



PARLIAMENT OF WESTERN AUSTRALIA

EIGHTEENTH REPORT

OF THE

**STANDING COMMITTEE ON ESTIMATES
AND FINANCIAL OPERATIONS**

IN RELATION TO

**1996/97 ESTIMATES CYCLE - QUESTIONS ON NOTICE AND
GENERIC QUESTIONS**

Presented by the Hon Murray Montgomery (Chairman)

**18
SEPTEMBER 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)

Previous Reports of the Committee:

See Appendix IV

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CONTENTS

1.	INTRODUCTION	4
2.	QUESTIONS ON NOTICE	5
	2.1 DEFINITIONS	5
	2.2 PROCEDURE	5
	2.3 MATTERS OF INTEREST	7
3.	GENERIC QUESTIONS	9
	3.1 DEFINITION	9
	3.2 PROCEDURE	9
	3.3 FINDINGS AND RECOMMENDATIONS	9
	3.4 QUESTIONS ASKED	10
4.	CONCLUSION	16
5.	APPENDICES:	
	I Department of Transport - Questions on Notice and Responses	17
	II Consolidated Fund Dependent Agencies Covered by Questions on Notice and/or Generic Questions	22
	III Questions on Notice - Matters raised	24
	IV Previous Reports of the Committee	29

1. INTRODUCTION

In its Sixteenth Report on the Estimates of Expenditure for 1996/97, the Standing Committee on Estimates and Financial Operations ('the Committee') outlined its reporting strategy for the 1996/97 estimates cycle. In accordance with this strategy, the Committee resolved to provide Parliament with three reports during the 1996 calendar year as follows:

- A report on the 1996/97 estimates hearings held during the three day period from Tuesday, 11 June 1996 to Thursday, 13 June 1996. (Reference: "Sixteenth Report of the Standing Committee on Estimates and Financial Operations in relation to the Estimates of Expenditure 1996/97" - dated 20 June, 1996)
- *A report on matters arising from hearings related questions on notice. Subsequent to the tabling of the Committee's Sixteenth Report to Parliament, it was agreed that this report would also include matters pertaining to generic questions asked of all Consolidated Fund dependent agencies within Western Australia.
- A report outlining the Committee's findings in regard to the post 30 June 1996 hearings to be undertaken of selected State government agencies. It is intended that this report will cover areas such as the 1995/96 financial statements and performance indicators, and the impact of the Federal budget on agency finances/programs.

*This document represents the second of the abovementioned reports.

2. QUESTIONS ON NOTICE

Appendix III provides an outline of matters raised in regard to questions on notice.

Full details of questions on notice and subsequent responses can be found in the Hansard Parliamentary Debates publication for the Legislative Council titled: "*Estimates Committee, with supplementary information - Tuesday 11 June 1996, Wednesday 12 June 1996, Thursday 13 June 1996*".

2.1 DEFINITIONS

Question on Notice - Refers to the process by which questions can be formally responded to at a later date.

Supplementary Information - That information which is provided at a later date in response to a Member's query before the Legislative Council Estimates Committee.

2.2 PROCEDURE

The Committee has in place, an estimates hearings procedure which outlines the requirements for questions on notice. This procedure has been reproduced below together with the intent behind the procedure and the Committee's findings:

- **Questions that agency representatives are unable to answer during the hearing will be taken on notice.**

Intention - Ministers and agencies sometimes face difficulty in predicting what questions will be asked during the estimates hearings proceedings. On occasion, an immediate satisfactory response may not be possible in which case the question is placed on notice. This provision simply aims to ensure that *all* questions raised during the proceedings are formally responded to.

Findings - The Committee was generally pleased with the outcome of this process. In all instances where questions on notice were raised, the relevant agencies were able to provide a subsequent response. On occasion however, the agency was unable to provide a complete response due to factors such as, for example, confidentiality provisions restricting disclosure, reports not yet complete and final decisions not yet made. Agencies identified as still outstanding in the finalisation of responses are: the Agriculture Protection Board (re: noogoora burr resources) and the Department of Training (re: relative numbers of administrative and lecturing support staff, anticipated expenditure on cleaning and gardening services contracted by colleges, ratio of lecturing to administrative staff over the last five years).

The Committee will follow-up these outstandings with the agencies involved.

- **Following the hearing, the Advisory/Research Officer (ARO) will forward a (faxed) copy of the question as it appears in the uncorrected Hansard to the Office of the Minister responsible for the relevant agency. The responsible Minister must then on-forward such question to the relevant agency CEO.**

- ***Agencies responding to questions on notice should do so through their responsible Minister.***

Intention - This process ensures that the responsible Minister is kept fully informed of the relevant details affecting his/her portfolio. It also allows the Minister to scrutinise and 'sign-off' the agency responses before they are on-forwarded to the Committee's Advisory and Research Officer (ARO). Protocol within the Parliamentary and Committee system also provides for the Minister's Office to be notified beforehand of proposed ARO contact with agencies.

Findings - The Committee found that on occasion, lengthy delays occurred in the movement of questions on notice and supplementary information between the Minister's Office and the target agency. Given the three day response timeframe allotted, this delay obstructed the Committee's intended aim of providing timely responses to awaiting Members of the Legislative Council and Hansard.

It is the Committee's intention that in future, questions on notice and supporting correspondence will be faxed simultaneously to both the Minister's Office and the target agency. Furthermore, the Committee's ARO is to immediately telephone the Ministers Office and the target agency alerting them to the arrival of the faxed information and to reinforce the need for a timely response.

- ***Agencies are asked to respond to questions on notice in the predetermined format as provided.***

Intention - This requirement provides for consistency in response format across all agencies. Furthermore, it facilitates the collation, scrutiny, publication and clear presentation of information as used by affected parties, namely the Committee, Members of the Legislative Council and Hansard.

Findings - Generally the Committee was satisfied with the outcome. There were however, instances where agencies did not fully comply with the requested format. Although the impact of this was minimal, it did contribute to the delay in the final distribution of responses to Legislative Council Members and Hansard.

The Committee will continue to provide agencies with an example of the requested format.

- ***Responses should be received by the ARO within three working days of the ARO's initial forwarding date of questions to the responsible Minister.***

Intention - The Committee aims to provide Legislative Council Members and Hansard with timely responses to questions on notice.

Findings - The Committee was disappointed by the high number of responses received outside of the three day response period requested. The Department of Transport for example, did not officially respond to the Committee for some 31 working days after the initial faxing of the questions to the Minister's Office. This delay resulted in the Transport Department's supplementary information not being available for inclusion in the final published version of Hansard. To cater for this omission however, the Committee agreed to include the response at Appendix I of this report.

The Committee was also alerted to the inconsistency between this three day timeframe and the five day allocation outlined in material distributed to agencies by Hansard. The Committee acknowledges that the three day timeframe does not provide agencies with sufficient time to

effectively complete the task. Accordingly, the Committee has agreed to standardise the response period to five working days.

The Committee was also alerted to instances where Legislative Council Members were contacting agencies direct to enquire over delays in responses to questions on notice. The Committee, in its role as coordinator of the process believes that all enquiries should be addressed in the first instance to the Committee's ARO. In response to this matter, the Committee has agreed to modify its estimates hearings procedure policy to provide direction regarding enquiry particulars if queries arise.

- ***In any case where delays are expected to agency responses, the responsible Minister must immediately advise of the circumstances and the new response date.***

Intention - This requirement facilitates the Committee's monitoring and follow-up process.

Findings - On very few occasions was the Committee's ARO promptly informed of expected delays. Where notification was received, either no new response date was provided or the provided date was not met.

This requirement is to be reinforced with the Minister's Office.

2.3 MATTERS OF INTEREST

Police -

In response to an query regarding improvements to the Department's 1994/95 performance indicators, the Committee was informed that valuable advice and assistance had been received from members of the Auditor General's Office in both the development and the measures of performance as outlined in the Department's "Strategic Action Statement - A Statement of Our Policing Priorities 1996/97", and the continued development and refinement of key performance indicators for the 1995/96 annual report. The Committee is aware of the 'transitional' nature of the Department's indicators (in anticipation of the organisation's new structure) and intends to examine the Department's 1995/96 reported indicators to ascertain the extent of developments and refinements made.

The Committee was also pleased with the Department's progress in the implementation of a accrual based financial management information system. Currently, the Department is in the preliminary stages of implementing a combined Resource Management Information System (RMIS) covering Finance, Human Resources, Supply and Assets. The finance component of the RMIS is expected to provide accrual accounting management and information capabilities. The Department plans to have the RMIS operational by July 1, 1997.

Fisheries -

Under scrutiny from the Hon Kim Chance (MLC), the Department was asked to explain the legal status of an abalone licence if, for example, someone else in the Department had signed the licence in the Executive Director's name. The Executive Director responded that legal advice on the matter from the Crown Solicitor's Office indicated that licences signed in the Executive Directors name by licencing officers were valid. Crown Counsel's advice was that, save for specific statutory provisions to the contrary, a signature by another person in the name of the Executive Director is consistent with long

established practice in both the Australian and British Public Service.

Furthermore, the Committee's attention was drawn to Section 13 of the Fish Resources Management Act 1994 which provided that the Executive Director may delegate to a person (in writing) any power or duty under the Act, other than the power of delegation. Anything done by a delegate under Section 13 has the same force and effect as if it had been done by the Executive Director.

In accordance with this authority, the Executive Director had delegated his powers relating to the grant of authorisations under management plans (which includes abalone licences) to the Director of Programs and those relating to renewal of such authorizations to Senior Licensing Officers.

The Committee will consider this matter further during its coming discussions.

Ministry of Justice -

In response to an enquiry regarding Departmental action to address the Auditor General's concerns over the 1994/95 reported efficiency indicators, the Committee was advised that revised indicators were recently submitted to the Office of the Auditor General for analysis and comment. The Committee is considering a review of the Ministry's 1995/96 indicators to ascertain the status of improvements made.

Education Department -

The Department indicated that considerable work was undertaken since the Auditor General's 1995 assessment to address concerns raised over the Program 2 performance indicators. The Committee is considering a review of the Department's 1995/96 indicators to ascertain the status of improvements made.

The Committee acknowledges the Department's progress in the introduction of a new accrual based Financial Management Information System and its intention that system based accrual reports will be available as from the 1997/98 financial year.

3. GENERIC QUESTIONS

3.1 DEFINITION

Generic Questions - Standard (identical) questions asked of any agency.

3.2 PROCEDURE

The Committee adopted a twofold process in the application of generic questions. Firstly, those agencies selected to appear before the Committee during the 1996/97 annual estimates hearings were provided with generic questions in accordance with the Committee's procedure policy which states:

- Prior to the hearings, Council Members will be asked to submit any generic questions to the Committee. Where possible, these questions will be forwarded to the relevant CEO via the responsible Minister, at least one week prior to the hearing. Written responses will be tabled at the beginning of each hearing.

Secondly, the remaining Consolidated Fund dependent agencies (ie: those not appearing before the Committee during the hearings) were asked to respond to the generic questions.

3.3 FINDINGS AND RECOMMENDATIONS

Timeliness of Responses:

In regard to agencies appearing before the hearings, the Committee was satisfied with the timeliness of responses received. However, due to a misinterpretation of intent, the distribution of generic questions to agencies not appearing before the hearings (as was carried out in 1994), and the subsequent return of responses, was somewhat delayed.

Factors contributing to the delay were:

- The time allocated for the return of responses was inadequate. (ie: advice and questions faxed on Monday 24 June 1996 and response requested by noon of the following Wednesday 26 June 1996);
- Ministers were not always readily available to scrutinise and approve the agency responses;
- Hold-ups due to amendments/refinements required by Minister.

To avoid the recurrence of a similar delay, the Committee will refine its current procedure policy to include the simultaneous provision of generic questions and supporting correspondence to both the Minister's Office and the target agency at least five working days prior to the hearing.

Interpretation:

The Committee has adopted a policy which aims to avoid any possible misinterpretation of a generic question. The policy states:

- Agencies and Ministerial staff seeking clarification of the intent of the questions asked and the scope of the responses required will be directed to the relevant initiating Member.

This policy was outlined in correspondence accompanying the Committee's distribution of generic questions to government agencies. The correspondence also included a contact telephone number to accommodate any agency queries in this regard.

The Committee was surprised to find that a number of agency representatives were either unaware of, or ignored the abovementioned policy as was evidenced by the flow of enquiries which continued to be received by the Committee's Advisory and Research Officer.

It is the Committee's intention to address this matter through inclusion of the policy statement directly above the generic questions as distributed.

3.4 QUESTIONS ASKED:

94 State government Consolidated Fund agencies were covered by the survey. As the questions covered two financial periods (being 1995/96 and 1996/97), it was agreed that the Government Employees Housing Authority (which ceased receiving funding from the Consolidated Fund on 1 July 1996) and the Department of State Services (which ceased to exist from 1 July 1996) would also be included.

Questions 1 to 9 were forwarded to all 94 agencies whereas Question 10 was aimed at specific agencies, namely, the Education Department, Department of Conservation and Land Management, Health Department, Building Management Authority and the Department of State Services. A full list of agencies covered by the generic questions is contained at Appendix II of this report.

Questions 1 to 10 have been reproduced below together with selected results and comments as deemed appropriate.

(1) Are there any new policies being introduced or scheduled for introduction in the 1996/97 financial year?

Although approximately 70% of agencies responded no, most indicated that reform was an ongoing process and changes were possible. 27% of agencies responded yes and the remaining 3% were either unclear, non committal or no longer applicable.

The Police Department believed that its adopted strategic approach did not allow for definitive answers to be given at present with respect to individual policy changes. It was suggested that a presentation to Legislative Council Members be arranged which would provide the Department with an opportunity to address this and other questions more completely. The Committee will consider this suggestion during its coming discussions.

(2) If yes to (1):

(a) what are they; and

(b) how are they to be funded?

Most applicable agencies provided for the event through the existing Consolidated Fund and/or Capital Works budget.

(3) If any new policies outlined in (2) are being funded from Consolidate Revenue, can you identify those funds in the Estimates?

In most instances outlined, identification within the estimates was clear.

- (4) *Of the services to be provided by your Department/agency in the 1996/97 financial year, are any being considered for discontinuance, ie: the services will be terminated or progressively discontinued?***

Although 83% of agencies surveyed reported no immediate plans to terminate or discontinue services, most indicated they were involved in an ongoing review process. 14% of surveyed agencies responded yes and 3% were either unclear, non committal or no longer applicable.

- (5) *If yes to (4):***

(a) *what are they; and*

(b) *how are they described in the Estimates?*

Most applicable agencies were able to satisfactorily identify the description in the budget papers.

- (6) *Of the services to be provided by your Department/agency in 1996/97, is it your intention, or has a decision been made to contract out (“outsource”) any services?***

61% of respondents indicated that no intentions or decisions had been made. Most however, did indicate that continual review was in place. 36% indicated yes and 3% were either unclear, non committal or no longer applicable.

It was interesting to note that the Main Roads Department currently has 64% of road construction and just over 40% of road maintenance works completed under contracts let to private enterprises. The Department is planning to move towards 100% of road construction and maintenance works in the metropolitan region and 70% of rural road construction and maintenance works competitively tendered by the year 2000.

- (7) *If yes to (6):***

(a) *Can you describe those services to be contracted out and identify them in the Estimates?*

(b) *Is the figure of the Estimates for providing those services based on the costs of provision by the Department or the anticipated costs of contracting out or, depending on the time frame, a combination of both?*

(c) *Was this as a result of a specific policy decision by the Government, the Minister, or a Departmental decision?*

Most applicable agencies indicated that the proposals were consistent with the Government's competitive tendering and contracting (CTC) policy.

(d) *If the decision arises from a policy decision, can you state when that decision was made and what it contained?*

(e) *If the decision was departmental, what factors were taken into account in making it?*

- (f) **Will contracts be awarded as a result of formal tenders, negotiations with one of more suppliers, or by other means? If not by tender or formal negotiations, what means will be used?**
- (g) **Will the Department monitor performance under the contract, how will that be done, and what performance criteria, if any, are, or will be, specified in the contract?**
- (h) **Has the Department sought legal advice in relation to the contract, particularly in matters such as performance specifications, grounds for termination, and whether the contractor might be viewed in law as a servant or agent of the Crown, and if so:**
- (i) **what was the nature of the advice; and**
- (ii) **has it caused you to alter any provision in the contract?**
- (i) **Under the contract, who bears the costs of such matters as insurance and workers' compensation, and does the department agree to indemnify the contractor against losses?**
- (j) **Will the Department need to subsidise contract performance, and if so, where is that provision shown in the Estimates?**
- (k) **What is the total value of works contracted out?**

A selection of agencies identifying total values in excess of \$100,000 are:

- ▶ Health - Healthcare Linen: \$10.5m approximately.
Occupational Therapy Services at Fremantle Hospital: \$330,000 approximately.
Maintenance & Network Support Services at Fremantle Hospital: \$470,000 approx.
Non Ward Cleaning at Fremantle Hospital: \$393,978 (contract value).
Catering at Fremantle Hospital: \$2.4m per annum approximately.
Internal Audit, Catering & Renal Dialysis at Royal Perth Hospital: \$8m estimated.
Cleaning Services at Sir Charles Gairdner Hospital: Information is commercially confidential, however \$360,000 was the previous hospital cost.
Orderly Services at Sir Charles Gairdner Hospital: Information is commercially confidential, however \$3.5m was the previous hospital cost.
Management Audit at Sir Charles Gairdner Hospital: \$100,000 approximately.
Management Building Maintenance & Construction at Sir Charles Gairdner Hospital: The cost is currently unknown.
Orthodontic Dental Services at Albany: \$30,000.
Cleaning Services at King Edward Memorial Hospital/Princess Margaret Hospital: \$950,000 per annum approximately.
Catering Services at King Edward Memorial Hospital/Princess Margaret Hospital: \$2.9m per annum.
Engineering/Maintenance Services at King Edward Memorial Hospital/Princess Margaret Hospital: \$1.4m per annum.
Transport of Staff and Patients at KEMH/PMH: \$600,000.
Gardening Services at KEMH/PMH: \$100,000 per annum.
Asset disposal program management: Dollar value not yet determined.
Computer aided draft services: \$25,000 estimated.
Asset valuation services: \$15,000.
Legal services: \$90,000.
Internal audit services: Matter currently being finalised.

- ▶ Main Roads - In 1995/96, \$198m of work under the Roadworks Program will be handled by the private sector.
- ▶ Justice - Within Policy, Program and Projects and Prison Operations, about \$1.5m of program delivery was to be contracted out. For a number of other programs, the amounts have not yet been determined.
- ▶ Department of Disability Services - \$5.33m.
- ▶ Education - \$2,882,000 of which \$2,747,000 is for lawnmowing services.
- ▶ BMA - \$18.6m.
- ▶ Planning Commission - Anticipated cost of \$630,000 over three years.
- ▶ Transport - Estimated between \$42m and \$46m.
- ▶ Office of the Auditor General - \$1,000,000 estimated.
- ▶ Legal Aid - \$9.642m.
- ▶ Director of Public Prosecutions - \$1,350,000.
- ▶ Department of Environmental Protection - \$42.3m approximately.
- ▶ Museum - \$200,000 approximately.
- ▶ Dept of Minerals and Energy - \$2.8m.
- ▶ State Supply Commission - \$600,000 estimated.
- ▶ Heritage Council - \$350,000 approximately.

(l) What has been the FTE reduction caused by contracting out?

Examples of more significant reductions are:

- ▶ Agriculture Department - About 50.
- ▶ BMA - About 100.
- ▶ Transport - About 500 for Metrobus. Approximately 600 in 1996/97.
- ▶ Health Department - For Healthcare Linen: 120 transfers to private contractor and 40 redundancies. For other areas: approximately 380 FTE's anticipated. Management Building Maintenance and Construction at Sir Charles Gairdner Hospital and Asset disposal program management FTE's currently unknown.
- ▶ Education Department - Only limited information was available as FTE reductions for some areas remained unknown. The Department advised that if the school auditing programme was delivered internally, an estimated additional 9 FTE's would be required. For information and technology and lawnmowing, reductions of 5 and 25 FTE's respectively were expected.

(8) With regard to Commonwealth Specific Purpose Grants:

(a) how much of your Department/agency's budget in 1995/96 was made up of Commonwealth Specific Purpose Grants;

Agencies identifying grants in excess of \$1m are:

Agriculture - \$16.6m.	CALM - \$2.1m.
Commerce and Trade - \$2.6m.	Disability Services - \$20.9m.
Education - \$120m.	Family and Children's Services - \$12m.
Fisheries - \$1.9m.	Health - \$599m estimated.
Justice - \$8.3m approximately.	Legal Aid - \$11.4m.
Main Roads - \$78.1m.	Miscellaneous Services - \$16.4m.
Planning Commission - \$3.2m.	Water and Rivers Commission - \$2.9m.

- (b) what programs were these grants used for in 1995/96;**
- (c) how many FTE's are provided for from this source;**
- d) what amount of money do you expect to receive in the 1996/97 financial year from this source; and**

Agencies identifying grants of \$1m or greater are:

Agriculture - \$13.2m.	CALM - \$2m.
Commerce and Trade - \$2.272m estimated.	Disability Services - \$21.2m.
Education - \$123.7m.	Family and Children's Services - \$12.6m.
Fisheries - \$2.533m.	Health - \$605m.
Justice - \$8.2m approximately.	Main Roads - \$80.6m expected.
Miscellaneous Services - \$18.2m.	Water and Rivers Commission - \$1m.

- (e) how is this figure arrived at and when will it be confirmed?**

A number of agencies advised they were reliant on the outcome of the Federal budget before a positive confirmation could be given. Examples of agencies fitting into this category are the Main Roads Department, Health Department, Department of Commerce and Trade and the Heritage Council.

This area will be investigated further by the Committee during its coming enquiries.

- (9) How much money was spent in 1995/96 by your Department on advertising?**

Agency feedback suggested that considerable uncertainty existed over the scope of coverage required by this question. As a consequence, there was a level of inconsistency in the responses with some agencies including, and others omitting the advertising costs associated with staff vacancies.

Enquiries indicated that the intended scope was limited to expenditure in regard to 'promoting the work of the agency'.

Selected responses over \$100,000 are:

Department of Agriculture - \$168,000 on staff vacancies and \$149,000 on general advertising and publicity.
Building Management Authority - \$170,000 on general and project related advertising.
Department of Commerce and Trade - \$478,447.13.
Commission on Government - \$273,575.
Conservation and Land Management - \$239,000.
Education Department - \$540,000.
Office of Energy - \$257,267 of which \$219,697 is applicable to the Electrical Safety Campaign.
Family and Children's Services - \$546,469 of which \$120,500 will be spent on staff positions.
Health - \$2,242,515 of which \$1,503,351 was spent on health promotion services programs/campaigns.
Justice - \$270,893 approximately.
Department of Land Administration - \$340,805.92 to 26/6/96.
Main Roads - \$500,000 which includes tenders, staff vacancies and public notices relating to works.
Perth Zoo - \$240,000.
Department of Productivity and Labour Relations - \$193,257.73.
Premier and Cabinet - \$190,030.80 as at 10 June 1996.

Public Sector Standards Commission - \$174,441.76 which includes \$156,762.69 for CEO vacant positions.
 Department of Training - \$200,000 for 1995/96 and \$200,000 expected for 1996/97.
 Department of Transport - \$494,702.
 Department of State Services - \$194,654.
 Worksafe - \$173,948.

(10) Of the Full-Time-Equivalent positions which have either been shed or are budgeted to be shed from the Department between June 30 1993 and June 30 1997, how many of these positions were:

(a) unskilled?

CALM - nil.
 BMA - 210.
 Dept of State Services - 160.

(b) semi-skilled?

CALM - 44.
 BMA - 9.
 Dept of State Services - 29.

(c) trades people?

CALM - 15.
 BMA - 428.
 Dept of State Services - 102.

(d) clerical or administrative?

CALM - 45.
 BMA - 128.
 Dept of State Services - 292.

(e) For Education Department only.

865 cleaners and gardeners. It was brought to the Committee's attention that FTE positions for the period 30/6/93 to 30/6/97 will increase by 297 from 23,169 to an estimated 23,466. Actual teaching (and other) staff increased by 1,162 from 30/6/93 to 30/6/97.

(f) other professionals?

CALM - 5.
 BMA - 89.
 Dept of State Services - 97.

(g) managerial or executive officers?

CALM - 8.
 BMA - 35.
 Dept of State Services - 42.

(h) other (please specify)?

CALM - nil.
 BMA - 90.
 Dept of State Services - 19.

The information provided by the Health Department was categorised as follows:

Administration: (+ 197)	Medical and Technical Support (other professionals): (-523)
Nursing Services: (-377)	Hotel Services (skilled & unskilled): (-413)
Medical: (+ 28)	General Maintenance (trades people): (-93)

4. CONCLUSION

To allow for the State Government's budgetary reform process which provided for the Parliamentary debate and passing of the 1996/97 budget prior to 30 June 1996, the Committee resolved to conduct its estimates hearings prior to the end of the 1995/96 financial year. Notwithstanding the considerable pressures placed upon its limited resources as a result of this earlier timeframe, the Committee is generally pleased with the effectiveness of its achievements to date.

Nonetheless, the Committee believes that further policy and procedural refinements are required to facilitate the timely finalisation of various activities as outlined in this report. The Committee will aim to support these refinements through increased liaison with government agency and Ministerial Office personnel.

Furthermore, the Committee's utilisation of only one officer, namely the Advisory and Research Officer, without any additional clerical assistance (other than on an 'ad hoc' basis) is impacting unfavourably on the performance of other non related activities. Accordingly, the Committee will endeavour to appropriate the services of sufficient support staff during future periods of major activity.

APPENDIX I

QUESTIONS ON NOTICE AND RESPONSES

DAY	Thursday, 13 June 1996	DIVISION	35 - Department of Transport
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QUESTION 1: The Hon John Halden Member for South Metropolitan asked:

Following Stateships' closure, the Government announced that \$5 million a year would be made available for two years to ensure that north western ports continued to receive a shipping service. What tonnage shipped under that arrangement and over what period?

RESPONSE 1:

The new arrangements commenced on 12 February of this year. In the seven completed sailings to date from that time, 921 containers and container equivalents have been carried (this measure covers full and empty containers, together with break bulk cargo. The service is monitored on this basis).

QUESTION 2: The Hon John Halden Member for South Metropolitan asked:

For how much longer are the outstanding loans incurred by the Western Australian Coastal Shipping Commission to run?

RESPONSE 2:

The Commission's outstanding loan liability was originally over 25 years, with the last payment due in April 2020. As part of the Government's debt management strategy, however, consideration will be given to the early retirement of the financial obligation during 1996 - 97.

QUESTION 3: The Hon AJG MacTiernan Member for East Metropolitan asked:

I refer to page 35-21, sub paragraph 3.3, coastal and facilities management and note the increase in capital expenditure from \$6 million to more than \$12 million. Does the increase relate to the development of the outer harbour at Kwinana?

RESPONSE 3:

No, the increase relates primarily to an appropriation of funding for the Exmouth Boat Harbour project.

QUESTION 4: By leave of the Committee, the Hon Murray Montgomery (the Chair) asked:

In his performance indicator assessment for 1995, the Auditor General noted that the indicators outside of the "Transport System Indicators" for the Metropolitan and Regional Transport Programs required further development before an audit assessment could be undertaken.

What further developments have taken place since this assessment was given?

RESPONSE 4:

The Department of Transport has undertaken considerable work to redefine the program objectives to reflect an outcome focus, and to relate key performance indicators to the identified outcomes. The Office of the Auditor General, in their initial assessment, of the Department's revised key program performance indicators stated that they "...acknowledge the considerable progress made by the Department in producing performance indicators for 1995-96. I am pleased with the results to date."

QUESTION 5: By leave of the Committee, the Hon Murray Montgomery (the Chair) asked:

Please outline what action has or will be taken by the department in regard to progressing towards accrual based financial statements. What stage has the department reached in regard to implementation of an accrual based financial management information system? Has the department experienced any major problems in the implementation of a new financial management information system and if so, what are they and how are they being resolved?

RESPONSE 5:

Although not mandatory for the Department of Transport to report by accrual statements, the Department is progressing well on this issue and its financial statements for the 1995/96 financial year will be in an accrual format.

The Department installed an accounting software package, called "Oracle", in September 1995 which is expected to cater for all of the cash and accrual accounting requirements of the Department when the phased implementation is completed. Currently Oracle provides cash based information in conjunction with existing software systems. Accrual reporting from Oracle is not yet possible although as further Oracle modules are implemented, accrual information will be readily available. It is not intended that Oracle will ever run salaries or leave liabilities which are run on another system.

With the amalgamation of Police Licensing Motor Vehicle financial systems into Transport (effective 1 July 1996) there are expected to be technical challenges partly due to the fact that the motor vehicles licensing's accounting system is totally different to Oracle. These issues will be resolved.

QUESTION 6: By leave of the Committee, the Hon Murray Montgomery (the Chair) asked:

Comparatives and Variations - Can you please provide a brief overview of the circumstances

underlying the need for increased expenditure within these areas? Can or will the benefits of this increased expenditure be measure to gauge effectiveness?

RESPONSE 6:

The Regional Transport System Planning and Development subprogram estimated increase of \$3.259m is largely due to the Regional Airport Development Scheme (1995/96 estimated actual \$3m). Previously the expenditure and budget was shown under Miscellaneous Services. A further \$0.251m of corporate services costs has been allocated to the subprogram in 1995/96. Corporate services expenditure and budgets have not been allocated to programs prior to 1995/96. In effect, the subprogram estimated increase has occurred due to reallocation of funds.

The estimated funding increase for the Support for Regional Transport Services subprogram is \$47.534m and includes the school bus contracts, estimated actuals 1995/96 \$46.202m, which was previously administered by the Education Department. A further \$0.768m of corporate services costs has been allocated to the subprogram in 1995/96. In effect, the subprogram estimated increase has occurred due to reallocation of funds.

The Coastal and Facilities Management subprogram estimated funding increase is \$3.3m. In 1995/96 additional costs have occurred due to severance payments and the delay in closing the department's business units, estimated to be \$1.2m. The major part of this shortfall was financed through the proceeds received from the sale of assets at the Fremantle Depot site. The benefits will be measured to gauge the effectiveness and already there have been an improvement in the delivery of service. A further \$0.6m is associated with recoupable power and water at the boat harbours. Also, \$1.416m of corporate service costs has been allocated to the subprogram in 1995/96. Corporate services expenditure and budgets have not been allocated to programs prior to 1995/96.

The Capital Services increase of \$11.2m is due to the completion of projects and the commencement of new works as identified in the capital works program.

QUESTION 7: By leave of the Committee, the Hon Murray Montgomery (the Chair) asked:

Comparatives and Variations - Can you please provide a brief overview of the circumstances underlying the need for increased expenditure within the areas described and why these areas were not adequately budgeted for in the first instances? Can or will the benefits of this increased expenditure be measured to gauge effectiveness? Why were savings of \$13.1m within Capital Services able to be achieved? Can or will the benefits of this increased expenditure be measured to gauge effectiveness?

RESPONSE 7:

The 1995/96 estimated actual expenditure for the Transport Trust Fund is \$9.2m over the budgeted amount and is due to an unanticipated increase in the collection of fuel franchise license fees. The fees are credited to the Consolidated Fund and an equal amount is transferred to the Transport Trust Fund.

The vehicle license fees estimated increase over budget of \$2.9m is due to an unanticipated increase in the collection of motor vehicle license fees. The fees are credited to the Consolidate Fund and an equal amount appropriated to the Department of Transport for payment to Main Roads Western Australia.

The Support for Regional Transport Services subprogram is estimated to be \$1.054m over budget. The school bus contract payments are estimated to be \$1.4m over budget due to higher operating costs, and specifically, bus replacement provisions. The benefits of the increase expenditure are able to be measured in terms of safety and efficiencies. The shortfall has in part been financed through savings achieved in other grants, concessions and subsidies within the subprogram.

The Maritime policy subprogram increase of \$2m is largely due to the unbudgeted North West Subsidy payments of \$1.874m. Originally the estimate was included within Stateships', however, it was considered more appropriate that the subsidy payment for the replacement of the shipping services be made by the Department of Transport.

The estimated increased expenditure of \$1.8m in the Coastal and Facilities Management subprogram is primarily associated with the unbudgeted severance payments and additional costs incurred due to the delay in closing the department's business units, estimated to be \$1.2m. The major part of this shortfall was financed through the proceeds received from the sale of assets at the Fremantle Depot site. The benefits will be measured to gauge the effectiveness and already there has been an improvement in the delivery of service. A further \$0.6m costs associated with recoupable power and water at boat harbours was underestimated in the 1995/96 budget process.

The capital services estimated underspending of \$13.1m is primarily due to delays in the following projects, Exmouth Boat Harbour \$7.5m, Wyndham Ship loader \$2m, the Central Area Transit System \$1m and Bremer Bay Boat Harbour \$0.6m. These projects will be completed in the 1996/97 financial year.

QUESTION 8: By leave of the Committee, the Hon Murray Montgomery (the Chair) asked:

Inter-year Funding Transfers - In line with this initiative - Does the department propose to carry over any unspent funds savings from the 1995-96 year through to the 1996-97 year? If so, can an estimate for the carryover be given? Has or will the department bring forward any funds from their forward estimates to undertake expenditure proposals not previously intended for the current year.

RESPONSE 8:

The Department of Transport does not propose to carry over funds as part of the inter-year funding transfer initiative.

The Department will not bring forward funds from the forward estimates to undertake expenditure proposals not previously intended in the 1995/96 financial year.

QUESTION 9: By leave of the Committee, the Hon Murray Montgomery (the Chair) asked:

Could you please describe the main reports currently used by management to monitor and control its ongoing financial affairs? In addition, will you advise how regular these reports are used; for example, daily, weekly, monthly or annually? Do you believe these reports are providing management with sufficient information on which to base reliable decisions?

RESPONSE 9:

Reports detailing expenditures and revenues and the appropriate budgets are provided to management on a monthly basis. Accrual based financial statements are prepared annually.

The monthly financial reports provide management with sufficient information on a cash accounting basis on which to base reliable decisions. More emphasis will be given to accrual accounting reports in the future to provide information on the assets and liabilities of the Department of Transport and programs which will enhance the decision making process.

APPENDIX II

CONSOLIDATED FUND DEPENDENT AGENCIES COVERED BY QUESTIONS ON NOTICE AND/OR GENERIC QUESTIONS

AGENCY	QON's	GEN Q's	AGENCY	QON's	GEN Q's	AGENCY	QON's	GEN Q's
Aboriginal Affairs		✓	Industrial Relations Commission		✓	Premier and Cabinet	✓	✓
Agriculture	✓	✓	Information Commissioner		✓	Racing and Gaming		✓
APB	✓	✓	Joint House Committee		✓	RAFCOR		✓
Applicn of Solar Energy (PIC for)		✓	Joint Library Committee		✓	Recreation Camps and Reserves Board		✓
Arts (Dept for the)		✓	Joint Printing Committee		✓	Resources Development		✓
Art Gallery		✓	Justice (Ministry of)	✓	✓	Salaries and Allowances Trib		✓
Building Management Authority	✓	✓	Kings Park Board		✓	Screen West		✓
Bush Fires Board		✓	Kimberley Development Commission		✓	Secondary Education Authority		✓
CALM	✓	✓	Law Reform Commission		✓	Senior's Interests (Office of)		✓
Chemistry Centre		✓	Legal Aid Commission		✓	State Emergency Service		✓
Commission On Government		✓	Legislative Council	✓	✓	Small Business Dev Commission		✓
Commerce and Trade		✓	Library Board of WA		✓	South West Development Commission		✓
Country H/S Hostels Authty		✓	Local Govt		✓	Sports Centre Trust		✓
Disability Services	✓	✓	Mid West Dev Commission		✓	Sport and Recreation	✓	✓
DOLA		✓	Minerals and Energy		✓	State Revenue		✓
DOPLAR	✓	✓	Minerals and Energy Research Institute		✓	State Services		✓

AGENCY	QON's	GEN Q's	AGENCY	QON's	GEN Q's	AGENCY	QON's	GEN Q's
<i>Education</i>	✓	✓	<i>Miscellaneous Services</i>	✓	✓	<i>State Supply Commission</i>		✓
<i>Education Policy and Coordination Bureau</i>		✓	<i>Main Roads Department</i>	✓	✓	<i>Swan River Trust</i>		✓
<i>Electoral Commission</i>		✓	<i>Multicultural Interests</i>		✓	<i>Tourism</i>		✓
<i>Energy (Office of)</i>		✓	<i>Museum of WA</i>		✓	<i>Training</i>	✓	✓
<i>Environmental Protection (Dept of)</i>		✓	<i>National Trust</i>		✓	<i>Transport</i>	✓	✓
<i>Equal Opportunity (Commissioner for)</i>		✓	<i>Non-Govt Education (WA Office of)</i>		✓	<i>Treasury</i>		✓
<i>Fair Trading</i>		✓	<i>Office of the Auditor General</i>		✓	<i>Valuer General's Office</i>		✓
<i>Family and Children's Services</i>	✓	✓	<i>Ombudsman (Parliamentary Commissioner for Administrative Investigations)</i>		✓	<i>Wheatbelt Development Commission</i>		✓
<i>Fisheries</i>	✓	✓	<i>Peel Development Commission</i>		✓	<i>Water Regulation (Office of)</i>		✓
<i>Gascoyne Development Commission</i>		✓	<i>Perth Theatre Trust</i>		✓	<i>Water and Rivers Commission</i>		✓
<i>GEHA</i>		✓	<i>Pilbara Development Commission</i>		✓	<i>Workplace Agreements (Comiss of)</i>	✓	✓
<i>Goldfields-Esp Development Commission</i>		✓	<i>Planning Commission</i>		✓	<i>Worksafe</i>		✓
<i>Government House (Governor's Establishment)</i>		✓	<i>Planning (Ministry for)</i>		✓	<i>Women's Policy Development Office</i>		✓
<i>Great Southern Development Commission</i>		✓	<i>Public Prosecutions (Director of)</i>		✓	<i>Zoological Gardens Board</i>		✓
<i>Health</i>	✓	✓	<i>Public Sector Standards Commission</i>		✓			
<i>Heritage Council</i>		✓	<i>Police</i>	✓	✓			

(Note: Agencies in italics represent those agencies called before the Committee during the 1996/97 estimates hearings)

APPENDIX III

QUESTIONS ON NOTICE - MATTERS RAISED

LEGISLATIVE COUNCIL

- Nil (However, refer to Joint House Committee hereunder).

JOINT HOUSE COMMITTEE

- Digital audio system (Asked of President during Legislative Council proceedings).

POLICE DEPARTMENT

- FTE's - Police aides and recruits at Police Academy.
- Pay negotiations - proposed second increment of 7 per cent.
- Targets to achieve 17% increase in salaries.
- Child sexual abuse unit - funding and location.
- Availability of firearm statistics from database information.
- Firearms disposal procedures/guidelines.
- Transportation of hazardous substances.
- Workplace Agreements - signing of and number of recruits entering.
- Survey - Community policing initiatives.
- Performance indicators.
- New financial management information system.

TREASURY DEPARTMENT

- Nil.

DEPARTMENT OF PRODUCTIVITY AND LABOUR RELATIONS

- Advertising costs - workplace agreements.
- Lodging of appeal - secondary teachers.
- Certified agreements for construction industry workers - alleged Departmental investigations into.
- Wageline service.
- Carryover of unspent funds.
- Prosecutions - award or agreement breaches.
- Average time to settle award breach complaints.

COMMISSIONER OF WORKPLACE AGREEMENTS

- Number of agreements lodged in 1994/95 year.
- Data collection - independent examination of methodology used.
- Legal advice on definition of term 'casual'.

DISABILITY SERVICES COMMISSION

- Consumer Complaint Service - Status of review and release of findings.

MAIN ROADS DEPARTMENT

- Proposed sales tax exemption changes.
- Tendering.

MINISTRY OF JUSTICE

- Sex offender treatment programme.
- Public Trust Office review.
- Daily average juvenile population count rational for expanding Banksia Hill capacity.
- Diversion program - Aboriginal offenders involved.
- Visitors Scheme - when to become operational.
- Domestic violence treatment strategies - FTE's and financial allocations envisaged.
- Training/vocational needs of community based women offenders.
- Drug and alcohol user programmes for prisons - budget allocation details.
- Prison to community transition programme - financial allocation.
- Constructive activities and prisoner development allocations - FTE's and financial allocations.
- Fines enforcement system.
- Performance indicators.
- Crown Solicitor's Office - client survey.
- Birth, death and marriage certificates - drop in demand.
- Review of investments made in court awards.

HEALTH DEPARTMENT

- Plans for Derby based sobering-up centre.
- Assisted dental services in Dampier and Karratha.
- Suicide prevention services - Kimberly and Pilbara.
- Status of redevelopment of Derby Regional Hospital.
- Committees (including membership) chaired by Brian Wall.
- STD infection - Aboriginal people in northern Western Australia.
- "Glue ear" in relation to Aboriginal children.
- Substance abuse in Aboriginal communities - addressing the matter.
- Infant mortality - remote Aboriginal communities.
- Enforcement of sanitation codes in remote communities.
- Ear, nose, throat, eye and upper respiratory infections among Aboriginal children.
- Training of Aboriginals in public health and sanitation management.
- Aboriginal health workers.
- Condom use among Aboriginals.
- Promotion of immunisation.
- Culturally appropriate women's health services to people in remote areas - initiatives.

DEPARTMENT OF AGRICULTURE

- Live sheep exports.

AGRICULTURE PROTECTION BOARD

- Noogoora burr - Department's contribution in people and dollars.

CONSERVATION AND LAND MANAGEMENT

- 1080 baits.
- Dieback - research funding and area assessment.
- National parks not attracting an entry fee.
- Prescribed burning.
- Program covering \$4.137m of Commonwealth recoups in 1995/96.
- Salinity.

FISHERIES DEPARTMENT

- Aussie Lobsters.
- Legal status - Departmental officers signing licences in Executive Director's name.
- Responsibilities and powers of Executive Director under Act in regard to licensing.
- Confidentiality of Departmental documentation.
- Pot swap deal between Windy Harbour-Augusta fishery and West Coast fishery.
- Financial statements - accrual based.
- Financial comparatives between years and budget.
- Inter-year funding transfers.
- Financial reports utilised by management.

EDUCATION DEPARTMENT

- Expenses incurred by Education Minister in 1995/96.
- School Rationalisation Trust Account - revenue and expenditure.
- Bus shelters.
- Temporary cleaning contracts.
- Aboriginal students within government and non government school sector in WA.
- Confirmation of statistics regarding Aboriginal student numbers.
- Percentage of 1996/97 budget coming from Commonwealth specific purpose grants.
- Departmental advertising in newspaper.
- Primary school aged children access to existing schools.
- Method of teacher staffing - Little Grove and Halls Head Primary Schools.
- Adoption of merit selection staffing method.
- Funding for WA Principals Federation.
- Wilson Primary School.
- Focus Schools and Multi-age Grouping projects - funding allocations.
- Facilities managers - management fees.
- Classroom computers - funding in 1996/97.
- Computers - 1994/95 and 1995/96 funding for administrative and library purposes.
- Performance indicators.
- Accrual basis of accounting.
- Financial comparatives and variations.
- Inter-year funding transfers.
- Financial reports utilised by management.
- Transmission towers on school property.

MINISTRY OF PREMIER AND CABINET

- Number of people funded from communications and media information section of budget.
- Engagement of consultants.
- Youth development sub-program - break-down of expenditure.
- Government property register.
- Services and contracts component of programs.
- Agent General.
- Commission on Government recommendations.
- Wholesales tax on Government vehicles.
- Number of FTE's involved in City of Wanneroo Royal Commission.
- Salaries and Allowances Tribunal.
- North West Shelf and WAPET joint venture - liquefied natural gas.
- "Locate to Western Australia" program - target industry sectors.
- Special communications unit.

DEPARTMENT OF TRAINING

- Number of staff actually involved in teaching or lecturing.
- Number of graduates from Joondalup campus.
- Cleaning and gardening services contracted out at TAFE Colleges.
- Percentage figure for TAFE graduates entering further studies at university and university students entering technical studies.
- SESDA.
- Employment initiative programs - minimal increase in funding for Job Link and community development.
- Lecturer to administrator ratio.
- Privately run child care centre - funds to set up special training centre.
- Accrual basis of accounting.
- Financial comparatives and variations.
- Inter-year funding transfers.
- Financial reports utilised by management.

FAMILY AND CHILDREN'S SERVICES

- Number of child care centres operating with staff exemptions.
- Contracting to private provider for staff training.
- Child care centres - contracts to private sector.
- Changes in demand for information under Adoption Act.
- FTE's working in adoption area.
- Number of contact and information vetoes placed for all partners in adoption triangle.

MISCELLANEOUS SERVICES

- Wittenoom asbestos - breakdown in claims totalling \$207,000.
- WA Coastal Shipping Commission - outstanding loan liability.
- Land purchased by Landcorp in 1995/96.
- Global Provision for Salary and Wage Increases - agencies receiving money from this item.
- Mandurah Arts and Cultural Centre's inclusion in Miscellaneous Services.

BUILDING MANAGEMENT AUTHORITY

- FTE's to manage facilities management contracts.
- Police investigation into awarding of cleaning contracts.
- Categorisation Policy in regard to P.R. Paul.
- Warwick Primary School - demolition and validity of contractor claimed costs.

MINISTRY OF SPORT AND RECREATION

- Impact of proposed sales tax.
- Performance indicators.
- Community Sporting and Recreation Facilities Fund - number of applications received and approved.

WA PLANNING COMMISSION

- Nil

DEPARTMENT OF TRANSPORT (Refer to Appendix I for details)

- Shipping service to north western ports - tonnage shipped and period of coverage.
- WA Coastal Shipping Commission - outstanding loan liability.
- Reason for increase in capital expenditure - coastal and facilities management.
- Performance indicators.
- Accrual based financial statements.
- Financial comparatives and variations.
- Inter-year funding transfers.
- Financial reports utilised by management.

APPENDIX IV

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Previous Reports of the Standing Committee

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)