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Hon Tjorn Sibma MLC
Chair
Estimates and Financial Operations Committee -
Inquiry into the Government's Local Projects Local Jobs Program

Via email: lcefoc@parliament.wa.gov.au

Dear Mr Sibma

**INQUIRY INTO THE GOVERNMENT'S LOCAL PROJECTS LOCAL JOBS PROGRAM
AND THE ESTABLISHMENT OF A PARLIAMENTARY BUDGET OFFICE**

Thank you for your letter of 14 March 2019 requesting a submission to the Committee's current inquiry.

Regarding the first part of the inquiry – please find attached information relating to our recent assurance work on the Local Projects Local Jobs program, a summary of which was included in my report to Parliament [Audit Results Report Annual 2017-18 Financial Audits of State Government Entities](#) (Report 7, November 2018, pp. 25-26).

In relation to the establishment of a Parliamentary Budget Office (PBO) in Western Australia, while this is a policy decision for Government, in response to the Committee's request I have highlighted a few key points from recent reviews of PBOs across jurisdictions that may be relevant to the Committee's inquiry. These are attached at Appendix 4.

I would be pleased to discuss this submission in further detail and provide any additional information as appropriate and as requested by the Committee.

Yours faithfully

CAROLINE SPENCER
AUDITOR GENERAL
1 May 2019

Attach

A. APPENDIX 1 - Local Projects Local Jobs program

A. Summary of Local Projects Local Jobs (LPLJ) audit

Background

The LPLJ program has received significant attention in Parliament and in the media and concerns were raised in February 2018 with the Office of the Auditor General (OAG) by a Member of Parliament (MP). The former Auditor General decided to examine a number of aspects of the program.

An OAG performance audit team conducted preliminary enquiries into the program in early 2018, including the following steps:

- gathered information on the number of projects, what they were, how much funding had been provided for each one, and which agency was responsible for providing the funding and receiving the acquittal
- analysed this information to look at the spread and balance of spend and projects by value and across agencies
- obtained a copy of the template grant agreement document that DPC was using for its projects
- established what processes had been used to review and oversight the allocation of funds to each of the projects and whether the allocation was publicly reported, whether the processes were those for a standard grants program, and what acquittal requirements were placed on recipients
- sought to identify when the 'Local Projects, Local Jobs' program had been established by reviewing pre-election policy material, pre and post-election policy statements, speeches, media releases and budget papers.

These initial enquiries were not audit testing or scoping and planning for an audit. This subsequently led to the Auditor General's decision for our financial audit team to carry out more detailed audit work as part of our 2018 interim audit procedures, to determine if there were appropriate controls established around the payment and acquittal of funds.

This decision was based on the fact that:

- the Auditor General has a very clear mandate to examine the payment and acquittal of taxpayer money
- this was not a grant program run by a specific agency, but rather a series of election commitments – it is not the role of the Auditor General to examine election commitments
- the decisions regarding which projects and activities to fund under the program are policy decisions and the Auditor General does not audit policy decisions of government. The independence of the role of the Auditor General is paramount and the Auditor General cannot be drawn, or perceived to be drawn into the politics of individual parties.

The outcomes of audit work performed in relation to LPLJ were reported to Parliament in the OAG's [Audit Results Report](#) (pp. 25-26) in November 2018, some of which is directly relevant to the Inquiry Terms of Reference (as outlined in section B below).

B. OAG audit scope and work as it relates to EFOC's Inquiry Terms of Reference (ToR)

Of the Inquiry ToR, the OAG performed audit work in relation to '*how payments were made and acquitted under each project to ensure financial probity and accountability*'. While performing our audit work, we also made a few observations that relate to the ToR '*how each project was developed, evaluated and selected for funding*'.

ToR 2(b) - How payments were made and acquitted under each project to ensure financial probity and accountability

In the [Audit Results Report](#) (November 2018), the Auditor General reported the following:

1. funding for commitments made by elected local candidates for local projects was approved through the budget process
2. the funding was provided using grant agreements under the LPLJ program
3. there is no formal State policy on how election commitments should be administered
4. the budget process and grant agreements provided a level of governance and transparency in funding these projects (see Appendix 2 for a generic grant agreement)
5. at 30 June 2018, 354 of the 858 projects under the LPLJ program had been fully acquitted. (Noting that at the time of our interim audit fieldwork, the number of fully acquitted projects was lower, see Appendix 3).
6. We tested a sample of payments and acquittals across 40 projects that were finalised at the date of interim audit fieldwork and found 3 instances where the funds were used for a purpose that differed from the grant agreement.
7. For one of these, the change in purpose was not approved, and another change was only approved by the local MP, rather than an authorised delegate.
8. To ensure best use of the funds, and to provide appropriate levels of accountability, the Auditor General recommended any changes to the purpose of the funding be formally approved by the Minister or their delegate in the department.

Our audit scope and methodology

The objective was to ensure that grants made under the LPLJ program were subject to adequate controls over payments and were properly acquitted. We assessed how the entities documented the process for managing grants under the LPLJ program. In particular, we looked at how expenditure was recorded and tracked within the Financial Management Information System, whether there were MOUs/agreements for all of the grants and what processes were in place to acquit the expenditure.

Results of the testing is reported in the annual Audit Results Report. Further information on our test process is provided in Appendix 3.

ToR 2(a) - How each project was developed, evaluated and selected for funding

Our early enquiries identified that this was not a typical grant program run by a public sector agency, but was a series of potential commitments made by individual candidates pre and during the election campaign. Organisations were asked to submit projects that could be funded.

During our audit at the Department of Education, we enquired about a number of instances where grants were used for a purpose other than the original approval. In these discussions, we were informed by departmental staff about the process for identifying some projects. We were informed that, shortly before the 2017 election, local MPs and candidates approached school principals or P&Cs and asked them to submit proposals that, if elected, they would possibly approve for funding.

Our sampling identified a few instances where the school used funds for a purpose that differed from the grant agreement. We found some level of confusion regarding the instructions, and the timing of those instructions, given by the Departments of Education and Premier and Cabinet (DPC) regarding the approval needed to amend the purpose of the grants. This would appear to be, in part, due to the haste with which the LPLJ project and

responsibilities for the project were established and the lack of a clear framework within which to assess and fund election commitments.

The Commonwealth government has comprehensive [Commonwealth grants rules and guidelines 2017](#) (CCRGs). Further, [Resource Management Guide No. 412](#) (RMG 412) provides guidance to public officials on granting procedures including how election commitments are to be administered by agencies. RMG 412 recognised that:

Election commitments are often implemented through a grant. In delivering on these 'election commitments', it is important that the award of a grant is consistent with the PGPA Act and Rule, in particular, the proper use and management of public resources, and the CGRGs (p. 12).

The CGRGs provide that public sector officials:

- 4.6 [...] must provide written advice to Ministers, where Ministers exercise the role of an approver. This advice must, at a minimum:
- a. explicitly state that the spending proposal being considered for approval is a 'grant';
 - b. provide information on the applicable requirements of the PGPA Act and Rule and the CGRGs (particularly any ministerial reporting obligations), including the legal authority for the grant;
 - c. outline the application and selection process followed, including the selection criteria, that were used to select potential grantees; and
 - d. include the merits of the proposed grant or grants relative to the grant opportunity guidelines and the key principle of achieving value with relevant money (p. 11).

Ministers on the other hand:

- 4.10 [...] a. must not approve the grant without first receiving written advice from officials on the merits of the proposed grant or group of grants. That advice must meet the requirements of the CGRGs (see paragraph 4.6); and
- b. must record, in writing, the basis for the approval relative to the grant opportunity guidelines and the key principle of achieving value with relevant money (p. 12).

A comparable framework, including rules, requirements or guidelines does not currently exist in Western Australia, and as such, an assessment of LPLJ administration against such a framework was not undertaken by the OAG. The Auditor General considers that such a framework and guidance to administering agencies would be beneficial in supporting (and assessing) achievement of value for money and sound process in public expenditure related to election commitments.

APPENDIX 2: Grant agreement template

The below grant agreement template was provided to the OAG during our preliminary enquiries. Each entity had its own agreement signed by the relevant Director General and these were examined by the OAG. We collected examples of the agreements from entities during audit procedures to check if the agreement was being adhered to.

(Please note that in our role as auditors we have access to sensitive documents, and entities have confidence that we will maintain the confidentiality of their information. Therefore it is our usual practice to recommend that the entity be contacted directly for requests to view documents such as executed grant agreements).

GRANT AGREEMENT

DEPARTMENT OF THE PREMIER AND CABINET

AND

PLEASE COMPLETE

PLEASE COMPLETE

day/month/year

THIS GRANT AGREEMENT is made on day/month/year

BETWEEN:

**The State of Western Australia by the Department of the Premier and Cabinet
("Grantor")**

And PLEASE COMPLETE

("Organisation")

RECITALS

The Organisation has applied to the Grantor for financial assistance to undertake the Approved Purpose and the Grantor has agreed to provide a grant subject to the terms and conditions of this Agreement.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

In this Agreement, unless the context otherwise requires:

Agreement means this Grant Agreement, including its recitals and any schedules or annexures (if any).

Acquittal occurs when the Grantor has advised the Organisation that the reports and financial information provided by the Organisation in accordance with clause 3.6 are satisfactory.

Approved Purpose means the purpose or purposes set out in item 1 of Schedule 1.

Auditor means an accountant who is a member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the Institute of Public Accountants and who is independent from the Organisation.

Auditor General means the Auditor General for the State of Western Australia.

Business Day means a day other than a Saturday, Sunday or public holiday in Western Australia.

Grant Funds means the amount or amounts specified in item 6 of Schedule 1.

Party means each of the Grantor or the Organisation as the context requires and **Parties** means both of them.

Project means the initiative or activities to be undertaken with the Grant Fund specified in item 2 of Schedule 1.

2. PAYMENT OF GRANT FUNDS

Subject to the terms and conditions of this Agreement, the Grantor will pay to the Organisation the Grant Funds in accordance with the payment schedule specified in item 6 and 7 of Schedule 1.

3 OBLIGATIONS OF ORGANISATION

3.1 Use of Grant Payment

The Organisation will use the Grant Funds solely for the Approved Purpose.

3.2 No Changes

The Organisation will not make any changes to the Approved Purpose without the prior written consent of the Grantor.

3.3 No Endorsement

The Organisation agrees that nothing in this Agreement constitutes an endorsement by the Grantor of any goods or services provided by the Organisation.

3.4 Acknowledgement of Grantor

The Organisation will acknowledge the Grantor in the manner set out in item 5 of Schedule 1.

3.5 Request for Information

(a) The Organisation is to provide the Grantor with any documents or information relating to this Agreement or the Project within ten (10) business days of receiving such a request from the Grantor.

3.6 Accounts and Reporting

(a) The Organisation is to provide the progress reports, evaluation reports and financial statements specified in Schedule 2.

(b) The Organisation is to keep proper financial records in accordance with generally accepted accounting principles and practices.

3.7 Special Conditions of Grant

The Organisation agrees to comply with the special conditions (if any) specified in item 4 of Schedule 1.

3.8 General Undertaking of Organisation

The Organisation must:

(a) at all times duly perform and observe its obligations under this Agreement and will promptly inform the Grantor of any occurrence which might adversely affect its ability to do so in a material way;

- (b) undertake its responsibilities under this Agreement with integrity, good faith and probity in accordance with good corporate governance practices;
- (c) not, nor attempt to, sell, transfer, assign, mortgage, charge or otherwise dispose of or deal with any of its rights, entitlements and powers or obligations under this Agreement;
- (d) comply with all State and Commonwealth laws, rules, regulations and by-laws;
- (e) cooperate fully with the Grantor in the administration of this Agreement; and
- (f) upon reasonable notice, provide the Grantor or its agents, with access at any reasonable time and from time to time to the Organisation's premises, financial records, other documents, equipment and other property for the purpose of audit and inspection by the Grantor in order to verify compliance by the Organisation with this Agreement.

4. REPAYMENT AND RETENTION OF GRANT FUNDS

The Organisation must repay to the Grantor any funds that the Grantor has paid which are not used in accordance with this Agreement unless there has been written agreement otherwise between the parties.

5. LIMITATION OF LIABILITY

The Grantor does not accept any responsibility or liability for the success or otherwise of the Approved Purpose and is not liable for any losses which may be suffered by the Organisation in undertaking the Approved Purpose.

6. FREEDOM OF INFORMATION ACT 1992 AND FINANCIAL MANAGEMENT ACT 2006

- (a) The Organisation acknowledges and agrees that this Agreement and information regarding it is subject to the *Freedom of Information Act 1992* and that the Grantor may publicly disclose information in relation to this Agreement, including its terms and the details of the Organisation.
- (b) The parties acknowledge and agree that, despite any provision of this Agreement to the contrary, the powers and responsibilities of the Auditor General under the *Financial Management Act 2006* are not limited or affected by this Agreement.
- (c) The Organisation must allow the Auditor General, or an authorised representative, to have access to and examine the Organisation's records and information concerning this Agreement.

7. NOTICES

Any notice or other communication that may or must be given under this Agreement:

- (a) must be in writing;
- (b) may be given by an authorised officer of the Party giving notice;

- (c) must be:
 - (i) hand delivered or sent by prepaid post to the address of the Party receiving the notice as set out in item 5 of Schedule 1; or
 - (ii) sent by facsimile to the facsimile number of the Party receiving the notice as set out in item 4 of Schedule 1;
- (d) subject to paragraph (e), is taken to be received:
 - (i) in the case of hand delivery, on the date of delivery;
 - (ii) in the case of post, on the third Business Day after posting; and
 - (iii) in the case of facsimile, on the date of transmission; and
- (e) if received after 4.00 pm or on a day other than a Business Day, is taken to be received on the next Business Day.

8. DEFAULT AND TERMINATION

8.1 Event of Default by the Organisation

An Event of Default occurs if:

- (a) the Organisation breaches any of its obligations under this Agreement which continues without remedy for ten (10) business days after notice in writing has been served on the Organisation by the Grantor;
- (b) the Organisation becomes insolvent or is deemed to be insolvent under the *Corporations Act (Cth)*; or
- (c) if the Grantor has reasonable grounds to believe that the Organisation is unwilling or unable to comply with its obligations under this Agreement.

8.2 Effect of Event of Default

If an Event of Default occurs, the Grantor may either:

- (a) terminate the Agreement by providing a further ten (10) business days notice in writing to the Organisation of the Event of Default; or
- (b) suspend payment of the Grant Funds until the Event of Default is remedied.

8.3 Recommencement of Grant Payment

The Grantor may, in its absolute discretion, recommence payment of the Grant Funds if and when the Organisation has rectified the Event of Default.

8.4 Acquittal

Unless earlier terminated, this Agreement will terminate at the time of Acquittal.

9. GOODS AND SERVICES TAX (GST)

- (a) For the purposes of clause 9:
 - (i) "GST" means the goods and services tax applicable to any taxable supplies as determined by the GST Act; and

- (ii) "GST Act" means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* and includes all associated legislation and regulations;
 - (iii) the terms "supply", "tax invoice", "taxable supply" and "value" have the same meanings as in the GST Act.
- (b) If the supply of anything under this Agreement is a taxable supply under the GST Act, the Grant Funds shall be inclusive of GST.
- (c) The obligation of the Grantor to pay the GST on any supply by the Organisation under this Agreement is conditional upon the prior issue by the Organisation to the Grantor of a tax invoice, which complies with the GST Act. This provision applies notwithstanding any law to the contrary.

ALTERNATIVE POINT C

- (i) All Parties to this agreement warrant it has an Australian Business Number and is registered for GST
- (ii) All Parties to the Agreement will notify the other in writing of any change to GST registration
- (iii) If any supply is made by the Organisation after the date of this Agreement in connection with the Grant, the Grantor may issue a Recipient Created Tax Invoice in respect of that supply and the Organisation agrees it will not issue a tax invoice in respect of that supply.
- (iv) In this Agreement the terms "supply", "registered", "tax invoice", "recipient created tax invoice" and "GST" have the same meaning as in *A New Tax system (Goods and Services Tax) Act 1999*

10. RELATIONSHIP

The Parties agree that nothing in this Agreement may be construed to make either of them a partner, agent, employee or joint venturer of the other.

11. WAIVER

- (a) No right under this Agreement shall be deemed to be waived except by notice in writing signed by both parties.
- (b) A waiver by either party will not prejudice that party's rights in relation to any further breach of this Agreement by the other party.
- (c) Any failure to enforce this Agreement, or any forbearance, delay or indulgence granted by one party to the other party, will not be construed as a waiver any rights.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all communications, negotiations, arrangements and agreements, whether oral or written, between the parties with respect to the subject matter of this Agreement.

13. VARIATION

Any modification, amendment or other variation to this Agreement must be made in writing duly executed by both parties.

14. INTELLECTUAL PROPERTY

14.1 Subject to any agreement between the parties to the contrary;

- (a) Any Intellectual Property in or in relation to any material developed by the Organisation (other than material created by the State or provided to the Organisation by the State) shall vest upon its creation with the Organisation; and
- (b) The Organisation grants to the State a perpetual , irrevocable, royalty-free, world-wide non-exclusive license to use, reproduce, adapt and communicate to the public the whole or any part or parts of all promotional materials and reports brought into existence by or for the Organisation in connection with this Agreement or its application of the Funds.

14.2 The Organisation warrants that;

- (a) It is the owner of any copyright comprised or to be comprised in the Project or where it is not the owner of any copyright all necessary right and clearances have been or will be obtained, and appropriate attributions made of activities;
- (b) Neither the Project nor its promotion will infringe the rights, including copyright and trade marks, of any person or organisation;
- (c) Neither the Project content nor its promotion will be defamatory, or breach the provisions of any contract, compromise contempt of court or passing off, be misleading or deceptive, or amount to a breach of confidence or breach of privacy;
- (d) All information given or to be given to the State in relation to the Project (including financial information) is and will be up to date and accurate.

15. DISPUTE RESOLUTION

Before resorting to external dispute resolution mechanisms, the Parties shall in good faith attempt to settle by negotiation any dispute in relation to this Agreement, and where practical, each Party shall refer the matter to personnel who have authority to intervene and facilitate some form of resolution.

Executed by the Parties hereto:

For and on behalf of the Grantor:

Signature of Authorised Person

DARREN FOSTER

Dated _____

DIRECTOR GENERAL, DEPARTMENT OF THE
PREMIER AND CABINET

For and on behalf of the Organisation:

Signature of Authorised Person

Dated _____

(Organisations should use common seal of a company or incorporated association, where appropriate.)

SCHEDULE 1

DEFINITION OF PROJECT OR SERVICE TO BE FUNDED

- 1. Approved Purpose of Grant**
- 2. Project Definition and/or Anticipated Activities**
- 3. Agreement Term**
- 4. Notice Addresses**

(a)

Department of the Premier and Cabinet
Level 2
Dumas House
2 Havelock Street
WEST PERTH WA 6005
Email xxxxxxxxxxxx@dpc.wa.gov.au

- (b) Address of recipient

5. Acknowledgement of Grantor

(The Organisation) will ensure that there is acknowledgement of the financial assistance provided by the Western Australian Government in any promotional or marketing material produced.

PAYMENT SCHEDULE

6. Total Amount of Grant Funds

Grant Amount: \$ (exclusive of GST)

Month	TOTAL FUNDING AVAILABLE
February	\$
April	\$

7. Method of Payment

Payment of the Grant Funds (exclusive of GST) will be made within twenty-one (21) business days of the receipt of an invoice, to the satisfaction of the Grantor.

SCHEDULE 2

REPORTING REQUIREMENTS

1. Reports to be provided as at:
Progress Report
Final Report
2. Provide an Statement of Expenditure, upon completion of the project.
3. Financial statements are to be certified by the CEO of the Organisation on endorsement by the managing committee/, or equivalent AND certified by a professional auditor who is:
 - (a) not an officer or employee of the Organisation; and
 - (b) registered as a company auditor or equivalent under a law in force in Western Australia.

APPENDIX 3: OAG audit test plan and list of completed projects considered for sampling at the time of interim audit fieldwork

Our audit testing covered the payment of project funding to recipients and acquittal of the projects. Of the projects acquitted at the time of our audit, we tested a sample of 40 projects across the administering entities, to confirm that the funds were applied in accordance with the agreements, and that the projects were adequately acquitted.

Our report notes that at 30 June 2018, 354 of the 858 projects under the program, worth \$10.1 million, had been fully acquitted. The sample size was determined from the listing of all LPLJ projects completed during the 2017-18 financial year. Given that 81 projects were completed and acquitted in that time of interim audit fieldwork, a sample size of 40 provided that each agency has at least one grant selected.

The sample size was split by agency based on an analysis of the number and dollar value of the projects. The sample selection method was haphazard (i.e. not randomised), but for agencies with a large amount of grants we ensured there was a mix of large and small projects. Based on the average of the number of projects and the dollar value, the sample size was attributed to each of the projects as follows:

Entity	Count of Project Number	Sum of Funding committed (\$)	Sample Size
Communities	20%	14%	7
DLGSC	5%	1%	1
DPIRD	27%	18%	9
Education	46%	65%	22
Transport	2%	2%	1
Grand Total	100%	100%	40

Standard test steps followed by OAG auditors:

1. Was a MOU or other formal agreement in place? Attach a copy of the MOU to IPSAM [our audit tool] and include a reference to the WP [working paper].
2. Test whether the actual amount paid to the grantee:
 - (a) Was consistent with the grant agreement/MOU
 - (b) Was consistent with the listing of completed projects.
3. Was the grant payment incurred by a delegate with appropriate delegation?
4. If there were milestones in the MOU/Agreement to be met prior to payment, review whether there is evidence that the milestones were achieved prior to payment.
5. Where the project was relating to construction/purchaser of assets, physically sight the asset to determine whether it is consistent with the agreement. Include a photo of the asset as an IPSAM WP.

Depending on findings, additional audit procedures may have been conducted on individual grants.

The 81 projects acquitted at the time of interim audit, of which we chose 40 to audit, were:

Project Name	Funding committed (\$)	Post-MoG Agency	Metro or Regional	Project Number
Native Animal Rescue	5,000	DLGSC	Metro	MET008D
Anne Hamersley Primary School - school resources	20,000	Education	Metro	MET009
Armadale Concert Band - competition trip	3,000	DLGSC	Metro	MET017
Armadale Education Support Centre - facility upgrades	10,000	Education	Metro	MET020
Armadale Community Men's Shed - equipment	2,000	Communities	Metro	MET026
Baldivis Primary School P&C - equipment	40,000	Education	Metro	MET054
Beechboro Primary School - play equipment	30,000	Education	Metro	MET078
Belmay Primary School - new hard cover area	50,000	Education	Metro	MET080
Belmont Primary School - netball upgrade courts	50,000	Education	Metro	MET087
Bicton-Palmyra RSL - equipment	10,000	Communities	Metro	MET097
Champion Lakes Residents Assoc - equipment	1,200	DLGSC	Metro	MET116
Chidlow Primary School - equipment	20,000	Education	Metro	MET120
Dale Christian School - facility upgrades and equipment	10,000	Education	Metro	MET146
East Hamersley Primary School - upgrade	25,000	Education	Metro	MET165
Eastern Hills High School - equipment	20,000	Education	Metro	MET167
Eden Hill - new shade cover for two play areas	40,000	Education	Metro	MET170
Ellen Stirling Primary School: new shade structures	25,000	Education	Metro	MET173
Ellenbrook Primary School: new shade structures	20,000	Education	Metro	MET175
Salvado Catholic College - nature play area and shade sails	10,000	Education	Metro	MET423
Glendale Primary School - playground upgrade	25,000	Education	Metro	MET214
Good Shepherd Catholic College - new nature playground	10,000	Education	Metro	MET215
Gosnells Men's Shed - new upgrades	7,500	Communities	Metro	MET221
Gwynne Park Primary School - nature playground	11,000	Education	Metro	MET230
Headspace - new equipment and furniture	5,000	Communities	Metro	MET240
Hope Community Services - signage	5,000	Communities	Metro	MET255
Kalamunda Men's Shed-CNC machine	1,000	Communities	Metro	MET273
Kardinya Primary School - library upgrade	50,000	Education	Metro	MET279
Kelmscott Community Garden - garden beds	1,000	Communities	Metro	MET280
Kinross College Bus	70,000	Education	Metro	MET290
Kwinana RSL Upgrades	60,000	Communities	Metro	MET294
Meela Community Child Care Centre Learning Play Equipment	5,000	Communities	Metro	MET327

Project Name	Funding committed (\$)	Post-MoG Agency	Metro or Regional	Project Number
Melville Cares - facility upgrades	55,000	Communities	Metro	MET329
Midland Men's Shed - equipment	10,000	Communities	Metro	MET335
Morley Primary School - ICT upgrade	10,000	Education	Metro	MET340
Morley Primary School - upgrades	8,500	Education	Metro	MET341
Woodvale Primary School P&C - nature play music wall	3,500	Education	Metro	MET549
Mt Lawley Toy Library - new toys	5,000	Communities	Metro	MET349
Noranda Primary School - new Shade Sails	20,000	Education	Metro	MET365
North Parmelia Primary School Upgrades	20,000	Education	Metro	MET366
Embleton Primary School - new playground equipment	30,000	Education	Metro	MET396
Riverdale Child Care and Community Centre - upgrades	2,000	Communities	Metro	MET411
Serpentine Primary School - iPads	10,000	Education	Metro	MET557
Connolly Primary School P & C for smart boards, 3D printers and nature play	40,000	Education	Metro	MET137
East Victoria Park Primary School - new early childhood playground	20,000	Education	Metro	MET185
St Denis Parents and Friends Association - new playground	25,000	Communities	Metro	MET449
St Helena's Catholic School - shade sail	20,000	Education	Metro	MET450
St Kieran's Primary School - playground upgrade	25,000	Education	Metro	MET451
St Lawrence Primary School - playground upgrade	25,000	Education	Metro	MET452
St Michael's School - new nature playground	10,000	Education	Metro	MET453
Sutherland Dianella Primary School - maintenance funding.	50,000	Education	Metro	MET469
Thornlie & Districts Teeball Association - shade shelters	3,800	DLGSC	Metro	MET479
Tranby College P&F - nature play area	50,000	Education	Metro	MET486
Tuart Rise Primary School P&C - upgrades	25,000	Education	Metro	MET492
Support for Northern Suburbs Stroke Support Inc	5,000	Communities	Metro	MET463
Wanneroo Men's' Shed- Equipment Grant	12,500	Communities	Metro	MET511A
West Balcatta Primary School - playground upgrade	25,000	Education	Metro	MET519
Fitzroy Valley Men's Shed - equipment	5,000	DPIRD	Regional	REG054
Funding for Marble Bar CRC - equipment	10,000	DPIRD	Regional	REG057
Geraldton Cycleway Strategy	90,000	DPIRD	Regional	REG059
Geraldton Mammogram Service - new machine	50,000	DPIRD	Regional	REG060
Geraldton University Centre Audio Integration System	25,000	DPIRD	Regional	REG062
School IT Enhancement Project - Bluff Point Primary School	15,000	DPIRD	Regional	REG153-G

Project Name	Funding committed (\$)	Post-MoG Agency	Metro or Regional	Project Number
School IT Enhancement Project - Geraldton Senior College	30,000	DPIRD	Regional	REG153-O
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Headland BMX	2,000	DPIRD	Regional	REG163-AA
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Headland Hockey	2,000	DPIRD	Regional	REG163-AC
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Port Headland Pony Club	2,000	DPIRD	Regional	REG163-AE
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Headland Gymnastics Club	2,000	DPIRD	Regional	REG163-B
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Karratha Falcons Football	2,000	DPIRD	Regional	REG163-F
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Baynton Lions Cricket Club	2,000	DPIRD	Regional	REG163-H
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Dampier Bowling Club	2,000	DPIRD	Regional	REG163-K
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - PCYC Roebourne	1,500	DPIRD	Regional	REG163-S
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Roebourne Aquatic Centre	1,500	DPIRD	Regional	REG163-T

Project Name	Funding committed (\$)	Post-MoG Agency	Metro or Regional	Project Number
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - East Pilbara BMX Club	1,500	DPIRD	Regional	REG163-V
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Unit 2 Boxing Club	2,000	DPIRD	Regional	REG163-W
Armadale Senior High School - new virtual reality equipment	26,000	Education	Metro	MET029
Ballajura Market Place Footpath	4,000	Transport	Metro	MET059
Roleystone Senior High School - all weather bus stop shelter	20,000	Transport	Metro	MET418
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Nickol Junior Soccer Club	2,000	DPIRD	Regional	REG163-D
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Wickham Amateur Swimming Club	1,000	DPIRD	Regional	REG163-O
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Newman Youth Recreation Centre	2,000	DPIRD	Regional	REG163-U
Pilbara Sporting Clubs - \$20,000 commitments for sporting equipment and uniforms small grant round for each of Karratha/Dampier, South Hedland/Port Hedland and Newman - Pilbara Regional Football Development Committee	5,500	DPIRD	Regional	REG163-Z

APPENDIX 4: Establishment of a Parliamentary Budget Office

Generally, the role of a Parliamentary Budget Office (PBO) is to independently inform Parliament and the community about the budget cycle, financial implications of proposals and election commitments, and analysis of fiscal policy issues.

While the establishment of a PBO in Western Australia is a policy decision for Government, there have been recent reviews of PBOs across jurisdictions which have raised some key points that may be relevant to the Committee's inquiry.

In the 2017 [Australian Parliamentary Budget Office¹ Review 2016/17: Report of the Independent Review Panel](#), the independent reviewers told the Commonwealth Joint Committee of Public Accounts and Audit (JCPAA) that:

...International experience demonstrates that the two essential characteristics for organisations like the PBO to be successful are that they are independent and their work is seen to be relevant...

...Overall, the PBO has been a successful institutional development in Australian governance. It has made a good start as an organisation, and has filled a significant gap in Australia's public policy landscape.

In March 2019, the OECD published its [Review of the Victorian Parliamentary Budget Office](#). It made 6 recommendations across 3 key areas of mandate, resources and access to information. Two these recommendations support the above comments to the JCPAA and are of particular interest to the OAG as they have parallels to our own experience:

- **Mandate** - *To strengthen its independence and align with international norms, the PBO's legislation should clearly include provisions for it to undertake, and publish, work at its own initiative*
 - As OECD has pointed out, ensuring that the relevant legislation includes provisions for the PBO to undertake work at its own initiative is important in establishing a required level of independence and ensuring the PBO can effectively and authoritatively inform policy development and public and parliamentary debate.
 - For example, since 2012, the Commonwealth PBO has released 28 pieces of self-initiated research – ranging in length from just a few pages showing the impact of unlegislated measures on the budget estimates, to approximately 60 pages of detailed analysis of particular areas of the budget – and two post-election reports. In non-election periods, more PBO resources are allocated to the self-initiated research program.

- **Access to information** - *To ensure that the PBO has full access to all relevant information, there should be clearer legal definition of access to information terminology in the PBO's legislation*

¹ The Commonwealth PBO complements the role of the long-established Parliamentary Library of the Parliament of Australia, where MPs can seek advice on policy, including economic matters, from experienced research teams. This advice is provided in the form of [research papers](#) and responses to direct requests from MPs. The Parliamentary Library is a significant resource for informing Parliamentary proceedings and policy development of opposition and crossbenchers.

- This is an issue that the OAG has grappled with for some time in that we currently have restricted access to information subject to Cabinet in confidence or legal professional privilege. In some cases, this has impeded the work of the Auditor General and on occasion has meant the Auditor General has been unable to issue an opinion. The Committee is familiar with this matter.
- For the PBO to effectively carry out its role, there would need to be clear understanding and legislative definition of the types of information it needs access to, as well as a clear understanding of the circumstances where information cannot be provided because it is 'not practicable' or 'confidential'.

21 March 2019 – OECD (2019), Review of the Victorian Parliamentary Budget Office, <http://www.oecd.org/gov/budgeting/oecd-review-victorian-parliamentary-budget-office-2019.htm>

17 March 2017 - Anderson, B. and I. Watt (2017), Australian Parliamentary Budget Office Review 2016/17: Report of the Independent Review Panel, <https://www.aph.gov.au/~media/02%20Parliamentary%20Business/24%20Committees/244%20Joint%20Committees/JCPAA/PBO/Report%20of%20independent%20review%20into%20PBO.pdf?la=en>