



Public Accounts Committee
Annual Report 2016-17

Report No. 2
November 2017

Legislative Assembly
Parliament of Western Australia

Committee Members

Chair	Dr A.D. Buti, MLA Member for Armadale
Deputy Chair	Mr D.C. Nalder, MLA Member for Bateman
Members	Mr V.A. Catania, MLA Member for North West Central
	Mr S.A. Millman, MLA Member for Mount Lawley
	Mr B. Urban, MLA Member for Darling Range

Committee Staff

Principal Research Officer	Mr Tim Hughes
Research Officers	Ms Michele Chiasson (until 31 December 2016)
	Mr Michael Burton (from 1 January 2017)

Legislative Assembly
Parliament House
Harvest Terrace
PERTH WA 6000

Tel: (08) 9222 7494
Fax: (08) 9222 7804
Email: lapac@parliament.wa.gov.au
Website: www.parliament.wa.gov.au/pac

**Published by the Parliament of Western Australia, Perth.
November 2017.**

ISBN: 978-1-925724-03-5

(Series: Western Australia. Parliament. Legislative Assembly. Committees.
Public Accounts Committee. Report 2)

Public Accounts Committee

Annual Report 2016-17

Report No. 2

Presented by

Dr A.D. Buti, MLA

Laid on the Table of the Legislative Assembly on 23 November 2017

Chair's Foreword

As Chairman of the Public Accounts Committee (the Committee), I present for tabling the Committee's report for the 2016-2017 financial year which covers the final stages of the 39th Parliament and the first two months of the 40th Parliament.

The Committee for the 40th Parliament was established on 23 May 2017 and its initial focus has been on an inquiry into the management and oversight of the Perth Children's Hospital project.

This Committee has a broad remit as outlined in Standing Orders (SO) 285 and 286 of the Legislative Assembly, which are included in full at Appendix One. Notably SO 286(4) states that the Committee may 'consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.'

The Committee has an important role to play in our parliamentary process and I look forward to working with my fellow Committee members and our hard working secretariat to deliver relevant and useful outcomes.

DR A.D. BUTI, MLA
CHAIR

Contents

1	Committee's activities	1
	Introduction	1
	Portfolios	1
	Public hearings	2
	Briefings	2
	Reports tabled	3
	Conferences	4
	Investigative travel	4
	Work in progress	4
2	Financial statement	5
	Committee expenditure	5
	Appendices	7
1	Committee's functions and powers	7

Chapter 1

Committee's activities

Introduction

The 2016-17 reporting period encompasses two parliamentary sessions. The 39th Parliament was prorogued and the Legislative Assembly dissolved by the Governor on Monday, 30 July 2017. The dissolution terminated the Legislative Assembly of the 39th Parliament and its committees. The Public Accounts Committee of the 40th Parliament was established on Tuesday, 23 May 2017.

Table 1 below provides a summary of the committee's activities during the course of the reporting period—1 July 2016 through 30 June 2017.

Table 1: Summary of committee activities, 1 July 2016-30 June 2017

Activity	Number
39th Parliament	
Reports tabled	3
Deliberative meetings	9
Hearings	1
Briefings	0
Witnesses appearing	7
40th Parliament	
Reports tabled	0
Deliberative meetings	5
Hearings	0
Briefings	4
Witnesses appearing	7

Portfolios

The five portfolios of the committee as determined by the Speaker of the Legislative Assembly of the 40th Parliament are:

- Premier
- Treasurer
- Finance
- Public Sector Management
- Federal / State Relations

Chapter 1

In practice, the committee's remit extends beyond these portfolios. Under Legislative Assembly Standing Order 285, the committee can:

... inquire into and report to the Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan fund.

Public hearings

Pursuant to Standing Order 264, the committee has power to send for persons, papers and records. During the reporting period, the previous committee conducted one public hearing and took evidence from seven witnesses. This hearing sought information regarding the Housing Authority's response to recommendations contained in the Auditor General's 2015 report into the delivery of essential services to remote Aboriginal communities.

Table 2: Witnesses who provided evidence at hearings of the committee, 1 July 2016-30 June 2017

Date	Name	Position	Organisation
39 th Parliament			
14 September 2016	Mr Paul Whyte	A/Chief Executive Officer	Housing Authority
	Mr Peter Lonsdale	Director, Aboriginal Housing	
	Mr Gary Shaw	A/Director, Land and Housing Construction	
	Mr Greg Cash	General Manager, Service Delivery	
	Mr Nigel Hindmarsh	A/General Manager, Commercial Operations	
	Mr Graham McCafferty	Manager, Essential Services	
	Mr Craig Newton	Manager, Planning and Programs	

Briefings

From the date of its establishment through until 30 June 2017, the current committee received four briefings on a range of matters within its remit. Details of these briefings are contained in Table 3 on the following page.

Table 3: Witnesses who briefed the committee, 1 July 2016-30 June 2017

Date	Name	Position	Organisation
40 th Parliament			
7 June 2017	Mr Colin Murphy	A/Auditor General	Office of the Auditor General
	Mr Don Cunninghame	A/Deputy Auditor General	
7 June 2017	Mr John Langoulant	Inquirer	Inquiry into Government Programs and Projects
	Ms Stephanie Black	Executive Officer	
21 June 2017	Dr David Russell-Weisz	Director General	Department of Health
	Mr Nicholas Egan	A/State Solicitor	State Solicitor's Office
	Mr Peter Gow	Building Commissioner	Building Commission

Reports tabled

The committee of the 39th Parliament tabled three reports between July and December 2016, including the previous year's annual report.

[*Doing ICT Better: Improving Outcomes from the Western Australian Government's Investment in Information and Communications Technology \(ICT\)*](#) was tabled on 22 September 2016. The committee undertook this inquiry with a view to determining how the state could obtain better outcomes from expenditure on ICT, which exceeds \$1 billion annually. The committee made a series of recommendations aimed at improving the quality of governance around ICT investments and enhancing the effectiveness of the recently established WA Government Chief Information Officer.

The previous committee tabled its 17th, and final, report on 17 November 2016. Entitled [*Review of Auditor General Reports No.5: Selected Reports 2013 – 2015*](#), this report outlined the findings from the committee's follow up of 20 agency responses to recommendations contained in 15 performance audits conducted by the Auditor General. Of these responses, the committee expressed particular frustration the outcomes arising from the Housing Authority's management of the Remote Areas Essential Services Program (RAESP). The committee felt that the RAESP warranted 'further monitoring by a relevant committee' in the 40th Parliament.¹

¹ Public Accounts Committee (39th Parliament), [*Review of Auditor General Reports No. 5: Selected Reports 2013 – 2015*](#), Report No. 17, 17 November 2016, p. 45.

Chapter 1

Conferences

Committee members did not attend any conferences or forums during the reporting period. However, in the period before the 39th and 40th sessions of Parliament, the committee secretariat attended the 14th Biennial Conference of the Australasian Council of Public Accounts Committees in Brisbane, Queensland.

Investigative travel

The committee did not undertake any investigative travel during the reporting period.

Work in progress

On 29 June 2017, the committee resolved to conduct an inquiry into the state's management and oversight of the \$1.2 billion Perth Children's Hospital (PCH) project. The PCH was originally due to open in November 2015, but its doors remain closed. For more than two years, numerous issues have plagued the hospital's construction program. These include the ongoing presence of excessive levels of lead in the potable water supply and the discovery of asbestos in some of the building materials.

The inquiry is focusing on the governance arrangements established to deliver the hospital. The committee will seek to ascertain how effectively the agencies with oversight responsibilities dealt with some of the key risks and issues that have emerged throughout the life of the project.

The committee has also conducted preliminary triaging on 25 performance audit reports published by the Auditor General across 2015 and 2016. The follow-up of agency responses to recommendations from the Auditor General is standard practice among Public Accounts Committees across the commonwealth. The triaging process will determine the manner, and extent to which, the committee will scrutinise each of the audited agencies. The committee is likely to commence corresponding with agencies immediately following the completion of its current inquiry.

Chapter 2

Financial statement

Committee expenditure

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

The figures in the table below represent the total expenditure for the financial year 1 July 2016 through 30 June 2017. These figures combine the expenditures of the former and current committee.

Table 4: Expenditure breakdown of the Public Accounts Committee, 1 July 2016-30 June 2017

Expenditure Item	Cost
Staff amenities	\$929
Printing	\$1,503
Couriers	\$883
Travel expenses	\$3,169
Conferences	\$773
Taxis/vehicle hire	\$187
Books	\$183
Total	\$7,627

Notes:

- Figures rounded to the nearest dollar.
- Excludes: salaries of committee staff and costs of administrative expenses shared across the Legislative Assembly Committee Office.

DR A.D. BUTI, MLA
CHAIR

Appendix One

Committee's functions and powers

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

The Committee may -

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