

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

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



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 2 SEPTEMBER 2019**

**SESSION THREE
DEPARTMENT OF EDUCATION**

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

Hearing commenced at 12.59 pm

Hon SUE ELLERY

Minister for Education and Training, examined:

Mr JAY PECKITT

Acting Deputy Director General, Education Business Services, Department of Education, 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 cameras. If AV could commence the broadcast, please. Mr Peckitt, I now require you to take either the oath or affirmation in front of you.

[Witness took the oath.]

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

Mr PECKITT: Yes, I have.

The CHAIR: Fabulous; let us get going.

Could I first seek some clarification with respect to the Department of Education's involvement with the rollout of Local Projects, Local Jobs projects. First of all, can I get a sense of the number of projects which the department has been allocated to administer?

Hon SUE ELLERY: Mr Peckitt can give you the actual number.

Mr PECKITT: There were 167 grants across 156 projects to a value of around \$6.6 million.

The CHAIR: Sorry, \$6.6 million, did you say?

Mr PECKITT: That is right, yes.

The CHAIR: Could I ask, of those projects which the department is taking carriage of, what proportion have been completed or —

Mr PECKITT: They have all been acquitted.

The CHAIR: They have all been acquitted?

Mr PECKITT: Yes, they have.

The CHAIR: There are no more projects for the department to administer?

Mr PECKITT: No.

The CHAIR: Could I get a sense, please, of the diversity of the individual projects which the department took care of in terms of dollar value range and, I suppose, scope of activity?

Hon SUE ELLERY: While Mr Peckitt is looking for the paperwork, I might just add, for the assistance of the committee, I did table—when I was answering a parliamentary question, probably more than a year ago—a list and the value of each of those.

The CHAIR: Okay. Minister, has there been any change to the information you provided then, or they were all complete at that time?

Mr PECKITT: There may have been a couple of minor changes since then, but very minor within, probably, a couple of projects.

The CHAIR: We could avail of ourselves of that list through parliamentary questions, and, if you have the opportunity to advise the committee of any change since that point in time, there is a means by which you can do that. I do not think I even need to ascribe that a supplementary question number.

Could I ask, please, of that \$6.6 million, was that a supplementary appropriation or was that funded from within the existing budget allocation for the Department of Education?

Mr PECKITT: The department received additional appropriation to approximately the value of \$6.6 million to provide for those grants.

The CHAIR: That additional funding, was that allocated in the 2017–18 budget year?

Mr PECKITT: Yes, that is my recollection. I believe it was in the budget papers for that 2017–18 budget.

The CHAIR: There are some questions that we ask, which are probably inappropriate to direct to public servants, because they involve ministerial responsibility. I suppose that refers to, broadly speaking, term of reference (a) of this inquiry, which deals with the actual generation of individual election commitments, but, in particular, decisions that may or may not have been taken by ERC at an early date.

Hon SUE ELLERY: You can ask me.

The CHAIR: I can ask you. My interest, though, is actually—minister, you might be able to assist here—in the involvement of the Parliamentary Secretary to the Premier in relation to managing these commitments. Are you in a position to elaborate on what that role actually entailed and how that decision to appoint him was made?

Hon SUE ELLERY: I can make some comments. Whether I can go to everything you are looking for, I do not know, but I can make some comments. First, I will start by saying that I have been a parliamentary secretary and I currently have a parliamentary secretary, so I understand how jobs and tasks and projects are allocated to them. My understanding in respect of the member for Perth and how he was allocated his responsibilities with respect to Local Projects, Local Jobs, was that the Premier asked him to take responsibility for, if you like, coordinating between local members; DPC, who took overall responsibility for implementing those election commitments that were branded, if you like, under the heading of Local Projects, Local Jobs; and, for those of you perhaps who have been members for a while, not dissimilarly to a ministerial liaison person in a ministerial office, his responsibility was coordination and making sure that everybody who needed to be in the loop, if you like, was in the loop. It was around liaising with the local member, so we understood what the commitments were; liaising with DPC; and liaising with the relevant minister's office if that was required as well. Essentially, coordination and communication, I would say.

Sorry, if I can perhaps add one further point. It is important to understand that parliamentary secretaries, like ministers, sign communications agreements, which enable them to communicate directly with directors general. Normally, a member of Parliament is not able to speak directly to a director general. You would normally go through the minister's office. The minister signs a communications agreement which says, "In the first instance you will go to the director general", and parliamentary secretaries sign communications agreements as well, which say they will go directly to the director general.

In terms of the actual allocation of the task, I would imagine—I do not know because I was not in the room when it happened. My understanding is that the Premier verbally asked the member for

Perth to undertake that task. If I give you a couple of examples, in my case, when I was parliamentary secretary, at various points I was Parliamentary Secretary to the Minister for Health and Attorney General—and my parliamentary secretary now is Hon Samantha Rowe—in both, Jim McGinty, would ask me, “Can you take responsibility for coordinating how we pull all the policy together on this?”, and I similarly have asked Sam Rowe to do a couple of projects for me. Those projects are kind of time limited, they end and then I might ask her to do another task.

The CHAIR: I presume as well that that also involves support provided by either your ministerial staff or by departmental staff to support a parliamentary secretary in that allocated task?

Hon SUE ELLERY: Correct. It would depend a little bit on what the task is, but, yes, it can involve that.

The CHAIR: With respect to the member for Perth’s role in coordination, as it has been described to us by Mr Foster from the Department of the Premier and Cabinet, it was a coordinating role. To the best of your knowledge, though, did the parliamentary secretary have any authority to exercise a discretionary approval function over the programs delivered by your agency?

Hon SUE ELLERY: No.

Hon ALANNA CLOHESY: Who had that approval?

Hon SUE ELLERY: It rested with the minister. Ultimately, DPC was coordinating the whole thing, but, for example, there were some variations, and those were approved through my office. There was a kind of a three point, if I can describe it as that, in terms of variations. There was the local member, the school and then the department through to the minister’s office. There were three points of contact around that. John Carey’s role was coordination: does everybody know that this is what has been proposed? He was not making any decisions.

The CHAIR: He was linking up people.

Hon SUE ELLERY: Correct.

The CHAIR: Presumably there was a bit of front-end work, too, because, as it has been put to us on a number of occasions by DPC and others, there was effectively a master list—this extends beyond the remit of your agency as well, minister—of some 859 projects that it would appear to us Mr Carey was responsible to corral and then allocate. That was done presumably in the period between the swearing-in of government and actually this issue coming to ERC or cabinet’s attention for approval for the overall funding allocation.

[1.10 pm]

Hon SUE ELLERY: It might have happened before, during and perhaps even after, I do not know.

The CHAIR: Before the election or after?

Hon SUE ELLERY: No, after. No point coordinating it before!

The CHAIR: It depends how confident you are!

Hon SUE ELLERY: What would he be coordinating?

The CHAIR: There are a couple of issues, thematic things, which have arisen as we have undertaken our hearings. One is exactly that around the treatment of variations to agreements. The committee can anticipate where a funding recipient might have a more urgent pressing need, or when given the option to allocate residual funds. Could you explain to the committee was that process of variations management ever formalised prior to the variations themselves being requested or encountered?

Hon SUE ELLERY: I cannot answer the question accurately about whether it was formalised before variations were encountered, because I just do not know, so I cannot give you an accurate answer in respect to that. I can talk about the ones that I am aware of, where early on—you would be aware of the Auditor General’s report—we had just been elected, I do not think everybody was communicating as well as they could have been. There were a couple where—I think there was one where there was no documentation. Before the Auditor General’s report actually came out, certainly in respect to the education ones, there was a tidy up, if you like, of the process to make sure that there was a paper trail that indicated that the school was happy with the proposal, the local member was happy with the proposal, and, centrally, the department and the minister’s office was happy with the proposal. So a paper trail, if you like, was established for that. I do not recall—it does not mean there was not, but I just am not aware—if there was any formal process set up before that.

The CHAIR: Before the scheme was made operational? Okay.

Hon ALANNA CLOHESY: Just two questions about the origin of it. Why was it important that the local member be part of that picture?

Hon SUE ELLERY: The actual commitments themselves were commitments made during the course of an election campaign made by the local member. They needed to be comfortable with any change, because they were the ones that made the promise to their electorate that they would deliver, you know, new lighting for a bowling club or whatever the promise was. It was an important part of the process that they were comfortable knowing that they were delivering if not exactly what they had promised, the equivalent thereof, and that they were comfortable with that.

Hon ALANNA CLOHESY: The department’s engagement with this process—we have heard from other departments that they were given a list of election commitments from DPC to implement. Is that your department’s experience?

Hon SUE ELLERY: Yes, that is my recollection of what occurred. Someone in DPC had—I think Hon Tjorn Sibma referred to it as a “master list”—a big list of them on it, and that was relayed to the department. But Mr Peckitt might be able to remember exactly how that happened, but that is my recollection of what happened. It was relayed to the department that this was the range of things that fell within agency X or agency Y.

The CHAIR: We understand that there was that meeting that the parliamentary secretary was at on 19 April 2017 where he met with directors general or other agency representatives. Are you in a position to identify who from the department may have intended that meeting?

Mr PECKITT: Yes. It was the then director general Sharyn O’Neill and I also attended.

The CHAIR: At that meeting, were you then provided with that list or had that list been conveyed to you prior to that meeting?

Mr PECKITT: I believe it was provided at the time of that meeting, and then there was more work done to sort of, I suppose, finalise the list to determine which agencies would take responsibility for administering the certain ones.

The CHAIR: Would it be right to infer that the purpose of that meeting was basically to advise administering departments, the most senior public servants in those agencies, that these are the government’s commitments, they appear to be within the capacity of your agency to administer—please either get on with it or advise us if there might be any challenges to that?

Hon SUE ELLERY: I do not think I can answer that because I did not organise the meeting and I was not at it, and Mr Peckitt did not organise the meeting although he was at it. He might be able to tell you what happened at it, but I am not sure that we could answer you as to its motivation.

The CHAIR: If it is possible, in broad terms, to provide a sense of what was discussed and what was agreed at that meeting?

Mr PECKITT: Yes. My recollection was that it was, essentially, just providing an overview of the program. Then there was discussion around the agencies in terms of exactly how you may administer it—so sharing of knowledge, I suppose, about everyone's grants' processes. Yes, that was basically the main focus.

The CHAIR: With respect to that, was there a model or a pre-existing grants or grants-like process that the Department of Education already had that could effectively apply to the administration of these Local Projects, Local Jobs?

Hon SUE ELLERY: I can make some general comments. The proposal, once we were elected, was that each relevant agency would use its existing governance mechanisms around grants programs or funding agreements that it entered into to manage the process. So in respect to the Department of Education, yes, we are a large organisation of, I think, a \$5 billion budget. We have a lot of grants programs and funding arrangements that are entered into with other organisations, for example, for the provision of particular services, and then grants that are made directly to schools where funding agreements are entered into, say, for example, the provision of shade sails. There is an annual funding program for shade sails. There is a whole range of different grants programs that are run. Clearly, that already exists in the Department of Education and those are the mechanisms that the agency was required to use.

The CHAIR: Was there a uniform template agreement utilised by the department for the administration of the 156-odd projects or were there different ones utilised depending on the complexity of the project or the size of the funding amount?

Mr PECKITT: The majority of the grants went to public schools, around about 92 per cent in dollar terms, and they are not technically a grant because they are within the Department of Education.

The CHAIR: Sorry, they are technically —

Mr PECKITT: They are not.

The CHAIR: Are not—okay.

Mr PECKITT: No, because we use through our student-centred funding model which funds public schools—they have a mechanism called Targeted Initiatives, which is where we allocate funding to specific schools for specific purposes. We use that mechanism to allocate the public school funds to them. We used our existing grant agreements for anything that was external to the department, so we funded some non-government schools and a couple of other non-government organisations.

Hon SUE ELLERY: If I can just explain the Targeted Initiatives, so you understand how it is used.

The CHAIR: Yes, please.

Hon SUE ELLERY: So, under the student-centred funding model, which was the system put in place by the previous government, there were buckets, if I can call them that, of money attributable to schools for the particular characteristics of each student at that school. So, there was a bucket of money for remote and rural schools; a bucket of money for Indigenous students; a bucket of money for students with disabilities or learning issues; a bucket of money for small schools, if you like—so there are, sort of, six buckets of money. And then there is the Targeted Initiatives, which, if I can call it that, was like a catch-all, because from time to time the department will allocate additional funds

to schools for specific purposes, but they could be anything. So, for example, the department wanted to run some pilot projects on, say, using a new computer system. They might pick 12 schools that are going to participate in that particular pilot project and they will fund that out of the Targeted Initiatives. So, it is sort of like a catch-all bucket of money that the department used from the beginning of the student-centred funding model, and still uses, to do a whole variety of different things that in any one year may be completely different to what it uses that money for the following year.

[1.20 pm]

The CHAIR: Is that just part of the department's appropriation as part of the regular budget cycle?

Hon SUE ELLERY: Yes. It is not broken down.

The CHAIR: It is not broken down by —

Hon SUE ELLERY: No. You would not even see the student-centred funding model in the budget papers.

The CHAIR: No. But the Targeted Initiatives —

Hon SUE ELLERY: Is part of the student-centred funding model.

The CHAIR: And that becomes part of the ordinary budget cycle that departments bid for—its appropriate appropriation?

Hon SUE ELLERY: Correct.

The CHAIR: Would it be fair to assume, then, that if 92 per cent of the projects funded by LPLJ would not ordinarily be categorised or technically considered a grant, would it also be fair to assume that a large proportion of the Local Projects, Local Jobs projects taken charge of by the Department of Education could have perhaps been funded by either that Targeted Initiatives or some other ordinary departmental means, when you are talking about shade sails or equipment or —

Hon SUE ELLERY: Shade sails do not fit under Targeted Initiatives.

The CHAIR: They do not?

Hon SUE ELLERY: No. I suppose, theoretically, they could have, but that would have meant that other things that the department had planned would perhaps not have been able to be delivered, and that is why there was an additional allocation made.

The CHAIR: Aha! So, you did not want to compromise the departments planning for the utilisation of that means.

Hon SUE ELLERY: I do not know if that is an "Aha!" moment.

The CHAIR: No, it is not an "Aha!" moment; I am just trying to think. So, you gave consideration to attempting not to threaten the capacity for the department to deliver on those Targeted Initiatives, as they ordinarily would, and that is why you sought supplementation for the LPLJ?

Hon SUE ELLERY: Well, that is your description; I would not describe it that way. The government made a series of specific local election commitments that it would not have expected to be sitting in the department's normal budget. It made an additional allocation, and then the department used the mechanism, like the administrative mechanism of the Targeted Initiatives, to allocate the funding.

The CHAIR: All right. That makes sense. What we are attempting to do is perhaps compare and contrast the way the different agencies went about utilising their appropriate instruments and whether there are any, sort of, changes or differences—material or not. Is it possible to provide this

committee with a de-identified template or agreement template that you would have put into place to give effect to these Local Projects, Local Jobs initiatives?

Mr PECKITT: Yes, we could do that for the external grant agreements. And, if you like, we could provide a copy of a sample letter that went to the principal from the department.

The CHAIR: If you would not mind. That is actually useful. I will give that supplementary question C1.

Hon JACQUI BOYDELL: Minister, just in relation to the comments around why it was important to have the local member's involvement: in the areas where there was not a successful Labor candidate that had come to government, was the DPC, or agency, working with the elected local member? Who were they working with in that instance?

Hon SUE ELLERY: You would have to ask DPC.

Hon JACQUI BOYDELL: Okay. That is fine. We will do that.

Hon COLIN TINCKNELL: Just a couple of questions, probably more directed at Mr Peckitt: did you uncover any perceived or actual conflicts of interest during this Local Projects, Local Jobs?

Mr PECKITT: No, we were not aware of any conflicts of interest. Given, obviously, all of these are funded out to schools, the school would really be the ones responsible for managing the conflicts at the local level, but the department was not notified of any conflicts of interest.

Hon COLIN TINCKNELL: Also, with the title "Local Projects, Local Jobs", were you able to identify how many jobs or how many FTEs or how many positions could be attributed to this new program?

Hon SUE ELLERY: I might make some comments about that.

Hon COLIN TINCKNELL: Yes, thank you.

Hon SUE ELLERY: So, I would say two things: one, this was a branding exercise. And I made that point; I am already on the public record in the speech I made about the establishment of this committee: it was a branding exercise. And shock, horror! A political party enters into a "branding exercise" in an election campaign! I appreciate that Hansard does not pick up irony, but that was ironic, because I do not think it is shocking at all. So, one: it was a branding exercise. Secondly, it definitely was, though, about stimulus to the local economy. Depending on the size of the commitment, to a very small extent or, in some cases, a slightly larger extent, we knew that we wanted to assist local economies where we could, and to the extent that, in the case of schools, for example, they might be able to use a local electrician or a local business to provide or deliver an actual commitment—that would be a good thing. I did not ask the department. The Department of Education did not measure specific numbers of people that were engaged in the delivery of those commitments.

Hon ALANNA CLOHESY: Just on the measurement of commitment that you did not ask the department to measure, presumably there is a limit by which you could ask the department to use its resources. Say, there was a grant for \$5 000 to meet an election commitment: understanding the nature of the development of jobs, is it the small grants that would not necessarily create those jobs but would give preference to local content, for example?

Hon SUE ELLERY: Yes. So, depending on where the school was, for example, our expectation was that they would, if they were able to, most likely use local providers. We made another election commitment—if I just might add—around direct-to-market, which was specifically about empowering schools to make local decisions about who they engage for some minor maintenance and infrastructure work, for example. It was more about getting the commitments delivered. As a new government we wanted to be seen to be very deliberately and consciously delivering on our election commitments, and we were unashamed about that. We wanted to get it done quickly. I was

more interested in making sure we delivered on the actual specifics of the project than directing departmental resources into coming up with some formula to generate or create a methodology to measure a specific numbers of jobs.

The CHAIR: Can I ask, minister, on that theme, then: you have not asked the department—you have explained why, I think. But just to confirm, you are not going to task the department with measuring whether there was any job creation as a result of the \$6.6 million in Local Projects, Local Jobs funding administered by the department?

Hon SUE ELLERY: I am absolutely confident that the election commitments that were made and have been delivered have been welcomed by the local community.

The CHAIR: I have no doubt.

Hon SUE ELLERY: And I am more than satisfied that that meets the requirement that we set ourselves, and I will not be directing the department to do anything differently.

[1.30 pm]

The CHAIR: Okay. That seems to be a consistent view across government. You did mention local content, and I think that is interesting.

Hon ALANNA CLOHESY: Actually, I did.

The CHAIR: Sorry, member; how rude of me. Were there any clauses in grant agreements or stipulations in grant agreements which would encourage recipient schools to make use of local service providers?

Hon SUE ELLERY: I will ask Mr Peckitt to answer that in a minute if there was anything specific at the time that we were elected, because I do not know if there was, but subsequently to that, this government has done a whole range of things in respect to government procurement around local content. If the committee was interested, I am sure I could get you information about that. In terms of schools, I did just mention direct to market, but I do not know if there was anything specific. Mr Peckitt might be able to clarify that.

Mr PECKITT: With public schools, we provided sort of an information sheet to them to support the rollout of the initiative and we encouraged them to use existing common-use arrangements that were in place. My understanding is that they generally have a local content element to them.

The CHAIR: May I ask, without being silly about it: are common-user agreements the ones administered by the Department of Finance's common-use panel for a particular service?

Mr PECKITT: That is correct.

The CHAIR: Those panels can last for a couple of years depending on when they were last revived, so that is ordinarily what a school would take up?

Mr PECKITT: Yes, depending on the work they are engaging and the value. A lot of the grants here were relatively low in value, so it was likely that they could have just employed someone locally. Where they needed to go through another process, they would have used one of the existing arrangements where they were required to.

The CHAIR: Okay. Minister, we have also heard that there seems to be a government-wide practice of quarterly reporting on progress of, I suppose, the allocation of all —

Hon ALANNA CLOHESY: The implementation of the election commitments.

The CHAIR: — the implementation of Local Projects, Local Jobs. Bearing in mind that you have completed yours, there is probably nothing more to report on, but did you receive quarterly reports on progress?

Hon SUE ELLERY: I certainly received regular reports on progress. I cannot remember if they were quarterly. I have fortnightly meetings with my two directors general and I certainly received regular updates on Local Projects, Local Jobs. Ours were completed and acquitted relatively quickly, so I have not had —

The CHAIR: You probably got a gold star for that.

Hon SUE ELLERY: We get lots of gold stars in the Department of Education. I certainly have not had a report for some time because they have all been acquitted.

The CHAIR: It is redundant now.

Hon COLIN TINCKNELL: Did that extend to reports to the DPC or was that your role?

Hon SUE ELLERY: I can only tell you about what I received. You would need to ask the DPC about what they received.

Hon COLIN TINCKNELL: With the role of ERC, with every commitment presented to the ERC, was that pretty much the same as the request that came from the ALP candidates through the ministers, or were a lot of them knocked back? How was that handled?

Hon SUE ELLERY: I can say a couple of things. The ERC is the Expenditure Review Committee. It is a subcommittee of cabinet, so I am bound by cabinet confidentiality and I will not be talking about discussions, deliberations, submissions to ERC. I can make some general comments about how ERC functions, because I am a member of the ERC. In a very general sense, ERC makes decisions that then need to be endorsed by cabinet about whatever it is that they are looking at. In a general sense, they are around, sort of, global allocations—I guess I would describe it that way. Beyond that, I really do not think I can advise the committee, not because I do not want to be helpful, but it is a subcommittee of cabinet and I am bound by cabinet confidentiality.

Hon JACQUI BOYDELL: Minister, just to elaborate on that a bit, what is the normal process that you would undertake as the minister in your dealings with ERC? Would you submit a funding application normally to ERC and then it would come back to cabinet, or the other way around?

Hon SUE ELLERY: We take very seriously our responsibility to ensure that our finances are in order. Our cabinet has endorsed a series of guidelines, for example, for each budget, which says that submissions are only going to be accepted on these things. If you have something extraordinary that you, as a minister, think really does need to be considered, then you could go to the Premier. But we run a pretty tight ship in terms of the things that ERC will consider and cabinet will consider. Now, it does go both ways. From time to time, cabinet will make a decision that there is something before it that it actually wants ERC to consider. Perhaps it has not been to ERC, but there is some financial element of it that cabinet decides that it needs to be referred to ERC, or cabinet determines that there is further work needed—it has already been to ERC, come to cabinet, but there is further investigation or other elements of it that they want further work done, and that needs to go to ERC. We take pretty seriously our commitment to getting the finances sorted. That means we run pretty tight rules about what ERC will and will not consider and, from that, that goes to cabinet. But it is fair to say that sometimes things will go both ways, because cabinet will make a decision, “Actually, we need ERC to do a bit more work on that.”

Hon JACQUI BOYDELL: So how did Local Projects, Local Jobs fit into that decision-making process?

Hon SUE ELLERY: I have already made the point that I cannot talk about specific decisions, deliberations or considerations; I am bound by cabinet confidentiality.

Hon JACQUI BOYDELL: I understand that. I am just asking: was the funding allocation made by cabinet or made by ERC?

Hon SUE ELLERY: I cannot answer that any other way than I already have.

The CHAIR: Minister, could I just ask about variations to project pledges? Are you in any position to advise the committee how many variations to either project scope or project purpose were made of the 159 projects I think it was?

Hon SUE ELLERY: I cannot off the top of my head, but Mr Peckitt might be able to.

Mr PECKITT: Of the ones that we have approved, there were 24, and an additional two that were raised in the OAG report, so 26 is the number that I have here.

The CHAIR: Mr Peckitt, would you be able, by way of supplementary question, to please advise us which ones those 26 projects were?

Mr PECKITT: Yes.

The CHAIR: In a general sense, how were projects varied? Was there a request from the school up to a local member? What was the origin?

Hon SUE ELLERY: I think it was in different ways.

Mr PECKITT: The department monitored the projects quite closely, particularly as the program progressed. Where it looked like there was an underspend or, you know, the full amount was not going to be utilised, we would contact the school and then ask them what their plans were with the funds and then go through the process that was required to seek the approval if needed.

The CHAIR: What was that process, Mr Peckitt?

Mr PECKITT: My understanding was that we required the principal to be supportive of the change. It then came in centrally, where they went through the minister's office. I understand that the local member was then contacted. It may have also gone to the Premier's office or DPC at the end for notification.

The CHAIR: Was there a change in the process over time? Earlier, there did not seem to be an explicit form of guidance from DPC as to how variations might be handled. Was there a change in the management process over time?

Hon SUE ELLERY: There was very early. Very early—and those were the matters that have been ventilated through the Auditor General's report—when we were first elected, you know, with the transition to a new government, things were not as neat and tidy as they should be. There was certainly one early on that was not documented, even though, as I understand it, everybody involved in it had talked to each other; they just had not established a paper trail. So between that and before the Auditor General's report came out, and I cannot remember the date of that, Education had actually put in place a system so that in fact everybody was ticked off and there was in fact a documentation trail.

[1.40 pm]

The CHAIR: So there was some guiding internal policy that would give advice to a responsible desk officer in the department about how to manage the process?

Hon SUE ELLERY: I am trying to recall. I am sorry; I am not trying to be difficult. I cannot recall if that was done through DPC or if we, as in the Department of Education, did that ourselves.

Mr PECKITT: My recollection was that we got some advice from DPC—it may have just been via email—just to set out roughly what the processes were, and then we ensured that we followed them internally. It was through that regular monitoring from our end and regular contacts with the school to make sure the process was being followed.

The CHAIR: When there was a variation suggested and then endorsed, did that necessitate a change to an agreement or a revised agreement being issued? How was that —

Mr PECKITT: From memory, they all, maybe except for one, were relating to public schools. We did not have, obviously, a formal grant agreement in place, so it would have been more through email contact or potentially a letter. But there was not a need to change the grant agreement because there was not one in place for public schools.

Hon SUE ELLERY: Just to remind you, that is because public schools went through the targeted initiative.

The CHAIR: Okay. Nevertheless, there is a paper trail or an audit trail to follow in most of those 26 instances? There was confirmation at the end that you, as minister, had approved that change?

Hon SUE ELLERY: Correct.

Mr PECKITT: Yes.

The CHAIR: Okay. That is what we want to hear.

Hon COLIN TINCKNELL: Is there an indication, either through Mr Peckitt or the minister, about the amount of projects, say, in the metropolitan area compared to regional areas? Have you got a breakdown or could we get a breakdown?

Hon SUE ELLERY: You will be able to see yourself from the list that I tabled, but you might need to ask the Minister for Regional Development in respect to those that were funded through RforR.

Hon COLIN TINCKNELL: We have got a fair idea of that.

Mr PECKITT: We only managed those into metropolitan schools and then I think Regional Development, through their development commissions, managed all the regional ones.

Hon COLIN TINCKNELL: Thank you.

The CHAIR: We might do something highly unusual.

Hon SUE ELLERY: Really? Let me out early?

The CHAIR: Yes.

Hon SUE ELLERY: I would greatly appreciate that. Before you do, though, can I draw the committee's attention to the speech that I made when the house was debating the establishment of this committee? Irrespective of the fact that I argued against the establishment of your committee—I am not reflecting on the decision of the house at all—I do think it would be useful, if I may be so bold, for the committee to revisit the comments that I made about the fact that there is nothing unusual about political parties making promises before elections. In fact, I drew to the attention of the house a document that had been tabled earlier by Hon Martin Aldridge, which listed, in fact, some commitments that had been made by the Liberal Party prior to the election.

In the comments that I made in my speech, which I would ask the committee to re-visit—I reminded myself of this yesterday because I went back and looked at my speech yesterday—I did what I called a “compare the pair” where I compared identical promises made by sitting Liberal government MPs with the promises made by Labor candidates. I would ask the committee, perhaps if you were of such a mood, to re-visit the comments that I made at the time.

The CHAIR: I can speak for myself, minister, when I say I always take particular interest in your contributions in the house, as I do in your contributions provided in fora such as this.

Hon COLIN TINCKNELL: Just on that, being a crossbencher, I understand that with election commitments, that is the norm and this is similar to what other election commitments have been. I think for us as a crossbench, we will always be looking at a different and maybe better way of doing business that way, considering grants are quite specific and election commitments sometimes are not. I think this committee is also charged with seeing how we can improve that process and possibly make changes in the future and look towards —

The CHAIR: Member, do you have a question of the minister?

Hon SUE ELLERY: I am interested. I am happy to respond to this.

Hon COLIN TINCKNELL: It was a comment to the minister's comment. That is also the role of this committee—to look at that.

Hon SUE ELLERY: Sure. I look forward to seeing how One Nation, for example, makes its election commitments at the next election. It would be a very strange political party that did not make very specific election commitments. If the crossbench, including One Nation, is of the view that perhaps political parties should not make specific election commitments —

Hon COLIN TINCKNELL: I never said that.

Hon SUE ELLERY: No, but if that was your view, I look forward to seeing that, because I do not know how you would get elected without them.

The CHAIR: Thank you 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. When you receive your transcript of evidence, the committee will also advise you when to provide your answers to 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. Thank you very much.

Hearing concluded at 1.47 pm
