



PARLIAMENT OF WESTERN AUSTRALIA

## **SIXTEENTH REPORT**

**OF THE**

### **STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

**IN RELATION TO**

### **THE ESTIMATES OF EXPENDITURE 1996/97**

**Presented by the Hon Murray Montgomery (Chairman)**

**Report No 16  
20 JUNE 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 3.3

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## CHAIRMAN'S PREFACE

This year witnessed a significant change to the traditional manner in which the Committee undertook its estimates hearings function. The change resulted in an earlier, pre-30 June timeframe for the commencement of the hearings, however, such a move did not occur without the need to firstly resolve a number of valid concerns (refer Introduction section). It is to the credit of this Committee, and other Members of the Legislative Council that the issues raised during the hearings planning process were resolved in a mutually acceptable manner whilst still providing for the effective achievement of the Committee's Terms of Reference.

On behalf of the Committee, I wish to thank all those persons who provided an invaluable contribution to the conduct of these proceedings.

HON M.S. MONTGOMERY (MLC)  
CHAIRMAN

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## 1. INTRODUCTION

The Standing Committee on Estimates and Financial Operations (“the Committee”) is pleased to present its seventh report on the Estimates of Expenditure.

These hearings provide an opportunity for Members of the Legislative Council to question representatives of public sector agencies and their responsible Council Ministers regarding agency operations and expenditure for the outgoing and incoming financial years. The hearings are usually conducted over the course of a Parliamentary sitting week and provide the main input for the Committee’s annual report on the Estimates of Expenditure.

In line with the Government’s budgetary reform process, and its intention to enable Parliamentary debate and passing of the 1996/97 budget prior to the June 30 1996 financial year-end, the delivery into Parliament of the 1996/97 budgetary papers (including the Program Statements) was brought forward to 2 May, 1996. This was seen as sound commercial practice providing for expenditure and revenue plans to be implemented prior to the commencement of the period in which both revenue collection and expenditure was expected to occur. To gain from this process, the Government should continue to use this practice in years to come for the best possible advantage to the State.

In previous years, the Program Statements were delivered to Parliament after 30 June to provide for the inclusion of the outgoing year’s actual expenditure. The estimates hearings were held during the latter part of the year to allow for the availability of this and other financial statement and performance indicator information. (refer to Appendix 3.2 for previous year’s estimate hearing dates).

With this year’s pre-30 June introduction of a *full* set of budgetary papers, the Committee did not have the luxury of having available for its scrutiny, actual expenditure details for the outgoing 1995/96 year.

During its pre-hearing deliberations, the Committee was faced with a number of concerns over the effectiveness of an earlier, pre-30 June hearing timetable. Issues raised were in regard to the impact on the Parliamentary accountability process, the lack of sufficient financial and other information available for scrutiny purposes, and the impact on State funding of possible Federal Government budgetary cuts. However, after considerable discussion with various concerned parties, the Committee resolved to:

- schedule the 1996/97 estimates hearings during the three day period from Tuesday, 11 June 1996 to Thursday, 13 June 1996. These hearings will be supported by the tabling in Parliament on 20 June 1996 of this, the first of the supporting Estimates reports timed to comply with the requirements of the Council’s Standing Orders and the Committee’s Terms of Reference. (Being within one day of the second reading of the Appropriation Consolidated Fund Bill);
- table a second report early in the Spring session outlining details of all relevant matters applicable to questions placed on notice during the June hearings; and
- undertake and report on a final budgetary hearings session proposed for September 1996 by which time actual 1995/96 expenditure and performance indicator details will be available for detailed scrutiny. Furthermore, the September timing will allow the Committee to revisit those agencies who should know the outcome and impact of possible cuts to funding from the Federal Government budget.

A number of procedural issues raised in the Committee’s 14th report of December 1995 were addressed during the course of the 1996/97 estimates inquiries. These issues have been dealt with in detail in section 2.1 of this paper.

General issues discussed at section 2.2 of this report covered the areas of competitive tendering and contracting out, performance indicators, accrual accounting and the potential impact of Federal Government sales tax proposals and possible cuts in Federal Government funding.

Agency specific matters of interest raised during the proceedings are noted at section 2.3.

## 2. THE CONSOLIDATED FUND ESTIMATES 1996/97

### 2.1 PROCEDURE

Since its establishment in 1989, the Standing Committee on Estimates and Financial Operations has endeavoured to improve on the conduct of its estimates hearings. Refinements consistent with this aim include:

- Limiting Ministers answering of questions to matters of government policy (introduced 1991);
- Departmental officers not to answer questions on matters of government policy (introduced 1991);
- Reconsideration of time allowed for each agency being heard to provide for adequate coverage (introduced 1991);
- Specific questions asked by Members during the hearings and remaining unanswered at the time, would be taken on notice for later response (introduced 1991);
- Unaudited financial statements were requested from all government departments and statutory authorities examined (introduced 1992);
- Committee to meet as a “whole” rather than a number of sub-committees (introduced 1992);
- Limiting the number of agencies examined each year (introduced 1992);
- House Chamber becomes new hearing location (introduced 1992);
- Agencies being reviewed to provide explanations for any qualifications appearing in Auditor General’s Reports (introduced 1993);
- Development of the Estimates Hearings Procedure Policy (introduced 1994);
- Invitations to Members of the Legislative Council to submit agency directed generic questions to the Committee for on-forwarding to agencies (introduced 1994);

Refinements introduced for this year’s round of hearings included:

#### 2.1.1 Generic Questions

It was the Committee’s intention that government agencies would be directed to the relevant Legislative Council Member for clarification of the meaning or scope of generic questions forwarded through the Committee Office. Committee staff were no longer to be involved in advising agencies in this regard. Also consistent with House procedure, the Committee was to forward generic questions to agencies only through the appropriate Ministerial office.

The Committee modified its Estimates Procedure Policy to include these matters. Copies of the updated Procedure Policy were then forwarded to all affected parties prior to the hearings commencement.

The Committee noted however, that some confusion occurred over the proper distribution of generic questions to government agencies. Furthermore, correspondence forwarded to Ministers and agency Chief Executive Officers requested that a faxed copy of the responses be forwarded to the Committee’s research assistant **in addition** to providing written responses on the day of the hearings. Although agencies generally complied with the Committee’s request for a pre-hearing faxed copy, few agencies provided the Committee with written responses on the day in the belief that the earlier faxed copy was adequate. The Committee resolved that for future hearings, the Minister would be provided with a **copy** of the covering agency letter and accompanying generic questions for information purposes only. The original advice and questions would be forwarded directly to the agency for their immediate action. Additionally, the Minister would be formally requested to ensure that all responses were of a satisfactory standard and available for tabling on the day of the hearing.

### **2.1.2 Responses to Questions**

The Committee was to remind agency representatives, particularly Chief Executive Officers, to respond to questions in a succinct manner and limit the extent of personal observation. In particular, the opening statements by the Minister and Chief Executive Officer were to be collectively limited to no more than five minutes, and responses to questions limited to one agency representative. Further, the Committee proposed to remind agency representatives that matters of policy could not be appropriately addressed by public servants, and should be referred instead to the attending Minister.

The Estimates Procedure Policy was modified to include these matters. Copies of the updated Procedure Policy were then forwarded to all affected parties prior to the hearings.

The Committee was pleased to observe a reasonable level of compliance in this matter.

### **2.1.3 Relevance of Questions**

The Committee resolved that it would give precedence to questions relating to reports or on-going areas of investigation of the Committee.

Once again, the Committee modified its Estimates Procedure Policy to include this matter. Copies of the updated Procedure Policy were then forwarded to all affected parties prior to the hearings.

Though the Committee feels the revised framework contributed to an overall improvement in the way in which the hearings proceeded, it did observe that some Members were concerned about the relevancy of a number of questions. In these circumstances it is the practice of the Committee to allow the Member chairing the session to judge whether the question related to a function or the administration of the agency which is funded in the Budget Estimates division before the Committee. Where there is no relevance, the question will be ruled out of order.

The Committee also recognises the right of a Minister to decline to answer a question on a number of grounds. For instance, commercial confidentiality or where an answer may compromise an ongoing investigation.

### **2.1.4 Timing of Hearings within the Financial Year**

During the previous year's hearings, the Committee was alerted to the difficulties experienced by government agencies in providing timely and relatively complete and accurate financial and performance indicator information for Committee scrutiny purposes. This led to the Committee's proposal that future hearings would be conducted no earlier than two weeks after the submission date for departmental annual reports to the relevant Minister (ie: after 15 September).

However, due to the accelerated 1996/97 timeframe as previously outlined, alternative arrangements were implemented. (refer Introduction section)

### **2.1.5 Public Participation**

The Committee originally resolved to provide alternative means for members of the public, particularly those in regional areas, to participate in the annual consideration of the estimates. In 1996, the Committee intended to incorporate in its consideration of the estimates of expenditure, a visit to a large, regional capital works project and conduct hearings relevant to the project either on-site or at a venue in the local community.



It was the Committee's intention that such visits be undertaken during the autumn session of Parliament. However, due to factors impacting on the earlier hearings timetable, the Committee resolved to reconsider this undertaking during the spring session.

## **2.2 GENERAL ISSUES**

### **2.2.1 Competitive Tendering and Contracting Out**

Competitive tendering and the contracting out of government services continues to be a major platform in the Government's public sector reform agenda. Exposing government services to market forces is intended to encourage efficiencies in service provision and improve service and product quality through competition and the introduction of new technology. The expectation in regard to this process is that considerable savings to the public purse will be achieved.

The Committee is aware of various supporting documentation which suggests that contracting out of services within government has produced considerable overall savings. A recent report from the Auditor General supports this view with the provision of actual case studies where net savings to the Government were expected without any apparent detriment to the quality of service provided (reference : Office of the Auditor General Performance Examination 'Contracting for Services' - Report No 9 of November 1995). Notwithstanding these findings, the Committee remains concerned over the reliability of monitoring programmes implemented within agencies to ensure that contractual obligations have effectively achieved their desired result. To this end, the Committee raised in its previous Estimates Report (No: 14 of December 1995), a need for agencies to review the procedures adopted in their monitoring of contract performance.

The Committee notes with interest the Auditor General's 'Good Practice' Guide (reference: Audit Insights, No 14 of April 1996). This Guide was developed to pass on the lessons gained from the Office's direct practical experience in auditing agencies, in addition to meeting the ongoing management requests for good practice management. Areas covered by the Guide include:

- identifying and quantifying the financial costs and benefits of contracting out;
- planning and management of the contract assignment; and
- conducting the tender evaluation.

The Committee is satisfied that sufficient material is available to guide agencies in their decision making process. Examples of useful local documentation are: the abovementioned Good Practice Guide, the State Supply Commission and Public Sector Management Office's CC Policy Manual, and the Auditor General's 'Contracting for Services' Report. The Committee is also aware of a further joint publication by the State Supply Commission, Public Sector Management Office and the Western Australian Municipal Association. It is the Committee's understanding that the publication will provide a casebook of best practice in Contracting for Services.

It is the Committee's belief that the challenge to agencies is to ensure that tendering and contracting policies, procedures and supporting decisions are consistent with the intentions and requirements of the abovementioned documentation.

### **2.2.2 Performance Indicators**

The earlier timing of the hearings meant that 30 June 1996 agency performance indicator information was not readily available for Committee scrutiny. This resulted in the Committee's line of questioning being relatively general in nature and mainly restricted to developments since publication of the Auditor General's 1994/95 performance indicator assessments/opinions.

During the 1995 proceedings, the Committee reflected on its December 1994 Performance Indicator Report finding which observed that central government responsibility for driving the implementation

of performance indicators across public sector agencies did not appear to be clearly conferred. Accordingly, the Committee recommended that "the Minister for Public Sector Management assume a leadership role in the development and reporting of performance information by clearly defining central agency responsibility for policy development, training, and progress monitoring, and appropriately resourcing these activities". A response from the Minister regarding this recommendation still remains outstanding and will be pursued by the Committee in the coming months.

The Committee's 1994/95 Estimates Report also noted deficiencies within various agency performance indicators noting that, while agencies had made substantial advances since the performance reporting requirement was introduced in 1985, systemic issues have contributed to a marked lack of progress in some agencies.

The Committee further noted the decision of the Auditor General's Office to cease their assessment approach to the reporting of government agency performance indicators. In a recent publication forwarded to all government agencies, Dr Gordon Robertson (Assistant Auditor General - Public Sector Performance) signalled the Office's intentions that in 1996, formal audit opinions would be issued on all performance indicators submitted, with unsatisfactory indicators receiving a formal audit qualification. (Reference: Audit Insights - Number 14 of April 1996)

During the current year deliberations, most agencies indicated that improvements in line with specific comments of the Auditor General had or would be implemented and subsequently reflected in the reported results for the year ended 30 June 1996.

Given the results of past year audit assessments, and the slow progress made by many agencies in the development of their indicators, the Committee is not convinced that significant changes will occur for the year ended 30 June 1996. Should the trend of previous years continue, it is likely that 30 June 1996 will witness a significantly high level of qualified performance indicator opinions. It is the Committee's intention to revisit this area during the latter part of the year when audited performance indicators are available.

### **2.2.3 Accrual Accounting**

As part of its public sector reform process, the Western Australian Government expressed its desire for all departments to prepare annual financial statements on an accrual accounting basis. This direction was in line with the recommendations of the McCarry Report which suggested a target implementation date of 30 June 1994. This initiative was also supported by the professional accounting bodies who, in December 1993, released the accounting standard for "Financial Reporting by Government Departments" (AAS 29).

While s67(1) of the *Financial Audit and Administration Act 1985* requires statutory authorities to prepare financial statements on an accrual accounting basis, s62(1) of the same Act requires the Accountable Officer of a department to provide financial statements of receipts and payments for the financial year. However, the financial statements of departments are also required to be prepared in the manner and form required by the Treasurer's Instructions. To that end, Treasurer's Instruction 1101A applies to Accountable Officers for financial statements prepared on an accrual basis, but does not, however, require that accrual statements be prepared by departments. This framework notwithstanding, agencies have been encouraged to move toward accrual based accounting and reporting in anticipation that this will become the expectation in the near future.

In the Auditor General's Second General Report to Parliament for 1995 (Report No 10 of December 1995), certain matters were raised which were considered material to the uniform introduction of accrual accounting. These matters included a recommendation for amendment to the *Financial Administration and Audit Act 1985* to facilitate accrual based accounting and financial reporting by government departments and to remove confusion experienced by departments over whether accrual or cash based financial statements were needed. The Committee noted that legislation in regard to this

matter was now before the Legislative Assembly.

The Committee was also pleased to note that concerns regarding limited accounting competencies of agency officers were being promptly addressed to accommodate the introduction and application of full accrual accounting principles and practices.

#### **2.2.4 Commonwealth Funding and Sales Tax**

A general line of questioning during this year's proceedings related to the potential impact on agency expenditure if the Federal Government fulfilled its intentions to cut State funding and to withdraw the wholesale sales tax exemption for State and local governments. The general response from the agencies was that they were in no position to make judgements in this regard when no firm decision had been made by the Federal Government. The Committee has noted that since the hearings, the Federal Government announced that it would not proceed with the sales tax proposal except for privately plated motor vehicles forming part of the salary packages of senior State and local government officials. In return, the States were to forgo \$619m in increased general purpose payments during 1996/97, \$643m in 1997/98 and \$335m in 1998/99 before returning to full payment in 1999/2000. The contribution from Western Australia was announced as being \$90m made up of \$60m in general purpose grants and \$30m in specific purpose grants. The impact of these reductions will be followed up by the Committee in September.

## 2.3 SPECIFIC AGENCIES

Over the course of the three day program, the Committee met with 23 government bodies. This section outlines the major issues and topics raised during the three day program. A point form summary of matters addressed during agency questioning is attached at Appendix 3.2.

### 2.3.1 PARLIAMENT (Div 2) : LEGISLATIVE COUNCIL, JOINT HOUSE COMMITTEE

The Parliamentary vote (Division 2) incorporates the five administrative departments of Parliament, namely the Legislative Assembly, Legislative Council, Joint House Committee, Joint Printing Committee, and the Joint Library Committee. The Estimates Committee resolved that for the purposes of the 1996/97 hearings, only two of the five Parliamentary Departments would be examined, those being the Legislative Council and the Joint House Committee.

The administration of the Legislative Council and Joint House Committee is deemed to be a Department for the purposes of the *Financial Administration and Audit Act 1985* (*Financial Administration Amendment Regulations 1987*). Accordingly, each Department is required to prepare annual financial statements in accordance with the *Act*. As the Parliament is not a reporting entity under the terms of the *Act*, no consolidated financial statements are prepared for the Parliamentary vote as such.

The Departments of Parliament do not prepare performance indicators or annual reports. This has its origins in the directions of the Presiding Officers which state:

“.....we are not completely satisfied that the [*Financial Administration and Audit Act 1985*] together with its regulations and Treasurer's Instructions can be complied with in their entirety whilst still maintaining Parliament's proper independence from Executive control”.

(Hon Clive Griffiths, President of the Legislative Council,  
Parliamentary Debates, v272, 31 August 1988, p2355)

This matter has been of continuing concern to the Committee and was once more raised with the President. It was the President's belief that the 1988 direction of the Presiding Officers not to publish annual reports and performance indicators was not an objection to such a requirement being applied to Parliament, but rather a signalling of opposition by the Presiding Officers to the ability of the Government, through the application of the *Financial Administration and Audit Act*, to subject the financial arrangements of Parliament to significant control by the Treasurer and Under Treasurer.

The current stand taken by the Presiding Officers exposes the Parliamentary Departments to public criticism. The Committee believes that until an acceptable alternative solution is found, each of the Parliamentary Departments should comply with their legislative obligation by preparing and publishing performance indicators and annual reports in accordance with the *Financial Administration and Audit Act*. It is appropriate to note that such an undertaking will be facilitated by the Department's recent enterprise bargaining developments which requires the introduction of measurement standards and performance indicators to assist quantitative and qualitative productive and performance improvements. It is the Committee's opinion that the Presiding Officers should continue in their pursuit of their suggested framework whereby matters of compliance are directed in writing on the provision that such directions may be disallowed by either House. The viability of such an arrangement should, if not already done so, be discussed with Treasury.

Points of note regarding the estimates were:

- The President was able to satisfactorily respond to the Committee's enquiry concerning the overspending on budget of \$133,000 for the 1995/96 year. The President advised that

\$110,000 related to Royal Commission expenses, details of which were unknown at the time the original budget was prepared.

- The Committee was informed of a prior year overpayment of approximately \$70,000 for communication expenses which was subsequently identified and brought to account as a credit during 1995/96. The effect of this was reflected in the reported savings on the 1995/96 budget of \$71,000.

All the Parliamentary Departments prepare and publish their financial statements on a cash accounting basis. The President advised that until the legislation before the House becomes operational, the financial statements would continue to be tabled in a cash accounting format, with an accrual version being provided to the Auditor General for appraisal purposes only. The Committee understands that relevant legislation to amend the *Financial Administration and Audit Act (1985)* is currently before the Legislative Assembly.

### **2.3.2 POLICE DEPARTMENT (Div 85)**

During the 1994/95 financial year, the Police Department introduced its DELTA program of organisational reform. The centerpiece of this reform was the establishment of a revised purpose and direction together with the implementation of a new reporting structure based on regionalisation. Whilst significant progress has already been made, the challenge confronting the Department during the 1996/97 period is the development and implementation of effective infrastructures, systems and processes to support its intentions.

Some Delta driven programme changes to have impacted on the Department's operations were:

- The transfer of its 'Emergency Management Program' function to the Western Australian State Emergency Service.
- The Police Licensing Services and Road Safety functions were merged with the Department of Transport on August 1, 1995. This was reflected as a separate Division within the 1995/96 budget papers.

The Committee noted the following matter of concern which requires attention. Upon being asked about the demerit point traffic system, the Hon B.K. Donaldson was advised that the matter rested with the Department of Transport. However, upon later inquiry with the Department of Transport (refer section 2.3.22), the Member was advised to direct his questions to the Police Department as the responsible agency. This instance clearly indicates that confusion exists over acceptance of responsibility for specific functions within the Police and Transport Departments. The Committee requests that the Minister, in conjunction with the Departments of Police and Transport promptly resolve the matter and inform the Committee of the outcome. The Committee further requests that the line of inquiry introduced by the Hon B. K. Donaldson be responded to by the responsible Department and that such response be forwarded to the Committee Office.

In his performance indicator assessment for the 1994/95 financial year, the Auditor General reported that the Department's performance indicators outside of the Crime sub-program and the community survey required further development before an audit assessment could be undertaken. It is the Committee's understanding that a detailed review of its indicators is underway in line with its Delta reform process. The Committee will revisit this area during the spring session of Parliament.

### **2.3.3 TREASURY (Div 10)**

Treasury have introduced or are in the process of introducing a number of public sector financial management reforms consistent with the intentions of its mission to provide "Leadership in advancing the State's economic and financial management." These reforms comprise the areas of:

- Consolidated Fund;
- One-line appropriations;
- Full Time Equivalent (FTE) staff measurement;
- Published forward estimates of expenditure;
- Early budget presentation prior to beginning of the financial year;
- Net appropriations/revenue retention by departments;
- Full cost user charging;
- Inter-year funding transfers;
- Departmental bank account arrangements;
- Program management;
- Strategic Asset Management (SAM) initiative, including new project initiation process and asset rationalisation incentive scheme;
- Accrual reporting/accounting by departments;
- Uniform Government Finance Statistics (GFS) budget presentation;
- Revised Minimum Obligatory Information Requirements (MOIR);
- The Government Accounting System (GAS) replacement project;
- Common User Facility (CUF) and accrual accounting systems projects; and
- “Whole of Government (Consolidated)” accrual basis financial statements as first published for the year ended 30 June 1994.

Generally, these abovementioned strategies were introduced as a result of changing, across government policy initiatives such as:

- The Program Evaluation Strategy;
- The Public Sector Management Legislation and Cabinet Sub-Committee reviews;
- Competitive Tendering and Contracting (CTC);
- Government Purchasing Charter;
- Tertiary level Public Sector Financial Management courses;
- Customer Service Charters; and
- Annual CEO/Minister performance agreements.

The Committee is pleased with Treasury’s initiatives and process of implementation. It was also encouraging that Treasury had positively addressed the concerns voiced by some agencies in regard to accrual accounting problems and confusion over accrual reporting at year-end.

The Committee noted the Auditor General’s 1994/95 performance indicator assessment which identified that further development was required before the indicators were considered appropriate for assisting users to assess performance. The Committee’s Fourteenth Report on the Consolidated Fund Estimates 1995/96 (page 11) recommended that:

- Treasury continue to allocate resources to the development of performance indicators in addition to producing indicators for 1995/96 that are consistent with the requirements of Treasurer’s Instruction 904.

The Committee found that Treasury were actively addressing this matter through avenues such as the development of a survey for forwarding to and completion by its stakeholders (customers). The intention behind the survey is to obtain unbiased feedback on the effectiveness with which the Department performs its functions and meets its program and sub-program objectives. Treasury propose to incorporate the survey results within their 1995/96 annual report.

- Treasury’s performance indicator working party give consideration to the appropriateness of the model to all public sector agencies. The Department advised that it was working with the Public Sector Management Office on this matter in order to develop performance indicator arrangements that more effectively meet the objective of the Act.

The Committee looks forward to reviewing progress in these areas during the coming months.

#### **2.3.4 DEPARTMENT OF PRODUCTIVITY AND LABOUR RELATIONS (Div 69)**

A point of note regarding the expenditure of the Department was the \$454,000 variance between the 1995/96 estimated/actual (\$267,000) and the 1996/97 estimate (\$721,000). This increase is reflected within the services and contracts section of Corporate Services and is mainly attribute to the introduction of user-pays for both Dumas House and the Bunbury Court House, and government accommodation previously paid and rented by the Building Management Authority or other agency (projected cost - \$334,000).

The Committee also re-examined the Department's 30 June 1995 performance indicator assessment from the Auditor General in which comment was made about the appropriateness of the Department's efficiency indicators. The Committee noted the Department's advice that recent developments such as the incorporation of corporate service costs and other dollar values would contribute to resolving the Auditor General's concerns. The Committee will review this matter during the spring session of Parliament.

#### **2.3.5 COMMISSIONER OF WORKPLACE AGREEMENTS (Div 70)**

The Commissioner for Workplace Agreements was established in January 1995 with the mission to facilitate the introduction of workplace agreements. The agency administers one programme, Workplace Agreements, which provides for the registration of valid workplace agreements and an assessment of the parties' understanding of and wish to establish and register an agreement. The agency also prepares statistical and other information about workplace agreements.

In the Auditor General's performance indicator assessment for 1994/95, comment was made regarding certain efficiency and effectiveness indicator shortcomings. The Commissioner advised that discussions were to take place with the Auditor General to address the concerns raised. The Committee intends to revisit this area during the spring session of Parliament.

#### **2.3.6 DISABILITY SERVICES COMMISSION (Div 80)**

Specific areas of expenditure raised during the deliberations were in regard to:

- The \$1.9m increase in salaries and wages between 1995/96 estimated actual and 1996/97 estimate was supported by an FTE increase of 18. Although a portion of the \$1.9m is to fund 18 FTE's (local area coordinators), the bulk of the increase is intended for discharge through the non-government sector in providing therapeutical services in accordance with the Commission's post school options program.
- 'Other expenses' recurrent expenditure for 1996/97 was projected to increase from the previous year by approximately \$2.3m. The Commission outlined the types of expenditure items applicable to the 'other expenses' classification and explained further that the \$2.3m reflected increases in lease costs, contracting of therapy services and superannuation costs.
- 1996/97 estimated expenditure on capital items of \$1.2m was offset by borrowings to the same amount. The capital expenditure was explained as being directed towards redressing the backlog of maintenance and capital works items which had been neglected over time. In addition, \$240,000 of the amount was to fund expenses on the Commission's fleet of coaster buses. The Commission highlighted that in previous years, it had received funding from other sources related to the sale of motor vehicles but more recently, sourced its capital works funding from borrowings.

- The \$6.3m grant increase in 1996/97, shown under the 'Accommodation and Community Home Support' program was required to fund both existing non-government expenditure programs and new agencies. Such funding was consistent with the Commission's aim to provide among other things, existing and additional accommodation support to over 2,600 individuals, and to further outsource government provided accommodation services by putting in place market development strategies to identify existing and now non-government providers to which Commission provided services can be transferred.

The comments from the Auditor General's Second General Report of December 1995 were raised in regard to concerns over acquittal procedures for grants and subsidies provided to non-government organisations. The Commission indicated that a process was now in place to ensure resolution of the specific area of concern, namely the signing of performance agreements by all non-government funded agencies.

### **2.3.7 MAIN ROADS DEPARTMENT (Div 36)**

The Main Roads Department has experienced a large number of internal changes consistent with its Best Roads plan. In his introductory comments, the Minister, Hon E.J. Charlton identified contracting as a significant factor in the Department's response to delivering a best maintenance and construction program for Western Australian roads. Discussion ensued on tendering procedures and concerns over their effectiveness.

The matter of possible cuts in Federal Government funding and its potential impact on planned programs was also discussed. Members were advised that the \$80m reported as the 1996/97 estimate for Commonwealth Grants and Advances was considered reasonable and represented approximately 10% of the national allocation. The Minister also highlighted that \$70m had already been received from the Federal Government in the previous year and that such an amount was guaranteed.

The Department has progressively developed its accrual accounting capabilities and has now reached a stage where full accrual accounting will be introduced by 30 June 1996. The Department also expressed its intention to move beyond annual reporting on an accrual basis and to introduce financial management at an operational level through the introduction of regular accrual based management reports. This development is welcomed by the Committee as it supports the introduction of accrual accounting concepts within government.

### **2.3.8 JUSTICE (Div 51)**

The Ministry's aims for the 1996/97 year were explained as covering a wide range of activities. Those of note were in regard to maintaining secure custody of offenders who are at risk to the community and to provide education programs for both in and out of custody offenders; improving accessibility/court delays and encouraging alternative dispute resolutions such as mediation; introduction of additional psychiatric care and sessions for psychiatrists; opening of additional beds for prisoners with mental health problems and provision of 24 hour medical service to prisons; identification of programs and educational opportunities to fit prisoners individual conditions; training of newly recruited prison officers; the establishment of a directorate of aboriginal services and a review of the aboriginal visitor scheme.

The Ministry was asked to explain its policy in regard to prisoners manufacturing products within the prison system. It was explained that at present, the Ministry does not involve itself in competition with private enterprise. Goods currently manufactured within the prison system are supplied for internal needs and are normally made available for sale only to other prisoners or prison officers. The Ministry indicated that the difficulty was in not having secure contracts that would enable it to make full use of the prison industry facilities, or to provide a steady flow of ongoing work that will be relevant to future employment skills for the prisoners. The Ministry believes this is an area which must be explored further to identify what sort of partnerships can be



achieved which would not be considered unfair competition, but would maximise opportunities to prisoners for acquiring employment skills.

The Auditor General's 30 June 1995 performance indicator assessment was raised in respect to comments on the efficiency indicators for the Victim Services Program and the effectiveness and efficiency indicators for the other programs requiring further development. The Minister, Hon P Foss asked that the question be placed on notice as the Ministry did not have an appropriate response at hand. This matter will be pursued further by the Committee.

### 2.3.9 HEALTH (Div 90)

The Department was asked about the reliability of its 1996/97 estimate figures. This was raised in response to a Members concern over the \$109m excess on budget reflected in the previous year's figures. Details of this excess were:

1995/96 estimated/actual (recurrent)	\$1,407,703,000
1995/96 estimate (recurrent) -	<u>\$1,319,195,000</u>
	\$ 108,508,000 over budget

In reply, the Department declared their confidence in the reasonableness of the figures reported, but believed that some variance to the final year actual result would most likely occur as projections normally did. The \$109m was explained as being attributable to unprecedented cost of award increases which were not envisaged to reoccur to the same degree in 1996/97.

The Department was asked to explain what impact the abovementioned shortfall would have on its maintenance program. In response, the Department advised that no unfavourable impact had occurred, but added further that part of the allocated capital works program expenditure of \$20m would remain unspent by the year-end. To cater for this occurrence, the Department implemented a substitute program whereby unspent funding was used to support equipment purchases originally budgeted for acquisition during 1996/97. As a result, the 1996/97 maintenance program was to be increased accordingly.

The Department was also asked for its views on its application of practises consistent with the Government's Competitive Tendering and Contracting (CTC) initiatives. The Department responded by highlighting that considerable savings had been achieved, particularly in the metropolitan area. The Department also outlined by example, its experiences with the orderly services contract at Sir Charles Gairdner Hospital where savings of approximately 140 FTE's were achieved, and the cleaning contract at Royal Perth Hospital where a saving of between 10 to 15 per cent was estimated as being achievable in cleaning costs.

In response to questions on possible cuts in Federal Government funding, the Minister, Hon P. Foss explained that irrespective of the outcome, the timing of the Federal funding approval process did not provide the Department with a clear indication as to how much funding it would actually receive (within certain areas) until the year-end. The Minister further advised that, traditionally with the Federal Government's announcement of the budget, the Department was informed of how much to expect, but this normally varied from amounts actually received some months later.

The Department was asked what recent developments had occurred since the Auditor General's qualified opinion of 30 June 1995 in which comment was made about Healthcare Linen and its continued operation as a separate entity from the Health Department. It was announced that the Government's privatisation program resulted in the Health Department's November 1995 invitation to tenders for the purchase of the Healthcare Linen Service. The Department indicated that the actual sale of the Service was almost complete.

In his performance indicator assessment for 30 June 1995, the Auditor General noted that the

indicators outside of the Continuing Care Program required further development before an audit assessment could be undertaken. The Department explained that it had introduced a major review program for its indicators with particular attention centred on hospitals. The Committee was alerted to the existence of a working party comprising representatives from teaching, non-teaching, country and private sector hospitals which was working in cooperation with the Auditor General in an attempt to resolve the shortcomings identified. The Committee will revisit this area during the proposed September session.

The Department was also asked about other recent concerns raised by the Auditor General regarding the inadequate nature of accounting expertise in non-teaching hospitals (Reference: First General Report for 1996 - No 2 of May 1996). It was brought to the Committee's attention that the situation was variable with the greatest impact being felt at the smaller services. The Department was attempting to use its existing skilled workforce to develop a program of education aimed at developing the accounting skills of those in need.

### **2.3.10 CONSERVATION AND LAND MANAGEMENT (Div 57)**

The Committee was briefed on the blue gum debarking and chipping export venture set up at the Bunbury port. The venture was being undertaken under contractual arrangements with Whittakers and Bunnings and was projected to return approximately \$1m to the Department.

The total FTE complement of the Department was projected to fall by 57 from 1,274 in 1995/96 to 1,217 in 1996/97. The drop was explained as being the result of a 'once off' scheme funded by the Federal Government Department of Education, Employment and Training whereby 90 unemployed people were trained over a six month period.

The Department was also asked to explain the operation of its debt reduction scheme. Members were advised that in 1994, \$19m of the Department's consolidated fund budget was spent on repaying debt and interest. However, with the introduction of net appropriations, the Department was able to develop a debt reduction program which will enable it to be debt free by 2003. The success of the program was evident in the turnaround results which showed a \$10m per year borrowing situation two years ago to a current repayment timetable of \$10m per year. The Committee commends the Department on the success of its debt recovery strategy.

### **2.3.11 AGRICULTURE (Div 31)**

The Department of Agriculture recently underwent significant structural changes to its structure including the integration of its Departmental services with those of the Agriculture Protection Board and the Rural Adjustment and Finance Corporation. The changes also involved the establishment of a new program structure aimed at allowing the re-alignment of resources to assist industry realise market opportunities, and the establishment of a new organisational structure based on the funder-purchaser-provider model. The objective behind the reforms was to create a dynamic new establishment which reflected a strong market orientation to research and development, a commitment to the sustainable development of agricultural production and land use, and a renewed commitment to protection of the agricultural resource.

A recent development of note arising from the reforms was the Department's introduction of a new financial management information system which the Committee understands will be fully operational by July 1, 1996. The expectation is that the system will allow the Department to remotely manage its purchasing and financial activities, in addition to supporting the introduction of accrual accounting procedures, including full accrual reporting at year-end.

The Committee was once again reminded of the unpredictable nature of industry research and development funds and Commonwealth allocations as reflected in the Department's estimates. Upon comparison of the estimated/actual for this, or any previous year against the corresponding estimate

for the year, it becomes apparent that the actual is always greater than budget. This occurs because the existence of projects attracting this funding is not always known at the time the estimates are presented. The Department indicated that the reported 1996/97 budgetary figure of \$98m was not the anticipated actual expenditure for that period and was likely to exceed the 1995/96 estimated actual of \$116m. The Department also brought to the Committee's attention that recent developments in the area were expected to improve the future recognition of the reported amounts.

### **2.3.12 AGRICULTURE PROTECTION BOARD (Div 32)**

Questions during these proceedings were mainly in regard to apparent stabilisation of service contracting as reflected in the 1996/97 FTE and estimated expenditure totals, the effectiveness of the feral donkey and goat eradication programs and the existence of controls to ensure that illegal chemicals are not used in the control of apple scab or any other plant disease either with or without departmental approval.

### **2.3.13 FISHERIES (Div 34)**

The Department's competencies in regard to the management of the State's wild catch were raised as a matter of great concern. To highlight these concerns, the Hon J. Halden outlined the Department's alleged incompetent handling of the 'Aussie Lobster' rock lobster processing licence.

The Members' allegations were supported by a Supreme Court decision which noted that the proceedings by which the Director of Fisheries was ultimately purported to grant a processing licence in respect of premises at Green Head were incompetent from the beginning. Also of serious concern was the Members' allegation that a significant claim for damages was to be brought against the Department. In light of the \$14m loss allegedly suffered by Aussie Lobster, this matter gives rise to a potentially significant impact on the Government's finances. This issue requires further inquiry which the Committee believes should be promptly addressed by the responsible Minister.

The matter of Fisheries officers signing letters on behalf of the Executive Director was also raised during the proceedings. The question of Departmental policy and legal implications on such matters were discussed at length. The Committee will approach the Minister on this matter at a later stage.

### **2.3.14 EDUCATION (Div 26)**

Areas of special interest discussed during the proceedings were in relation to the school rationalisation program, concerns over quality control of school contract cleaning and matters pertaining to criteria for the establishment of schools.

The Committee also noted that Commonwealth specific purpose grants were provided to the Department on a calendar year basis with the 1996/97 allocation, which is split between two calendar years, being in the order of \$6.3m for basic funding, \$121m for the school assistance program and approximately \$1.9m for special projects. The Department had not received any advice about the likelihood of cuts in this area.

### **2.3.15 PREMIER AND CABINET (Div 5)**

Discussions were in the main directed towards the functions of the special communications unit under the 'communications' sub-program of the 'Services to the Premier' program. It was brought to the Committee's attention that the estimated 1996/97 expenditure under the 'Royal and other Commissions of Inquiry' program did not include any component for the Commission into Wanneroo. Its omission was attributable to the setting of the budget prior to the application for the extension of the anticipated reporting time towards the end of June 1996. The Ministry indicated that the estimated 1996/97 cost of funding the Wanneroo Royal Commission would be approximately \$2m.

The Ministry advised that further progress had been made in its development of an effective accrual based financial management system and would be in a position to provide for audit purposes, an accrual set of financial statements for the 30 June 1996 financial year.

The Committee also noted the Auditor General's 1994/95 performance indicator assessment as identifying that the efficiency indicators reported related mostly to workload or internal operational matters. In the Auditor General's opinion, further development of key indicators was required so that the indicators would illustrate the extent to which the Ministry achieved its objectives at the program level and show the efficiency with which the Ministry used its resources. In the Ministry's 1994/95 Annual Report, the Acting Director General (Mr J Pritchard) acknowledged the existence of shortcomings within the Ministry's reported indicators and stated his intention that resources would be directed to that purpose during the next year. The Committee will follow-up on this matter during the spring session of Parliament.

### **2.3.16 DEPARTMENT OF TRAINING (Div 37)**

The Department is expected to experience significant reforms during the 1996/97 period aimed at providing a more flexible and responsive training system within Western Australia. A significant impetus for the proposed reforms is the Vocational Education and Training Bill, which is currently before the House.

A specific matter of interest raised during the proceedings was in regard to job skills. The recent recession was identified as having a significant unfavourable impact on the level of training undertaken by companies. As a consequence, Western Australia experienced a major skills shortage problem which required the occasional 'importation' of skilled persons from overseas. However, changes in economic conditions have prompted the Department to budget for the expected increase in demand for particular skills. In this regard, the Department increased its 1995/96 and 1996/97 budgets to reflect the introduction of programs aimed at dealing with the skills shortage program.

### **2.3.17 FAMILY AND CHILDREN'S SERVICES (Div 43)**

The Department of Family and Children's Services was created out of the Department for Community Services during 1994/95.

An overview was provided by the Minister, Hon E. Charlton in support of the proposed increase in expenditure of \$11m during 1996/97. Additional funding was earmarked for non-government agencies to assist in service provision, the Parenting Plus program for the development of parent information centres and home visiting services, the extension of the Best Start program to additional aboriginal communities, and additional funding to foster carers for child financial support.

The Department was asked to explain the anomaly which existed between FTE's and Salaries and Wages expenditure between 1995/96 estimated actual and 1996/97 estimate. The budget papers reflected an estimated 1996/97 reduction in FTE's of 2 whereas the comparative period increase in salaries and wages expenditure was approximately \$2.6m. The budgeted increase was satisfactorily explained as reflecting the enterprise bargaining agreement negotiated by the Department.

### **2.3.18 BUILDING MANAGEMENT AUTHORITY (Div 78)**

Clarification was sought on net and gross expenditure variances occurring between the 1995/96 estimate and its corresponding estimated/actual amount. The Authority was able to satisfactorily explain the excess on budget as being attributable to the Wittenoom townsite cleanup. The related provision of \$2.7m was not predicted by the BMA at the time the budget was prepared.

Discussion also occurred on the contractual arrangements in place between the BMA, client government agencies and the private service provider. The Authority emphasised that private service

providers were tightly managed by an in-house special unit which oversaw that services and quality requirements set by the client agencies were fully met. The Authority also made it clear that the contractors they manage are not free to employ (sub contract) people without their approval.

### **2.3.19 MISCELLANEOUS SERVICES (Div 47)**

Members voiced their frustration at not having a proper opportunity to inquire into the affairs of statutory authorities who receive funding through the Miscellaneous Services vote. It was put forward that the Estimates Committee and other Members of the Legislative Council should have the opportunity to scrutinise the activities of any agency receiving money from the Consolidated Fund including through the Miscellaneous Services vote. Examples of material 1996/97 allocations appearing under Miscellaneous Services are:

- Water Corporation of WA - \$191.2m;
- Electricity Commission - \$29.2m; and
- WA Government Railways Commission - \$22.2m.

It was further suggested that if statutory authority related expenditure currently reported under the Miscellaneous Services vote were reallocated to pre-existing budgetary items outside of Miscellaneous Services, or alternatively reported as a separate item outside of the Miscellaneous Services vote, Members would be given the opportunity to question the agencies accordingly. The Committee believes that the practicality of these suggestions should be considered by Treasury. The Committee proposes to pursue the matter directly with Treasury in due course.

The Committee also noted that although the number of items under the Miscellaneous Services vote had continued to reduce, the total value of items included was increasing. For example:

<b>Year</b>	<b>Number of Items</b>	<b>Total Estimated Expenditure</b>
1994/95	66	\$109.7m
1995/96	62	\$156.2m
1996/97	58	\$413.9m

The Committee has resolved to modify its scope of inquiry with the aim of providing for scrutiny of agencies receiving funding through the Miscellaneous Services vote. In line with this intention, the Committee propose to call before it, a randomly selected number of agencies receiving funding through the Miscellaneous Services vote. It is the Committee's intention to undertake this proposal during the spring session of Parliament in conjunction with its second stage of proceedings.

A further issue raised for consideration was the incomplete nature of disclosure within the Miscellaneous Services section of 'Subsidies and Concessions'. The 1995/96 estimated/actual balances reflected how much remained of a previous years total allocation (budget), but there was insufficient information available for the reader to identify which agency received the expended funds. Disclosure of this nature is suggested at the very least, by way of note against the related item. It is recommended that Treasury consider the viability of this suggestion and provide the Committee with an appropriate response.

### **2.3.20 SPORT AND RECREATION (Div 40)**

Concern was raised over the reliability of the Ministry's long term planning process for certain sporting venues. The concern was highlighted by the example of Parry Fields, where the Government expended considerable funding into its development as a long term baseball venue only to be faced with its recent closure by the local authority. The Committee was informed that such matters would be carefully considered through the recent establishment of a Committee with powers to examine State needs for sporting facilities and related ownership issues.

### 2.3.21 WA PLANNING COMMISSION (Div 82)

Although the proceedings were aimed at the Western Australian Planning Commission, a Members request to raise questions relevant to the Ministry of Planning was accepted.

The matter of confusion between the Western Australian Planning Commission and the Ministry of Planning was raised. The Chief Executive Officer of the Ministry of Planning, Mr T Martin outlined the Planning Commission's structure as a statutory authority with no employees other than the Chairman. The Ministry provides professional and administrative services for the Commission.

A specific area of interest raised was in regard to allocations for assisting small municipalities cope with added environmental costs arising from amendments to new planning legislation. The Commission did not believe that demand for additional funding would be high during the 1996/97 financial year and as a result, only \$100,000 was allocated for this contingency. This figure was identified as forming part of the services and contracts total of \$7.3m under the Land Use Planning Implementation program.

### 2.3.22 TRANSPORT (Div 35)

The Department now covers a very wide section of transport operations within the State. Changes have been implemented in recent years to give the Department a coordination role, as well as a role of overseeing the regulations for transport within the State. The current focus of the Department is to be a coordinator and a regulator. Its administrative role is to ensure that the overall policies and activities for transport are implemented by the operating agencies.

The Department has experienced a number of significant developments in recent times. For instance:

On July 1 1995, Transperth's common user facilities were transferred from MetroBus to the Department of Transport. This Government initiative was aimed at introducing competition into the public transport system.

Responsibility for school bus services were transferred from the Education Department in January 1996. The move was expected to allow a better service integration and the examination of other efficiencies in the interests of students, contractors and the Government.

The Police Licensing Services and Road Safety functions were merged with the Department of Transport on August 1, 1995. As previously noted under section 2.3.2, the Hon B.K. Donaldson was unable to obtain a response from the Commissioner of Police in regard to the demerit point traffic system. The Member was advised to pursue the matter with the Department of Transport as the agency responsible for such matters. However, upon later enquiry with the Transport Department, the Member was advised to direct his questions to the Police Department as the agency responsible for Multinova and red light enforcement measures. This situation clearly demonstrates that in instances where Departments share responsibility over specific functions, a properly defined demarcation must be determined to ascertain where Departmental responsibility ceases.

The Department was also asked about matters pertinent to its handling of bus tenders. One major concern was the length of time taken in the evaluation of the tender process by the State Supply Commission and also the finalising of the tender process for the Gosnells depot. The Minister, Hon E Charlton advised that the calling for tenders and the contracting out of bus operations was governed by its own Act and was not part of the State Supply process. The involvement of the State Supply Commission was purely an arrangement to satisfy union concerns over proper process. The Minister was unable to advise when the State Supply Commission would complete its deliberations.

**APPENDIX 3.1****AGENCY SPECIFIC ISSUES ADDRESSED DURING QUESTIONING****PARLIAMENT**

- Performance Indicators and Annual Report.
- Leak to West Australian Newspaper.
- Digital audio system.
- Other expenses.
- President's move to Agent-General position.
- Enterprise Bargaining Agreements.
- Computer equipment.
- Televisions.
- Upgrade of Parliament House.
- Security officers.

**POLICE**

- Demerit point system and notification.
- Joint projects with National Crime Authority.
- Surrendering of guns.
- Workplace Agreements and Enterprise Bargaining Agreements in relation to recruits.
- Ability of police force to deal with drug problem (given resources)
- Emergency procedures in relation to Sodium Cyanide.
- Delta Program.
- Performance Indicators.
- Operation Reassurance.
- Legalisation of marijuana.
- Wide ranging community surveys.
- Use of patrols/deterrents.
- Ability of police force to deal with ethnic groups.
- Preparation of potential next Commissioner.
- Commonwealth Government funding.
- Police relationship with young people.
- A question was directed by the Hon Mark Nevill to the Minister, Hon P. Foss and the Commissioner of Police in regard to investigations into the Crimmins' complaint and the Brennan car-drugs investigation. The Minister and Commissioner declined to answer questions in relation to these matters, claiming the matters were of no relevance to the estimates.

**TREASURY**

- Proposed wholesale tax exemptions.
- Public sector reform and proposals.
- Debt level of Government Trading Enterprises.
- National Competition Policy.
- Casino taxation.
- Accountability and contracting out.

**DEPARTMENT OF PRODUCTIVITY AND LABOUR RELATIONS**

- Advertising expenditure.

**DEPARTMENT OF PRODUCTIVITY AND LABOUR RELATIONS (CONTINUED)**

- Percentage of workforce on Workplace Agreements and method of monitoring such agreements.
- Performance indicators.
- Degree of involvement in internal disputes.
- Ease of access for enquiries.
- Cost recovery process.
- Methods to ensure compliance with Workplace Agreements.
- Number of complaints received.
- Time spent in disputes.
- Accrual accounting.

**COMMISSIONER FOR WORKPLACE AGREEMENTS**

- Available statistics on Workplace Agreements.
- Dispute settling processes.
- Pressuring of employees into Workplace Agreements.
- Performance indicators.

**DISABILITY SERVICES**

- Speech and physiotherapy for children.
- Continence aids.
- Impact of proposed sales tax changes.
- Accommodation and community type support.
- Grants to non-government agencies.
- Accommodation alternatives.
- Prioritisation of clients for accommodation.
- Local area coordinators.
- Post schools option program.
- Staff/client ration in hostels.
- Raising awareness of rights of people with disabilities.
- Matter raised in Auditor General's First General Report on funding to Non Government Organisations.
- Acceptance of Access checklist.

**MAIN ROADS**

- Contracting out.
- Commonwealth Grants.
- Decision making process/criteria for roads.
- Allocations to Local Government.
- Impact of expected future petroleum situation.
- Accrual accounting.

**JUSTICE**

- Family Court Services and funding.
- Recidivism rate and prevention.
- Sentencing Act/Criminal Law Amendments.
- Privatisation Public Trustee.
- Cost of maintaining an adult in custody.
- Policy in regards to work of prisoners.
- Juvenile justice.
- Criminal Injuries Compensation.
- Domestic violence resourcing.



**JUSTICE (CONTINUED)**

- Accrual accounting.
- Drug and alcohol programs for prisoners.
- Prison to community transition programs.
- Victims Services Program.

**HEALTH**

- Adjustment for cashbook balances.
- Adequacy of salaries and wages estimate.
- Shortfall in finances last financial year.
- Competitive Tendering and Contracting - costs and savings.
- Funding of Home And Community Care.
- Peel Region Hospital development.
- Provision of services at a district level.
- Status of audit qualifications.
- Strategies/funding to reduce hospital waiting lists.
- Health Education and Preventative Programs.
- Assisted dental care.
- Breast and cervical cancer grants.
- Meat Inspection fees.
- Immunisation records.
- 4 and 5 year old checks.
- Sewerage upgrades at Aboriginal communities.
- Accounting expertise in non-teaching hospitals.
- Aboriginal Health issues.

**CONSERVATION AND LAND MANAGEMENT**

- Ningaloo marine park.
- Revenue of parks.
- Yanchep national park - revenue and sports.
- New woodchip venture in Bunbury port.
- Feral animal control.
- Repayment of debt.
- Walpole forest platform.
- Astronomy program.
- Rabbit calici virus.
- Dieback programs.
- Salinity.
- Harvesting of flora and fauna.
- Drug discovery centre.
- Royalties charged for sawlogs.

**AGRICULTURE**

- Details of funding.
- Woolscourers.
- Pink Lady and Royal Gala apples - trademark and competition
- Performance indicators.
- Indonesian fishermen - animals carried on boats.
- Regionalisation and decentralisation of controls.
- Program with Health Department.
- Amalgamation Agriculture Protection Board with Agriculture.
- Footrot.

**AGRICULTURE (CONTINUED)**

- Stable fly.
- Developments in tropical agriculture and horticulture.
- Live sheep export location.
- Priorities - integrated catchment management and whole of farm management.
- Quarantining of properties.

**AGRICULTURE PROTECTION BOARD**

- Reasons for increase in expenditure.
- Feral donkey and goat eradication programs.
- Rabbit calicivirus.
- Controls to ensure illegal chemicals are not used in the control of plant diseases.
- Noogoora burr program - results to date.

**FISHERIES**

- Need to reduce fishing effort.
- Aussie Lobster.
- Cost recovery.
- Signature of Executive Director by others.

**EDUCATION**

- The School Rationalisation Programme.
- School buses.
- Provision of covered assembly areas for schools
- Effect of school's planned ability to charge for use of their premises.
- Post-compulsory schooling options.
- Differential funding.
- School cleaning and contracting out.
- Aboriginal education.
- Commonwealth funding arrangements.
- Effect of proposed sales tax changes.
- Any request for advertising by schools.
- Ministerial expenditure.
- Access to schools for children in isolated areas.
- Staffing arrangements for several new schools.
- Commercial based activities and costing systems.
- Funding of the WA Principal's Federation and other organisations.
- Wilson Primary School downgrading - request for reversal by principal.
- New contract in relation to school security - advancement of money for training.
- Rent charges for out of school care programs.
- Use of facilities by community based groups - public liability insurance.
- Funding of Early Childhood Programmes and Multi Age Group Programmes.
- Facilities Management.
- Breakdown various items of expenditure.
- Provision of school computers.

**PREMIER AND CABINET**

- Engaging activities of people through their private companies.
- Anticipated costs if wholesale sales tax proposal is carried through.
- Operations and staffing of the Special Communications Unit.
- Request made for promotion of government in publications.

**PREMIER AND CABINET (CONTINUED)**

- Expenditure on Royal and other Commissions.
- Asset Realisation Programme.
- Government Property Register.
- Security of Electorate offices.
- Foreign investment.
- Industry sectors targeted by government for investment.
- Agent-General.
- Accrual accounting.
- Governor's establishment.
- Aboriginal employment in the public sector.
- Disabled employment in the public sector.

**DEPARTMENT OF TRAINING**

- Staff numbers and ratios for teaching and administration.
- Expenditure on consumable and equipment.
- Specific Purpose Commonwealth grants.
- Implications of proposed sales tax changes.
- Joondalup campus.
- Network of autonomous colleges.
- Competition in colleges.
- Contracting of cleaning.
- Movement of students between TAFE and universities.
- Capital funding for not for profit organisations that provide training.
- Shortage of trained child care staff.

**FAMILY AND CHILDREN'S SERVICES**

- Youth and Community Programme.
- Income Support.
- Child care centres and staffing.
- Out of school care.
- Adoption Act.
- Youth Action Plan - youth at risk.
- Forresterfield unit.
- Early Intervention Strategies.
- Assault and abuse of children in care.

**BUILDING MANAGEMENT AUTHORITY**

- Underspending of facilities management sub-program.
- Outsourcing of maintenance.
- Management of contractors.
- Letting out of work by facilities managers to companies in which they have a financial interest.
- Fremantle Hospital kiosk and coffee lounge tender.
- Demolition of Warwick Primary School.

**MISCELLANEOUS SERVICES**

- Ability to review agencies such as Water Corporation.
- Provision of funding to Port Authorities.
- Closure of State Ships and future expenses.
- Act of Grace Payments.

**MISCELLANEOUS SERVICES (CONTINUED)**

- Inclusion of amounts in miscellaneous services rather than under department.
- The question of the ability of the Committee to review statutory authorities was raised.

**SPORT AND RECREATION**

- 2006 Commonwealth Games.
- Parry Field, guarantees that facilities will be used for purpose for which the money was spent.
- Current term funding arrangements.
- Regional and Aboriginal Development.
- Impact of proposed changes to sales tax.
- Performance indicators.
- Future management of arena.
- Kingsway Netball complex.
- Work of country based ministry offices.

**WA PLANNING COMMISSION**

- Transfer of regional parks.
- Coastal management.
- Urban infill.
- Role in highway location.
- Impact of new legislation on local government, and related assistance.

**TRANSPORT**

- Multinova cameras, red light cameras.
- Infringement notices.
- Notification of demerit points.
- Metrobus tenders.
- Vehicle licensing.

**APPENDIX 3.2****STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS****HISTORICAL SUMMARY OF ESTIMATE HEARING DATES:**

<b>PERIOD</b>	<b>HEARINGS DATE</b>
1. 1990/91.....	October 23, 24 & 25 1990
2. 1991/92.....	September 19, 24 & 25 1991
3. 1992/93.....	October 12, 13, 14 and 15 1992
4. 1993/94.....	September 29 & 30 and October 18, 19 & 20 1993
5. 1994/95.....	September 19, 20, 21 & 22 1994
6. 1995/96.....	August 28, 29, 30 & 31 1995
7. 1996/97.....	June 11, 12 & 13 1996 (first round) September 1996(second round)

**APPENDIX 3.3****STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS****PREVIOUS REPORTS**

<b>First Report:</b>	1990/91 Budget Estimates (November 1990)
<b>Second Report:</b>	1991/92 Budget Estimates (November 1991)
<b>Third Report:</b> 1992)	Leasing of Computer Equipment for the Legislative Council (February 1992)
<b>Fourth Report:</b>	1992/93 Budget Estimates (November 1992)
<b>Fifth Report:</b>	Programme Undertaken During 1992 (December 1992)
<b>Sixth Report:</b>	1993/94 Budget Estimates (December 1993)
<b>Seventh Report:</b>	Public Submissions 1993/94 (April 1994)
<b>Eighth Report:</b>	Review of the Consolidated Fund Estimates 1994/95 (August 1994)
<b>Ninth Report:</b>	The Consolidated Fund Estimates 1994/95 (December 1994)
<b>Tenth Report:</b>	Performance Indicators (December 1994)
<b>Eleventh Report:</b>	Scrutiny of Financial Administration Legislation in Various Jurisdictions (April 1995)
<b>Twelfth Report:</b>	Review of the Consolidated Fund Estimates 1995/96 (August 1995)
<b>Thirteenth Report:</b>	Financial Administration and Audit Legislation in Australia and New Zealand: Implications for Western Australia (August 1995)
<b>Fourteenth Report:</b>	Estimates of Expenditure 1995/96 (November 1995)
<b>Fifteenth Report:</b>	Discussions held with representatives from the Department of Main Roads Western Australia pertinent to the Committee's Terms of Reference (April 1996)