

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2018–19 ANNUAL REPORTS



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
THURSDAY, 14 NOVEMBER 2019**

DEPARTMENT OF THE PREMIER AND CABINET

Members
Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell

Hearing commenced at 9.01 am

Hon SUE ELLERY

Leader of the House representing the Premier, examined:

Mr DARREN FOSTER

Director General, examined:

Ms EMILY ROPER

Deputy Director General, examined:

Ms STEPHANIE BLACK

Acting Deputy Director General, Infrastructure and Major Projects, examined:

Mr GARY MEYERS

Director, Corporate Services, examined:

Mr GREG ITALIANO

Government Chief Information Officer, examined:

Ms MEGAN INGLIS

Director, Executive Services, examined:

The CHAIR: On behalf of the Legislative Council's Standing Committee on Estimates and Financial Operations, I welcome you to today's 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 or mobile devices to keep them flat on the desk to avoid the cameras. Can the witnesses confirm that they have read, understood and signed a document titled "Information for Witnesses"?

The WITNESSES: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Agencies have an important role and duty in assisting the Parliament to review agency outcomes and the committee values your assistance with this.

Minister, do you have a brief opening statement?

Hon SUE ELLERY: No. I am happy to assist the committee.

The CHAIR: Members, before we start, I will try this a different way. These are the annual report hearings. Your questions should be directed to the reporting period of the annual report and items contained in the annual report. In the interest of good flow for the hearings, if you have questions outside of that, it is up to the minister to decide whether she has the capacity, ability or interest to answer those questions. I will try to keep the hearing flowing fairly well. If you will work with me, I

will not have to interrupt your line of questioning with that suggestion. Let us start with Hon Tjorn Sibma.

Hon TJORN SIBMA: Thank you, minister and the men and women of DPC. My question relates to questions submitted prior to these hearings and their basis is page 58 of the annual report—consolidated account appropriations. I have a couple of copies of answers to my questions provided because I will be referring to a table.

Hon SUE ELLERY: I think we have them in front of us.

Hon TJORN SIBMA: Fantastic. I thought that you, more than any other minister, would have that briefing pack together.

Hon SUE ELLERY: Honourable member, you are starting well!

Hon TJORN SIBMA: But I did prepare some sheets earlier just in case.

I have some questions relating to the breakdown of the administration of parliamentary support function by individual components. I thank the department for providing this information because it is helpful to get a better line of sight on what that function is and what is provided by it. The IT and communications subservice expenditure for 2018–19 is \$410 000 out of a total administration of Parliament support appropriation of \$40 million. Can I get an understanding of what that \$410 000 is spent on? Is it spent on licence fees, leasing IT equipment and the like?

Hon SUE ELLERY: Can I ask Mr Meyers to respond.

Mr MEYERS: Yes, you are correct. It is to do with all the costs related to IT provided to the electoral offices.

Hon TJORN SIBMA: Is there an IT and communications function that DPC engages in which effectively provides a service to members of Parliament—I mean the operation of servers and the like—which might not be captured in the data in this table?

Mr MEYERS: In terms of the corporate staffing costs, they would be captured under the corporate overhead section.

Hon TJORN SIBMA: That leads me to a question. Just for clarification, the \$410 000 amount out of the \$40 million pool is effectively for IT equipment to individual electorate offices. That is how I should understand that. Nevertheless, there is a function or a service that sits behind the provision of that equipment and that is captured somewhat in the corporate overhead. Is it possible to delineate precisely how much of that corporate overhead of \$8 million involves IT communications, administration, the operation of equipment and the operation of servers and the like?

Hon SUE ELLERY: Mr Meyers.

[9.10 am]

Mr MEYERS: I have not got that detail with me. I guess the one thing I would like to say with regard to this answer is that a number of sub-service expenditure items are direct costs. The corporate overhead component which is \$8 million, which you have queried, includes, among other things IT, finance et cetera, which makes up 48 per cent of the overall corporate overhead. We use, I guess you could call it almost like a crude method, to allocate corporate overhead across the five services that we currently have, and because there are currently 200 electoral officers, this service is getting 48 per cent of that cost and it is something that we need to look at and may need to revise as part of the budget process coming up this year.

Hon TJORN SIBMA: As an accounting exercise?

Mr MEYERS: Correct.

Hon TJORN SIBMA: I presage, somewhat, the next question: I thought an \$8 million corporate overhead for a \$40 million function was exceedingly inefficient. That comprises 20 per cent of the budget, which no member of Parliament could actually point to that service being received and get an understanding or appreciation or satisfaction from it. Nevertheless, would it be possible to provide by way of supplementary information at the moment the actual composition of that corporate overhead?

Hon SUE ELLERY: We can take that on notice.

Hon TJORN SIBMA: Fantastic.

[Supplementary Information No A1.]

Hon TJORN SIBMA: With that said, on a similar line, is it possible to provide some rationale for why that corporate overhead expense has grown from \$6.7 million in 2016–17 to over \$8 million in the 2018–19 budget year?

Hon SUE ELLERY: We can provide you with that. So we can take that on notice.

[Supplementary Information No A2.]

Hon DIANE EVERS: Will that be broken down then not just for 2019 but when you break it down, show the 2017–18 as well?

Hon SUE ELLERY: The question was: why has there been an increase? So that is a different question for what you are asking for. If you want to added to that pile, but I think you will need to spell out what you want.

The CHAIR: Just for the sake of clarity, we will go with the question as asked and the honourable member can ask her question when the time comes.

Hon TJORN SIBMA: Just on this line of questioning, you mentioned a figure—sorry, I think I may have misheard it—with respect to the 2018–19 year in terms of the corporate overhead allocation IT communications related—we will call it activity or staffing—is assumed to be 48 per cent of that \$8 million. Did I hear that correctly, or did I misconstrue that?

Hon SUE ELLERY: Mr Meyers.

Mr MEYERS: So \$8 million represents the total—well, a component is 48 per cent of the total cost for corporate overhead, which has been allocated across the five services.

Hon TJORN SIBMA: Provided by the department?

Mr MEYERS: Correct. So that is why that number needs to be re-looked at.

Hon TJORN SIBMA: Absolutely. That is fine. I am happy with that, Chair.

Hon DIANE EVERS: I would just put that question in now that you have on notice. When you are looking at this sub-service expenditure and the corporate overheads as part of that—the first on notice one was to have a breakdown of \$8 million in the year 2018–19, can I ask for the similar breakdown for the years 2016–17 and 2017–18?

Hon SUE ELLERY: We can take that on notice.

[Supplementary Information No A3.]

Hon DIANE EVERS: This next question is with regard to the Office of the Government Chief Information Officer. It is mentioned on page 55, note (d) and also on page 65, note (a). My interest is just to understand—this was part of the machinery-of-government changes; I understand that. I was just wondering why, under “Grants and subsidies”, \$5.8 million of revenue was received for this transfer? Why was the grant funding received for this particular change?

Hon SUE ELLERY: I will ask Mr Italiano.

Mr ITALIANO: I suspect that the CFO might have a better answer in terms of the accounting treatment, but reading the note, there was a fund established under the previous government which related to ICT renewal and reform. That fund was established under a decision to—for want of a better term—harvest funding from across the sector to establish a fund for the purposes of ICT renewal and reform. I suspect that this particular entry here is the treatment of that fund at the time that the machinery-of-government change took effect, but I would have to defer to Mr Meyer on that point.

Hon SUE ELLERY: We will see if we can add anything from Mr Meyer, but it sounds like a typical central agency action to me.

Mr MEYERS: So the \$5.9 million you have referred to relates to the actual operations of the Office of Digital Government within the department. The \$4.9 million, which is on page 55, that you have referred to relates to the actual assets and liabilities transferred to the department when that function transferred to the department. That is why the numbers are different.

Hon DIANE EVERS: No, I understand that they are for different purposes. My curiosity was just within that \$5.8 million or \$5.9 million in grants from the ICT renewal and reform fund, was that to prepare it for transferring it to somewhere else, or why was it grant funded for those changes and then the office was actually transferred to another department?

Hon SUE ELLERY: I will get the director general to, perhaps, add something to that.

Mr FOSTER: The grant fund was already established and had rules around it, and I have actually conducted an audit of it. It was part of the original configuration of the office and when the office was, I guess, on its knees, struggling, because there was no ongoing funding for the office, so the forward estimates contained no funding for the office—I cannot recall which year, but not that far after the election—the office used some of the grant funding to stay afloat for a period of time. It came into DPC from the Department of Finance on 1 July 2018 and we have now normalised the office and provided ongoing funding, so it is properly set up to continue.

Hon DIANE EVERS: But not within DPC any longer?

Mr FOSTER: It is in DPC. It came from the Department of Finance. It was a sub-department in the Department of Finance. There are a lot of unusual arrangements around the office, but those have now been sorted through, permanent funding has been put in place and those sort of funds have been wound up, more or less, and I have put in place new governance arrangements for the office.

Hon DIANE EVERS: Okay. So then just a final question on that. You say it was on its knees. What I gather then from that is that this office was created at some point in the past, funding disappeared somehow; it was changed, and then we said this was necessary so we tried to keep it going and now you have got it going again. Is that the idea?

Hon SUE ELLERY: The director general.

Mr FOSTER: It is a bit like the royalties for regions syndrome—a lot of things set up with short-term funding. This was not royalties money, of course, but it had a short supply of funding. It was set up, I believe, in 2015–16 and the funding ran out. As a consequence, there were a lot of acting arrangements and a lot of impermanency and insecurity in the office. What we have done is now rolled it into the Department of the Premier and Cabinet, given it a clear mandate, put new governance arrangements, an independent chair of the board and wound up all those sort of activities and established it as a new office with a new mandate, new name, new governance and new funding to continue, so it is now part of the fabric of DPC.

[9.20 am]

Hon DIANE EVERS: Just briefly, can you give me a couple of lines as to what its operation does?

Mr FOSTER: Certainly. It originally had a very heavy procurement focus. It was about the GovNext program of the previous government and trying to roll government agencies into a panel of service providers, so it was heavily procurement focused; hence, why it was in the Department of Finance. The new mandate is to focus on digital service delivery, data analytics, data sharing, and the digital divide, because there are quite significant disadvantages in parts of the state where there is very poor connectivity. Procurement is the last thing. The technology is the last thing rather than the first thing. It is about the services and trying to enable government more to adopt digital practice.

Hon DIANE EVERS: Across agencies?

Mr FOSTER: Absolutely.

Hon DIANE EVERS: Excellent. Thank you.

Hon SUE ELLERY: If I could just add to that—the data-sharing component of what the director general just referred to, in particular, is really important. There are a whole range of policies, in both of my portfolios, where if we are better able to share data across agencies and even with non-government organisations, for example, we will be able to provide a much more coordinated service and, you would think, therefore, a better service for those people who are, perhaps—I do not mean this disrespectfully—frequent-flier users of a range of government services.

Hon DIANE EVERS: Wonderful. Thank you.

Hon AARON STONEHOUSE: I am just looking at media monitoring. It appears in a couple of places in the annual report. I am wondering if you can tell us the total cost of providing the media monitoring service.

Hon SUE ELLERY: Director general.

Mr FOSTER: About \$1.1 million. There has been a media monitoring service in the DPC since the 1980s. We are going through a bit of a restructure now to upgrade the equipment and so on, because it is a fairly antiquated practice and does not capture a lot of the activity in social media. It is a ministerial media monitoring service. That is who it provides services to and that has been the case through successive governments over all the time.

Hon AARON STONEHOUSE: Is there a service provider that DPC contracts to provide a media monitoring service?

Mr FOSTER: It is an in-house service. We have looked at the alternatives. Some states and territories have outsourced to some of those big providers.

Hon AARON STONEHOUSE: Isentia and things like that?

Mr FOSTER: That is right. We have evaluated that option. The service provision is not equivalent to the service provided by the media monitoring unit—in part because the officers in there develop quite a skill in understanding the issues that are of interest to the ministers and produce transcripts very quickly. A lot of those service providers charge like wounded bulls for the transcript services and things like that. We have a fairly efficient service. It is very focused and it is competitive on both cost and quality.

Hon AARON STONEHOUSE: That \$1.1 million—that rough figure—that would cover the entire overhead of that team?

Mr FOSTER: It covers the staff in the team, and equipment and sundries. The team is not huge and fairly low level in terms of transcribing and so on. They do a lot of shift work as well. It is a fairly lean, mean machine.

Hon AARON STONEHOUSE: Is that service provided to Parliament as well? Is the work of that team shared with the Parliament and the Parliamentary Library?

Hon SUE ELLERY: Director general.

Mr FOSTER: I think there are cooperative arrangements with the Parliament, but Parliament has its own services and Parliament can be quite precious about separation, as I have learnt.

Hon SUE ELLERY: Too soon!

Hon TJORN SIBMA: For good reason.

Mr FOSTER: There is no reason that in time the media monitoring unit could not be opened up to provide services more broadly. In fact, I think there is a case for it to provide services to government departments who currently depend on Isentia and those sort of service providers. It is a fairly good model and quite efficient, but at the moment their sole focus is providing support to ministers, which has been the case for the last 40-odd years. But it does need an upgrade and improvement and that might create the capacity for agencies to become customers, if you like.

Hon SUE ELLERY: If I can add to that, honourable member, I have been a humble backbencher in opposition and in government, and a minister. While there may be sharing that goes on behind the scenes, the two services are different.

Hon AARON STONEHOUSE: So the media monitoring team within the DPC is primarily there to service ministers, but the information is available to agencies if they need it and an arrangement can be made. Otherwise, agencies would be using their own—perhaps they would have their own contract with a media monitoring service provider. That is the current situation.

Mr FOSTER: That is correct.

Hon AARON STONEHOUSE: Okay. Thank you.

Hon COLIN TINCKNELL: Through the minister, my first question is regarding state security and emergency management. It is on page 45. I refer to the department's role in providing support and advice to the Premier on state security and emergency management matters, as noted in the paragraph on page 45. How does that fit in with the agencies for whom this is a traditional role, such as police and FESA?

Hon SUE ELLERY: I will get the director general to explain the structure of how that works.

Mr FOSTER: In addition to those frontline operators—obviously, the police and DFES—we have this small office of state security. It deals with a broad range of matters, including liaising with national security agencies. There is a secure point of contact—a system called Oznet—so it is a highly secure environment. We can have video-link communication with national security agencies whenever there is an incident. I have been part of those on a few occasions. It is a joint apparatus with the other frontline agencies. We work very closely with the police, but it is standalone in the sense that it is part of the first minister's department and it is the central point in government for coordination with those national security bodies. We do not duplicate work with those agencies in terms of operational activity. They are the first responders in terms of an incident. But in terms of the policy and legislative change we need to make to align with commonwealth counterterrorism actions, for instance, that is the point they go through. It has been in operation and in place for many years.

Hon COLIN TINCKNELL: My second question—once again, I refer to page 19. Your organisational improvement committee is outlined on page 19 of the report. I note that one of the roles of this committee is to identify, report on and make recommendations regarding reducing red tape. This is a bit of a passion of mine. Therefore, my first question on that is: what recommendations have the committee identified in this reporting period? My second is: what has been done to reduce red tape?

Hon SUE ELLERY: Good question. I will ask the director general to make some comments about that.

Mr FOSTER: This is also a passion of mine, member. This committee was established to tackle —

Hon COLIN TINCKNELL: Tough issue.

Mr FOSTER: It is a tough issue. Often the red tape goes back many years. I can give you one example, which is my personal hobbyhorse—that was becoming a deputy director general and being asked to fill out a timesheet for the first time in my career. I was quite shocked by that. That relates to a Treasurer's Instruction from the 1980s—before internet, before online activity. One reading of the Treasurer's Instruction is that it is mandatory to fill out a timesheet. Others adopt a slightly more commonsense view. But, in reality, there is a Treasurer's Instruction that says, "Thou shalt do x." These are often the result of an incident or an event or an Auditor General's report way back in the mists of time, and people have forgotten why the rule is in place. We are starting to tackle those things both across the public sector and organisationally. In 2017, I pulled together a group of directors general to, first of all, get to know each other, because half of them had not met, but also to develop recommendations about how we could strip some of the red tape out of the public sector.

[9.30 am]

There is a lot of discussion about the red tape the government imposes on the private sector, but as I keep telling people in the private sector, you should see what the public sector does to itself. That external facing report, which is on DPC's website, lists a whole lot of areas that we are starting to tackle. In setting up this committee, it was to sort of draw that into the culture of the department, and we are tackling it in a whole lot of ways, including, for instance, me delegating a lot of decisions to officers that are at an appropriate level to make decisions. DPC had a culture of every decision going to the director general, from very junior appointments through to higher duties applications, so through accommodation of delegations, getting stuff online—we have had a big push on having things on the intranet—forms, standardising practices, removing pockets of duplication all over the department. That is ongoing. That committee is not just delivering one report, it is delivering recommendations as we go to keep the pressure on to simplify our world. I am still always amazed that for a \$6 parking receipt from the meeting I have gone to, how many forms I have to fill out, how many duplicates I have got to have; it is extraordinary. That is the same across the whole public sector.

Hon COLIN TINCKNELL: Thank you for that. I really appreciate your frankness on that. It is an issue. There have been inquiries in the past, and very good inquiries by Parliament, and we always end up giving a whole bundle of recommendations and not a whole lot seems to change. As a matter of fact, the red tape seems to increase. I would be very keen to talk to you and others in the future about how we can really tackle this issue, because it is a millstone around our neck, and it costs the government and the people of WA a lot of money.

Hon SUE ELLERY: Certainly, honourable member. I would be happy to give you an undertaking to arrange a briefing for you, bearing in mind, in respect of DPC, what the director general is talking

about is the internal public sector red tape. If you were particularly interested in, how, I do not know, the Department of Fisheries —

Hon COLIN TINCKNELL: It is right across the board.

Hon SUE ELLERY: — deals with people who do not work for government, that is a separate issue, and we can arrange briefings for you on a kind of more external basis. But I am happy to give you that undertaking if that is helpful.

Hon COLIN TINCKNELL: Thank you, minister. My next question is once again on page 7. I note that the department has incurred some difficulties in Aboriginal recruitment, as noted in the director general's speech. Can the minister please advise: what were those difficulties? I suppose that is the first question.

Hon SUE ELLERY: Sorry, can you take me to where you are? I missed the first bit.

Hon COLIN TINCKNELL: Page 7, and the director general's speech on page 7 mentions that there have been some difficulties when it comes to employing and recruiting Aboriginal people.

Hon SUE ELLERY: I will ask the director general to make some comments about that. He has just reminded me that within DPC there is Streamline WA, which is about external red tape. I will ask him to make his comments about the Aboriginal employment matter and then add some information for you as well.

Mr FOSTER: The comment I made in the annual report was really just acknowledging a reality from my point of view, which is that the department has a fairly low level of Aboriginal people on staff; I do not think that is acceptable. We have assumed responsibility in the machinery-of-government changes for Aboriginal policy, so in the disbanding of the Department of Aboriginal Affairs, DPC has now become the central agency responsible for Aboriginal affairs across government, and the land-related transactions of Aboriginal affairs—the Aboriginal Lands Trust and so on—is with the Department of Planning, Lands and Heritage. While we have reasonable representation of Aboriginal staff in that part of the department, my observation is really about the whole department, that we need to do a whole lot better in recruitment. That is an objective for the current financial year.

Hon COLIN TINCKNELL: Have you set some targets for that?

Mr FOSTER: There are government expectations about increased recruitment. I have not set any targets for the department, because what I want to do is look at the barriers and the issues that are an impediment to recruitment and a lot of that goes to how we advertise, how we recruit, how we coach and support Aboriginal staff who are in place. The next action I am taking is I have just agreed to take on five Aboriginal trainees. That is basically saying they will be part of the base of the department forever. They will be ongoing employees after their traineeship is completed, but they need to be properly supported while they are in the department. That is a first step.

Hon SUE ELLERY: Can I ask the director general to make some comments about Streamline WA? This is going back to the red-tape issue.

Mr FOSTER: Just further to the comments about the internal red-tape reduction, there is also a government initiative called Streamline WA, which comes directly out of the government's public sector reform program, which DPC oversees. That is focused on external red tape that is created across a whole lot of government departments. I have been part of these efforts under the previous government as well. There has been quite a lot of effort in this space over a long time. One of the observations I would make is that it is largely around culture, and in Streamline WA what we have

done is got two agency heads, David Smith from Mines and Mike Rowe from Water, to co-chair that, but there are three non-government people on the panel as well, which I think is an important —

Hon COLIN TINCKNELL: From private enterprises?

Mr FOSTER: One from local government, one from the CCI and one from the mining industry—to provide that sort of oversight. One of the issues that you often have to grapple with, with red tape, is separating the myths from the reality. There are often a lot of war stories about the red tape that was created. I have heard those over the years and I have been involved in red-tape reduction for many years. Unpacking that in an honest and open-minded way and looking at what the data tells you and then what the source of the problem is—often it is not what people think—is part of the art of getting this right and making the changes stick. Streamline WA is doing that. It has some people with good analysis skills who were formerly part of Treasury doing that analysis, so that it can be presented to the panel, everyone can see what the findings are and then make recommendations about what changes need to be made. They are currently looking at tourism operators and the hoops they have to go through. They are not distinguishing between state, federal and local, so if that is where it leads, we will call that as well. But it is trying to be more systematic, methodical and sustainable about removing these barriers.

Hon COLIN TINCKNELL: Going back to the Aboriginal issue, you have an Aboriginal policy and coordination unit. I am just wondering, at this stage, have they come up with any recommendations or implemented anything as such? Out of that little unit, are there Aboriginals employed on that unit?

Mr FOSTER: There are Aboriginal people employed in the Aboriginal policy and coordination unit, and elsewhere in the department, but I distinguish between the role that the APCU is performing, which is whole of government. They are driving reform and policy improvements across the whole of government, and they have got a very strong economic development focus in Aboriginal communities. If you are interested, at some point, I can give you an idea of the projects they are involved in across government.

Hon COLIN TINCKNELL: I would be, if you could.

Mr FOSTER: In the internal composition of the department, I am keen to make sure that there are Aboriginal staff in every corner of the department. To give you an example, not one of our government drivers is an Aboriginal person. We have got executive transport services we provide the Speaker, the President and the ministers, and there are no Aboriginal people in that cohort. They are some of the things that we need to address.

Hon Dr SALLY TALBOT: My question relates to page 26 of the annual report, minister, and in particular the section “Infrastructure and Industry”. I wondered if you could give the committee an idea about what the McGowan government has been doing to secure a fairer share of commonwealth funding for WA infrastructure projects.

Hon SUE ELLERY: This is something that the Premier is particularly proud of—the amount of money he has got out of the commonwealth government.

Hon COLIN TINCKNELL: He should be.

Hon SUE ELLERY: Pardon?

Hon COLIN TINCKNELL: He should be proud of that—getting money out of the commonwealth government.

Hon SUE ELLERY: I thought you said something else! Across a range of infrastructure projects, at the time of the state budget, it was more than \$6.4 million in infrastructure funding. Projects like

Metronet, obviously, are a key part of that. In addition, there is a new partnership agreement on land transport infrastructure, and the state government has also been working closely with Infrastructure Australia, which is a kind of oversight body for development of infrastructure projects.

[9.40 am]

Their infrastructure priority list, which is published in February, included 17 WA listings, and many of those are now federally funded. We have obviously established our own version of an infrastructure oversight body, which is Infrastructure Western Australia, and that is looking at how we can best plan for 20 years ahead.

So far, so good in respect of infrastructure funding. I have to say that it is generally a good working relationship with the commonwealth government. I will make this one point, though, because we have just been talking about red tape. Increasingly, the state is hearing from project proponents who are concerned that red tape at a commonwealth level is holding up progress of their projects. That is an issue that the Premier and the Treasurer have raised with the commonwealth as well.

Hon LAURIE GRAHAM: Meth is obviously a growing problem, particularly in regional WA, and it is a problem we see every day in the streets. In relation to page 31—the action plan—can you give an update on the success or otherwise of the meth action plan, and further action?

Hon SUE ELLERY: I can. This is a fairly comprehensive plan that goes across a whole range of government agencies, including education, because we need to look at how we best educate young people about the dangers of methamphetamine. That is around harm, but there are three elements that we need to address—one is demand, one is supply and the other is harm. The task force made 57 recommendations. Bringing that together and coordinating that work—maybe the director general can make some comments in a minute—we have a range of cabinet standing committees that bring respective groups of ministers together around particular themes. The meth action plan reports to the cabinet subcommittee on community safety and family support. That is where we coordinate our response, because it would be really easy, with such a diversity of recommendations from this piece of work, for it to kind of get diluted as each minister goes off and does their own little bit of it.

Meth is a serious, serious issue. It is affecting so many elements of our community. I was visiting a school earlier this week, or maybe late last week, in a south eastern suburb. I was horrified to see what appeared to me, given the descriptions given to me by police officers and others, two houses that looked like they were perhaps producing illegal material—I am assuming it was meth—not too far from the school that I was visiting. That is of significant concern.

In the 2019–20 budget, \$42.5 million was put together as part of the implementation plan for the meth action plan. That is providing support services for individuals and families in crisis. It is providing more services where people need them, closer to their homes. It is providing evidence-based training for health professionals, and more education, prevention and harm reduction. I might see whether the director general can add anything to that.

Mr FOSTER: I guess the only thing is just to emphasise also the \$171 million for border force, and the tougher penalties for meth traffickers. It is a combination of responses. We are still monitoring very closely the meth action plan implementation. In fact, late yesterday directors general met and reviewed the plan and the status and progress of the recommendations, so we are still monitoring those to see if any further responses need to be undertaken.

Hon TJORN SIBMA: I want to continue on, if I may, from my previous final question around the parliamentary support function. This is a reference to page 17 of the annual report, dealing with the

Parliamentary electorate offices support and transport unit. Can I get a sense of what the full-time equivalent allocation is for that unit, please?

Hon SUE ELLERY: I ask Ms Inglis to provide you with a response to that.

Ms INGLIS: Currently, I think we have about seven FTEs in that unit.

Hon TJORN SIBMA: Seven FTEs in that unit? Okay.

Hon SUE ELLERY: Because it was “I think”, shall we just say that we think it is seven?

Hon TJORN SIBMA: That is okay, and I think I know each of their names individually, so that would seem to be reasonable, but if there is a need to clarify that at some stage, that is fine, and I appreciate that.

The CHAIR: It can be corrected in the transcript.

Hon TJORN SIBMA: It can be corrected, when there is an opportunity to do that, which I think underscores Mr Meyers’ sound observation about the over-calculation of corporate overhead attached to this function, because those people are probably worth \$1 million each, but they are certainly not being paid that, I am sure. I want to use this opportunity to reflect on that meet-the-member exercise. I have gone through that. I think it is a very useful proactive means by which that unit can actually build relationships with members of Parliament, because the needs of individual members of Parliament are different in terms of their electorate, the kind of constituents they service and the issues they deal with. I think that is particularly useful.

The CHAIR: Hear, hear!

Hon TJORN SIBMA: Hear, hear!

There is another issue around that support, though, that I will get to at another stage, if I am allowed, but before I do that I want to reflect on the office accommodation element of that support. It is a little opaque to me how lease negotiations are undertaken by the department. If there is a problem, universally, I think it is access for disabled people. My office does not have appropriate access, and I think that is completely unacceptable in the modern age. I know that this issue has been raised at previous DPC appearances, either for annual reports or for budget estimates. Could I get a sense, please, of how that particular issue is being remediated?

Hon SUE ELLERY: Good question. I ask the director general to make some comments.

Mr FOSTER: Thank you, member, and you are quite right. I would also like to acknowledge the officers in that group, because they are very dedicated to supporting members and going to great efforts to build stronger relationships and provide better services. I would just note that we do provide services through other parts of the department as well, so looking at seven FTEs is probably a little bit misleading. Every time I go to Parliament House, I find DPC IT staff running around helping members. Now I know where they are. They are not Parliamentary staff, but they are down there on a regular basis, and they are, of course, not counted in that seven FTE, so they are part of the overhead.

Hon TJORN SIBMA: I am trying to get an insight into that precisely.

Mr FOSTER: In relation to disability access, yes there is a problem. We have 106 electorate offices—apologies, 95.

Hon TJORN SIBMA: I thought there had been a reform in the Electoral Act, and suddenly we have incorporated all these new seats!

The CHAIR: Adding more positive members of Parliament!

Mr FOSTER: Not all members have only one electorate office, so I will just point that out. We have a large number of electorate offices in locations where we are not spoiled for choice, and a number of these offices would not meet contemporary standards in terms of disability access. The difficulty for the department is that we are actually complying with the law, but I guess we are not talking about the law, but rather about a moral obligation. When the leases come up, and there is an opportunity to move and get a compliant office, we are doing that. That is a requirement that I have put on the department, that when a lease expires—this, I have to say, is always subject to agreement with the member, and that is not always forthcoming—we move to a compliant electorate office, or we get the landlord to use the opportunity of a fairly good government lease to remediate the premises. That works sometimes, not all the time, and we are progressively doing that. We will not enter into any arrangements where there is noncompliant offices if we can escape those arrangements and members agree.

[9.50 am]

Hon TJORN SIBMA: Is it possible to give, by way of an answer to a supplementary question, the number of parliamentary offices that do comply with modern standards of disability access? I do not know the appropriate metric to use, but that would be useful information.

Hon SUE ELLERY: We can take that on notice.

[*Supplementary Information No A4.*]

Hon SUE ELLERY: The director general has some further comments to assist.

Mr FOSTER: I just point out for clarification that the department is a recipient of a service from the Department of Finance in this respect. The Department of Finance is the agency that does the face-to-face negotiations on our behalf in relation to premises. As a client, we have given them the expectation that we want compliant offices when that opportunity arises.

Hon TJORN SIBMA: With respect to identification of the location of offices and particularly the rate at which they are leased—obviously, an election drives changes in members and the like—my observation would be that perhaps parliamentary electorate office leases could continue to be rolled over, irrespective of the member who occupies them. Is there a strategic review of, I suppose, the commerciality of leasing these offices and almost perpetually rolling them over—say, over the last 12 years? By way of supplementary question, I am just trying to get a sense of whether the department is actually using its commercial power, or leverage, as a government tenant to extract the best commercial deal.

Hon SUE ELLERY: I will get the director general to perhaps make some comments and then we might take it on notice. From my personal experience, I am in a shopping centre and it is the second office I have had over 18 years as a member. Every time my lease comes up, somebody contacts me and says, “Do you want to stay there or do you want to look at alternatives?” So I do not know that they automatically roll over; maybe I will ask the director general.

Mr FOSTER: Member, there are a number of moving parts here that it is not entirely possible for the department to predict. One is redrawing of boundaries, which sometimes puts people in a corner of their electorate or just outside the electorate. That is a particular problem for some members. The other thing is—I do not know how to delicately put it, so will not—the customers are very fussy. We sometimes have people saying, “No; we prefer the heritage building”, when we point out it is not disability compliant, notwithstanding public statements that might get made to the contrary. The challenge we have is trying to meet the needs of members. We know some offices are not in an ideal location or do not have particularly good facilities, but we try wherever possible to get appropriate accommodation of a reasonable size. We can play with the term of the lease to try

to leverage things out of the landlord, particularly if they have to make some significant capital upgrades. We employ all those techniques, but, in the end, it is largely a marrying up of the costs and the customer's desires.

Hon SUE ELLERY: Was there an element that you wanted us to take on notice?

Hon TJORN SIBMA: It was not a fishing expedition; I find the process opaque. My personal experience—I am sure other members are similar—was after being elected, doing the shopping and getting the call saying, "You've got three offices; pick one." Obviously, there is a legacy issue, but the manner by which these offices are identified to me seems opaque. I had made the assumption that for whatever reason there is a legacy issue with respect to a number of them, particularly a number of them that do not have appropriate disability access just as one facet of their inappropriate, I suppose, fit-out. That was it and I think you have sufficiently answered the question.

If I have another quick opportunity, I refer to page 97 and outcome 1. It is effectively the targets of support being met; in particular, outcome 1.2, which reads —

Service recipient's confirmation that services provided enable the obligations of Executive Government and Members of Parliament to be met

Would it be possible in a future annual report to separate the executive government from members of Parliament in terms of obligations being met? I think there is a difference here and it is obvious there is an elephant in the room regarding the confidentiality of email communications.

Hon SUE ELLERY: Can we take the question on notice? We will provide you with the best answer that we are able to. Perhaps the director general can make some comments in the meantime.

Mr FOSTER: We can look at that, member. In fact, we have been trying to be clearer and more open and transparent and respond to the committee's concerns.

Hon TJORN SIBMA: That is helpful.

Mr FOSTER: The issue is sample size and getting a meaningful level of response. That is the only issue I point out that might be a bit a challenge. To be frank, I think a lot of people are pretty over surveys. A lot of ministers, government members and others get surveyed all the time on all sorts of things, so I just question the utility of some of these indicators. I would rather have richer, deeper conversations with individual members about what the issues are and try to address them. That is what the Meet the Member thing is about—trying to understand what members needs are but also to make sure members are fully aware of the range of things DPC can provide by way of support.

Hon TJORN SIBMA: This may be a leading question. I have highlighted it; I am doing the right thing and I can be slapped down. Mr Foster, do you believe it is appropriate that DPC provides that IT service function to members of Parliament—bearing in mind the obvious issue, but I am reflecting more on the principle—should that be the space in which DPC operates?

Hon SUE ELLERY: I think you are asking him for an opinion.

The CHAIR: And it is a policy question of government.

Hon SUE ELLERY: I am going to intervene and see that as a question for government. We may well seek the advice—I am sure we will seek the advice—of Mr Foster, but that is a policy decision of government that from time to time recently has risen its head. I do not think it is appropriate for him to provide an opinion on that.

Hon TJORN SIBMA: Might I seek then, if I am granted a little bit of indulgence, whether there are jurisdictional comparisons between other Australian states and territories which might provide an indication of how, for example, these kinds of things are done by the New South Wales, Victorian or

Queensland jurisdictions? At a commonwealth level, it is devolved to the central agency and that is largely finance. But there is a demarcation between executive government email accounts, for example, and MP accounts. I think that is the appropriate thing.

Hon SUE ELLERY: If we are able to provide you with that, I will give you an undertaking that we will.

Hon TJORN SIBMA: That would be very helpful.

The CHAIR: We will take that as the comparison of jurisdictions in regard to the provision of services to members of Parliament.

[Supplementary Information No A5.]

The CHAIR: Member, was there something else?

Hon TJORN SIBMA: That is fine. If we limit it and circumscribe it, it makes it far more effective.

Hon SUE ELLERY: I am just reminded that the director general made a comment that they are trying to make the annual report more transparent. I think in the briefing you advised me that in fact this annual report reflects some suggestions that had been made.

Hon TJORN SIBMA: I wanted to compliment that, because that is actually useful. As an accountability document, that is useful to demarcate those services. That is very, very helpful.

[10.00 am]

Hon DIANE EVERS: I note on page 55, one of the notes says that there was a focus audit on the special-purpose accounts. Firstly, was that by the Auditor General, and what brought on that idea of having a focus audit?

Mr MEYERS: Yes, it was a focus audit performed by the Office of the Auditor General. The reason behind it I think you will probably have to get from the Office of the Auditor General, as I am not aware.

Hon DIANE EVERS: Through that focus audit there was an error found in how it was recorded for the Browse LNG Precinct Project Agreement native title beneficiaries interest bearing trust account.

The CHAIR: What page number is that, member?

Hon DIANE EVERS: That is on page 76.

Hon SUE ELLERY: They are really big checks, you know, with the name written across really big!

Hon DIANE EVERS: That is right!

I just wonder, it was decided that this would be treated as other money held in trust, but the next part of the sentence says “which is not controlled by the Department”, but it is still included in your list of those SPAs.

Mr MEYERS: Prior to this year, the Browse funding was included within our financial statements, income statement, balance sheet et cetera. As a result of the audit, we were required to remove it from our financial statements, and that is what is outlined on page 77, but we were still required to include it within the notes to the financial statements.

Hon DIANE EVERS: Did anything else come up from that focus audit on any of the other special-purpose accounts?

Mr MEYERS: No, there was not.

Hon DIANE EVERS: That was the only one?

Mr MEYERS: There was the point around some of the funds for the mineral incentive scheme and also the land equity fund that we were previously reporting as just general cash. It had to be moved to restricted cash.

Hon DIANE EVERS: Why did these errors happen? Why were they being reported incorrectly?

Mr MEYERS: It was a legacy issue. In previous audits we were told it was okay, and this focus audit told us that actually it was not being done strictly by the book.

Hon DIANE EVERS: I just have another question on another SPA, the native title holder incentive for mineral exploration and land access account. It shows receipts of \$25 000 going into it and then some payments. Can you just tell me how that account is used and where the receipts are coming from?

Mr MEYERS: Funding is coming from the consolidated fund. We have built up a balance of close to \$7 million. It actually is not being used to the extent that, I guess, it was initially thought. Therefore, the appropriations for the last couple of years have been decreased to about \$25 000, which sort of matches the expenses from that account also. In terms of the purpose, the purpose is just outlined in the header there.

Hon DIANE EVERS: So it does not receive any interest on those SPAs?

Mr MEYERS: At a whole-of-government level there would be interest earned by Treasury.

Hon DIANE EVERS: Do you have any idea as to why the payments are not coming out of it? Is the account not necessary—not used much?

Mr MEYERS: I think that for the purpose it has been set up that it does not seem to be needed. That is why.

Hon DIANE EVERS: Just on another point—this is on page 90 where there are other major variances in the accounts—numbers 1 and 2 talk about a misallocation of funding in the previous budget between employee benefits and supplies and services, but we are talking about \$8 million, so I just wonder what some of the things were that were put into a different category. Was there a theme to it?

Mr MEYERS: This explains the difference between the budget and the actual. If you look at the next page, which refers to the actuals, the actual costs for employee benefits for the current year are consistent with the actual results for employee benefits in the previous year. In terms of the budget, there is a range of reasons. A lot of it has to do with budget corrective measures, where we have been able to get savings from supplies and services and not necessarily from the salaries expense line. That has caused, I guess, a misalignment between the budget and the expenditure we have incurred. When Treasury has provided agencies with savings measures that they need to achieve, they go against certain categories, but we have achieved the savings within supplies and services, not within salaries.

Hon DIANE EVERS: It would not have anything to do with contractors where they might have been counted as suppliers rather than employees or vice versa?

Mr MEYERS: No.

Hon DIANE EVERS: All right, so it is just whether savings were made.

Hon AARON STONEHOUSE: I would just like to pick up from KPIs and outcome 1 on pages 97 and 98. I share my colleagues' frustration that satisfaction ratings for members of Parliament and executive government are sort of lumped in together. It does not really tell us much, although I take your point that these surveys are rather self-selecting. With the response rate at 59 per cent you

can only rely on them so far, so I am keen to see how else we might gauge satisfaction. I would be really keen to see this broken down by executive government and members of Parliament in the future. In fact, I think this topic has come up budget estimates or annual report hearings in the past. I remember asking a question about this previously. Looking at outcome 1 and the targets for support services, can you advise the committee what support services are covered by this indicator and what the delivery targets are for each of those support services?

Hon SUE ELLERY: I will ask Ms Inglis to make some comments and then perhaps we will add to that from one of the other officers.

Ms INGLIS: Support services that are offered to members of Parliament encompass a human resource services function as well as the administration of entitlements that the department is responsible for. We also assist with office accommodation and maintenance. It also takes into account ICT, so computers and support.

Hon AARON STONEHOUSE: And the targets for each of those support services?

Hon SUE ELLERY: What you are seeking is what targets we set to determine we have met X?

Hon AARON STONEHOUSE: That is right. There is a target for all of those lumped together. I am wondering whether there are individual targets for each support service and what those are.

Ms INGLIS: I am not aware of the target for support services; however, for the Premier, ministers and members of Parliament services, we have got the ministerial merit panel, air charter targets, monthly ministerial reports and printing and publishing services.

Hon AARON STONEHOUSE: Okay, so they are additional services there. The target and the actual for those support services, can that be broken down between executive government and members of Parliament? We previously talked about the satisfaction of delivery of services being broken down by parliamentarians and executive, but what about the targets for support services and the actual delivered support services?

Hon SUE ELLERY: The director general wants to be really clear about what you are looking for, so I will get him to ask you what he needs to ask.

Mr FOSTER: I am assuming, member, that you are referring to the table on page 97 at the top right?

Hon AARON STONEHOUSE: Yes.

Mr FOSTER: There are the actuals we have got for the service, for which we can provide you the target, which is always the year before. If you look on the right-hand side for 2018–19 our target was 95 per cent but the actual was 100 per cent. Are you asking us to backcast on each of those—what we had forecast in each?

Hon AARON STONEHOUSE: Yes. Obviously, with 100 per cent everything was met for both groups, but in previous years, perhaps in the last two years, if that is not too onerous, to provide the breakdown of the target and the actual between executive and non-executive members of Parliament. That would be helpful. I know that we have asked previously for the satisfaction—the service recipients' confirmation that those services were provided, but I am looking for the target and actual delivered in 1.1 of that table, broken down by executive and members.

Hon SUE ELLERY: Honourable member, we will take it on notice, but I cannot guarantee that it is possible to backcast and split the data because it will depend on how the questions were asked, I suspect. But the director general might add some comments to that. We will take it on notice. If we are able to provide you with that, we will, but I am not sure that we can.

[Supplementary Information No A6.]

[10.10 am]

Hon AARON STONEHOUSE: I assume 1.1, which is “Targets for support services are met or exceeded”, that must be some measurement used by the department. That would not be a survey, would it? That would be: we assumed we would fill all advisory roles, or we would get everybody in office, and then we actually met that, and you assessing in that instance. I am sure, in that case, that data, surely you would be able to see what services were provided and then differentiate that between executive and non-executive?

Hon SUE ELLERY: The director general can make some comment.

Mr FOSTER: For example, member, it might be turnaround times on responding to something. I guess I would just caution that there is a degree to which these become more and more meaningless the further you drill into them. That is always the challenge with these sorts of indicators—trying to find a metric that makes sense, is not over the top and onerous to generate, and does drive some degree of performance. Again, I point to the fact that building a relationship with the electorate office is something that —

Hon AARON STONEHOUSE: How do you qualify that.

Mr FOSTER: Precisely, but we initiated that precisely for this purpose, which is to strengthen the relationships. It may be that there is a judgement that DPC is not providing support, but a lack of understanding that it is a service that DPC cannot provide. That is often one of the challenges we deal with. There is an expectation that DPC can sort of procure out of thin air a new office that meets all expectations, but if we do not have the funding for it and there are no alternatives in the location, they are some of the constraints we have. So trying to find something meaningful and useful for the purpose of an annual report can be quite challenging in this area, but we will do our best to supply what you have asked for.

Hon AARON STONEHOUSE: I would appreciate that. I suppose you have touched on the point I was going to make, which is if we unpack this KPI and we find that the information is not really all that useful, under the surface, I suppose that raises the question: what is the point of the KPI in the first place? I would be very keen to see, I suppose, some reflection on how those KPIs are effective and what they can tell the public and Parliament about the effectiveness of service delivery to members of Parliament and executive government.

Hon SUE ELLERY: I will just ask the director general to make one more comment about KPIs.

Mr FOSTER: Member, I am a bit of an old hand in KPIs. I have views about how useful and meaningful some of them are, and I have dealt with them in a lot of different agencies. They are notoriously difficult for some of these areas which are sort of, I guess, opinion based.

Hon AARON STONEHOUSE: Subjective.

Mr FOSTER: Absolutely. We have established an audit and risk committee in DPC, to which I have appointed an independent chair, and this is one of the things the committee can look at as well. We have been doing that. The independent chair is Dr Gordon Robertson, who is an unusual character. He is a veterinarian by training but a former Deputy Auditor General by profession. He has been used by a number of government departments to actually revise their KPIs and link them to their—going right back to the objects of your act, if you have one. In not all agencies is it very easy to do. DPC is a little tricky because a lot of the services we provide are not bricks and mortar, so to speak, so they are difficult to measure, but he is adding a lot of value to our audit and risk committee and asking precisely these sorts of questions. I think we will improve over time; we have made some efforts in this annual report to improve transparency and we will keep on with that path.

The CHAIR: Thank you, director general. As you know, KPIs are of particular interest to this committee. I think you might have just invited yourself back for another hearing on KPIs.

Hon Dr SALLY TALBOT: Can I take you to page 36. There are a couple of paragraphs here under “New partnerships with Western Australian Aboriginal people begins” about the Closing the Gap process. I wonder if you could update the committee about what is happening there? I gather this is the committee that has been formed—the working group—so how is the working group progressing and what is our relationship with other states and territories?

Hon SUE ELLERY: Thank you for the question. Work is happening at two levels. There is work that is being done, as you indicated, at a commonwealth level, but also at a state level. At the commonwealth level, at the COAG meeting in December last year, they agreed to establish a formal partnership on Closing the Gap with Aboriginal and Torres Strait Islander representatives to guide how the refresh work might be done and ongoing engagement throughout the lifetime of that agenda. WA is a signatory to the partnership agreement on Closing the Gap between COAG and the coalition of Aboriginal and Torres Strait Islander peak organisations, which is referred to as the Coalition of Peaks, which formalises COAG’s commitment.

Here in Western Australia, the government announced a refreshed 12-member WA Aboriginal advisory council to partner with government on how we progress the refresh on Closing the Gap and how we achieve outcomes for Aboriginal Western Australians through a range of state priorities. Those 12 Aboriginal leaders come from a diversity of regions, a diversity of organisation types, area of expertise and gender, confirming that we want to have a genuine partnership approach to engagement with the state government. That group is working well. As part of the commonwealth’s arrangements, a joint council has been established, and Minister Ben Wyatt is WA’s representative on that. They met most recently in August this year and agreed to develop a new national agreement on Closing the Gap.

I make the point as well, in terms of our priorities, which were established by government, one of the key measures that we put in place—as a group of ministers, I have to say, we struggled long and hard about how we might put something into those priorities which could make meaningful change and help us to close the gap. Ultimately, we listened to Minister Wyatt, who said that when you talk internationally about how Aboriginal people in Western Australia are faring, the most damning statistic is the overrepresentation in our jails, so we set that as our key objective. We could have picked a whole range of things, but, ultimately, Ben’s view was that is the most damning of us. If we set that as one of our priorities—for example, if I can just touch on this, the priorities that are most obvious to my portfolio, there is one around early years, there is one around improving literacy and numeracy, and there is one about increasing the number of year 12 students that do a STEM subject. Frankly, if we can improve the performance of Indigenous early years, Indigenous literacy and numeracy, and Indigenous kids doing work in STEM courses in year 12, we will be making a significant contribution to ensuring less of them end up in jail. So while there is one specifically about corrective services, all the others actually will have an impact on it. I do not know if there is anything more centrally. No.

Hon Dr SALLY TALBOT: Thank you.

Hon COLIN TINCKNELL: I had some boring questions about finance, but if I could just follow up on that.

Hon TJORN SIBMA: They are never boring!

Hon SUE ELLERY: They are incredibly boring to me!

Hon COLIN TINCKNELL: Just on that, I want to commend the government on their action. On my first day as an elected member, I had a meeting with Ben Wyatt about that issue, so thank you. It has been a positive response.

Now the boring questions about finance. I refer to the annual report, page 53, “Statement of Comprehensive Income”, “Employee benefit expenses”, and ask: what was the number of full-time equivalents in 2017–18 and 2018–19? I can take that on notice, if that is all right.

[10.20 am]

The CHAIR: We will see if it is able to be provided. Can you say it again, if you would not mind?

Hon COLIN TINCKNELL: On page 53, it refers to “Statement of Comprehensive Income” and employee benefit expenses. What were the number of full-time equivalents in 2017–18 and 2018–19?

Hon SUE ELLERY: We think that number that you are after is in the report at page 102. If you flick there, under the third heading, “Employment and Industrial Relations”, it shows that the FTEs in 2018–19 were 483 compared with 460 in the previous financial year.

Hon COLIN TINCKNELL: Thank you. I refer to page 56 of the annual report, “Statement of Cash Flows” from investing activities. Why is cash transferred to other agencies under “Cash Flows from Investing Activities”? What is all that about?

Hon SUE ELLERY: Good question. I will ask Mr Meyers.

Mr MEYERS: For 2018–19, the cash transferred from other agencies of \$4 426 000—\$4.4 million—refers to the funding we received from the Department of Finance for the Office of Digital Government. In the previous year, it relates to the money that the department needed to pay to the Department of Jobs, Tourism, Science and Innovation for the Office of Science.

Hon COLIN TINCKNELL: Thank you. That is all.

The CHAIR: Do you mind if I follow that up? Why is that amount sitting in the investing activities and not further down, if it is a simple transfer and there is no investment?

Mr MEYERS: It is not part of our normal operations. The way that the standard set of financial statements are required to be put together means that we need to put it under investing activity. But I take your point. It probably could be described somewhat differently—it is not an investment.

The CHAIR: It is a bit unusual. We have not seen any other agencies use such a treatment.

Hon DIANE EVERS: I refer to page 95. I apologise if this question has been answered in some of the previous questions. I refer to the key efficiency indicators in terms of parliamentary support per member of Parliament under service 2.2. Was the target put in too low or were the members requesting too much? Why is the target so far off from the actual?

Mr MEYERS: I am just going to refer also to page 100 and item 2.2, which is the average cost of support per member of Parliament. The target was \$12 000 and the actual was \$21 000. We are only talking about \$21 000 and \$12 000 so —

Hon DIANE EVERS: Per member though.

Mr MEYERS: Correct. The increase relates to more staffing within electoral office support units—seven FTE has previously been discussed—plus we have also changed between three staff or where the costs are allocated for the parliamentary party support unit. They were previously under item 2.1, and I guess if you move three staff from a figure of \$400 000, which is in 2.1, you do not really notice the difference, but when you move it to 2.2, it does make a big difference.

Hon DIANE EVERS: That makes sense. So, then your targets for next year have probably been set closer to the actual for this year.

Mr MEYERS: Correct. For whatever reason—obviously I was here at that point in time—a judgement call was made to move it to 2.1. You can see in 2017–18 it was closer to \$14 000 when it excluded the parliamentary party support unit, which is three FTE.

Hon DIANE EVERS: Yes. It is almost like you could merge those two because it is kind of the same thing if you are looking at entitlements and support—it is subjective.

Mr MEYERS: Yes, you can.

Hon TJORN SIBMA: My question pertains to page 27, in particular the market-led proposals policy. It refers to the department as a member of the committee. Can I get a sense of what the department's role in the committee is? Is it a co-driver or a participant?

Mr FOSTER: The department has been responsible for implementing a number of election commitments, and that was one of them. We developed the policy and sought cabinet endorsement of the policy and have now formally transitioned that for implementation to the Department of Finance. However, I still remain a member of the market-led proposals steering committee, along with a number of other directors general. We meet frequently and I get advice and support from people in DPC on the proposals that come through. We have a series of people involved in providing advice to the steering committee and we make recommendations to government.

Hon TJORN SIBMA: Can I ask, in the year—it might not be much considering the time involved. How many submissions did you receive from the private sector in the reporting period?

Hon SUE ELLERY: We will take it on notice. I think we will have to get it from the Department of Finance so it might take us a bit longer than normal.

Hon TJORN SIBMA: That is fine, if you would not mind.

[Supplementary Information No A7.]

Hon TJORN SIBMA: This next question might be directed to the Department of Finance, but can I get a sense, please, of how we could get a measure of transparency about the outcomes of the steering committee? For example, you consider a hypothetical proposition. It is considered to be meritorious by the committee. Executive government endorses it. Would you report that as an outcome of this process? I presume you would. I am trying to gauge whether there will be transparency about submissions in and decisions at the other end.

Hon SUE ELLERY: The director general might make some comments. Obviously, the very nature of it goes to commercial-in-confidence information from proponents. Whether they are successful or not, they would not necessarily want—if they are successful they probably do not mind. If they are not successful, they still probably would not want information about the detail of what they were proposing released to others who might benefit from it. I will ask Ms Black to make a comment.

Ms BLACK: The Department of Finance manages market-led proposals and runs the steering committee, of which Mr Foster is a member. There is a website and it has as much information as they can possibly publish available on it. The intention would be that if a market-led proposal reaches a successful conclusion that that will be made public.

Hon TJORN SIBMA: Thank you. I have just a final question in the time available.

The CHAIR: That will be your last one.

Hon TJORN SIBMA: I presume the steering committee would meet on an as-needed basis, so only on the basis that a submission has been received and requires some contemplation, or is there a more —

Hon SUE ELLERY: I will get the director general to respond to that.

Mr FOSTER: The steering committee meets periodically, but we have adopted a practice of also dealing with matters out of session, the reason being that it is quite hard to get us all together in the same room at the same time, but also to keep the time lines moving. One of the merits or attractions of this policy from an industry perspective is that they get a quick response from government. We are trying to keep to those time lines so that they get a quick sense of whether this has got any merit to get to the next stage or the government is not interested. One of the things we have to bear in mind is that the committee can really only make recommendations. It is ultimately cabinet that has to make decisions, but there are quite a few gates in the process. That kind of communication with proponents is pretty important to make sure that they understand what decision has been recommended and why, and whether government—we have to be a bit sensitive to the fact that while government might not be interested in a proposal, it does not necessarily mean that it has no merit. That goes to one of the issues you raised about communication and transparency. We do not want to necessarily give the impression, if government has rejected it, that there is something fundamentally wrong with the proposal. It just may not suit government at the time.

The CHAIR: Thanks members. That concludes this hearing. On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which highlights any questions taken on notice and any additional questions that members may have, after 29 November. Responses to these questions are requested to be returned by 5.00 pm, Wednesday, 15 January 2020—minister, you may note in previous hearings I have given a different date; this is the correct date. Should you be unable to meet this due deadline, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met—we will not accept Santa Claus as an excuse. If members have any unasked questions, please submit these via the ELS on the POWAnet site by five o'clock, Friday, 29 November. Once again, thank you for your attendance today.

Hearing concluded at 10.30 am
