenting services as a result of royalties for regions funding ending in 2018 • reductions in the Higher Utility Grants Scheme • case management for young people who leave care at age 25 • Memorandum of Understanding with Department of Health regarding newborn children resulting from pre-birth assessments

Date and agency	Subjects discussed
	<ul style="list-style-type: none"> • 18,000 individual children notifications at risk of abuse • cost of the proposed central care panel; the work in progress around sitting fees and the return on investment expected from the reform • specialised or more intensive care arrangements for children and young people as a result of drug and alcohol misuse, mental health concerns, disability and extreme trauma • statistics of women and children assisted by refuges • expansion of the existing Ruah refuge and \$3 million for the Kimberley Family Violence Service • managing the complexities of funding services for those young people who fall into more than one program category under the Mental Health Commission, the National Disability Insurance Scheme and the Disability Services Commission through Memoranda of Understanding and case management • number of full-time and contract staff • there being 672 extra children in care yet only six more child protection workers at the Department on 1 May 2016 compared to 1 May 2013 • the Department's response to the Committee's generic questions on Strategic Asset Investment plans and infrastructure requirements over the next 10 years.
<p>14 June 2016</p> <p>Mental Health Commission</p>	<ul style="list-style-type: none"> • locations of 25 mental health beds not yet open for patient admission and the reasons for them not being open • 14 Fiona Stanley Hospital beds constructed for the youth treatment inpatient setting • recruitment difficulties and the retention of specialist child and adolescent mental health staff • review of child and adolescent health service acute response teams and the Commonwealth funded acute community intervention teams • co-location of the Mental Health Commission with the Drug and Alcohol Office • restructuring the classification of expenditure into the Western Australian Mental Health, Alcohol and Other Drugs Services Plan • current Commonwealth/State partnerships running out at the end of this financial year and issues with future

Date and agency	Subjects discussed
	<p>Commonwealth funding</p> <ul style="list-style-type: none"> • the recall of ‘Campaign Messages’ by target groups and the cost per person rising from 45 cents in 2015-16 to an estimated actual of 81 cents to target ‘harder-to-get-to’ groups. • the decline of long-term use of stimulants such as methamphetamines over the past 10 years • the effectiveness of special purpose accounts established for the area health services • tracing the 150 variables associated with those individuals who suicide and the investment in a database to search for common deterministic factors • finalising small grants initiatives of up to \$20,000 • community bed-based services, including the Goldfields subacute centre facility • suicide and self-harm in schools program.
<p>14 June 2016</p> <p>Disability Services Commission</p>	<ul style="list-style-type: none"> • implementation of savings measures from 2017 • Independent Living Support and access to respite funding for family support • 63 people aged 50 or younger with disabilities residing in aged care • increase in systemic advocacy funding • repayments from compensable clients with permanent disabilities • modelling associated with the catastrophic injury scheme • expansion and extension of the NDIS trial • outsourcing of accommodation services by June 2017 • transition of social trainer staff to the non-government sector.
<p>14 June 2016</p> <p>Metropolitan Redevelopment Authority</p>	<ul style="list-style-type: none"> • Elizabeth Quay and the capital contribution of four food and beverage outlets at Yagan Square (details of the deeds with the lessees are commercial-in-confidence) • the sequence of events around the opening of the Elizabeth Quay water park and the clearance certificate from the Executive Director of Public Health • monthly testing results of the Elizabeth Quay inlet being made public as part of MRA’s post-construction management plan • the \$22.4 million asset investment program in

Date and agency	Subjects discussed
	<p>Scarborough (absent in the forward estimates as the MRA does not own Scarborough land, thus not an asset) as part of the implementation of the Scarborough master plan</p> <ul style="list-style-type: none"> • retention of iconic trees, car parking and access roads at Scarborough during contraction of the swimming pool and relocation of sand to create Sunset Hill • City Link and the \$2 million cost to terminate involvement with Mirvac.
<p>14 June 2016</p> <p>Department of Planning and Western Australian Planning Commission</p>	<ul style="list-style-type: none"> • cost of implementing and annual cost of the green growth plan (strategic assessment of the Perth and Peel regions) as well as population forecasts • strategies to fulfil infill targets • enhancement of and encouraging infill around train stations • implementation of phase two action plan for the Affordable Housing Strategy • processing times for town planning scheme amendments • proposal for a two storey residential aged care facility on Silica Road in Carine • Mandurah central revitalisation strategy • level of provision for land acquisition program over the forward estimates • average lot size in the Perth metropolitan area • infill pressures and green infrastructure • rezoning of Joondalup and Wanneroo to R30 and transport infrastructure • Ocean Reef Marina project • land acquisition for north west passenger railway corridor • Swan Valley development plan • Perth Convention and Exhibition master plan • Ascot kilns and Golden Gateway project • potential sites for high schools in the inner northern and western suburbs • remaining land purchases regarding finalisation of the passenger railway corridor to Yanchep, Mitchell Freeway • issues arising from decisions of development assessment panels and costs arising from appeals from these decisions.

Date and agency	Subjects discussed
<p>15 June 2016</p> <p>Department of Education</p>	<ul style="list-style-type: none"> • violent behaviour towards teachers • commercial opportunities at public-private schools and availability of the project deed between the Government and the consortium that has the contract for the eight public-private partnership schools • works in progress for Geraldton Senior College • location of land being acquired for new developments • funding to non-government schools • redevelopment of Carnarvon Community College • low percentage of male teaching staff • educational development of children depending on pre-primary education • science, technology, engineering and mathematics education programs • direct instruction as a methodology for teaching • rebuilding of secondary schools built before the 1980's • expenditure on maintenance by the Department • funding for the components of the student-centred funding model • the way in which 'Works in Progress' and 'New Works' is presented in the budget papers • schooling needs for inner-city and western suburbs • building of additional classrooms and other facilities at Churchlands College and Shenton College • projections for the need for inner-city primary and high schools to 2025 • breakdown of expenditure of \$510,000 as part of the Bigger Picture advertising campaign.
<p>15 June 2016</p> <p>Public Transport Authority</p>	<ul style="list-style-type: none"> • price movement in NRW Pty Ltd shares just prior to the government announcement that the \$1.176 billion contract to design, construct and maintain the Forrestfield-Airport Link had been awarded to joint venture proponent Salini Impregilo, and local company NRW Pty Ltd • costings for the removal of 12 priority level crossings on the Midland, Fremantle and Armadale lines identified for closure for grade separation • car park attendants' reduction policy from 28 to 14 for the interim period until a technology solution is found

Date and agency	Subjects discussed
	<ul style="list-style-type: none"> • the 2009 roll back of accessible bus stops for people with disabilities or mothers with prams from 650 in Perth and regional town centres to 500 • cessation of the annual, \$800,000 contribution for the Indian Pacific seniors and pensioners class of fare from 1 July 2016 • Public Transport Authority incurred general public travel expenditure for special events • the imminent tender for the Nicholson Road grade separation project and its relationship to the \$500 million Thornlie railway line extension • the closure of low patronage stations • success of route 950 in terms of reliability, frequency and attracting people onto buses as well as its concept extension to Mirrabooka, through the new Perth bus station, out to Curtin University • the lack of buses meeting trains for young people in outer suburbs working late or weekends • compensation paid to landowners for acquisition of properties relating to the Forrestfield Rail Link project • past passenger satisfaction monitoring by surveys • overcrowding on trains at peak times with the increased parking at Edgewater feeding more patrons into the service at peak times (the 22 new six-car railcar set order will provide additional capacity) • completion of the proposed footbridge to the East Perth passenger rail station before the start of 2018 • problem lifts at Butler train station.
<p>15 June 2015</p> <p>Main Roads Western Australia</p>	<ul style="list-style-type: none"> • new freeway line markings at freeway merges • work on Marmion Avenue intersections at Hepburn and Whitfords Avenues and whether there has been consultation with Whitfords City Shopping Centre • road efficiency improvements and Redback Bridge in Port Hedland • truck movements and grain tonnage along Coalfields Highway in Collie • Donnybrook-Greenbushes South Western Highway roadworks • remaining stages of Bunbury outer ring road • classification of vehicles not permitted to use Collie-

Date and agency	Subjects discussed
	<p>Preston and Preston roads</p> <ul style="list-style-type: none"> • heavy vehicle charge for the Perth Freight Link • Ellenbrook bus rapid transport project • cost of road widening and bridge on Armadale Road • extension of Mitchell Freeway • process for identifying design life and maintenance/replacement needs for road assets and maintenance backlogs • assessment of claims for property damage in the Belmont area due to the construction of the Gateway project.
<p>15 June 2016</p> <p>Department of Transport</p>	<ul style="list-style-type: none"> • on-demand transport reform • absence of stakeholder consultation prior to determining the new annual lease rate for government taxi plates (only sought expert economists' advice for developing a cost-recovery model) • allocation of \$8.6 million for the Western Australian bicycle <i>Principal Shared Path</i> network and programming the connecting of Fremantle to the City • three years of planning work developing the outer harbour in Cockburn Sound (some information currently Cabinet-in-confidence) • wait times of multipurpose taxis and the Department concurring there is an unacceptable standard of service • Black & White taxis winning the right to operate a single dispatch service • the finding that the London taxis initiative introduced on a trial basis does not meet many disability standards • key effectiveness indicator percentage of vehicle examinations completed in accordance with Australian Design Rules at only 91% explained by administrative failure to accurately fill out <i>Vehicle Inspection System</i> details • the 2015–16 \$86 average cost per vehicle inspection through authorised inspection stations with the estimated actual at \$113 being driven by cost recovery • the (public facility) Perth Stadium precinct jetty funded through the Burswood trust for enhancing the stadium precinct and Burswood peninsula

Date and agency	Subjects discussed
<p>15 June 2016</p> <p>Department of Agriculture and Food</p>	<ul style="list-style-type: none"> • cuts to the Department’s budget over time • introduction of the Commonwealth Biosecurity Bill and its impact on Western Australia • breakout of Russia wheat aphid in South Australia and contingencies in place for Western Australia • meetings of the Agriculture Ministers’ Forum • funding for the potato industry adjustment package • the supply of free-range eggs in Western Australia • operation of the Doppler radar system • new headquarters for the Department • funding for regional biosecurity groups • management of wild dogs • amount spent on the Seizing the Opportunity initiative⁶ • proposed backpacker tax and its effect on attracting labour to the agriculture industry • repeal of the <i>Genetically Modified Crops Free Areas Act 2003</i> and new handling systems for the segregation of crops • work undertaken by the Department regarding the live export industry (that is, inspections) • allocation for the animal welfare review • allocation to the Royal Society for the Protection and Welfare of Animals (Western Australia) and location in the budget papers • effect of royalties for regions funding on the Department’s operations • status of research stations and district offices (sale and lease) • internal review of the Department • commercialisation of the black apple • excess milk supply and assistance to dairy suppliers • changes to the Department’s performance indicators.
<p>16 June 2016</p> <p>Department of Health</p>	<ul style="list-style-type: none"> • paediatric implementation plan to co-ordinate and roll out paediatric services throughout Western Australia • allocation of funds in the 2016-17 Budget for improvements to Royal Perth Hospital

⁶⁶ Department of Agriculture, Seizing the Opportunity Agriculture. Available at: < <http://www.drd.wa.gov.au/projects/Agriculture/Pages/Seizing-the-Opportunity-Agriculture.aspx>>. Viewed 1 July 2016.

Date and agency	Subjects discussed
	<ul style="list-style-type: none"> • establishment of the East Metropolitan Health Service • review to look at a dedicated area for smoking in the secure area of Sir Charles Gairdner Hospital • services provided by the Child and Adolescent Health Service • decommissioning of equipment and furniture used at Princess Margaret Hospital and donation to overseas developing countries such as Zambia • state price for the weighted price for activity in hospitals • operations for people diagnosed with hydrocephalus • treatment provided for patients with spina bifida • circumstances leading to the opening of the water park at Elizabeth Quay • increases in emergency department presentations and inpatient separations • growth in the number of trips over six years from 53,000 to 93,000 as part of the patient assisted travel scheme • business case for the future development of the Quadriplegic Centre • wait times in emergency departments for mental health beds • estimated cost of the upgrade at Royal Perth Hospital for the helipad.
<p>16 June 2016</p> <p>Department of Environment Regulation</p>	<ul style="list-style-type: none"> • clearing regulation work undertaken by the Department • container deposit scheme in Western Australia • underspend in the waste avoidance and resource recovery account • employees working on climate change • low emissions energy development fund • Western Australia's per capita emissions compared to other states • complaints about breaches of environmental licenses • permanent (contract of service) and temporary staff (contract for service) employed by the Department • media monitoring costs incurred by the Department • work undertaken by the Department on contaminated sites • remediation of asbestos contamination at Gooseberry Hill • illegal dumping of rubbish.

Date and agency	Subjects discussed
<p>16 June 2016</p> <p>Office of the Environmental Protection Authority</p>	<ul style="list-style-type: none"> • assessment workload in the iron ore and uranium sectors • the ‘Perth and Peel@3.5 million: Environmental impacts, risks and remedies’ interim strategic advice of the EPA on (amongst other things) potential impacts on the Carnaby’s black cockatoos • the Pilbara strategic conservation fund • the Green Growth Plan bringing together a substantial amount of environmental information regarding the conservation values of the Perth–Peel region noting it has been developed specifically for the Commonwealth’s <i>Environment Protection and Biodiversity Conservation Act 1999</i> • policies protecting wetlands and lakes given the suspension of the Swan Coastal Plain Environmental Protection Plan • issuing of environmental harm notices or legal action, for example, groynes at Port Geographe • three uranium projects currently under assessment • funding for strategic regional conservation initiatives • the Commonwealth-State ‘one stop shop’ initiative to assess and approve projects is reliant on Commonwealth legislative amendments • Department of Parks and Wildlife reports addressing endangered species and priority listed species • funding for the EPA to access expert advice on the range of areas that it needs when undertaking an environmental assessment • assessment of the Roe Highway extension project • cost for the EPA to assess the Ocean Reef marina proposals • assessments of major infrastructure developments, such as ports, taking approximately three years.
<p>16 June 2016</p> <p>Department of Parks and Wildlife</p>	<ul style="list-style-type: none"> • staffing the new headquarters in Bunbury and decontamination costs of previous mining tailings • firefighting fleet replacement costing \$2.2 million for 10 heavy-duty fire trucks or gang trucks • the \$9.5 million to \$10 million cost incurred by the Department for the Yarloop–Waroona fires • the Biodiversity Conservation Bill 2015 to replace the <i>Wildlife Conservation Act 1950</i> and the <i>Sandalwood Act</i>

Date and agency	Subjects discussed
	<p><i>1929</i> with the cost of implementing the Bill's clauses between \$1 and \$2 million</p> <ul style="list-style-type: none"> • upgrading facilities at the Wheeler airfield at a cost \$515,000 • staff working on the green growth plan over the past five years tasked with mapping, fielded identification of values, producing and evaluating reports • the 'Biodiversity survey to inform Pilbara's future' published in two volumes in 2011 and 2015, yet 13 years to collect the information • autopsy results of two dolphins outside Elizabeth Quay • dolphin population in the Swan–Canning River system, with 20-30 fully resident • joint management arrangements with the Gnulli native title party to enter into negotiations for the Ningaloo Coast • the 'Prescribed Burning and Fire Management' efficiency indicator being the average cost per hectare burnt • prescribed burning funding through the Royalties for Regions of \$20 million over four financial years • infrequent meetings of the Wetlands Coordinating Committee • effectiveness of the Eradicat baiting system in rangelands areas.
<p>16 June 2016 Department of Lands</p>	<ul style="list-style-type: none"> • Government land assets sales targets with 32 crown land and freehold assets on the market valued at approximately \$29 million • agencies' legislative ability to own land • the 'Pastoral Lease Renewal Program—Compensation for Lawful Improvements' such as fences, windmills, sheds when some pastoral leases were not renewed in July 2015 • funding for modernisation of the <i>Land Administration Act 1997</i> • investigating 595 assets on the whole of government property register • funding of the rangelands reform program by Royalties for Regions • the accounting treatment of lands held on an agency's accounts where the agency has control over that asset

Date and agency	Subjects discussed
	<p>through a management order for crown land</p> <ul style="list-style-type: none"> • the Department assuming the administrative functions performed by the Pastoral Lands Board • the unsolicited bids process guidelines.
<p>16 June 2016</p> <p>Department of Regional Development</p>	<ul style="list-style-type: none"> • Growing Our South Initiative • ‘Brand WA’ - development of a specific Western Australian food and agriculture brand • WA Open for Business initiative and office • Government policy position on the grain freight rail network • Bunbury waterfront project and the redevelopment of the Dolphin Discovery Centre as well as the difference between the cost estimates in the City of Bunbury Master Plan and the allocated funding under royalties for regions • blueprint for improving remote service delivery, including remote Aboriginal communities • determination by agencies of whether or not an item is over and above ‘the normal business of government’ for the purposes of royalties for regions funding.
<p>17 June 2016</p> <p>Western Australia Police</p>	<ul style="list-style-type: none"> • Armadale courthouse and police complex design and accommodation brief • psychoactive substances legislation and the seizing and testing of drugs • police mental health co-response • increase in the number of police officers moved to the front line • new licensing system for pawnbrokers and firearms • number of family and domestic violence calls for assistance and incident reports • family and domestic violence perpetrator and engagement project • annual leave liability • fixed site speed cameras • point-to point camera trial and legislative amendments required for implementation • impounding of vehicles from hoon drivers and subsequent sale • community forums attended by police • position of Western Australia Police on former police officers using photos of themselves in police uniform for

Date and agency	Subjects discussed
	election purposes <ul style="list-style-type: none"> • workers' compensation arrangements for police officers • sentencing for those who assault school staff • operations of the Perth Watch House during weekends when the Magistrates Court is in session • management of overtime for police officers • Westralia Square accommodation for the Department • method of surveying community views on satisfaction with police • confiscation proceeds account • police media and communications resources • Commissioner's powers regarding the opening and closure of police stations • regional radio network replacement program (conversion from analogue to digital) • completion date for the Ballajura police station • roll out of speed camera replacement program • statistics on disciplinary actions against police officers • Frontline 2020 program • strategies to reduce offences against property • capacity of police stations in fast growing areas such as Yanchep and Joondalup • payments for personal use of credit cards.

2.4 The hearings were conducted in accordance with the Committee's Procedure Policy, a copy of which is available on the Committee's website at www.parliament.wa.gov.au/est. All Members were notified of the hearings and invited to participate.

2.5 All hearings were public and recorded by Hansard. Transcripts of the hearings are posted on the Committee's website.

2.6 The Committee was disappointed with the lack of preparedness of Western Australia Police at the hearing on 17 June 2016 in answering various questions on domestic violence, especially given it is a key effectiveness indicator for the agency.⁷

⁷ See Hon Alanna Clohesy MLC, *Transcript of Evidence*, 17 June 2016, pp 9-10.

Questions on notice

- 2.7 In accordance with its Procedure Policy, the Committee invited Members to submit questions on notice prior to the hearings. Eight Members submitted questions and the answers were provided to those Members prior to and during the hearings.
- 2.8 During the Budget Estimates Hearings a number of questions were taken on notice.
- 2.9 Where a Member was unable to ask all their questions in the scheduled time, they were provided with the opportunity to submit those questions in writing at the end of the hearing.
- 2.10 These questions and answers are on the Committee's website.

3 QUESTIONS ON WHOLE OF GOVERNMENT ISSUES

Generic questions

- 3.1 The Committee asked 55 agencies generic questions on whole of government issues (the 18 agencies appearing at hearings and 37 further agencies listed in Appendix 1) to provide a focus of inquiry and a comparison of the performance of agencies. The Committee last asked agencies generic questions during the 2007-08 Budget Estimates process.⁸
- 3.2 The generic questions are listed in Appendix 2.⁹ Copies of the answers provided by agencies are posted on the Committee's website. Issues identified during this process are commented on below.

Agency Expenditure Review program

- 3.3 The Government introduced the Agency Expenditure Review program (AER) as part of the 2014-15 Mid-year Review to implement savings initiatives and limit expenditure growth. This was in response to the weakness in revenue outlook.¹⁰
- 3.4 The AER is a process of rolling reviews that enables agencies to self-identify savings up to predetermined targets.¹¹

⁸ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 17, *Budget Estimates 2007/08*, 9 April 2009, pp 6-10.

⁹ The Committee received queries from some agencies requesting clarification about some of the questions, which were subsequently amended to provide clarity.

¹⁰ Government of Western Australia, Department of Treasury, *Agency Expenditure Reviews*, p1. Available at: < <http://static.ourstatebudget.wa.gov.au/16-17/factsheets/aer.pdf?>>. Viewed 6 July 2016.

¹¹ <http://static.ourstatebudget.wa.gov.au/16-17/2016-17-wa-state-budget-bp3.pdf>. Viewed 28 June 2016.

- 3.5 According to 2016-17 Budget Paper No.3, the first two phases of the AER, which applied to 14 medium-sized agencies, delivered \$416 million in net debt savings.
- 3.6 As part of the 2016-17 Budget, the AER has been extended to a further 54 agencies with a 3.5 per cent savings target. The Government expects this third phase will deliver savings of \$461 million over the forward estimates, with specific savings measures for each affected agency to be detailed in the 2017-18 Budget.¹²
- 3.7 The Committee asked agencies how savings measures they identified in the budget will be achieved, the risks to achieving those savings and whether any low priority programs will cease or be reduced.
- 3.8 The Committee received a range of responses from agencies. A number gave the following, generic, response:

*The objective of Agency Expenditure Reviews (AERs) is to ensure that, as circumstances change over time, the programs delivered by agencies remain a Government priority and continue to be delivered in an efficient and effective manner. Savings allocations are to be held at a global level until allocated to agencies as part of the 2016-17 Mid-year Review, with specific savings measures to be announced as part of the 2017-18 Budget. Measures to achieve allocated savings will be developed for consideration in the 2017-18 Budget process.*¹³

- 3.9 Other answers were more specific. The Department of the Attorney General stated:

How will the savings measures identified in the Budget be achieved by your Agency?

Answer:

The agency expenditure review savings were applied to the Department of the Attorney General's budget as part of the 2015/16 budget process.

¹² With a number of modifications including: full exemptions for Western Australia Police and the Department for Child Protection and Family Support; the 3.5% target for the Department of Education applying only to its Central and District Office costs; the 3.5% target for WA Health applying only to its non-hospitals budget (with the associated savings being reinvested back into the hospitals budget); the 3.5% target for the Department of the Premier and Cabinet excluding funding for electorate offices, native title and science grants; and the 3.5% target for the Disability Services Commission excluding funding for the not-for-profit sector.

¹³ Copies of responses can be found on the Committee's website at www.parliament.wa.gov.au/est.

Savings came from flattening the management structure in the agency; restructure of corporate programs and services; improved management of vehicle fleet, parking, information technology and maintenance costs and a reduction in non-cash accrual items as a result of interest rates remaining relatively low and unchanged and salary wages rates capped at CPI.

What are the risks to achieving the savings identified?

Answer:

Nil. The identified savings required have already been made.

Are there any low priority programs your agency is ceasing or reducing? If so, please provide details.

Answer:

With the exception of not reopening Roebourne Courthouse no program has been ceased or reduced.¹⁴

National partnership agreements

3.10 A significant amount of funding for government services in Western Australia is governed by national partnership agreements. These are one type of intergovernmental agreement entered into between states and territories and the Commonwealth to support the delivery of specified projects, facilitate reforms or reward those jurisdictions that deliver on nationally significant reforms.¹⁵

3.11 The Committee asked agencies for:

- a list of national partnership agreements under which they receive funding
- their expiry dates
- the amount received in 2015-16
- the budgeted amount for 2016-17
- details of any impact resulting from their expiry

¹⁴ Department of the Attorney General, Answers to Generic Questions to agencies.

¹⁵ See <http://www.federalfinancialrelations.gov.au/content/npa/>. Viewed 31 August 2016.

- information regarding whether the State will be making up any loss in funding and, if not, details of required cuts to services.

3.12 A majority of agencies gave the following, generic, response:

Please refer to Budget Paper 3, Chapter 4 'General Government Revenue (pp.81-88) and Appendix 13 (p. 311). Appendix 13 provides a summary list of all National Partnership Agreements (NPAs) and includes funding figures and expiry dates.

As noted in Appendix 13, the NPAs are time limited and it is assumed in the Budget that there is no continued funding (Commonwealth or State) past an NPA's expiry date and that any additional or enhanced services generated by the NP will cease (unless otherwise identified by footnote (c)).¹⁶

3.13 Other answers were more specific. The Department of the Attorney General stated (with respect to Legal Aid Western Australia):

(a) National Partnership Agreement on Legal Assistance Services

(b) 30 June 2020

(c) 2015-16 Legal Aid Commission \$23.480 million

Community Legal Centres \$5.541 million

2016-17 Legal Aid Commission \$24.030 million

Community Legal Centres \$5.821 million

3.14 The Committee has not formed a view as to whether Budget Paper 3 contains an exhaustive list of all Commonwealth funding received, whether through national partnership agreements or other grant funding.

Recommendation 1: The Committee recommends that, should there not be a complete list of all Commonwealth grants, whether through national partnership agreements or other mechanisms, in Budget Paper No.3, the Department of Treasury should provide a complete list.

¹⁶ See, for example, Department of Environment Regulation, Answers to Generic Questions to agencies; Mental Health Commission, Answers to Generic Questions to agencies; Department of Parks and Wildlife, Answers to Generic Questions to agencies.

Commonwealth grants

- 3.15 The significance of Commonwealth grants is noted in 2016-17 Budget Paper 3, which states:

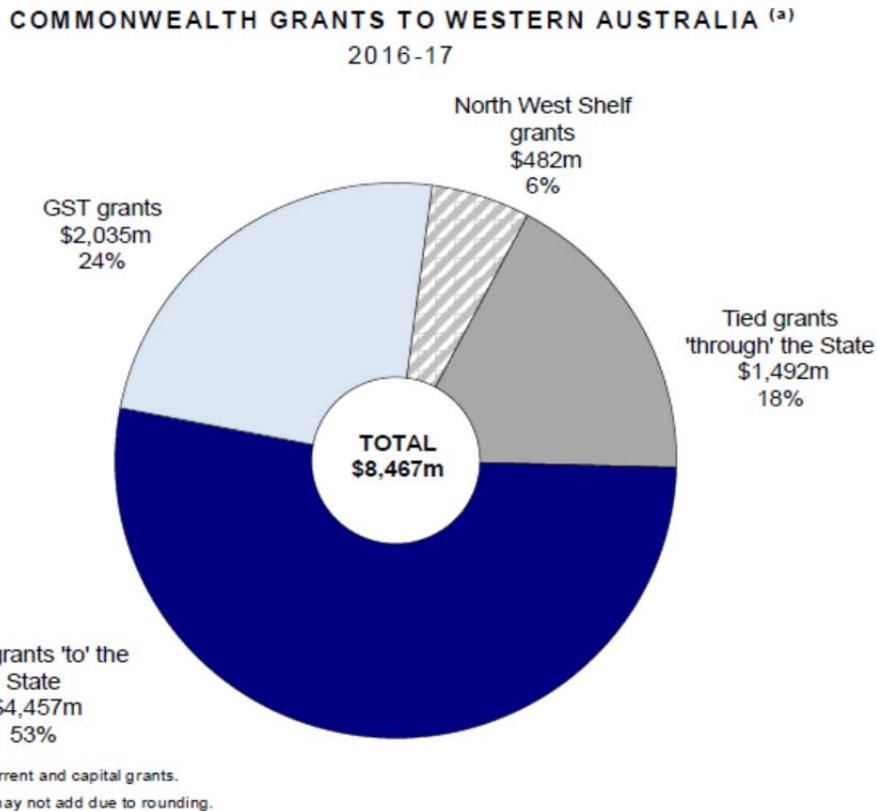
Commonwealth grants are estimated to total \$8.5 billion in 2016-17 and account for 33% of the State's total revenue. There are no restrictions on the spending of GST grants and North West Shelf grants. Other grants ('tied grants') must be spent on specific activities (e.g. health, education, roads and social housing).¹⁷

- 3.16 The following graph¹⁸ illustrates the value of each type of Commonwealth grant as a percentage of total revenue.

¹⁷ <http://static.ourstatebudget.wa.gov.au/16-17/2016-17-wa-state-budget-bp3.pdf>? p81. Viewed 28 June 2016.

¹⁸ *ibid.*

Figure 1
Commonwealth Grants to Western Australia



- 3.17 Each agency stated it was not in receipt of any Commonwealth grants,¹⁹ or gave the following, generic, response:

Please refer to Budget Paper 3, Chapter 4 'General Government Revenue' (pp. 87-88) and Appendix 2 'General Government Operating Revenue' (p. 235) for details of all Commonwealth grants to the State. General revenue grants and National Specific Purpose Payments are intended to be ongoing.²⁰

10 year Strategic Asset Plans

- 3.18 As stated in the Committee's Report 65, an agency's Strategic Asset Plan, as part of the budget cycle, 'looks 10 years ahead to show how an agency intends to deliver

¹⁹ See, for example, Southern Ports Authority, Answers to Generic Questions to agencies.

²⁰ See, for example, Department for Child Protection and Family Support, Answers to Generic Questions to agencies; Department of Health, Answers to Generic Questions to agencies.

*practical services to the public using Government infrastructure, buildings, other assets, and related demand management initiatives.*²¹

3.19 The Committee was disappointed that it received only one Strategic Asset Plan (Parliamentary Services Department) out of the 55 agencies sent generic questions.

3.20 In response to question 1.9, almost every agency gave the following, generic, response:

*Answer: Strategic Asset Plans (SAPs) are prepared for Treasury as part of the Budget process to inform decision making by the Economic and Expenditure Reform Committee and Cabinet. Disclosure of these plans would reveal the deliberations and decisions of both bodies and are therefore considered Cabinet-in-Confidence. Until such time as specific programs within a SAP have been considered and approved to proceed they remain indicative. Additionally and understandably 10 year SAPs are subject to a wide variety of exigencies including but not limited to priorities of the government of the day; changes in circumstances; changes in technologies and external events.*²²

3.21 Thirteen notices pursuant to section 82 of the *Financial Management Act 2006* have been tabled in the Parliament with respect to the refusals by agencies to provide the

²¹ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 65, *Agency Annual Report Hearings 2014-15*, 25 August 2016, p 24.

²² Copies of responses can be found on the Committee's website at www.parliament.wa.gov.au/est.

Committee with copies of Strategic Asset Plans.²³ The Committee notes each notice uses almost identical wording to describe the reasons the requested information has not been provided, as follows:

Strategic Asset Plans (SAPs) are prepared for Treasury as part of the Budget process to inform decision making by the Economic and Expenditure Reform Committee and Cabinet. Disclosure of these plans would reveal Budget-related advice to both bodies which is Cabinet-in-confidence. Until such time as specific programs within a SAP have been considered and approved to proceed they remain indicative. Additionally and understandably, 10 year SAPs are subject to a wide variety of exigencies including but not limited to priorities of the government of the day; changes in circumstances; changes in technologies and external events.

It is noted that some information contained in SAPs is published in the Annual Budget Papers in the forward estimates for agencies, particularly approved capital works expenditure. That information is already published and there is little in the SAPs that will add to the published information and associated public announcements made by government.

²³ See Tabled Paper 4328, Legislative Council, 16 August 2016, tabled by Hon Michael Mischin MLC, Attorney General and Minister for Commerce; Tabled Paper 4329, Legislative Council, 16 August 2016, tabled by Hon Michael Mischin MLC, Attorney General and Minister for Commerce (on behalf of Hon Joe Francis MLA, Minister for Emergency Services, Fisheries, Corrective Services and Veterans); Tabled Paper 4330, Legislative Council, 16 August 2016, tabled by Hon Michael Mischin MLC, Attorney General and Minister for Commerce (on behalf of Hon Sean L'Estrange MLA, Minister for Mines and Petroleum and Small Business); Tabled Paper 4332, Legislative Council, 16 August 2016, tabled by Hon Donna Faragher MLC, Minister for Planning and Disability Services (on behalf of Hon Albert Jacob MLA, Minister for Environment and Heritage); Tabled Paper 4336, Legislative Council, 16 August 2016, tabled by Hon Colin Holt MLC, the then Minister for Housing, Racing and Gaming; Tabled Paper 4346, Legislative Council, 17 August 2016, tabled by Hon Peter Collier MLC, Leader of the House (on behalf of Hon Bill Marmion MLA, Minister for State Development, Finance and Innovation); Tabled Paper 4390, Legislative Council, 18 August 2016, tabled by Hon Colin Holt MLC, Parliamentary Secretary to the Minister for Housing (on behalf of Hon Mia Davies MLA, Minister for Water, Sport and Recreation and Forestry); Tabled Paper 4391, Legislative Council, 18 August 2016, tabled by Hon Jim Chown MLC, Parliamentary Secretary to the Minister for Agriculture and Food (on behalf of Hon Dean Nalder MLA, Minister for Agriculture and Food and Transport); Tabled Paper 4393, Legislative Council, 18 August 2016, tabled by Hon Peter Collier MLC, Leader of the House (on behalf of Hon Liza Harvey MLA, Minister for Police, Road Safety, Training and Workforce Development); Tabled Paper 4400, Legislative Council, 23 August 2016, tabled by Hon Peter Collier MLC, Minister for Education, Aboriginal Affairs and Electoral Affairs; Tabled Paper 4402, Legislative Council, 23 August 2016, tabled by Hon Michael Mischin MLC, Attorney General and Minister for Commerce (on behalf of Hon Dr Mike Nahan MLA, Treasurer); Tabled Paper 4407, Legislative Council, 23 August 2016, tabled by Hon Donna Faragher MLC, Minister for Planning and Disability Services (on behalf of Hon John Day MLA, Minister for Health, Culture and the Arts); Tabled Paper 4408, Legislative Council, 23 August 2016 tabled by Hon Donna Faragher MLC, Minister for Planning and Disability Services (on behalf of Hon Andrea Mitchell MLA, Minister for Mental Health and Child Protection).

3.22 The Committee draws the attention of the Legislative Council to what it stated in its Report 65 regarding access to Strategic Asset Plans.²⁴ In particular, the Committee looks forward to seeing guidance being prepared by the Departments of Treasury and Premier and Cabinet, in response to the opinion of the Auditor General tabled in the Legislative Council on 11 August 2016 on the unreasonableness of several departments not providing the Parliament with a copy of their Strategic Asset Plan.²⁵

Infrastructure requirements

3.23 Given the previous refusals by agencies to provide copies of their Strategic Asset Plans, the Committee asked agencies, in a separate question, about their infrastructure requirements for the next 10 years, specifically:

- What infrastructure needs to be replaced, upgraded or built to meet demand?
- What allocation has been made in the Budget for the planning and delivery of these requirements? Is the allocation in capital works?
- In what timeframe will the requirements be delivered?

3.24 Again, almost all agencies provided the following, generic, response:

Please see Answer to 1.9. Funded infrastructure programs are detailed for each agency in the Asset Investment Program section of their financial statements as reported in Budget Paper No. 2. These programs currently cover the period 2016-17 to 2019-20. All infrastructure requirements outside this period are subject to further budget deliberations and remain Cabinet-in-Confidence.

3.25 The Committee emphasises the comments made at paragraph 3.22 of this Report and also highlights Recommendation 1 made in its Report 65, which read as follows:

The Committee recommends that the Government establish mechanisms for ensuring information forecasting long term demands (at least 10 years) on agency resources with respect to management

²⁴ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 64, *Agency Annual Report Hearings 2014-15*, 25 August 2016, pp 24-31.

²⁵ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 65, *Agency Annual Reports 2014-15*, 25 August 2016, pp 29-30. See also Western Australian Auditor General's Report, Opinions on Ministerial Notifications, Report 18, August 2016 (see <https://audit.wa.gov.au/reports-and-publications/reports/> Viewed 31 August 2016).

*of existing assets and investment in new assets, is available as part of its financial reporting processes.*²⁶

Sale of vehicles

- 3.26 A central feature of the 2016-17 Budget is the sale by the Government of assets, the proceeds of which ‘*will reduce debt to manageable levels and fund future capital expenditure.*’²⁷
- 3.27 In 2016-17 Budget Paper 2, the following information appears under ‘Government Procurement’ in the section entitled ‘Significant Issues Impacting the Agency’ for the Department of Finance:
- Government Procurement, through its State Fleet unit, continues to implement measures to reduce the size and cost of the vehicle fleet. Savings strategies such as reductions in agencies’ low-use vehicles and agency fleet caps are on track to exceed the June 2018 final target.*²⁸
- 3.28 State Fleet, a division of the Department of Finance, ‘*facilitates the purchase, servicing and disposal of vehicles for the State Government.*’²⁹
- 3.29 The Committee chose to question agencies on whether, as part of the Government’s asset sales program, they had sold vehicles and the proceeds of sale of those vehicles.
- 3.30 The Committee received a range of responses, a selection of which is set out in the table below.

²⁶ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 65, *Agency Annual Report Hearings 2014-15*, 25 August 2016, p 30.

²⁷ <http://static.ourstatebudget.wa.gov.au/16-17/2016-17-wa-state-budget-bp1.pdf?.p7>. Viewed 12 August 2016.

²⁸ *ibid.*

²⁹ *ibid.*

Table 2

Sales of vehicles by agencies

Agency	Vehicles sold in 2015-16 and selling in 2016- 17	Estimated total proceeds and allocation	Sales in 2016-17 part of the AER program	Impact on agency staff
Department of Culture and the Arts	2015-16: Nil 2016-17: Three (delivery vans of The State Library of Western Australia)	\$10,000-\$15,000 to be used for the library's support of Western Australia's public libraries	Two	Nil
Department of Premier and Cabinet	Nil	N/A	N/A	N/A
Department of Health	2015-16: Three patient transfer vehicles 2016-17: Two ambulances in the Kimberley region	2015-16: \$32,000 2016-17: \$10,000 Funds will be used to replace the patient transfer vehicles and ambulances	No	Nil (the vast majority of staff use the vehicles)
Disability Services Commission	2015-16: Four 2016-17: Nil	2015-16: \$45,950 Funds will be used to offset the cost of purchasing vehicles from State Fleet	No	Nil (vehicles relate to the transition of accommodation services to the non-government sector and are surplus to requirements)

Agency	Vehicles sold in 2015-16 and selling in 2016-17	Estimated total proceeds and allocation	Sales in 2016-17 part of the AER program	Impact on agency staff
Department of Parks and Wildlife	2015-16: Nine 2016-17: 12	2015-16: \$242,469 2016-17: \$475,000	No	Nil (vehicles will be replaced as part of the heavy fleet replacement program)
Department of Treasury	Nil	N/A	N/A	N/A

- 3.31 Based on answers given, the Committee observes that the sale of vehicles by agencies is considered by most agencies to sit outside the AER.
- 3.32 The majority of agencies responded by saying they had not sold any vehicles during the relevant periods.

Fulltime/contract staff

- 3.33 The Committee asked agencies how many staff they employed on a permanent as well contract basis in order to gain some understanding of the administrative cost to the State of engaging staff on contracts, which are sometimes renewed on a rolling basis.
- 3.34 The Committee received a variety of responses from agencies. While some identified the costs involved in managing the contracts,³⁰ others stated this could not be determined (for example, because the costs are not captured or maintained)³¹ or there was no additional cost.³²
- 3.35 The Committee recognises the need for the short-term engagement of contract staff to ensure operational flexibility. Indeed, agencies gave a number of reasons why they engage contract staff, such as:

³⁰ Department of Treasury, Answers to Generic Questions to agencies, 16 June 2016.

³¹ Department of Transport, Answers to Generic Questions to agencies; Department of Health, Answers to Generic Questions to agencies; Public Transport Authority, Answers to Generic Questions to agencies; Department of the Premier and Cabinet, Answers to Generic Questions to agencies.

³² Mental Health Commission, Answers to Generic Questions to agencies, 26 May 2016.

- project based work for finite periods³³
- expertise and specialist skills being unavailable in the public sector³⁴
- the need to fill a position on very short notice³⁵
- covering leave for permanent staff and positions of a seasonal nature³⁶
- covering maternity leave³⁷
- funding is not guaranteed past a certain date.³⁸

3.36 On the other hand, there may be an opportunity for cost savings in Government (in areas such as payroll and human resources) arising from more permanent and less contractual positions within the Western Australian public service.

Committee comment

3.37 While the Committee is not, currently, in a position to inquire further into the cost to the State of the practice of engaging staff on a contractual, rather than a permanent, basis, it is of the view this may be a possible topic of inquiry for the Committee of the 40th Parliament or the Office of the Auditor General.

Media monitoring

3.38 The Committee inquired into agencies expenditure on monitoring media coverage and what monitoring services were provided to agencies.

3.39 The Committee notes that in its Report 17, when it last posed generic questions to agencies, it stated:

Media monitoring

The Committee was interested in ascertaining whether agencies were engaged in media monitoring and if so how much they were spending on such services. The Committee found that almost all agencies engaged in media monitoring and utilised the services of Media

³³ Hon Colin Holt MLC, Minister for Housing, Racing and Gaming, Letter, 16 June 2016; Disability Services Commission, Answers to Generic Questions to agencies.

³⁴ Department of Finance, Answers to Generic Questions to agencies, 22 June 2016.

³⁵ *ibid.*

³⁶ Department of Culture and the Arts, Answers to Generic Questions to agencies, 16 June 2016.

³⁷ Department of Environment Regulation, Answers to Generic Questions to agencies.

³⁸ Department of the Attorney General, Answers to Generic Questions to agencies.

Monitors for this purpose. Agency spending on media monitoring varied between agencies from \$1,000 to \$85,000 per annum.³⁹

3.40 A selection of responses from agencies is set out in the table below.

Table 3

Media monitoring by agencies

Agency	Expenditure 2014-15 (Actual) 2015-16 (Estimated Actual) 2016-17 (Budget Estimate)	Service provider	Types of service	Contract/fee for service?
Department of the Premier and Cabinet	2014-15: \$1,399,803 This includes salaries, rent, outgoings, supplies and services	Department's Media Monitoring Unit	Television, radio, Western Australian newspapers and most national newspapers and other monitoring as requested	N/A
Department of Sport and Recreation	2014-15: \$5,832.61 2015-16: \$6,132.17 2016-17: Nil	My Media Intelligence	Media monitoring of regional media outlets	Fee for service (contract ceased December 2015)
Department of Water	2014-15: \$18,191 2015-16: \$21,957 2016-17: \$22,273	iSentia Pty Ltd	Media monitoring for state-wide and national print, radio, television and online news coverage	Annual contract (negotiated each year) and agency is billed monthly

³⁹ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 17, *Budget Estimates 2007/08*, 9 April 2009, p 10.

Agency	Expenditure 2014-15 (Actual) 2015-16 (Estimated Actual) 2016-17 (Budget Estimate)	Service provider	Types of service	Contract/fee for service?
Housing Authority	2014-15: \$72,675 2015-16: \$59,745 2016-17: \$59,745	iSentia Pty Ltd	Media monitoring of press, television, radio, online news and social media; media insights (one-off media analysis report) and media directory (sending media releases, alerts and advisories)	12 month service contract, expiring in October 2016
Department of Planning	2014-15: \$30,254 2015-16: \$26,500 2016-17: \$30,000	iSentia Pty Ltd	24 hour media monitoring across print, online, television and radio	Fee for service (a contract is being established)
Disability Services Commission	2014-15: \$11,176 2015-16: \$12,249 2016-17: \$13,000	iSentia Pty Ltd	Western Australian newspapers; The Australian newspaper; relevant industry publications and other newspapers as required	Contract renewable for one year periods

Agency	Expenditure 2014-15 (Actual) 2015-16 (Estimated Actual) 2016-17 (Budget Estimate)	Service provider	Types of service	Contract/fee for service?
Western Australia Police	Nil	Department of Premier and Cabinet (Media Monitoring Unit provide limited monitoring)	Radio news updates and some transcripts	N/A
Department of State Development	\$20,000 per annum	My Media Intelligence	Daily newspaper clippings on matters relevant to the agency	Ongoing contract (shared with Department of Mines and Petroleum)
Department of Culture and the Arts	2014-15: \$65,188 2015-16: \$56,526 2016-17: \$62,590	iSentia Pty Ltd	A fixed price for media monitoring and webhosting and a price per item reported	Contracted until 31 January 2018
Department of Treasury	2014-15: \$44,227 2015-16: \$25,984 2016-17: \$30,000	iSentia Pty Ltd	Media Portal – print and internet. Television and radio by request only	Ongoing contract for media portal. Clips are based on a consumption fee for service basis.

Agency	Expenditure 2014-15 (Actual) 2015-16 (Estimated Actual) 2016-17 (Budget Estimate)	Service provider	Types of service	Contract/fee for service?
Parliamentary Services Department	2014-15: \$37,912 2015-16: \$37,000 2016-17: \$37,000	iSentia Pty Ltd (newspaper clippings) In-house (radio clips; television and online newspapers)		Ongoing contract with iSentia Pty Ltd

3.41 Western Australia Police subsequently provided additional evidence at the hearing on 17 June 2016 regarding their media monitoring during the following exchange:

Hon HELEN MORTON: *My second question at this stage is around the media. I notice that in the questions that were asked and answered prior to the hearings, Police was one of the very few agencies, if not the only agency, that indicated that it had no additional media monitoring services that you are funding, that you are not getting any additional media contact from anywhere other than media monitoring coming from the Department of the Premier and Cabinet, but I would have to say that the agency is one of the most effective in terms of media work, so I am rather interested in whether you have a very substantial in-house media team and, if so, what is the size of it?*

Mr Kannis: *We do have a material media and communications area. I am happy to take on notice for you the actual staffing in that and the budget for it, but —*

Hon HELEN MORTON: *Could you indicate whether that is like a centralised media team and whether branches or districts have additional media and PR people in that response, if you could indicate that?*

Mr Kannis: *It is generally centralised; it is a centralised function, but there are contacts in the business, but not specific media roles. It is a centralised function.*

...

The CHAIR: Are you going to provide some information on notice for that?

Mr Kannis: Yes.

[Supplementary Information No A28.]

Hon HELEN MORTON: Just the FTE count for the media, because it is really impressive what he has achieved in the police agency.⁴⁰

3.42 In an answer to a question on notice Western Australia Police also stated:

Hon Helen Morton asked:

A28. I would have to say that the agency is one of the most effective in terms of media work, so I am rather interested in whether you have a very substantial in-house media team and, if so, what is the size of it?

Answer

WA Police has 12 positions within the agency that specifically deal with media responsibilities.⁴¹

3.43 The Committee notes the significant differences between agencies on what they spend on media monitoring and the approaches taken (i.e. in-house as well as external monitoring services).

3.44 While the Committee is not, currently, in a position to inquire further into these matters, it makes the following finding:

Finding 1: The Committee finds that agency expenditure on media monitoring and the differences in approaches taken across agencies is a possible topic of inquiry for the Committee of the 40th Parliament.

⁴⁰ Exchange between Hon Helen Morton MLC and Mr Anthony Kannis, Executive Director, Western Australia Police, *Transcript of Evidence*, 17 June 2016, pp 29-30.

⁴¹ Western Australia Police, Answer to Question on Notice 28 asked at hearing held 17 June 2016, 1 July 2016.

4 PROVISION OF INFORMATION

4.1 The Committee remains concerned about the number of refusals by agencies to provide information to the Parliament. The table below details each refusal. In some cases, where indicated, the requested information was subsequently provided.

Table 4
Refusals to provide the Committee with information

Agency	Hearing/questions	Information refused
Department of Treasury	13 June 2016 hearing ⁴²	Commercial-in-confidence: Individual payments for life-cycle maintenance costs over 25 years for the Perth Stadium
Metropolitan Redevelopment Authority	14 June 2016 hearing ⁴³	Commercial-in-confidence: The capital contribution of four food and beverage outlets at Yagan Square in Elizabeth Quay ⁴⁴
Department of Transport	15 June 2016 hearing ⁴⁵	Cabinet-in-confidence: Planning work at developing the outer harbour in Cockburn Sound
Department of Regional Development	16 June 2016 hearing	Cabinet-in-confidence: The Seizing the Opportunity Agriculture Infrastructure Audit Final Draft Report ⁴⁶ Cabinet-in-confidence: The business case for the Bunbury Waterfront Development ⁴⁷

⁴² Mr Richard Mann, Executive Director, Strategic Projects and Asset Sales, Department of Treasury, *Transcript of Evidence*, 13 June 2016, pp 31-32.

⁴³ Mr Kieran Kinsella, Chief Executive Officer, Metropolitan Redevelopment Authority, *Transcript of Evidence*, 14 June 2016, pp 1-2.

⁴⁴ This information was subsequently provided to the Committee by the Metropolitan Redevelopment Authority in an answer to a question on notice.

⁴⁵ Mr Reece Waldock, Director General, Department of Transport, *Transcript of Evidence*, 15 June 2016, p 4.

⁴⁶ Mr Andrew Mann, Executive Director, Economic Development and Diversification, Department of Regional Development, *Transcript of Evidence*, 16 June 2016, p 12. See also Hon Terry Redman MLA, Minister for Regional Development, Letter, 8 July 2016, where, in answer to Question on Notice F3 he stated ‘*The Seizing the Opportunity Agriculture Infrastructure Audit Final Draft Report (Report) is with the Minister for Regional Development for consideration. It is intended that the Report will be made public once the Minister for Regional Development has endorsed the Report and it has been considered and noted by Cabinet.*’

Western Australia Police	17 June 2016 hearing ⁴⁸	Operational sensitivity: A list of the amount of overtime that was paid over the last financial year broken down into station by station
Each agency listed in Table 1 and Appendix 2 except Parliamentary Services Department	Generic questions 1.9 and 1.10 ⁴⁹	Strategic Asset Plans and infrastructure requirements for the next 10 years

4.2 With respect to the refusal to provide the Committee with copies of Strategic Asset Plans the subject of question 1.9 of the generic questions, the Committee makes the following observations:

- While a number of Ministers have tabled notices pursuant to section 82 of the *Financial Management Act 2006*, a significant number remain outstanding.⁵⁰
- Each notice was tabled outside of the 14 day period required by section 82 of the *Financial Management Act 2006*.⁵¹

4.3 Also, some notices tabled by Ministers specified they related to multiple portfolios, while others did not. For example, the Attorney General and Minister for Commerce and Ministers for Housing, Racing and Gaming stated:

I wish to advise the Legislative Assembly [sic] of my decision to decline to table a document as requested by the Standing Committee on Estimates and Financial Procedures in generic questions of the Legislative Council Budget Estimates.

⁴⁷ Mr Ralph Addis, Director General, Department of Regional Development, *Transcript of Evidence*, 16 June 2016, p 22. See also Hon Terry Redman MLA, Minister for Regional Development, Letter, 8 July 2016, where, in answer to Question on Notice F15 he stated ‘*The business case formed part of the submission to Cabinet for funding of the project and as such is Cabinet in Confidence.*’ The Minister subsequently tabled a notice pursuant to section 82 of the *Financial Management Act 2006* with respect to the refusal to provide a copy of the business case for the Bunbury Waterfront Development (see Tabled Paper 4324 dated 16 August 2016).

⁴⁸ Mr Anthony Kannis, Executive Director, Western Australia Police, *Transcript of Evidence*, 17 June 2016, p 26. See Hon Liza Harvey MLA, Minister for Police, Letter, 18 August 2016, in which this information was subsequently provided to the Committee in an answer to Question on Notice A23.

⁴⁹ See paragraph 3.21 and footnote 23 regarding the tabling of notices pursuant to section 82 of the *Financial Management Act 2006* as well as the various responses on the Committee’s website.

⁵⁰ As at 12 September 2016, when the Committee adopted this report.

⁵¹ Section 83 of the *Financial Management Act 2006* makes provision for the tabling of notices pursuant to section 82 when Parliament is not sitting, which are then regarded as having been laid before the House.

This occurred on two occasions as the same response was provided for both the Department of the Attorney General and the Department of Commerce.⁵²

I wish to advise the Legislative Assembly [sic] of my decision to decline to table a document as requested by the Standing Committee on Estimates and Financial Procedures.

This occurred on two occasions as the same response was provided for both the Housing Authority and the Department of Racing, Gaming and Liquor.⁵³

4.4 The Committee considers this best practice when tabling notices pursuant to section 82 of the *Financial Management Act 2006* with respect to multiple refusals to provide information to the Parliament so it is clear which agency the notice relates to.

4.5 The Committee is of the view that Ministers, when tabling notices pursuant to section 82 of the *Financial Management Act 2006*, make clear when the notice is intended to cover multiple refusals to provide information to the Parliament. This will contribute to the robustness of the process governed by section 82 of the *Financial Management Act 2006*.

4.6 The Committee makes the following recommendation:

Recommendation 2: The Committee recommends that the Premier advise all Ministers, when tabling notices pursuant to section 82 of the *Financial Management Act 2006*, to make clear when the notice is intended to cover multiple refusals to provide information to the Parliament.

5 CONCLUSION

5.1 The Committee was generally pleased with the conduct of the hearings, the level of attendance and Member participation. A good cross-section of questions were asked by both government and non-government Members and a large number of issues were canvassed in the course of the proceedings, as illustrated in Table 1.

5.2 The Committee is committed to continually reviewing and refining its processes to ensure that effective and worthwhile estimates processes are conducted. To this end, the Committee will continue to consult with Members to improve the process.

⁵² See Tabled Paper 4328, Legislative Council, 16 August 2016, tabled by Hon Michael Mischin MLC, Attorney General and Minister for Commerce.

⁵³ Tabled Paper 4336, Legislative Council, 16 August 2016, tabled by Hon Colin Holt MLC, the then Minister for Housing, Racing and Gaming.

- 5.3 The Committee acknowledges that posing generic questions, in addition to questions prior to the hearings from Members, created an additional workload for agencies during the 2016-17 Budget Estimates process. It also acknowledges that some of these questions were received during estimates hearings in the Legislative Assembly. The Committee extends its appreciation to those agencies for their assistance and cooperation in providing answers to all the questions.
- 5.4 The Committee also extends its appreciation to all others who participated in the hearings.



Hon Peter Katsambanis MLC
Deputy Chair

15 September 2016

APPENDIX 1
LIST OF AGENCIES SENT GENERIC QUESTIONS

APPENDIX 1

LIST OF AGENCIES SENT GENERIC QUESTIONS

Departments

- Aboriginal Affairs
- Attorney General
- Commerce
- Corrective Services
- Culture and the Arts
- Education Services
- Finance
- Fire and Emergency Services
- Fisheries
- Department of Housing
- Legislative Council
- Local Government and Communities
- Mines and Petroleum
- Parliamentary Services Department
- Premier and Cabinet
- Racing, Gaming and Liquor
- Sport and Recreation
- State Development
- Training and Workforce Development
- Water

TAFES

- North Metropolitan TAFE
- South Metropolitan TAFE
- North Regional TAFE
- Central Regional TAFE
- South Regional TAFE

Port Authorities

- Fremantle Ports Authority
- Kimberley Ports Authority
- Mid West Ports Authority
- Pilbara Ports Authority
- Southern Ports Authority

Energy Corporations

- Horizon Power
- Synergy
- Western Power

Authorities

- Botanic Gardens and Parks Authority
- Housing Authority
- Water Corporation
- Western Australian Treasury Corporation

APPENDIX 2
GENERIC QUESTIONS

APPENDIX 2

GENERIC QUESTIONS

Agency Expenditure Review Program

- 1.1 How will the savings measures identified in the Budget be achieved by your agency?
- 1.2 What are the risks to achieving the savings identified?
- 1.3 Are there any low priority programs your agency is ceasing or reducing? If so, please provide details.

National partnership agreements

- 1.4 Please provide a list of:
 - all national partnership agreements under which your agency receives funding
 - the expiry dates of those agreements
 - how much was received in 2015-16 under the agreements and the budgeted amount for 2016-17
- 1.5 Please provide details of the value of the impact on your agency's budget resulting from the expiry of those agreements.
- 1.6 Will the State be making up the loss in funding resulting from the expiry of agreements?
- 1.7 If so, how and, if not, please provide details of any cuts that will need to be made and the implications for service delivery by your agency.

Commonwealth grants

- 1.8 Please provide the same information requested for national partnership agreements above for any commonwealth grants received by your agency.

10 year Strategic Asset Investment Plans

- 1.9 Please provide a copy of your 10 year Strategic Asset Investment Plan.

Infrastructure requirements

- 1.10 What are your agency's infrastructure requirements for the next 10 years? Specifically:
 - What infrastructure needs to be replaced, upgraded or built to meet demand?
 - What allocation has been made in the Budget for the planning and delivery of these requirements? Is the allocation in capital works?
 - In what timeframe will the requirements be delivered?

Sale of vehicles

- 1.11 How many vehicles does your agency expect to sell in the 2015-16 financial year?
- 1.12 How many vehicles does your agency expect to sell in the 2016-17 financial year?
- 1.13 What is the estimated total proceeds from the sales in each of the above financial years and how will those funds be allocated?
- 1.14 Will any of the sales in 2016-17 be part of the Agency Expenditure Review program and, if yes, how many?

- 1.15 What will be the impact on agency staff (i.e. what alternative arrangements have been made for their transport)? What will be the cost of any alternative transport arrangements compared to the cost of retaining the vehicles?

Full time/contract staff

- 1.16 What is the estimated total number of FTE staff in your agency for the 2015-16 and 2016-17 financial years?
- 1.17 In each financial year, what proportion of your staff are engaged in:
- A contract of service (permanent staff)?
 - A contract for services (contracted staff)?
- 1.18 Of those that are engaged by a contract for services, please explain why they are not engaged as permanent staff.
- 1.19 What is the cost to the agency of engaging contracted staff, including contract preparation, negotiation, payroll modifications, (i.e. where the contracts are renewed for staff on 6 month contracts) and cost of HR staff who manage the contracts?
- 1.20 Are staff employed as contractors paid at a different rate to those who are permanent employees in a similar role and, if so, please provide details and explain why.

Media monitoring

- 1.21 How much does your agency spend on media monitoring, for example, newspaper clippings?
- 1.22 Who provides this service to your agency?
- 1.23 What types of media monitoring services are provided to your agency? Please provide details.
- 1.24 On what basis is this service provided, i.e. ongoing contract or on a fee for service basis? Please provide details.