

PUBLIC ACCOUNTS COMMITTEE

Fifth Report — “Review of the Reports of the Auditor General 2008-2009” — Tabling

MR J.C. KOBELKE (Balcatta) [10.12 am]: I present for tabling the fifth report of the Public Accounts Committee, entitled “Review of the Reports of the Auditor General 2008-2009”.

[See paper 1679.]

Mr J.C. KOBELKE: I am pleased to be able to speak to the “Review of the Reports of the Auditor General 2008-2009”. This is the fourth report of this nature, examining the progress that public sector agencies have made in implementing the recommendations made in the Auditor General’s compliance and performance examination reports.

Ensuring the accountability of government to Parliament through the systematic and comprehensive examination of government activity is the objective of the parliamentary committee system. The Public Accounts Committee specifically holds the government to account for the expenditure of public moneys. Supporting the committee in its role is the Auditor General—an independent officer of the Parliament—who is charged by statute to scrutinise the public sector to ensure that public funds are expended lawfully, efficiently and effectively. Although both the Public Accounts Committee and the Office of the Auditor General are autonomous entities, they have developed a cooperative and constructive relationship to assist them to deliver on their common objectives.

The recommendations made in the Auditor General’s compliance and performance examination reports aim to be a catalyst for positive change in public sector performance, through identifying issues of significance not only for the audited agencies, but for the sector as a whole. Although the Office of the Auditor General may conduct a follow-up or follow-on investigation of agencies that have previously been the focus of an audit, the office is not empowered to direct or compel agencies to adopt recommendations arising from its audits, and it is accepted that such a role would not be appropriate. As a former Auditor General said, according to my notes, when summing up this distinction —

... as an external auditor I am Parliament’s “watchdog”, not their “bloodhound” ...

The Public Accounts Committee of the thirty-sixth Parliament resolved to formally monitor the progress of public sector agencies in addressing the recommendations made by the Auditor General, to ensure that due consideration is given to the recommendations and to maximise compliance—an initiative very much welcomed by the Office of the Auditor General. Successive Public Accounts Committees, including the current committee, have continued this review process—a move that acknowledges the level of resources devoted to the conduct of these examinations by the Auditor General, and the value of the recommendations made. It should be noted that most public accounts committees in Parliaments across Australia have instituted a comparable review process, and that in some jurisdictions the process is mandated by statute.

The monitoring procedure established by the committee involves requesting audited agencies to provide a written response, 12 months after the tabling of a compliance or performance examination report, that details the actions taken to implement each of the Auditor General’s recommendations. Upon receipt of an agency’s response to the Public Accounts Committee, the Office of the Auditor General assesses the agency’s initiatives against the original recommendations and provides that advice to the committee. If a response indicates that satisfactory progress has been made, the committee concludes its review on that matter; if progress is considered to be unsatisfactory, the committee requests additional information or clarification, and, further, has the power to conduct a hearing with senior agency officers if not satisfied with the response. To facilitate the agency reporting process, earlier this year the Public Accounts Committee, in conjunction with the Office of the Auditor General, developed guidelines for agencies preparing a response to the committee on a report of the Auditor General. The feedback from agencies has indicated that the guidelines have clarified the level of detail required by the committee, helping to simplify and streamline the process. Over the past 12 months the committee has further developed a strong working relationship with the Office of the Auditor General. In particular, I would like to thank Mr Colin Murphy, the Auditor General, and the staff of the Office of the Auditor General for their valuable input into the committee’s review process.

I would also like to express my appreciation to the members of the Public Accounts Committee for their commitment and support: the deputy chair, the member for Jandakot; the member for Carine; the member for Gosnells; the new member of the Public Accounts Committee, the member for West Swan; and the former member for Willagee, Alan Carpenter, who was formerly a member of the Public Accounts Committee.

Finally, I would like to thank the former principal research officer, Ms Katherine Galvin; the acting principal research officer, Ms Isla Macphail; and the research officer, Mr Mathew Bates, for the essential, detailed work they have done in following up issues with a very large number of different agencies. Without their

professionalism and commitment to the detailed work required, the committee would not have been able to follow through on so many issues. This detailed follow-up adds further value to the important work of the Auditor General. I commend the report to the house.

MR C.J. TALLENTIRE (Gosnells) [10.18 am]: I, too, rise as a member of the Public Accounts Committee, and I wish to speak to the “Review of the Reports of the Auditor General 2008-2009”.

The areas of review and consideration covered in the Auditor General’s reports are certainly extensive and are done in great detail. But I would particularly like to focus on the area that relates to the eighth report, which is entitled “Management of Native Vegetation Clearing”, which was tabled on 5 September 2007, and the follow-up measures that the Auditor General has implemented in considering the determinations of that initial report.

The Auditor General began by identifying that Western Australia is indeed a biodiversity hot spot that possesses 12 500 native plant species, and that gives an indication of the suite of ecological values that are entrusted to us and that we must protect. The situation presently is that vast areas have already been destroyed, and it is proposed that many areas will be destroyed in the future. Unfortunately, we have a clearing assessment process in place that has been overwhelmed with applications; that was what the Auditor General specifically looked at. The Auditor General determined that, to some extent, the Department of Environment and Conservation was able to resource the assessment of applications. But the Auditor General also determined that there were serious shortcomings in the Department of Environment and Conservation’s processes for determining illegal land clearing. A recommendation was made in September 2007 for the use of satellite imagery—remote sensing—to determine the extent of illegal clearing in the state, and for the use of that mechanism to further investigate with a view to prosecution.

Unfortunately, we have found that the Department of Environment and Conservation has made very little progress in that area. I will recommend to my colleagues on the Public Accounts Committee that we encourage the Auditor General to consider further investigation and that the Public Accounts Committee itself look to investigate aspects of illegal clearing in this state. It is simply not good enough that the state government is prepared to resource the assessment of applications to facilitate further destruction of the environment by allowing more land clearing to take place while putting no resources into the detection of illegal land clearing. The Auditor General had a response from the Department of Environment and Conservation to the effect that the department was considering, where practicable, the use of satellite imagery. Satellite imagery is used in other sectors on a daily basis. We know, for example, that the Department of Agriculture and Food uses satellite imagery to observe the extent of frost damage on our wheat crops. It is possible to use remote sensing technology on a very fine scale to make all kinds of determinations about land use practices. However, it seems that, for some reason—probably lack of funding—the Department of Environment and Conservation has not made a priority of the need to detect illegal land clearing.

The Auditor General went on to note that the Department of Environment and Conservation has been improving its time lines for the assessment of permit applications, but that there was something of a backlog. Frankly, this is the wrong end of things to be concerned about. This is the destruction end of the process, and we need to be making sure that the protection end of the process is properly resourced. That is what the Auditor General is highlighting, and it is something that the Public Accounts Committee should consider further in years to come. It was mentioned in the Auditor General’s report that in July 2008 and then again in the current budgetary year, the Department of Environment and Conservation budget was reduced by 20 per cent, and that staffing levels have been a serious problem, compounded by high levels of staff turnover. The department has decided internally to prioritise its resourcing effort to ensure that state and community infrastructure development projects that require clearing permits are the priority of the agency. It is prepared to go on assessing things that will lead to the destruction of the environment, but not to detect the illegal clearing that goes on.

The assessment of applications for permits to clear native vegetation is the responsibility of the Department of Environment and Conservation on the one hand, while those relating to resources projects are dealt with by the Department of Mines and Petroleum. We all know that the Department of Mines and Petroleum, with its Geological Survey division, has a massive capability to be out in the field doing on-ground verification of satellite imagery. The use of remote sensing is very much a part of that agency’s day-to-day work. The agency receives massive amounts of public money to help it provide services to the industries that seek to exploit the mineral wealth of the state. It seems very reasonable that the Auditor General examine the extent of the complementary task of ensuring that precious natural values are not destroyed in the process of either exploratory work or the operational side of mining. There is sometimes a tendency for operators to go beyond the permitted area.

That brings me to my final point, which is about compliance. The Auditor General was able to determine that some effort had been put into ensuring that those who receive a permit allowing them to clear native vegetation

Extract from Hansard

[ASSEMBLY - Thursday, 26 November 2009]

p9966b-9968a

Mr John Kobelke; Mr Chris Tallentire; Mr Tony Krsticevic

have been complying with the conditions placed on that permit. That is an area in which the Auditor General recommends far greater effort and far greater resources. The Public Accounts Committee would be well advised to continue to pursue this area, because it indicates the level of importance placed by the Barnett government on allocating resources to the protection of our natural environment. In many cases, people are granted a permit to destroy native vegetation on the basis that they replace that vegetation, like for like in some instances, or carry out some form of offset measure. That offsetting process needs extensive verification, and that is a further area that the Auditor General and the Public Accounts Committee need to address. The claims and promises that people make to entitle them to destroy vast areas of native vegetation need to be checked to ensure that people are keeping the other side of the bargain, so to speak.

The Public Accounts Committee commends to the house its review of the reports of the Auditor General for 2008-09. There are many other areas worthy of examination and discussion in the report, and many areas that members will find extremely useful. I commend the report to the house.

MR A. KRSTICEVIC (Carine) [10.27 am]: As a member of the Public Accounts Committee, I would like to say a few words about the review of the reports of the Auditor General for 2008-09. The report is an outstanding document that covers many facets of government agencies. I commend the Auditor General and his staff for the work that they have been doing over the past 12 months in identifying areas in government agencies that need more focus. More importantly, I would like to see all ministers take a close look at this report and determine what parts of their areas of responsibility have been identified for examination and review, the effectiveness of those reviews, and the outcomes achieved by their departments. It is a good health check of where things are at. The Public Accounts Committee has shown a strong interest in what has come from the Office of the Auditor General, and is very impressed with the quality of the work that has been done there. We want to make sure that the full benefit of those results accrues to the people of Western Australia.

I also give a big thankyou to the staff of the Public Accounts Committee. They have done an outstanding job over the past 12 months, especially in pulling together this report. Specifically, the principal research officer for most of that time was Katherine Galvin, the acting principal research officer was Isla Macphail, and the research officer was Matthew Bates. If members are not aware, Katherine Galvin will be leaving this place some time next year, though I am not sure of the specific date. She will be travelling around Australia in her Winnebago. I thank her for her hard work and commitment in her time here, and wish her all the best for the future in whatever endeavour she takes on board.

In conclusion, I urge members to have a look at this report. It is well worth reading, and covers many areas. Some areas may take longer to achieve a result, but the Auditor General will continue his dogmatic approach to making sure that compliance and performance are achieved. Finally, since this is the last sitting day of the year, I wish all members a merry Christmas and happy New Year.