

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

INQUIRY INTO THE GOVERNMENT'S LOCAL PROJECTS, LOCAL JOBS PROGRAM



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 19 AUGUST 2019**

**SESSION TWO
DEPARTMENT OF COMMUNITIES**

**Members
Hon Tjorn Sibma (Chair)
Hon Alanna Clohesy (Deputy Chair)
Hon Diane Evers
Hon Jacqui Boydell
Hon Colin Tincknell**

Hearing commenced at 11.34 am**Ms MICHELLE ANDREWS****Director General, Department of Communities, sworn and examined:****Mr BRAD JOLLY****Acting Assistant Director General, Department of Communities, sworn and examined:****Ms PENNY KENNEDY****Acting Director, Stewardship, Department of Communities, sworn and examined:****Mr LIAM CARRAN****Executive Director, Finance and Business Services, Department of Communities, sworn and examined:**

The CHAIR: On behalf of the committee, I would like to welcome you to the hearing. Today's hearing will be broadcast. Before we go live, I would like to remind all parties that if you have any private documents with you, to keep them flat on the desk to avoid the cameras. I require you to take either the oath or affirmation, a copy of which is in front of you.

[Witnesses took the affirmation.]

The CHAIR: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

The WITNESSES: Yes.

The CHAIR: Thank you for appearing in front of this committee inquiry today, dealing with the Local Projects, Local Jobs program. I would like to ask, confirming factual questions: can I please ascertain in respect of the Department of Communities, how many projects have been or are being administered by the department?

Mr JOLLY: The department—or each of the former agencies that now form part of the Department of Communities—was allocated a total of 95. That is seven to the former Department for Child Protection and Family Support and 88 for the former Department of Local Government and Communities. One of those projects that was allocated to the Department of Local Government and Communities has been reallocated to the Department of Local Government, Sport and Cultural Industries. It was initially 95; it is now 94 as a result of that one reallocation.

The CHAIR: Could I ascertain, please, the total dollar value of those now 94 projects.

Mr JOLLY: The total expenditure presently is \$2.531 million.

The CHAIR: Does the department keep a master list of all these projects that the Department of Communities has been entrusted to administer?

Mr JOLLY: Yes; that is correct.

The CHAIR: Would it be possible, by way of supplementary, for you to provide this committee with that list?

Ms ANDREWS: Yes.

The CHAIR: Thank you. I will allocate that supplementary question A1.

Could I also please ascertain the broader grant landscape for the Department of Communities? Could you inform the inquiry of the different types of grant programs that Communities administers and what the parameters are financially and the level of uptake et cetera?

[11.40 am]

Ms ANDREWS: I will make some preliminary comments and then Brad Jolly will step in with a little more detail. Brad mentioned that, in broad terms, the responsibility for administering these payments fell to two of our predecessor agencies. In the formation of the Department of Communities in the middle of 2017, the administration of the process was really that there were two different processes operating, even as we came into the Department of Communities, so, predominantly, those two processes were used. Both of them were consistent with the broad procurement policies and procedures that operate across the state government; they just had some variations to them. What Brad will do is just talk you through the key elements of those processes, noting that the first couple of steps in them were not performed because of the decision-making that had already been taken because these were, in fact, election commitments.

The CHAIR: You inherited commitments and then you looked to discharge them, yes?

Ms ANDREWS: Yes; that is right. Decisions of the incoming government had already been made and informed election commitments, so we were using our established grants process to bring a level of governance and transparency and rigour to the administration of those payments.

The CHAIR: Before Mr Jolly gets into the variation between the two mechanisms that were utilised—perhaps this is more valuable for the department to take on notice; I might give it A2. It is just the number of grants that the Department of Communities administers in a financial year and what the various dollar values are for those grants and the number of recipients. It would be useful contextual information. I do not expect you to have to hand now, and the rest of the hearing.

Ms ANDREWS: So, really, you are just looking for a broad description of the total quantum dollar-wise and —

The CHAIR: Dollar-wise and what those individual grants are—I imagine that would be possible to provide by way of supplementary information.

Ms ANDREWS: We disclose that sort of information through the normal processes, but are you looking for us to extract that?

The CHAIR: Or perhaps even expand, as appropriate, because I just want to get a sense of the year in, year out number of grants programs that the department now as it is constituted would ordinarily be expected to administer, and what sort of financial—we could go to the budget papers, but if you could provide a sort of an extract that would be useful.

Ms ANDREWS: So if I provide for you now the total dollar value in 2018–19 for child protection and family services, is that —

The CHAIR: That would be useful. But, I think, director general, it might be more useful just providing that to us by a supplementary question, so Mr Jolly can get on with explaining the variation between the two different mechanisms.

Ms ANDREWS: Can we have a little bit more specificity around what —

The CHAIR: I think it is quite straightforward. It would be the number of individual grants programs that the Department of Communities administers, by name of that program and by the dollar value of that program and by the number of recipients of those individual grants. Is that clarification enough?

Ms ANDREWS: That is quite significant!

The CHAIR: Really?

Mr CARREN: It is more about the year, Chair. Is it just a specific year you are interested in?

The CHAIR: You could pick the current financial year, if you like, or 2017–18. I would bear in mind that you were not constituted in your current form until July 2017—anything from that point onwards.

Ms ANDREWS: So if we selected 2018–19.

The CHAIR: You could select 2018–19. If you wanted to also furnish me with the data from 2017–18, that would be wonderful, too. But the point is that I am just trying to understand this program in the context of other grant programs that your department administers. That is all.

Ms ANDREWS: Sure. We are wanting to be helpful, it is just that we did not want to go —

The CHAIR: You are being very helpful. I think, though, that that is pretty sufficient clarification. If there is any other querying of that, we have a mechanism for dealing with that via writing; I am just conscious of the time.

Ms ANDREWS: Great. So we will come back to you with 2018–19, I think —

Mr CARREN: And 2017–18?

The CHAIR: Yes, please.

Ms ANDREWS: — and 2017–18.

Mr CARREN: Thank you for that clarification.

The CHAIR: Thank you; that is great. Mr Jolly.

Mr JOLLY: Thank you, Chair. To respond to your question, to give you a sense of some of the grant programs that would typically be administered by the department, there would be grant programs such as the Anzac Day Trust, which is presently allocated a budget of \$500 000 through 2019–20; community gardens, allocated a budget of \$100 000; grants for women, allocated a budget of \$85 000; Thank a Volunteer Day celebration grants, \$30 000 annual budget; WA 10-year women's plan small grants program, \$20 000; youth engagement grants program, \$105 000; Youth Week WA, \$80 000. They are programs that are budgeted for on an annual basis and are, effectively, recurrent, if you like.

There are other discretionary grants that occur over the course of the year where applications are made to the department for funding in a range of particular areas. They are, likewise, assessed internally; and, if they are found to align with government priorities and departmental priorities, then often that will result in the payment of a grant. To place some financial context around that, in 2018–19, the total grant expenditure across the two former departments that I referred to earlier on was in the order of about \$8.9 million.

The CHAIR: Was that inclusive of this Local Projects, Local Jobs scheme or exclusive?

Mr JOLLY: To the extent that there were grants being paid in the 2018–19 year, yes. But my understanding is that most of them were paid earlier than that year.

The CHAIR: With respect to the funding for the discharge of these commitments—I might just go back a step; I apologise. At what point was the department made aware of these commitments and the fact that what is now the Department of Communities being identified as the most suitable agency for the delivery of those commitments?

Ms ANDREWS: So, just to clarify, you would like the dates of when we were first advised?

The CHAIR: That would be helpful.

Ms ANDREWS: I would have to look to my team.

The CHAIR: But I presume from the evidence I have seen elsewhere that that was potentially around April 2017. But there was a point, obviously, though, where formerly your department was advised “This is a government program that agencies are delivering by their own mechanisms. Here is your list” or words to that effect—probably slightly more formally than that.

Ms ANDREWS: Certainly, in broad terms, the process for giving effect to the incoming government’s election commitments was being coordinated by DPC. DPC was taking that forward through the normal cabinet processes, securing the funding commitment, and, through that process, confirming which agencies were going to be responsible for administering. In broad terms, the information in front of me suggests that that was happening around that April–May period, but we can get some specific dates.

The CHAIR: Sure; okay. But it was a post-cabinet decision where the department was formally advised that a certain decision had been made?

Ms ANDREWS: We would have received formal notification post-cabinet. I am expecting there would have been some conversations before that, but I do not know for sure; I was not in the department. We could check that if you need that sort of information.

The CHAIR: That would be useful. I am just trying to get a sense of—because this is a broad-scale program and we have been advised that, yes, the program was approved by ERC and cabinet. The meeting I am interested in, though, occurred on 19 April 2017 and it was one that involved the Parliamentary Secretary to the Premier meeting with respective directors general or representatives of agencies, who were to be involved in the delivery of the scheme. Can I ascertain from you, please—it was not the Department of Communities as we know it now, because that did not happen until 1 July—who from among this group attended, potentially, that meeting to speak to the Department of Communities aspect?

[11.50 am]

Ms ANDREWS: None of us attended that meeting. Penny —

Ms KENNEDY: I understand the minutes that you are possibly referring to, the director general of the former Department of Local Government and Communities attended that, which was director general Jennifer Mathews.

The CHAIR: Okay. An ex-member of the department would have attended that meeting.

Ms KENNEDY: Correct.

The CHAIR: Does the department have any minutes or formal understandings as a result of that meeting which it now retains or has used to guide its administration of the program?

Ms ANDREWS: I do not have any of that information —

Ms KENNEDY: I understand that there is a copy of the minutes and we can supply them as supplementary information.

The CHAIR: If that is possible to have, that would be very useful. I would ascribe that supplementary question A3.

Hon COLIN TINCKNELL: You mentioned before that the normal grants program, you applied that function into these election commitments, Local Projects, Local Jobs. How have you found this different in this term of government compared with previous terms of government?

Ms ANDREWS: As a process?

Hon COLIN TINCKNELL: Yes.

Ms ANDREWS: It is fundamentally the same process in terms of the governance and administration once you pick it up from the original decision-making, not being part of the process. Is that what you are asking?

Hon COLIN TINCKNELL: Yes. The government has put out a program of Local Projects, Local Jobs. They are election commitments. You said before that you applied the general way that we do grants to this process.

Ms ANDREWS: That is right.

Hon COLIN TINCKNELL: That is a bit different, because we do not have an application process, so it is quite a bit different. Has it been different in this term of government than it has in previous terms of government? Is this a normal practice that you have seen?

Ms ANDREWS: This is normal where an incoming government comes in with some election commitments, so, if you like, that primary decision-making at the front end has already occurred through whatever process they have used. In this case, as I understand it, there was engagement and consultation by local members and those that were running to inform that decision-making, recognising that that would normally be the first one or two steps, potentially, in a procurement process or a grant-making process. That decision-making had been made, and then we used our established processes to manage the disbursement of the funds and confirm how they had been used. It is normal to do that, yes, and it brings the normal governance rigour and transparency that would be expected around those processes.

Hon COLIN TINCKNELL: With the project election commitment delivery, the government marketed or sold it as a job creation program. Have you seen a lot of jobs created from this program so far?

Ms ANDREWS: We have not set out to do a formal evaluation around that aspect. One of the principles that sits around these sorts of grants programs is not to overburden them with red tape or complex evaluation, given the organisations that they are going to. Our role in this process was very much around the governance and confirmation around where the money went and that it was spent as intended and so on. What we have not built around it is that wider evaluation of jobs that you are referencing.

Hon COLIN TINCKNELL: Just one more question on this area. There is a meeting of the Parliamentary Secretary to the Premier, Mr John Carey —

The CHAIR: We talked about that.

Hon COLIN TINCKNELL: You have already mentioned all that?

Ms ANDREWS: Is that the 19 April meeting?

Hon COLIN TINCKNELL: Yes. You have asked the question about what was resolved at that meeting?

The CHAIR: Yes.

Hon COLIN TINCKNELL: Sorry, I missed that. I must have been reading the next question! That is it from me for now.

Hon DIANE EVERS: Just one question; I hope I have not missed something you said. You were informed of which commitments the department would have to address, and they fit within existing grant programs that you already had. Were there some that were outside guidelines of things that you ever would have done? Did you have to make up any additional grant parameters so that you could fit them in there, or did it just happen that they all were managed?

Ms ANDREWS: In broad terms, it was quite straightforward to manage the disbursement of the funds under those existing processes. There was a template developed that enabled and assisted the potential grant recipients to describe the key elements of their proposal. We would be happy to speak to that, if you wanted to, and you will see that that is capturing the normal information that would be required through these processes. We stepped our way through the normal grant-making processes.

Hon DIANE EVERS: So it was not any specific program? You carry out grants from time to time, so for each individual one you get further detail set down so that you can know exactly what you are funding and be able to check to see if that is done?

Ms ANDREWS: That is right. I should have been clearer: it was not about fitting it into an existing, already running program relating to this particular topic as such, but rather using the established processes and procedures in governance.

The CHAIR: Can I dive a little more deeply into the actual dynamics of administering individual grant agreements. I comprehend that there is some difference in scale here, obviously. There are smaller grants and there are probably some more significant ones. I would presume that the probity in governance attention kind of escalates in accordance with the scale of the grant going up; I think that would be sensible. Could I just ask some very basic questions, please: Is there evidence from any of the programs that you have administered of moneys being underspent? Did people spend up to the full dollar amount of the commitment, or was there money left over? My understanding is that ordinarily, moneys not spent are sent back to the department. Did that happen?

Ms ANDREWS: I will hand over to Brad for the specific details.

Mr JOLLY: Thanks, Chair, for the question. It is the case that in relation to some of the projects that were identified, one or two of those projects ultimately did not proceed, so the money that was allocated for those projects was retained by the department. Likewise, there was a relatively small number of instances where there was a small underspend relative to the total grant. In some instances there were applications made by the grant recipient to apply that underspend towards a different purpose, if it was under \$10 000 in value, I think. If it was over \$10 000 in value, then the process would be for that money to be invoiced to the grant recipient and then returned to the department.

The CHAIR: That is fairly interesting. There are potentially a couple of areas of inquiry or interest that come out of that. My first request would be if you can take as a supplementary question a list of those projects for which there was an underspend and moneys were remitted back to the agency. That is supplementary question A4, thank you.

But I think the more significant matter that has arisen across this program is the way that variations to project scope and funding were managed. You mention that the Department of Communities took the view that anything under \$10 000 required a less formal—I do not want to verbal you, so please jump in and correct me, but my interpretation was a more informal arrangement could be applied to deal with project variation at that scale; anything over that \$10 000 amount would require a more formal process. Could I ask, first of all, was guidance provided to your department by the Department of the Premier and Cabinet around how variations to projects, either in scope or cost, might be treated?

[12 noon.]

Ms ANDREWS: If I can start off with your invitation: I do not think we would regard any of our processes as being informal, so even under \$10 000. We certainly do work to ensure that it matches the level of risk, if you like, associated with it, but they are still considered formal processes and that

the process is fit for purpose. In terms of the guidance that was provided at the front end about how to manage any request for variation, I will look to whether it is Brad or Penny.

Ms KENNEDY: In terms of how departments would respond to any variations, whether that was project scope or cost, the department was advised to refer to its own delegations frameworks for grant making. That is what we were to defer to, if there was an example as you have described.

The CHAIR: Might I ask from whence that guidance originated? Did that come from DPC to the Department of Communities?

Ms KENNEDY: Correct. I understand it could be in the minutes from 19 April that departments' own local processes and procedures would apply in terms of their grant making and executing the intent of the grants within existing frameworks of those line agencies.

The CHAIR: Might I ask for a bit more information about the parameters that apply within the Department of Communities. I am sorry, director general; yes, I chose my words poorly. I did not mean to refer to "informal" mechanisms, but mechanisms or processes according to the scale of risk and importance. For argument's sake, a significant variation to scope or shift in dollar amount, would that go to you as a director general or to the minister for approval? How would that work?

Ms ANDREWS: My understanding is there are delegations in place in relation to this. Would you like some specific information in relation to that?

The CHAIR: That might be useful, actually.

Mr JOLLY: I might be able to speak generally. Michelle has mentioned the delegation schedule. I will just probably reiterate that there were two departments administering these grants. It depended on the delegations that were in place with each of those departments, which would have varied to some degree. As you would expect with delegations, it is essentially a risk-based approach to these things. Where the value of the grant or the variation escalates, so does, accordingly, the delegation. I think Penny may have something to add.

The CHAIR: Before you do so—sorry to cut you off—it might be slightly more expeditious if I actually ask, by way of supplementary question, for a list of requests for variation that the department has received. It is probably better to go on facts if there are particular areas of interest that emerge out of cogitating on that information. That might be helpful. I will give that supplementary information A5.

Could I clarify, please, though, the funding arrangements. Noting that there are predecessor agencies, was the now \$2.5 million that the department has disbursed in its execution of this scheme supplementary funding or have you been requested effectively to fund from within your own portfolio budget parameters? It might be hard with MOG changes occurring at the same time, but is it new money, old money or was there a split?

Ms ANDREWS: It was new money.

The CHAIR: That is clarification. We do not normally get that kind of immediate clarification, director general. You are to be complimented on that.

Please jump in, members, if there are any other questions. We have been provided by the Department of the Premier and Cabinet with, effectively, a whole-of-government submission addressing the terms of reference for this inquiry. We have also been furnished with what I am describing as a master list of all projects that were funded through this program. We received it on 20 May, so not all that long ago, and probably sufficiently advanced—a lot of the projects have been funded and dealt with. There is a table here, which confirms whether or not an acquittal process has been completed for the management of individual projects. There are 859 projects overall. I am

not picking on you and I am not picking on individual projects; I just opened a page. For example, there is no register against whether or not that project has been fully acquitted. I want to confirm whether that is the case; and, if not, what the problem might be. Would one of the members present be able to speak to what is referred to here? Can witnesses be provided with this information, because it is potentially unfair. It is project ID MET454. The name of the recipient is Starick Services and the description for that project is —

Purchase of a new van and for upgrade of refuge and landscaping of garden and playground.

It says that the funding expended was in the order of \$247 400, but there is no acquittal. Has that project now been acquitted, from the government's perspective?

Hon ALANNA CLOHESY: Can you just read out the page number again?

The CHAIR: I might just confirm that you know what project I am talking about.

Ms ANDREWS: We think we have found it in our papers here. As a preliminary comment, on our records at the moment we think we have approximately 10 projects that are still to be acquitted. With that particular project, there has been a process of extending the acquittal date to the middle of next year, so June 2020. We have some more details that may not have been provided in the table that you have, around how that particular project has been managed.

The CHAIR: Okay. I am not just picking on this project; it was just one I opened up to. It is a reasonable amount of money. Might I understand in this particular case—or if you cannot answer this particular case, potentially talk in helpful generalities—what circumstances might lead to a degree of tardiness or belatedness in the way in which a project can be acquitted? For example, in this case, director general, has the recipient organisation requested an extension to fill in their paperwork or is that generated from the Department of Communities using their best judgement?

Ms ANDREWS: The nature of the projects across all of these are really very different. This one relates to both the purchase of the new car, but also upgrade to the refuge. Without knowing the details there, you can imagine that upgrade works can be the sort of thing that could take longer than delivery of some of the other projects. If would you like us to go and get you more information in relation to this particular project, we would be happy to do that.

The CHAIR: My feeling would be yes, but it would also probably apply to all outstanding projects that you have not been able to, for whatever reason, complete the full evaluation for. Let me talk about acquittal too, because members sometimes take different perspectives into what an acquittal means here. Just for clarification, acquittal is: we have received moneys, and we have spent it for the purpose for which it was provided, and furthermore we have provided evidence to that effect, and we have not use this money for another purpose. Is that what acquittal means?

[12.10 pm]

Ms ANDREWS: In broad terms, that is what the acquittal phase looks like and, as I mentioned, there were 10 of the projects that are still to be acquitted, so if I can clarify, you are looking for us to provide supplementary information —

The CHAIR: Supplementary information concerning those 10 or so projects, just by their project name, their number and perhaps an explanation, as brief and useful as you can provide, as to why there has been a delay in acquitting.

Ms ANDREWS: If it is a delay, and why—we can certainly do that.

Mr JOLLY: I was just going to add—you asked the question earlier on, Chair, what might be some of the reasons why projects are delayed. Depending on the nature of the project, reasons can vary, but, as a general comment, it is probably worth just mentioning that these are by and large

community-based organisations, usually with voluntary management committees, and they can be fairly fluid arrangements. Of course, it involves people being prepared and able to give up their time in order to be able to perform the functions associated with that committee. Our experience often is that delays are caused just by virtue of the committee being able to come together and discharge its responsibilities. We are happy to provide the specifics on each and every one. To date, there is only one project that I am aware of where we have actually formally issued a failure to acquit notification, and that was on a very technical basis, in that again, as I understand it, a very small management committee submitted a form with a typewritten signature instead of an actual signature, and we have just been going backwards and forwards between the two organisations trying to get that rectified. Other than that, the other nine that are outstanding, I am not sure that we harbour any great concerns about.

The CHAIR: Okay. Might I just also ask, for recording purposes, I think I recorded it, and if I did not intend to accord a supplementary question number to the 10 or so projects which have not been acquitted —

Hon ALANNA CLOHESY: And the reasons.

The CHAIR: And the reasons why. Would you be able to elaborate, please, on perhaps the—I will put it this way delicately—I understand the composition of some of the organisations with whom you are dealing. They are volunteer-based organisations with fluid membership, and, without being condescending, variation, I suppose, in individual members' disposition towards the administrative, the legal and the like, but we are now two years on from the program being formally initiated by the government. I would have thought, in two years, most of these issues would have been resolved. Of the individual projects the agency has been asked to support or fund, have there been differing levels of complexity within individual projects? I am just trying to understand why there might be a length of time —

Mr JOLLY: Thank you, Chair, I think I can respond to that. The answer is yes, there are differing levels of complexity. One of the projects that we are involved with funding is not actually due to be acquitted until 2022.

The CHAIR: May I ask which one that is.

Mr JOLLY: If you bear with me, I should be able to provide that information.

That would be the grant that was made to the Baysie Rollers Inc for beautification of the Bayswater village precinct, a total of \$40 000; acquittal date 28 February 2022.

Hon ALANNA CLOHESY: Why?

Mr JOLLY: I do not have the detail, and we can perhaps provide it by way of supplementary information, but I understand that there was work being carried out in each of those years in between, progressively, as part of those beautification works.

The CHAIR: That might lead into the next question. How many of the projects that you are responsible for administering through the department were subject to milestones being—this might sound like one of those longer term projects where funding or support is contingent upon making good or achieving a certain progress point. Did you administer many of those kinds of projects, or were they mainly just sort of cash transactions?

Ms KENNEDY: There was a process that was scalable, depending on risk and expenditure. So projects with a value over \$50 000 within the formal grant process had a greater detail of activity reporting, KPIs and regular status updates, that were applied or were relevant, given the nature and scope. That predominantly applied to projects that were \$50 000 and above. For those that were \$50 000

and below, there was a detailed project status form submitted, so on top of all the entity and organisational details, it had all the project details, information around the community benefit activities, time lines, a list of community partnerships and the project budget and it was signed off by the legal entity at that time.

The CHAIR: Did the department encounter any difficulties dealing with unincorporated entities who may have been pledged commitment and expected to see it, but were not necessarily in a legal position to accept monies from the state, and perhaps a third party needed to be the guarantor or recipient to administer on behalf of an organisation. Did that occur with any of the Department of Communities grants?

Ms KENNEDY: For the entire process, there were seven that were not incorporated organisation, and it needed to be auspiced by an incorporated organisation, whether that was a local government or another not-for-profit—seven in total. One example was an RSL, just by way of example for you to understand the type et cetera.

The CHAIR: I would have expected that to be probably a common feature across other departments, by the nature of the organisations with whom you are dealing, and to whom pledges are made. The monitoring of project success or the achievement of outcomes is something that the committee is interested in. Could I get a sense please, perhaps for those projects of \$50 000 value and greater, of what the ordinary processes would be for providing updates either to departmental executives or to the minister or DPC? Was there any appetite or guidance—I hesitate to use the phrase—from above, which requested feedback or comeback reporting on any of these projects?

[12.20 pm]

Ms KENNEDY: Initially, in the formation of the project, there were certainly weekly project meetings with the Department of the Premier and Cabinet for those line agencies that held responsibility for executing the grant agreements. As a working group, it was mostly about the formation and how we were going to execute the grants et cetera. Otherwise, it was up to each individual line agency to monitor the progress within the existing frameworks of how they were meeting their undertaking and delivering the grant project, the usual kinds of compliance and monitoring processes would apply.

The CHAIR: Sure. Obviously, this is a project that has been delivered across multiple agencies over the course of time and there is a desire, quite understandably, on the government's behalf to make good on these promises. Can I understand a little bit more about the working group that you referred to? It is an interdepartmental working group, I presume, and they met weekly. What kinds of issues did they deal with? Were questions resolved?

Ms KENNEDY: Yes, it was a working group that was formed. There were conversations around a tiered risk process for the nature of the grants that were received. They were of varying degrees of complexity and subject matters et cetera. There was also some initial looking at the grants and some minor parts early on in exchanging between agencies in terms of who had the greatest relevance in terms of activity.

The CHAIR: Finding a home for some, yes?

Ms KENNEDY: Correct. There was some early administrative work done in that regard so it had the best strategic fit. Otherwise, there were weekly meetings early on around the administration, the perhaps media opportunities that might come out of these announcements et cetera.

The CHAIR: I imagine you got to a point where that working group had outlived its usefulness; sort of everything had been managed. But, roughly, what period of time did that working group meet, and to whom did that working group report?

Ms KENNEDY: It is stretching my recollection but Sally Whatmough, the principal policy officer, was chairing the working group.

The CHAIR: That person was a DPC person?

Ms KENNEDY: Correct. My recollection is that they were weekly initially, and as needed from then on.

The CHAIR: Okay. When there was perhaps some, I do not know, curly question of administration—for argument's sake, "This actually doesn't fit in the Department of Communities bailiwick"—was that working group in a position to sort of arbitrate on which department might be the best home for a particular project? Was that the kind of thing that they looked at?

Ms KENNEDY: Correct, yes.

The CHAIR: We talked about the way that variations were managed. Very briefly, I make the observation that I think departments did a pretty good job trying to retrofit governance mechanisms to political commitments, but that is not new in this state's history, I grant that. If there was a real question of policy, was it first raised in the working group? I might just cite this: it might not apply at all to any of the projects that the Department of Communities administered. But, for example, if an organisation was the recipient of an LPLJ disbursement or grant, did that preclude that organisation from applying for a range of grants that the Department of Communities would otherwise offer up? Was there a review undertaken about what I will call "double dipping"? Was that issue ever raised at that working group or considered by the department at all in respect of many of the grants?

Ms KENNEDY: Not that I recall, no.

The CHAIR: Okay. That is all right.

Hon JACQUI BOYDELL: I want to ask the director general, or whether anyone else can answer it: with other community groups or sporting or arts groups, did the department or, if you are aware of, the minister's office receive any feedback from any organisations that were outside the election commitments of the Local Projects, Local Jobs program to suggest that they would have liked to have been part of this project and asking how they could access the grant for this program?

Ms ANDREWS: I am not aware of what feedback we might have received. As a matter of principle, the approach we have taken through all of this—and I can only anticipate this feedback would have been given—was that it was through the local member and other processes that the consultation occurred and the decisions made about most appropriate recipients for the funding. That was a broad principle that sat around all of this. I can only anticipate if we did have feedback that that would have been part of the explanation that would have been provided to those organisations.

Hon JACQUI BOYDELL: The election commitment was made. The government came to office in March 2017 with, I would assume, already committed groups and amounts of money. Was it purely just an administration process that you then undertook to deliver that? I was just a bit confused by what you said there. I sort of had the impression that people could apply after to the local member for funding.

Ms ANDREWS: No; sorry if I said anything that confused. A process was run before the election. As I understand it, both Liberal and Labor were looking at similar sorts of programs. In the end, the Labor government came in with those election commitments, those commitments having been made.

Hon JACQUI BOYDELL: I just wanted to clarify there was no opportunity, after the event of the election, for people to go to the local MP, as you are aware, and say, “I would like this to be part of Local Projects, Local Jobs.” Your department was purely delivered a list.

Ms ANDREWS: Of election commitments. And we were administering the dispersal of those funds.

Hon JACQUI BOYDELL: Okay. Over the whole process, I want to double-check your interpretation of the Department of the Premier and Cabinet’s oversight. They oversaw, on a weekly basis, the administration and delivery of this project, although you administered the actual on-ground funds being dispersed. The Department of the Premier and Cabinet maintained involvement so far as oversight.

Ms ANDREWS: Certainly at the front-end of the process when those decisions needed to be made around which agency to administer, and then clarifying some of the questions that agencies had about processes and so on just to ensure the right governance was being wrapped around these processes. DPC certainly oversaw all of that. You can see as these processes got under way, there was less need for that level of interaction with DPC. As there would be with anything, there would be an expectation on myself and my predecessor that if an issue arose that required some broader policy guidance, we would hook back into DPC for that sort of advice.

Hon JACQUI BOYDELL: Was the department given any extra resources to administer this program or was it held within the resources you had?

Ms ANDREWS: The funding we received was in relation to the money that was dispersed. We used our existing processes and resources to administer it.

Hon ALANNA CLOHESY: In terms of the administration of election commitments, was that different from the administration of other election commitments in that the department used its own resources to administer those election commitments?

[12.30 pm]

Ms ANDREWS: This is probably not a straightforward answer to that because the nature of election commitments can vary significantly. The extent to which the department gets—I will call it extra internal resourcing versus, in this case, the external funds—so there would be other election commitments that we have been responsible for that have resulted in some additional funding for, let us call it policy officer positions and that sort of thing. It varies across election commitments; it is the nature of the election commitment, I think.

Hon COLIN TINCKNELL: Because there were those election commitments and certain clubs and associations—whatever—gained benefit from that, did you get any clubs nearby or closely associated that felt that they had been disadvantaged? Did you get complaints from people saying, “They didn’t need this; we did. We’ve already put in an application”? Did you have any of that happening? In other words, did it impact other grants that were possibly planned?

Ms ANDREWS: That sounded like two different questions to me. The first one is to the nature and quantum of complaints we might have received about this process, and I will have to defer to my staff around that because I am not aware. The second one was the extent to which it impacted on other grants programs.

Hon COLIN TINCKNELL: It was two questions, you are right.

Ms ANDREWS: Again, on that want one I will have to defer to Brad or Penny for an answer here or whether we take anything on notice.

Mr JOLLY: I am not aware personally of any feedback from community groups in relation to this program. There may have been some but I am personally not aware of any. As you probably

appreciate, we are a relatively big organisation so to the extent that there may have been conversations with individual officers, I could not say. In relation to the second part of your question about whether or not participation in the Local Projects, Local Jobs scheme would have impacted on eligibility for one of the other grants programs, the answer is no. All these things are mutually exclusive in that regard.

Hon COLIN TINCKNELL: I have just got one question on perceived conflicts of interest. Did your agency identify any instances of that at all?

Ms ANDREWS: We have well-established processes for managing perceived and real conflicts of interest for all of our officers as well as our broad obligations under the Public Sector Management Act. There were no conflicts of interest perceived or real declared through this process by our officers.

The CHAIR: Just a couple of follow-up questions. We received, as I mentioned earlier, a submission from the Department of the Premier and Cabinet on behalf of the whole of government—that is fair enough. We were advised that, as a consequence of the cabinet decision, ordinarily the Parliamentary Secretary to the Premier was tasked with certain duties, which we are still trying to come to grips with. But agencies were also advised to undertake liaison with their relevant minister's office and the local member to ensure the details of the project commitments were agreed to by all parties involved. How did that actually manifest itself within your department because you have multiple ministers? Was it clear which of, I think, the four or five ministers that the department reports to are actually the authority in respect of individual grants? I note you have RSLs, which would presumably fall under the bailiwick of the Minister for Veterans Issues and there are ones around, I suppose, refuges for victims of family and domestic violence, which is obviously Minister McGurk. In effect, did the department have to liaise with each of these individual minister's officers and did that necessitate any changes or inclusions in section 94 communications agreements from the department, which specifies who within a minister's office is permitted to engage directly with individual officers at the departmental level? Was that a consideration in this at all?

Ms ANDREWS: In broad terms, as you are referencing, we have broad communication agreements in place and for our department, four ministers; Minister McGurk has a coordinating role. When it comes to election commitments, as part of our broader reporting obligations to ministers, we look to be very clear around status and delivery or any delays that might be happening. We certainly consider it to be an important part of our communication with all of our ministers. The processes we use, because sometimes there can be matters that are of interest to more than one minister and so we have in place good processes for communicating with all ministers with an interest in these sorts of programs and these sorts of election commitments. That is the current state. In terms of the delivery of these grants, whether there are any particular issues that resulted in a change in the communications agreement, you are asking, I am not aware of anything. I will check with —

The CHAIR: You would not be in a position to advise me, but if you would mind taking that as supplementary because I think it is important from a governance perspective. I suppose my concern being that you have individual desk officers within departments effectively fielding calls and potentially—I am not saying this did happen—having to try to arbitrate on matters between ministers' officers and very enthusiastic local members. I do not like what that does to individual public servants so I am interested to know what protocols would have applied in that instance.

Hon ALANNA CLOHESY: So the usual communication protocols that are put in place in relation to every government in relation to how the minister or the parliamentary secretary and officers of the department communicate; so which level person can communicate with whom?

Ms ANDREWS: So are you wanting—just to be clear about the additional information you would like—to understand what those communication agreements are at the moment?

The CHAIR: What they were at the time, I suppose, and whether or not —

Ms ANDREWS: That is quite a period of time, so we will check.

The CHAIR: For the purposes of clarity, if you could just confirm who was authorised under the existing, I think, section 94 agreement in the department to talk to whom at which minister's office and whether or not, as a consequence of managing the practicalities of this program, any amendment had to be made.

Ms ANDREWS: We will look at that.

The CHAIR: One final question, too, if you do not mind, bearing in mind the time, and I thank you very much for your appearance. When it came to the end point—I think there was reference made to how you might manage communications or the marketing of a recipient receiving their money for the purposes of a media event—was the department's role to manage that kind of outcome or was that the responsibility of the local member and the minister to arrange—for example, the handing over a rudely-sized novelty cheque? Were any departmental resources allocated to, for example, producing those kinds of cheques, and was there any sort of branding in place that specified that this was a government program? Was there any protocol there?

Ms KENNEDY: Under the grant agreement there was an acknowledgement requirement regarding the Local Projects, Local Jobs initiative in terms of the branding aspect. But with regards to the notification, the department plays an advisory role only to the relevant ministerial office for them to coordinate any marketing.

The CHAIR: Okay. That was a minister's office role not a departmental role.

Ms KENNEDY: Correct.

The CHAIR: Okay; thank you very much. I think we are done.

Thank you very much for attending today. A transcript of this hearing will be forwarded to you for correction. If you believe that any corrections should be made because of typographical or transcription errors, please indicate these corrections on the transcript. Errors of fact or substance must be corrected in a formal letter to the committee. Because there have been a number of questions taken here today, when you receive your transcript of evidence, the committee will also advise you when to provide your answers to those questions taken on notice. If you want to provide additional information or elaborate on particular points, you may provide supplementary evidence for the committee's consideration when you return your corrected transcript of evidence.

Once again, thank you very much for attending today. I wish you well with the rest of your day.

Hearing concluded at 12.39 pm
