



PUBLIC ACCOUNTS COMMITTEE

PUBLIC ACCOUNTS COMMITTEE ANNUAL REPORT 2009-2010

Report No. 8

in the 38th Parliament

2010

Published by the Legislative Assembly, Parliament of Western Australia, Perth, September 2010.



Public Accounts Committee

Public Accounts Committee Annual Report 2009-2010

ISBN: 978-1-921355-90-5

(Series: Western Australia. Parliament. Legislative Assembly. Committees.
Public Accounts Committee. Report 8)

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Report No. 8

Presented by:

Hon. John Kobelke, MLA

Laid on the Table of the Legislative Assembly
on 9 September 2010

COMMITTEE MEMBERS

Chairman	Hon. John Kobelke, MLA Member for Balcatta
Deputy Chairman	Mr J.M. Francis, MLA Member for Jandakot
Members	Mr A.J. Carpenter, MLA Member for Willagee (until 2/10/2009)
	Mr A. Krsticevic, MLA Member for Carine
	Ms R. Saffioti, MLA Member for West Swan (from 15/10/2009)
	Mr C.J. Tallentire, MLA Member for Gosnells

COMMITTEE STAFF

Principal Research Officer	Dr Loraine Abernethie (from 21 June 2010)
Acting Principal Research Officer	Ms Isla Macphail, BA (Hons), MPhil (from 3 August 2009 to 25 June 2010)
Principal Research Officer	Ms Katherine Galvin, BSW (from 13 November 2008 to 31 July 2009)
Research Officer	Mr Mathew Bates, BA (Hons)

COMMITTEE ADDRESS

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COMMITTEE'S FUNCTIONS AND POWERS

The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund. Standing Order 286 of the Legislative Assembly states that:

The Committee may -

- 1 Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- 2 Inquire into and report to the Assembly on any question which -
 - (a) it deems necessary to investigate;
 - (b) (Deleted V. & P. p. 225, 18 June 2008);
 - (c) is referred to it by a Minister; or
 - (d) is referred to it by the Auditor General.
- 3 Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4 Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.
- 5 The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.

CHAIRMAN'S FOREWORD

This annual report provides a summary of the work of the Public Accounts Committee over the 2009-10 financial year. It is not intended to give details of the workings of the PAC over this period.

At its core the role of the PAC is to “Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically”.

Where agencies of government or government programs are achieving good or even excellent results with public money, it is appropriate for the PAC to acknowledge and congratulate those responsible. However, while reinforcing good conduct and outcomes are worthwhile, it is doubtful that the PAC would get the best return for the resources and effort expended if it did not search out potential misspending or inefficient use of public money.

I believe the PAC better fulfils its stated functions when it seeks to highlight how better or more efficient use could be made of public money. To follow this approach requires the good will and support of the members of the PAC.

The current PAC is the first to have a majority and chair from the Opposition. While PAC members have worked in a cooperative spirit, the nature of this membership structure creates new tensions for its functioning.

Government members have a natural loyalty to the government of the day and feel an obligation to protect the government. Opposition members likewise have an incentive to advance their political position by embarrassing the government through identifying examples of failure or maladministration. This is a tension that the Committee recognises and continues to work through to ensure that the Committee produces reports that are valuable to the Parliament and the government.

This has sometimes resulted in votes on party lines when determining a report to the Legislative Assembly and even a minority report in one case. The clear presentation of the assembled facts always leaves it open to the House, the media and the public to make their own judgement on an issue.

I thank all the members of the PAC for their contributions to our work over the year. Very special appreciation is due to the staff whose commitment and professionalism has enhanced the work of the PAC. All members are most thankful to Mathew Bates who was the Research Officer for the entire year and Katherine Galvin, Isla Macphail and Loraine Abernethie who shared the role of Principal Research Officer through this period.

Hon. John Kobelke, MLA
CHAIRMAN

CHAPTER 1 COMMITTEE ACTIVITIES

1.1 Introduction

During the course of this reporting period (Table 1.1), the Committee:

- completed 3 Inquiries;
- held 29 deliberative meetings;
- has taken evidence from/or was briefed by 44 persons;
- attended one conference;
- followed up with approximately 100 agencies in relation to their implementation of the Auditor General's recommendations;
- hosted a Treasury information session on State Budget Estimates for all Members of Parliament on Tuesday 25 May 2010; and
- hosted Parliamentary delegations from:
 - Parliamentary Committee C of the National Parliament of Timor-Leste; and
 - Public Accounts Committee of the Sabah State Legislative Assembly

The Committee did not undertake any investigative travel during this year.

Table 1.1: Summary of Activities of the Public Accounts Committee, 1 July 2009–30 June 2010

Description	Activity
Briefings	2
Deliberative meetings	29
Formal evidence hearings	18
Witnesses appearing	40
Reports tabled	5
Number of findings in reports tabled	23
Number of recommendations in reports tabled	1

1.2 Public Hearings

Pursuant to Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2009–30 June 2010, the Committee conducted 17 public hearings, taking evidence from 40 witnesses to assist with its investigations (Table 1.2). The Committee also held 2 closed hearings, taking evidence from 3 witnesses.

Table 1.2: Public Hearings of the Public Accounts Committee, 1 July 2009–30 June 2010

Date	Name	Position	Organisation
1 July 2009	Mr Mark Hainsworth	Manager, Advisory Services	Department of the Attorney General
	Mr Martin Connolly	Manager, Management Assurance, Governance and Improvement	Department of the Attorney General
	Mr Jefferson Ng	Acting Principal Internal Auditor	Department of the Attorney General
1 July 2009	Mr Harvey Hatch	Manager, Victim Support and Child Witness Service	Department of the Attorney General
3 July 2009	Mr John Hyde, MLA	Member for Perth	Legislative Assembly, Western Australia
3 July 2009	Mr Mick Emmanuel	Superintendent	Western Australia Police
	Ms Sharron Leonhardt	Inspector	Western Australia Police
2 December 2009	Dr Peter Flett	Director General	Department of Health
	Mr Danny Cloghan	Acting Executive Director, Corporate and Finance	Department of Health
2 March 2010	Mr Leo Coci	Director, Major Projects	Main Roads Western Australia
	Mr Phil Ladner	Executive Director, Infrastructure Delivery	Main Roads Western Australia
	Mr Peter Woronzow	Executive Director, Finance and Commercial Services	Main Roads Western Australia
	Mr Mike Cosson	Manager, Project Programming	Main Roads Western Australia
2 March 2010	Mr Tony Morgan	Chief Executive Officer	East Perth Redevelopment Authority

Date	Name	Position	Organisation
	Mr Reece Waldock	Chief Executive Officer	Public Transport Authority
	Mr Peter Martinovich	Executive Director, Infrastructure Planning and Land Services	Public Transport Authority
5 March 2010	Ms Anne Nolan	Director General	Department of State Development
	Ms Gail McGowan	Deputy Director General, State Initiatives	Department of State Development
5 March 2010	Mr Menno Henneveld	Commissioner	Main Roads Western Australia
	Mr Rob Arnott	Project Director	Main Roads Western Australia
	Mr Mike Cosson	Manager, Project Planning	Main Roads Western Australia
1 April 2010	Mr Timothy Marney	Under Treasurer	Department of Treasury and Finance
5 May 2010	Mr Tony Narvaez	General Manager, Strategy and Business Development	Verve Energy
5 May 2010	Mr Paul Rosair	Director General	Department of Regional Development and Lands
	Mr Peter Stubbs	Director, Ord-East Kimberley Expansion	Department of Regional Development and Lands
16 June 2010	Ms Gail McGowan	Deputy Director General, State Initiatives	Department of State Development
	Ms Gemma Brown	Senior Project Manager	Department of State Development
18 June 2010	Mr Richard Mann	Executive Director, Strategic Projects	Department of Treasury and Finance
18 June 2010	Mr Dominic Staltari	Assistant Commissioner, Professional Standards	Western Australian Police
	Mr Greg Italiano	Executive Director	Western Australian Police

Date	Name	Position	Organisation
	Mr James Lord	Director, Asset Management	Western Australian Police
	Mr Michael Webster	Assistant Director, Land and Building Services	Western Australian Police
23 June 2010	Mr Brian Bradley	Director General	Department of Commerce
	Ms Julie De Jong	Acting Executive Director	Department of Commerce
	Mr John O'Hare	General Manager, Marine and Defence	Department of Commerce
	Mr Ross Holt	Public Servant	Landcorp
	Mr Luke Willcock	General Manager	Landcorp

1.3 Briefings

In addition to gathering evidence during the formal hearings, the Committee received a number of informal briefings. The briefings were used to gain information in relation to the Committee's inquiries as well as other matters (Table 1.3).

One of these briefings, that with the Department of Commerce, was provided during a site visit to the Australian Marine Complex in Henderson. This visit allowed the Committee to obtain valuable insight into the development and operation of the Complex.

Following a briefing with the Auditor General, under section 20 of the *Auditor General Act 2006*, the Committee requested the Auditor General consider including in his Forward Work Program an audit of municipal waste recovery plants.

The Committee secretariat also received informal briefings throughout the reporting period, including regular meetings between the Principal Research Officer and senior officers from the Office of the Auditor General.

Table 1.3: Briefings Provided to the Public Accounts Committee, 1 July 2009–30 June 2010

Date	Name	Position	Organisation
12 March 2010	Mr Colin Murphy, PSM	Auditor General	Office of the Auditor General (WA)
	Mr Glen Clarke	Deputy Auditor General	Office of the Auditor General (WA)
	Ms Sadie Godfrey	Assistant Auditor General	Office of the Auditor General (WA)

Date	Name	Position	Organisation
8 June 2010	Mr Brian Bradley	Director General	Department of Commerce
	Mr John O'Hare	General Manager, Marine & Defence, Oil & Gas, Australian Marine Complex	Department of Commerce

1.4 Conferences

Three members of the Committee, together with the Secretariat, attended the *WA Major Projects Conference 2010: Securing the State's Economic Future* from 29–30 March 2010 at the Perth Convention Centre.

Western Australia is the host jurisdiction for the 2011 ACPAC Biennial Conference, and in consultation with the Estimates and Financial Operations Committee, the Committee has begun preparatory work on conference arrangements. The Committee is scheduled to attend the mid-term meeting in Hobart in July 2010.

1.5 Reports Tabled

The Committee tabled 5 reports during the period 1 July 2009–30 June 2010. They were as follows:

- Report No. 3—*Inquiry into the Distribution of Grant Funds from the Confiscation Proceeds Account*;
- Report No. 4—*Annual Report 2008–2009*;
- Report No. 5—*Review of the Reports of the Auditor General 2008–2009*;
- Report No. 6—*Public Hearing with the Director General of Health on 2 December 2009*; and
- Report No. 7—*Inquiry into Government Payments to Ms Tirzah Bell*.

1.6 Work in Progress

The Public Accounts Committee resolved on 25 November 2009 to conduct an Inquiry with the following terms of reference:

The Public Accounts Committee will examine and report on the best approaches to decision making for major infrastructure projects in Western Australia, with particular reference to:

1. the robustness of project planning and assessment processes; and
2. whether funding cases are appropriately developed and presented to maximise access to Federal Government funding.

To date, the Committee has taken evidence from a number of government agencies in relation to their infrastructure planning procedures and infrastructure funding arrangements. The Committee intends to table the Inquiry report in October 2010.

1.7 Post-Budget Briefing

The Public Accounts Committee hosts the Department of Treasury and Finance's post-budget briefing each year to familiarise Members of the Legislative Assembly with the Budget Estimates Papers. The Committee acknowledges the ongoing involvement of the Department of Treasury and Finance with this year's briefing being presented by Mr Anthony Kannis, Executive Director Treasury—Infrastructure and Finance—and Mr Sean Cameron, Acting Executive Director—Strategic Policy and Evaluation.

CHAPTER 2 FINANCIAL STATEMENT

The Public Accounts Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 1 July 2009–30 June 2010 (in accordance with Standing Order 276) is detailed below:

Table 2.1: Expenditure Items of the Public Accounts Committee, 1 July 2009–30 June 2010

Expenditure Item	\$
Advertising	1,700
Conference Fees	4,800
Consultant	5,500
Protocol	700
Printing	1,200
Miscellaneous	3,800
TOTAL	17,700

Notes:

- Figures rounded off to nearest \$100.
- Salaries of committee staff are not included.
- Costs of shared administrative expenses, including lease costs for committee accommodation, not included.