



THIRTY-EIGHTH PARLIAMENT

REPORT 22

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

BUDGET ESTIMATES 2008/09

Presented by Hon Giz Watson MLC (Chair)

August 2009

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Date first appointed:

30 June 2005

Terms of Reference:

The following is an extract from Schedule 1 of the Legislative Council Standing Orders:

“2. Standing Committee on Estimates and Financial Operations

2.1 *An Estimates and Financial Operations Committee* is established.

2.2 The Committee consists of 5 Members, 3 of whom shall be non-government Members.

2.3 The functions of the Committee are to consider and report on -

- (a) the estimates of expenditure laid before the Council each year;
- (b) any matter relating to the financial administration of the State;
- (c) any bill or other matter relating to the foregoing functions referred by the House;
- (d) to consult regularly with the Auditor General and any person holding an office of a like character.”

Members as at the time of this inquiry:

Hon Giz Watson MLC (Chair)

Hon Sheila Mills MLC

Hon Ken Travers MLC (Deputy Chair)

Hon Helen Morton MLC

Hon Brian Ellis MLC

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REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

IN RELATION TO THE

BUDGET ESTIMATES 2008/09

1 REFERENCE AND PROCEDURE

The estimates of expenditure

- 1.1 Government revenue goes into the Consolidated Account¹, which is the major source of funding for the State public sector.² The ‘estimates of expenditure’ comprise the Appropriation (Consolidated Account) Bills and the supporting documentation (**Budget Papers**). On an annual basis these are presented to Parliament in order that Government may access or ‘appropriate’ money from the Consolidated Account to fund expenditure by the Government over a given financial year.³
- 1.2 It is a function of the Estimates and Financial Operations Committee (**Committee**) to consider and report to the Legislative Council (**Council**) on the estimates of expenditure laid before the Council each year.⁴
- 1.3 This report relates to the Committee’s Ongoing Hearings held in relation to the Budget Estimates for 2008/09.⁵

The Committee’s approach

- 1.4 The Committee adopted a Budget Estimates Hearings approach for this task as follows:
 - i) hearings held throughout the year (**Ongoing Hearings**); and
 - ii) hearings held soon after the Budget Papers are tabled in the House, over one to three consecutive days (**Annual Hearings**).

¹ Subsequent to the assent of the *Financial Management Act 2006* on 21 December 2006, the Consolidated Fund is now called the Consolidated Account.

² The major revenue sources for the Western Australian Government include taxes, imposts, fines, rates, duties, royalties and Commonwealth Government grants: section 64, *Constitution Act 1889*, and section 8 of the *Financial Management Act 2006*.

³ Section 72, *Constitution Act 1889*.

⁴ Term of reference 2.3(a).

⁵ The 2008/09 Budget Statements were tabled in the Legislative Council on 8 May 2008. The Appropriation (Consolidated Account) Bill (No. 1) 2008 and the Appropriation (Consolidated Account) Bill (No. 2) 2008 were assented to on 29 June 2008.

- 1.5 The Committee in 2005 commenced a program of ongoing estimates hearings throughout the year which is supplemented by a one day session of ‘traditional’ annual estimates hearings (concentrating solely on the contents of the Budget Papers) immediately following the tabling of the Budget Papers in the Council.
- 1.6 The hearings are intended to provide all Members of the Council (**Members**) with the opportunity to question a range of government departments and agencies invited to attend for the purpose of examining the estimates of expenditure for a given year.
- 1.7 The Committee’s approach is aimed at ensuring that the estimates process is effective and worthwhile and that Members have adequate time and opportunity to question government departments and agencies.

2 ONGOING HEARINGS

- 2.1 The Committee conducted Ongoing Hearings in relation to the 2008/09 Budget in June and December 2008.
- 2.2 To assist the Committee in determining which agencies to examine, the Committee surveyed all Members. Forms were distributed to Members asking them to nominate the agencies they would like to appear.
- 2.3 The Committee received eight responses nominating 17 different agencies to appear. Of these, three agencies were able to be included in the Committee’s program. Five of the agencies nominated had been included in the Committee’s Annual Hearings in relation to the 2008/09 Budget. A number of Members withdrew their nominations when the Committee sought to confirm their interest in the agency. Due to the prorogation of the Legislative Council on 7 August 2008, and the Committee’s heavy workload subsequent to the resumption of the Parliament in November 2008, the Committee was not able to include all of the agencies nominated in its hearings program.
- 2.4 The agencies which the Committee heard from are listed in Table 1 below.

Table 1

Ongoing Budget Estimate Hearings

Date	Agency
16 June 2008	Department of the Legislative Council
	Parliamentary Services Department
	Department of Indigenous Affairs
	Department of Sport and Recreation

Date	Agency
	WA Sports Centre Trust
	Department of Health
9 December 2008	Public Transport Authority

2.5 The Committee observed a Procedure Policy for the conduct of the hearings. The Procedure Policy is attached at **Appendix 1**.

2.6 All Members were notified of the hearings and invited to participate.

2.7 All of the hearings were public and the proceedings were recorded by *Hansard*. Full transcripts of the evidence taken at the hearings can be found at the Committee's web page.⁶

Questions on notice

2.8 In accordance with the Procedure Policy, the Committee invited Members to submit questions on notice two weeks prior to a hearing.

2.9 During the Ongoing Hearings a number of questions were taken on notice.

2.10 If any Member was unable to ask all their questions in the scheduled period, they were provided with the opportunity to submit those questions in writing at the end of the hearing.

2.11 Copies of the questions and answers can be found on the Committee's web page.⁷

Issues raised at the hearings

2.12 This section provides a point form summary of some of the subjects that were raised during the hearings. Refer to the transcripts of the evidence and supplementary information for a complete record of the hearings.⁸

Department of the Legislative Council

- refurbishment of the Legislative Council Chamber to accommodate additional members

⁶ <http://www.parliament.wa.gov.au/web/newwebparl.nsf/iframewebpages/Committees+-+Current> (current at 12 August 2009).

⁷ Ibid.

⁸ Ibid.

- public awareness and information campaign
- Members induction and professional development programs

Parliamentary Services Department

- refurbishment of the Legislative Council Chamber
- fountain and forecourt area development
- cost of the two Houses sitting at different times
- energy consumption at Parliament House
- water consumption at Parliament House
- sustainability and waste minimising disposal policy

Department of Indigenous Affairs

- restructure of the Department of Indigenous Affairs
- Director General's Group on Indigenous Affairs
- strategic intervention package initiative
- regional partnership agreements under the Aboriginal Justice Agreements
- broken asbestos in housing in Aboriginal communities
- partnerships with the Department of Indigenous Affairs

Department of Sport and Recreation

- development of a new football stadium
- motor-sport study by GHD consultancy
- access to water catchment areas
- new netball training centre
- state trail bike strategy

WA Sports Centre Trust

- contracts with Supersonic for the Rock-iT concert

-
- leak at Challenge Stadium
 - options for management of the Perth Arena
 - impact of the Perth Arena on Challenge Stadium
 - strategic plan

Department of Health

- attraction and retention of staff
- high dependency unit at Armadale Hospital
- obstetric services
- tobacco control
- Kalamunda Community Care
- redevelopment of Kalamunda Hospital
- inter-hospital transfer of mental health patients
- mental health beds at the Broome Regional Resource Centre
- indigenous mental health
- readmission rates at mental health facilities
- waiting times in hospital emergency departments
- suicide prevention action plan
- clinical risk assessment and management training package
- respecting patient choices program

Public Transport Authority

- pensioner and seniors travel
- railway extension to Butler
- Perth-Bunbury high speed train feasibility study
- parking at train stations

- upgrade to Edgewater station
- refurbishment of Queens Park train station
- patronage numbers on rail and bus services
- hydrogen fuel cell bus trial
- works to Victoria Park station

Committee Comment

- 2.13 The Committee was pleased with how the fourth series of Ongoing Hearings have been conducted and with the quality of the responses provided by agencies.
- 2.14 The Committee noted that only a limited number of non-Committee Members attended the hearings. The Committee reminds Members that it has established the Ongoing Hearings in order to provide Members with adequate time and opportunity to question government agencies in detail. The Committee encourages all Members of the Council to participate in order to ensure that an effective and worthwhile estimates process is conducted.



Hon Giz Watson MLC
Chair

Date: 13 August 2009

APPENDIX 1

2008/09 ESTIMATES HEARINGS PROCEDURE POLICY

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2008/09 ONGOING ESTIMATES HEARINGS PROCEDURE POLICY

1. **CONDUCT OF THE 2008/09 ESTIMATES HEARINGS**
 - 1.1 The Estimates and Financial Operations Committee (Committee) has the function of considering the estimates of expenditure laid before the Council each year. The conduct of the estimates hearings is determined by the Committee in accordance with the Standing Orders of the Legislative Council.
 - 1.2 A Member of the Committee will preside over the estimates hearings and has those powers necessary or incidental to the maintenance of the orderly conduct of its proceedings.
2. **SELECTION OF AGENCIES TO BE REVIEWED**
 - 2.1 The Committee will determine which departments/agencies are to be reviewed. To assist the Committee in making its determination, a survey will be distributed amongst all Members of the Legislative Council inviting suggestions. Members will be requested to advise the Committee of any specific area of interest with the department/agency, to ensure the attendance at the hearings of the relevant departmental/agency staff.
3. **CIRCULATION OF NOTICES, INVITATIONS AND PROCEDURAL GUIDELINES PRIOR TO THE HEARINGS**
 - 3.1 At the earliest possible opportunity, the Committee will issue notices, invitations and procedural guidelines as follows:
 - a) an invitation to the Chief Executive Officer (CEO) and the responsible Minister/Parliamentary Secretary for each department/agency to be examined by the Committee to attend the estimates hearings, including the date and time of the hearing and this Procedure Policy; and
 - b) a notice to all members of the Legislative Council advising of the estimates hearings including the departments/agencies that will attend, the date and time of the hearings and this Procedure Policy.
4. **WITNESS INFORMATION SHEET**
 - 4.1 Ministerial advisors and departmental/agency staff appearing before the Committee will be requested to complete a "Witness Information Sheet" (a copy is attached at Appendix A). All the information sought is necessary to allow Hansard to meet various requirements involved in producing a final and correct document.

5. QUESTIONS ON NOTICE LODGED PRIOR TO THE ESTIMATES HEARINGS

- 5.1 Questions on notice may be lodged by Members of the Legislative Council with the Committee Clerk no later than two weeks prior to the hearings.
- 5.2 The procedure for handing up questions on notice is as follows:
- a) questions on notice must be provided by electronic e-mail, followed by a signed hard copy, and must clearly identify:
 - the name of the Member asking the question; and
 - the correct name of the department/agency required to answer the question;
 - b) each Member may provide no more than five questions on notice to each department/agency, with each Member's list of questions for a particular department/agency not to exceed a single A4 page in length (using at least 10 point Times New Roman in accordance with Hansard's requirements); and
 - c) questions on notice must comply in all other respects with this Procedure Policy.
- 5.3 These questions will be forwarded to the department/agency via the responsible Minister. Responses to these questions are required three days prior to the hearing. Upon receipt of the department/agency's written response, the Chair will distribute the response to the Member who submitted the question.

6. ASKING OF QUESTIONS

- 6.1 The Chair will facilitate the asking of questions by all Members present at a particular hearing (subject to time constraints).
- 6.2 The calling of questions is at the Chair's discretion. During the hearings, questions should be directed through, and be acknowledged by, the Chair.
- 6.3 Members who provide questions on notice will be given priority to ask questions after the Committee members.
- 6.4 Questions must relate to the 2007/08 Budget Papers or the content of the particular department's/agency's most recent annual report and should not be:
- a) hypothetical; or
 - b) questions regarding Government Policy, unless directed towards the Minister (Standing Order 331).
- 6.5 The Chair has the discretion to rule a question out of order.
- 6.6 Questions will only be permitted during the time allocated for the hearing.

6.7 At the Chair's discretion, if there are a small number of questions outstanding at the close of a particular hearing these questions may be directed to the relevant department/agency in writing through the Chair. Outstanding questions should be handed to the Committee Clerk immediately after the close of each hearing for forwarding to the department/agency via the responsible Minister. Responses to such questions will be requested by the relevant department/agency within ten working days of receipt of the question. Upon receipt of the department/agency's written response, the Chair will distribute the response to the Member who asked the question.

7. **QUESTIONS TAKEN ON NOTICE**

7.1 Questions that are asked during the hearings which the departmental/agency representatives then present are unable to answer prior to the end of the hearing will be taken on notice. Each question taken on notice during the hearing will be allocated a number by the Chair to facilitate identification of the question in Hansard.

7.2 Following each hearing, the Committee Clerk will forward a copy of all questions taken on notice, as they appear in the uncorrected Hansard, to the office of the Minister responsible for the relevant department/agency, copied to the relevant department/agency CEO. Departments/agencies responding to questions taken on notice should do so through their responsible Minister. Responses to questions should be in accordance with the procedure set out in Appendix B.

7.3 The department/agency's response to the questions on notice, and other supplementary information, should be provided in both hard copy and electronic e-mail, in Word format.

7.4 Responses are required within ten working days of the Committee Clerk's initial forwarding date of questions to the responsible Minister.

APPENDIX A

Committee Hearings Information for Witnesses

Important: Please read the following notes before giving evidence.

Full name: (Title)	(First Name)	(Last Name)
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Title of Position Held:		
<hr/>		
Business Name and Address:		
<hr/>		
Telephone:	Fax:	
<hr/>		
Signature:	Date:	
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Introduction

1. A committee hearing is a proceeding in Parliament. As such, you must not deliberately mislead the committee and you must respect the members of the committee and the committee's orders and procedures. If you do not comply with these requirements, you may be subject to legal penalties.

What happens at a hearing?

2. Committees are made up of members of Parliament. Usually there are 5 - 8 members on a committee.
3. You will be escorted to the committee's meeting room by one of the committee's staff. After you are seated, the chairperson of the committee will ask you:
 - a. to state your full name, address and the capacity in which you appear before the committee; and
 - b. if you have read and understood these notes.
4. The chairperson may invite you to make an opening statement to the committee.
5. The chairperson will then ask you a series of questions, following which other members of the committee may ask you more questions. If other members of the Legislative Council are present, they may also ask you questions. With limited exceptions (discussed below) you must answer questions you are asked.

6. The chairperson may invite you to make any additional comments you consider necessary.

Parliamentary privilege

7. Parliamentary privilege provides protection for what is said in parliamentary proceedings, so that what is said in such proceedings may not be the basis of a suit in defamation. However, it is only the authorised Hansard report, or that of an accredited media reporter, which is protected when what is said in the proceeding is related outside the confines of Parliament. Similarly, parliamentary privilege means that what you have said to a committee cannot be used against you in a subsequent related proceeding in a court or tribunal. The purpose of parliamentary privilege is to enable parliamentarians and witnesses to speak candidly without fear of legal repercussions.

Your entitlements

8. In giving your evidence you are entitled to:
- (a) access to relevant documents;
 - (b) raise any matter of concern to you relating to evidence to be given or documents produced;
 - (c) benefit of counsel¹;
 - (d) apply for all or part of your evidence to be given in private session and for an order restricting publication of, or access to, that evidence;
 - (e) decline to answer a question or produce a document on the grounds that the question is unlawful or outside the scope of the matters in issue or under inquiry;
 - (f) be informed before your evidence is given that if part of it might incriminate you or another person, that fact should be made known to the committee before that part is actually given;
 - (g) know of and, if desired, rebut any allegations made against you whether or not those allegations amount to criminal conduct or dealing;
 - (h) a reasonable opportunity to correct errors in a transcript of evidence; and
 - (i) provide supplementary or new evidence.

Is your evidence public or private?

9. Most hearings of standing committees are public. In other words, members of the public and the media may attend the hearings and the proceedings may be reported. In contrast, most hearings of select committees are private, which means that members of the public and the media may not attend them. If you are uncertain as to whether your hearing is private or

¹ This means that you are entitled to have counsel (a legal adviser) present to advise you. It does not mean that you are entitled to be represented by counsel who responds to the committee on your behalf.

public, ask the committee's staff before the hearing or the chairman of the committee before you start giving evidence.

10. It is important that any request for the committee to prohibit publication of all or part of your evidence, or your identity, be made *prior* to giving the relevant evidence. You should be prepared to state why you want it confidential. If the committee grants your request, the public and media will be excluded from the hearing.
11. The committee may also decide that all, or part, of the hearing should be in private, particularly if the evidence adversely reflects on a third person or the matter being investigated is subject to legal proceedings.
12. You should note that the committee retains the power to publish any private evidence. The Legislative Council may also authorise publication. This means that even your private evidence may become public.

If you are a public servant

13. Public servants appearing before a committee in that capacity are entitled to refuse to answer questions on matters of policy. The committee must direct all such questions to the responsible Minister.

You must not disclose evidence given in private session

14. You must not publish or disclose any evidence given to a committee in private session unless that evidence has been reported to the Legislative Council in a public document. Premature publication or disclosure may:
 - a. constitute a contempt of the Legislative Council; and
 - b. mean that the publication or disclosure of the relevant material is not subject to parliamentary privilege.

Transcript of your evidence

15. A transcript of your evidence will be made and sent to you for correction of typographical and transcription errors. You should not discuss your evidence until the Hansard report is finalised. Please see the letter that will accompany the uncorrected transcript in this regard.

Threats or intimidation

16. If you have been threatened or intimidated by any person in respect of giving your evidence to the committee, you should immediately inform the committee or one of its staff.

APPENDIX B

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

QUESTIONS ON NOTICE AND SUPPLEMENTARY INFORMATION

Ministerial officers should follow the format shown below when supplying questions on notice and supplementary information.

Date

Agency Name

Question

(For example)

Question No 170: Please provide a list officers and their positions ...

Answer: Subprogram 1.2 does not include staffing and running costs for the latest version of the ministry's operational

Or -

Date

Agency Name

Question

(For example)

Question No. 171: Please advise -

- (1) *How many officers work on subprogram 1.2?*
- (2) *In which areas of the State are officers located?*
- (3) *When will the work that is expected to cost \$24,000 be completed?*

Answer:

(1)-(2) Subprogram 1.2 has 14 officers in total, of which three are located in Derby, five are located in Broome, two are ... It does not include staffing the new offices in the more northern areas of ... and so on.

(3) It is expected that ...