



PARLIAMENT OF WESTERN AUSTRALIA

NINETEENTH REPORT

OF THE

**STANDING COMMITTEE ON ESTIMATES
AND FINANCIAL OPERATIONS**

IN RELATION TO

**THE POST 30 JUNE 1996 HEARINGS -
1996/97 ESTIMATES CYCLE**

Presented by the Hon Murray Montgomery (Chairman)

19
31 OCTOBER 1996

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The Standing Committee was established on December 21 1989 with the following terms of reference:

1. There is hereby appointed a Standing Committee to be known as the *Estimates and Financial Operations Committee*.
2. The committee consists of 5 members.
3. The functions of the Committee are to consider and report on:
 - (a) the estimates of expenditure laid before the Council each year; and
 - (b) any matter relating to the financial administration of the State.
4. The Committee shall report on the estimates referred under clause 3 by or within one sitting day of the day on which the second reading of the *Appropriation (Consolidated Fund) Bill* is moved.
5. For the purposes of clause 3(a), the House may appoint not more than 6 members at any stage of its examination.
6. A reference in clause 3 to "estimates of expenditure" includes continuing appropriations, however expressed, that do not require annual appropriations.
7. The Committee may initiate investigations under clause 3(b) without prejudice to the right of the Council to refer any such matter.

Members of the Committee:

Hon Murray Montgomery (Chairman)
Hon Bob Thomas
Hon Muriel Patterson
Hon Mark Nevill
Hon Iain MacLean

Staff of the Committee:

Mr Vick Kristoff (Advisory/Research Officer)
Mr Greg Jackson (Committee Clerk)

Previous Reports of the Committee:

See Appendix 5.2

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1. INTRODUCTION

In previous years, the timing of the estimates hearings during the latter part of the calendar year provided for the scrutiny and debate of selected agency 30 June financial statements and performance indicators.

However, with the Government's earlier introduction of the 1996/97 Budget into Parliament, and its debate and subsequent processing through the House by 30 June 1996, it was not possible for the Estimates and Financial Operations Committee to review such information on a timely basis. Accordingly, the Committee modified its program to consider the 1996/97 Estimates cycle over three stages during the 1996 calendar year.

The first stage was undertaken in accordance with clause 3(a) of the Committee's Terms of Reference which provides for the consideration and reporting on the estimates of expenditure laid before the Council each year. This involved the conduct of the budget estimates hearings over a three day period from June 11 to June 13, 1996. A report on these proceedings was tabled in Parliament on 20 June 1996. (Refer Sixteenth Report of the Standing Committee on Estimates and Financial Operations in relation to the Estimates of Expenditure 1996/97.)

The second stage, also undertaken under the provisions of clause 3(a), involved the Committee's scrutiny and subsequent distribution of responses to questions on notice and generic questions. A report on this process was tabled in the House on 24 September 1996. (Refer Eighteenth Report of the Standing Committee on Estimates and Financial Operations in relation to the 1996/97 Estimates Cycle - Questions on Notice and Generic Questions.)

This report represents the outcome of the third and final stage of the Committee's estimates program. It was undertaken in accordance with clause 3(b) of the Committee's Terms of Reference which provides for the consideration and reporting of *any* matter relating to the financial administration of the State. The procedural focus of this stage involved a further round of hearings during which selected government agencies, irrespective of their dependence on the Consolidated Fund, were asked questions pertinent to the impact of the Federal Budget on agency finances/programs, the 30 June 1996 financial statements and performance indicators. As with the June hearings, Members of the Legislative Council were allowed to address questions to invited representatives of the agencies called before the Committee. Typically, the agency Chief Executive Officer and the representing Legislative Council Minister directed responses to the Council Members through the Committee Chair. Members were limited to one question at a time, including supplementary questions. Questions were taken on notice if an answer could not be supplied during the proceedings. These hearings differed from the June hearings in that questions were not limited to matters or agencies covered by the 1996/97 Budget Papers. Furthermore, there was no requirement for agencies to table responses to generic questions at the commencement of the proceedings.

General issues discussed at section 3 of this report covered in the main, the impact on agencies resulting from proposed cuts in Federal Government funding.

Agency specific matters of interest raised during the proceedings are noted at section 4.

2. PROCEDURE

The Estimates and Financial Operations Committee agreed that the procedure for the conduct of the Post 30 June hearings would generally be similar to that applied for the Estimates hearings conducted in June 1996. Accordingly, the requirements remained unchanged in regard to such matters as witness information sheets, opening statements, order of questions, type of questions, questions on notice etc. Minor changes agreed upon were in relation to the location of the hearings and the omission of generic questions.

The Committee was mindful of concerns raised in the past by Members of the Legislative Council that Estimates hearings were conducted to question Consolidated Fund dependant agencies on matters pertaining to the annual Budget Papers. Members of the Council expressed their frustration at not having appropriate access to the vast number of government agencies not affected by the Consolidated Fund, namely statutory authorities. The Committee was able to overcome this constraint through the conduct of the Post 30 June hearings which, under clause 3(b) of the Committee's Terms of Reference, "provides for the consideration and reporting of *any* matter relating to the financial administration of the State". The Committee responded by inviting the appearance of Homeswest (a statutory authority) in addition to nine Consolidated Fund dependent agencies. The Committee will consider during its coming deliberations, the calling of a greater number of statutory authorities during the 1997/98 estimates cycle program.

The Post 30 June hearings provided an opportunity for the Committee to trial an alternative venue for the conduct of the proceedings. Accordingly, the Committee agreed to utilise its facilities situated within the Legislative Council Committee Offices. Although no complaints were received about the location of the venue, some Council Members expressed their view that the layout and facilities within the venue were totally inappropriate. The Committee resolved that where appropriate, all future hearings will be held in the Legislative Council Chamber.

In the Committees' eighteenth Report to Parliament titled '1996/97 Estimates Cycle - Questions on Notice and Generic Questions, comment was made in regard to the high proportion of responses to questions on notice received by the Committee outside of the allocated three day timeframe. The Committee endeavoured to resolve the matter by extending the response timeframe to five working days in addition to reinforcing to affected parties, the requirement for timely responses. Although slight improvements were noted in regard to the post 30 June hearings process, the Committee remained concerned by the continuing high proportion of untimely responses received (60%) and the failure of parties to promptly notify Committee staff of expected delays. Details of responses and notifications outside of the prescribed 12.00 noon, Wednesday 23 October 1996 deadline are as follows:

AGENCY	DATE RESPONSES RECEIVED	NOTIFICATION OF DELAY?
Family and Children's Services	Thursday 31 October 1996	Notification received Friday 25 October 1996
Aboriginal Affairs	Monday 28 October 1996	Notification received Friday 25 October 1996
Commerce and Trade	Monday 28 October 1996	Notification received Friday 25 October 1996
Training	Monday 28 October 1996	Notification received Friday 25 October 1996
Education	Monday 28 October 1996	Notification received Friday 25 October 1996
Homeswest	Friday 25 October 1996	Notification received Friday 25 October 1996

The Committee notes the Presidential ruling of June 1991 (and restated in October 1996) which places responsibility for the answering of questions on the Legislative Council Minister, irrespective of the capacity in which he/she is representing the agency. It is the Committee's intention to raise this matter with the Ministers in the Council in addition to requesting that such Ministers accept responsibility for the monitoring and **timely** return of supplementary information to the Committee staff.

3. GENERAL ISSUES

3.1 Impact of Federal Government Budget

As a result of the June 1996 Premiers' Conference, it was announced that all States within Australia would contribute to the Federal Government's budgetary objectives. Western Australia's contribution translated to some \$60m in general purpose (untied) grants and \$30m in specific purpose (tied) grants.

Upon his return from the Conference, the Premier announced that all State government agencies would be required to meet a share of the \$60m reduction in general purpose grants. The Committee was advised that discussions in this regard remained ongoing between the various State and Federal parties affected by funding arrangements. The allocation of the \$60m reduction was made by Treasury on the basis of a proportion of the agency's budget. The impact across the board, after discounting for amounts of expenditure which were outside of the agency's control (such as debt repayments) was calculated to be 1.4%. However, it was expected that the cut to be applied to each agency would vary, with some agencies likely to suffer a greater reduction whilst others would contribute less than the 1.4%. The capacity to cope with such a reduction, given the Premier's requirement that it not be in any service delivery area varied. This led to the current situation where considerable dialogue is occurring between the parties concerned.

In his discussions in the House, the Premier assured Parliament that the State would be able to accommodate the \$60m reduction in general purpose grants. Furthermore, the Premier indicated that \$40m in efficiency savings had already been identified. The Committee was however, disappointed that few agencies *on the day* of the hearings were able to provide specific details on areas affected by the savings. On this matter, the Committee was informed that the Western Australian Cabinet Estimates Committee was currently not in a position to determine the outcomes on agencies arising from the Federal budget, and that the agencies appearing before the hearings could not answer specific questions about the impact of the Federal budget whilst negotiations were ongoing between affected Federal and State parties.

The Committee, in its pre-hearings enquiries with the Treasury Department was informed that with approximately one quarter of the 1996/97 financial year already passed, the State was yet to receive specific details from the Commonwealth as to which specific purpose programs would be reduced and by what amount. Commonwealth budgetary information available at the time was in many instances inconclusive, thus resulting in no specific dollar amounts or program impacts to be reliably ascertained. In addition, there did not appear to be a time line set by the Commonwealth in regard to their provision of specific information on cuts to be made. The Committee found these matters to be of concern, particularly in the context of trying to effectively manage the States finances with reduced funding.

It became apparent during the course of the proceedings that agencies were at varying degrees of identifying possible cut-back areas within their budgets. Responses varied from: "there will be no cut in our budget" to "discussions and/or negotiations on the matter remain ongoing" and "here are the areas to be affected and these are the approximate \$ amounts". It was explained that relevant details compiled by the agencies have and were continuing to be forwarded to the Treasury Department who was responsible for considering which agencies could best deliver the cuts and ultimately, work out how the State Government's contribution would be funded.

Another matter arising from the Premier's Conference was that agencies were expected to absorb the cost of Commonwealth sales tax on executive vehicles. Most agencies questioned in this regard indicated minimal impact on their finances, but few *on the day* were able to provide the dollar amounts to support this view. This however, was subsequently resolved through the provision of supplementary information.

It is apparent that the current stage of analysis, discussion and negotiation has contributed significantly to the inability of agencies to provide specific information in respect to the impact of the Federal reductions outlined. The Committee directs that at the earliest possible opportunity, the 10 agencies (through their responsible Ministers) provide the Committee with **specific** details of the impact on outcomes within their agency. The Committee will shortly contact the Ministers and affected agencies in this regard.

Prior to the conduct of the Post 30 June hearings, the Committee were briefed by Treasury representatives on the impact on the State arising from the Federal Budget cuts. Although the Committee were provided with an informative *general* insight into the current state of affairs, it was unfortunate that *specific* details were not yet available to enlighten Committee Members further on the effect on agency outcomes. The Committee believes it would benefit from inviting Treasury representatives once more to provide further detail to issues arising from the hearings. The Committee will shortly contact Treasury on this matter.

3.2 Budget Paper Identification of Specific Purpose Grants

It was brought to the Committee's attention that Consolidated Fund 'grants' details appearing in the Program Statements Budget Papers are not identified as specific purpose grants. An example of the concern was in regard to the published Agriculture Department details within the 1996/97 Consolidated Fund Budget Paper No. 2 which listed alphabetically, specific purpose grants for bovine tuberculosis and national landcare. These grants however, did not correlate with the information reported in the Program Statements Budget Paper No. 6.

The Committee recommends that Treasury consider providing an appropriate level of detail in the Program Statement Budgetary Papers to allow for easy correlation of specific purpose grant information. The Committee will raise this matter shortly with the Minister.

3.3 Financial Statements and Performance Indicators

Agencies selected to appear before the Committee were asked to provide copies of the audited, or if unavailable, unaudited financial statements and performance indicators for the year ended 30 June 1996. With the exception of the Main Roads Department, all agencies provided unaudited copies as a result of the audit remaining incomplete at the date of the hearings.

Although the Committee found the unaudited information to be extremely useful in its analysis of agency matters under consideration, it believes that the audited versions, complete with the Auditor General's opinions, would provide the most benefit.

In 90% of the agencies examined, the Committee was unable to ascertain with certainty, the outcome of the Auditor General's opinion in regard to the agency's financial statements and performance indicators. The Committee uses the Auditor General's opinion as a useful gauge to ascertain the agency's overall state of 'health'. This matter gained more relevance as a result of Treasury's requirement for the implementation of full accrual reporting by 30 June 1997, and the Auditor General's intention to fully introduce opinions in 1996 for performance indicators instead of the previous mix of both opinions and assessments.

The Committee will endeavour to conduct future post 30 June hearings at a time subsequent to the completion of the audit process and delivery of audited financial statement and performance indicator information. Furthermore, the Committee will consider as a lead-up to the hearings, the possibility of calling the Auditor General to brief the Committee on matters affecting the agencies to be questioned.

4. SPECIFIC AGENCIES

The Committee met with 10 government agencies during the course of the hearings. This section outlines the major issues and topics discussed during the proceedings. A point form summary of matters addressed during agency questioning is attached at Appendix 5.1.

4.1 FAMILY AND CHILDREN'S SERVICES (Div 43)

In respect to general purpose grants, the impact of the 1.4% budgetary cut on the final outcome for the delivery of services was yet to be determined. It was implied by the Department that whilst negotiations with Treasury remained ongoing, and the stage had not been reached to decide specifically how best to manage the reduction, the Department's budget would remain unchanged.

In response to a question on the likely areas to be affected by the \$40m savings as announced by the Premier, it was advised that at present, no decision had been made to cut or reduce any of the programs outlined in the Department of Family and Children's Services vote.

With regard to specific purpose grants, the Department was able to identify Commonwealth Budget 'initiatives' involving joint State/Commonwealth projects which would impact on local programs. Programs noted during the discussions were in respect of child care (removal of operational subsidy from community based child care centres), emergency relief (increase in funding of some \$600,000) and youth homelessness (funding of \$8m over 3 years Australia wide). The impact in other areas, such as the Family Court counselling service could not be readily identified as negotiations were still occurring with the Commonwealth Government.

In relation to the Federal Government's revocation of the wholesale tax exemption, 11 vehicles were identified as being affected with the 1996/97 financial impact estimated to be \$34,354.

4.2 ABORIGINAL AFFAIRS (Div 91)

The Committee were alerted to the impact on the Department's decision making process arising from arrangements existing with the Aboriginal and Torres Strait Islander Commission (ATSIC). It was understood that decisions regarding the Department's discharge of monies were directly influenced by such arrangements. In an attempt to obtain accurate details of Federal budget funding cuts made to Aboriginal organisations, a meeting was recently held with ATSIC representatives. This meeting however, proved unsuccessful.

As a result of the link between Aboriginal Affairs and ATSIC, and the current indecisions in ATSIC spending, the Department was not in a position to fully determine program impacts. The Committee understands however, that further approaches in regard to Federal budget funding cuts will be made with ATSIC in November 1996.

The Department and ATSIC currently have a number of joint projects in progress totalling \$837,000. Indications were that at present, funding for these projects would not be affected by any cuts in specific purpose grants.

In regard to general purpose grants, the Department estimated that their contribution to the 1.4% cut was in the order of \$336,000 to be sourced from administrative arrangements and operational efficiencies. (For example: restricting meeting costs and downsizing the central office through relocation of staff to regional centres thus contributing to a reduction in travelling costs).

Also raised during the course of the proceedings was the effect of the revocation of wholesale sales tax exemption on executive motor vehicles. The Department believed that with only five officers participating in the executive scheme, the financial impact on the agency would be in the order of \$33,000 per annum.

4.3 COMMERCE AND TRADE (Div 12)

Although the financial effect of the 1.4% cut in the budget was estimated to be in the order of \$600,000 to \$700,000, the Department was unable to provide accurate details as to how it intended to achieve the reduction. The Department was however, able to speculate on the possible areas to be affected by the cuts. These were within the trade investment and regional development programs where Departmental use of consultants and contractors was significant. The Committee understands that discussions on the matter are continuing between the Department and the responsible Minister.

The Department identified a reduction of approximately \$650,000 to \$700,000 to its specific purpose grant for the AusIndustry program. This program, which was budgeted and agreed to before the cuts to be in the order of \$2.3m, was matched by an equivalent state contribution.

With regards to the revocation of wholesale sales tax exemption on executive motor vehicles, the Department believed the 1996/97 financial impact for the 11 affected vehicles would be \$50,000.

4.4 DEPARTMENT OF TRAINING (Div 37)

As a direct result of the requirement to maintain 'effort' to continue to receive funding from the Commonwealth Government through the Australian National Training Authority (ANTA) arrangements, it was agreed that certain areas within the Training budget would be quarantined from the effects of the 1.4% cut in funding. The Department was able to calculate savings of approximately \$219,000 within those areas not affected by the requirement to maintain effort. Examples provided were in the area of travel and consultancy costs and a freeze on the filling of vacant positions.

The Committee were advised that in broad terms, the Department would not be affected by cuts in specific purpose grants. It was explained that with the preparation of the 1996/97 budget, the view was taken that there would be no growth funds expected from ANTA. This expectation was built into the budget figures accordingly. Subsequent to this however, ANTA provided growth funds above the budgeted expectation. To a large extent, these unexpected growth funds offset the reduction in specific purpose grants brought about by the Commonwealth. In many instances, the downward adjustments arising from cuts to specific purpose grants remain uncertain at this stage.

In respect to the Federal Government's revocation of the wholesale tax exemption, 25 vehicles were identified as being affected with the 1996/97 financial impact estimated to be \$61,000.

4.5 AGRICULTURE (Div 31)

Timing and design changes within the capital program were areas being considered by the Department in response to the instruction to identify budgetary cuts of 1.4%. The Department indicated that in dollar terms, this amounted to approximately \$1.462m and was the combined effect on all three agriculture agencies being Agriculture WA, Agriculture Protection Board and the Rural Adjustment and Finance Corporation.

The Department outlined the programs totalling \$13.243m affected by specific purpose grants. Direct funding from the Commonwealth were in regard to the quarantine and inspection service program, the national landcare program and the brucellosis and TB eradication program. Indirect funding was in relation to the Commonwealth's contribution to matching industry funds on a dollar for dollar basis through the research and development corporation network. Although the Department believed no cuts would affect these areas, uncertainty existed over the effect on program outcomes as, for example, certain initiatives within the national landcare program are linked to the sale of Telstra.

In response to questions regarding the revocation of the wholesale tax concessions on executive motor vehicles, the Department expected the effect on their finances would be minimal. 18 vehicles were involved with the estimated impost being \$36,839 in 1996/97 and \$55,351 in 1997/98.

4.6 FISHERIES (Div 34)

In respect of the 1.4% cut in expenditure, the Department identified savings totalling approximately \$160,000 arising from the possible deferral in the timing of the replacement of one of its patrol boats. Curiously, the \$160,000 represents only 0.6% of the Consolidated Fund allocation for the 1996/97 year which calculates to 0.8% less than expectation. Although the Department indicated that no further savings were being considered, the Committee believes the Department's approach in providing details amounting to less than the instructed 1.4% cut requires further explanation. The Committee will consider this matter further during its coming deliberations.

Specific purpose grants funding is received by the Department through the Fisheries Research and Development Corporation (FRDC). The FRDC is a federal research body which contributes about \$1.9m to the Fisheries Department (\$1.1m in 1995/96). The process originates with the receipt of monies from industry into the Department's 'Fisheries Research Development Fund'. The moneys held within the Fund are then allocated to the 'Western Australian Fishing Industry Council'. Funds held by the Council are then transferred to the FRDC at which stage there is a dollar for dollar matching by the Commonwealth. The Department receives from the FRDC, an amount of 1% in terms of the value of fisheries around Australia being applied to fisheries related research.

In regard to the revocation of wholesale sales tax exemption on executive motor vehicles, the Department believed there would be a financial impact of some \$4,000 to \$5,000 for each of the 8 vehicles involved.

4.7 MAIN ROADS DEPARTMENT (Div 36)

Upon being asked what steps had been taken to reduce its budget by 1.4%, the Department advised that no effect was anticipated as its main source of funding was derived from State origins, namely vehicle licensing and the Western Australian fuel levy.

In relation to specific purpose grants, the Department was able to identify projects totalling \$48m which it believed would remain unaffected by budgetary cuts. These related to committed expenditure on ongoing projects which required the Federal Government to continue the contracts during the current 12 month period and in some instances, would be ongoing during the year after. However, funds in doubt were in relation to unallocated monies where the project life extended beyond the 12 month period. With no commitment from the Federal Government over the long term funding of these projects, it was not possible for the State to plan effectively for their progression.

When asked to identify the impact on the Department of the Federal Government's revocation of the exemption of sales tax, it was indicated that there would be no impact during the year as the Department was moving from ownership to leasehold. Any changes in the rates of taxation would be reflected in the lease payments.

Some discussion ensued on the contracting of road maintenance within the country and metropolitan area. The Committee was informed that on a three year contractual basis and with four companies involved, three areas had been contracted out in the country and one in the metropolitan area.

The supervisory role of contract work was also raised during the course of the proceedings. In response to a query regarding responsibility for proper conduct of contract work, it was explained that the contract is done under a 'quality system' whereby the contractor has full responsibility to govern the control of his work. The role of CMPS & F Pty Ltd as the consultant firm taking the role of contract superintendent was also discussed. The superintendent carries out an 'audit' role by ensuring quality performance/completion of jobs undertaken. The Department explained further that under the current circumstances, the use of a contractor to undertake the supervisory role was necessary to overcome the Department's lack of appropriately qualified inhouse staff.

4.8 EDUCATION (Div 26)

The Department explained that it had received an assurance from Treasury that the full 1.4% cut in the budget would not apply to the Education Department. Various options were currently being considered to support a reduction of about 0.3% (or \$4m) off its total budget of \$1.3b. Since planning in this area was still ongoing, the Department could not provide specifics regarding areas to be affected by the cuts. However, options available to the Department included the cancellation of new programs or the holding of growth in other programs.

The Committee were reminded of a statement from the Federal Government which advised that no cuts in specific purpose grants were to occur in education. The Department also advised that no formal advice had yet been received on changes to the Commonwealth/State relations on specific purpose grants. Accordingly, the Department was unable to provide specific details on this matter.

When asked to identify the impact on the Department of the Federal Government's revocation of the exemption of sales tax, it was indicated that sales tax on executive vehicles would cost an estimated \$100,000 per annum.

The Committee was provided with a breakdown of the stand alone 'other revenue' total of \$15.756m appearing at Note 6 of the unaudited financial statements for the year ended 30 June 1996. The Committee believes that a total of this size requires additional explanation with at least, a note description of the major components making up the total. The Department should consider adopting this suggestion during its preparation of the 30 June 1997 financial statements.

4.9 HEALTH (Div 90)

The Department explained that savings attributable to the 1.4% budgetary cut would come through corporate savings and slippage in the capital program. The dollar value of proposed savings was estimated to be \$12.3m.

In respect to cuts in specific purpose grants, the Department advised that the net effect in funding translated to an increase of 4.8%. Areas outlined as being affected by specific purpose funding were: capital planning (up 6.8%), mental health reform (up 3.3%), Aboriginal and Torres Strait Islander health (up 3.1%), blood transfusion service (down 5.3%), dental program (down 3%), home and community care (down 2.8%) and the balance up by 2.7%. However, this overall increase of 4.8% was not considered indicative of a nil effect on the outcomes for funding of health service delivery in WA. As specific purpose grants were tied to specific purposes, funding was directed to those areas with no possibility of movement to other unfavourably affected areas. This situation, compounded by the expectation that revenue was to be down by approximately \$1.4m, resulted in a requirement for the Department to identify savings totalling \$6.2m.

4.10 HOMESWEST

Discussions took place over the likely outcome to the Authority if the Commonwealth no longer provided funding for capital projects. The impact on the dismantling of public housing estates program for example, would be a slow down in redevelopment programs.

In respect to the 1.4% budgetary cut, the Authority advised there was no impact at present as details were still unfolding with regard to grants receivable through the Commonwealth-State Housing Agreement.

In relation to the Federal Government's revocation of the wholesale tax exemption, 36 vehicles were identified as being affected with the 1996/97 financial impact estimated to be \$94,800.

Also outlined during the session was Homeswest's housing loans program as it related to Keystart.

APPENDIX 5.1**AGENCY SPECIFIC ISSUES ADDRESSED DURING QUESTIONING****FAMILY AND CHILDREN'S SERVICES**

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Impact of proposed cuts resulting from the Federal budget.
- Allocation of State's cuts across departments.
- Impact of Federal cuts on youth programs (eg: training and homelessness).
- Impact of changes to Austudy, and the two year waiting period for migrants to receive social security benefits on the Family Crisis Unit.
- Changes in the levels of funding for specific purpose grants.
- Impact of cuts on community based childcare centres.

ABORIGINAL AFFAIRS DEPARTMENT

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Impact of proposed cuts resulting from the Federal budget.
- Areas and value of direct funding to the Aboriginal Affairs Department by the Commonwealth.
- Allocation of State's cuts across departments.
- Split of 1.4% cut between recurrent and capital.
- Response by Aboriginal Affairs Department to counter ATSIC cuts.
- Impact of revocation of sales tax exemption.
- Possible closing of one office.
- Impact of funding changes to Jigalong and Oombagarri.
- Impact of ATSIC budget cuts to organisations receiving funding - ability of the Aboriginal Affairs Department to respond to needs of organisations currently dependent on ATSIC funds.

COMMERCE AND TRADE

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Impact of proposed cuts resulting from the Federal budget.
- Possibility of 1.4% cut being achieved by increases in revenues.
- Extent of cuts in specific purpose grants from the Commonwealth.
- Any savings identified as part of \$40 million in cuts already identified by Govt.
- Expenditure of AusIndustry money.
- Financial arrangements for AusIndustry program.
- Impact of decrease in Ausindustry funds on services provided by Development Commissions and Business Enterprise Centres.
- Impact of revocation of wholesale sales tax exemption.
- Impact and structure of cuts made to spending on Regional Development on Development Commissions.

DEPARTMENT OF TRAINING

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Possibility of 1.4% cut being achieved by increases in revenues.
- Source of Australian National Training Authority funding.
- Changes in levels of special purpose grants from the Commonwealth.

DEPARTMENT OF TRAINING (CONTINUED)

- Impact of revocation of wholesale sales tax exemption.
- Results of audit.
- Aboriginal Employment programs.
- Reaction to expected increase in Aboriginal unemployment.

AGRICULTURE

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Proportion of budget attributable to Consolidated Fund.
- Impact of revocation of wholesale sales tax exemption.
- Possibility of 1.4% cut being achieved by increases in revenues.
- Effect of cuts on specific purpose grants received from the Commonwealth.
- Proposed cuts in areas specifically funded by the Commonwealth.
- Relation of landcare package to the sale of Telecom.
- Funding for quarantine arrangements.
- Changes in levels of funding from last year to this year.
- Details of savings in capital works.
- Relationship of \$1.462 million savings by Agriculture to savings (\$40m) already identified by the Premier.
- Reductions in funding during period of previous government.
- Amounts to be provided by the Federal government for Landcare programs (National Landcare, Bovine Brucellosis and Tuberculosis Eradication, Other).
- Impact of cuts on bottom line.

FISHERIES DEPARTMENT

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Impact of revocation of wholesale sales tax exemption.
- Relationship of savings by Fisheries to savings (\$40m) already identified by the Premier.
- Status of audit.
- Specific purpose grants received.
- Levels of revenue.
- Management of deferred purchases given future demands for cost-cutting.

MAIN ROADS

- Level of Commonwealth funding.
- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Proportion of budget from Consolidated Fund.
- Level of total budget for this year.
- Percentage of budget (all departments) covered to date vs percentage of required savings identified to date.
- Specific purpose grants.
- Composition of spending.
- Areas of reduction in revenues.
- Impact of revocation of wholesale sales tax exemption.
- Cuts to National Highway System - management of this in terms of road safety and maintenance.
- Result of contracting out of road maintenance.
- Identification of contractor for Perth maintenance, and supervising body.
- Monitoring of contractor performance.

EDUCATION

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Number, value, and changes in level of specific purpose grants.
- Mechanisms for allocating funds.
- Changes to level of funding by Federal Government.
- Implication of revocation of sales tax exemption.
- Relationship with Commonwealth.
- Breakdown of 'Other Revenue'.
- Losses of assets.
- Level of insurance cover.
- Reasons for variances between opening and closing balances in school cash receipts.
- Reasons for variances between revenue estimated in 1995/96 unaudited financial statements and budget papers.

HEALTH DEPARTMENT

- Expected cuts arising from the Federal budget cut in untied grants of \$60m.
- Quarantining of services arising from 1.4% cut.
- Change in levels of specific purpose grants from the Commonwealth.
- Impact of reduction in funds for blood transfusion service.
- Impact of capital works slippage on forward estimates.

HOMESWEST

- Recent changes by Federal Government in relation to Public Housing.
- Inequity between private and public tenants.
- Bringing private sector into public housing arena.
- Impact of reduction in funds received from the Commonwealth on redevelopment of old Homeswest suburbs.
- Success of Kwinana estate redevelopment.
- Impact of 1.4% across the board cut resulting from Federal budget.
- Possibility of achieving savings by increase in revenue rather than reduction in expenditure.
- No of home purchases/commencements during year.
- Number of publicly owned homes in purchase schemes.
- Levels of construction.
- Impact of revocation of sales tax exemption.
- Levels of spending on non-construction programs.
- Funding of Keystart loans.
- Accounting treatment of advances for loans.
- Total value of mortgages held.
- Management of those with Keystart mortgages.
- Amount of money provided over last seven years for Keystart.
- Monies expended on Homeswest properties over last seven years.
- Reasons for reduction in waiting list, and techniques for achieving this.
- Impact of decentralisation of services.
- Perception that Homeswest are 'getting tougher'.
- Difficulties in obtaining emergency housing.
- Accommodating difficult cases.

APPENDIX 5.2**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS****PREVIOUS REPORTS**

First Report:	1990/91 Budget Estimates (November 1990)
Second Report:	1991/92 Budget Estimates (November 1991)
Third Report:	Leasing of Computer Equipment for the Legislative Council (February 1992)
Fourth Report:	1992/93 Budget Estimates (November 1992)
Fifth Report:	Programme Undertaken During 1992 (December 1992)
Sixth Report:	1993/94 Budget Estimates (December 1993)
Seventh Report:	Public Submissions 1993/94 (April 1994)
Eighth Report:	Review of the Consolidated Fund Estimates 1994/95 (August 1994)
Ninth Report:	The Consolidated Fund Estimates 1994/95 (December 1994)
Tenth Report:	Performance Indicators (December 1994)
Eleventh Report:	Scrutiny of Financial Administration Legislation in Various Jurisdictions (April 1995)
Twelfth Report:	Review of the Consolidated Fund Estimates 1995/96 (August 1995)
Thirteenth Report:	Financial Administration and Audit Legislation in Australia and New Zealand: Implications for Western Australia (August 1995)
Fourteenth Report:	Estimates of Expenditure 1995/96 (November 1995)
Fifteenth Report:	Discussions held with representatives from the Department of Main Roads Western Australia pertinent to the Committee's Terms of Reference (April 1996)
Sixteenth Report:	The Estimates of Expenditure 1996/97 (June 1996)
Seventeenth Report:	Briefing and Tour provided by the Main Roads Department in Regard to the City Northern Bypass Project (September 1996)
Eighteenth Report:	1996/97 Estimates Cycle - Questions on Notice and Generic Questions (September 1996)