

40TH PARLIAMENT



Public Accounts Committee

Report 15

ANNUAL REPORT 2019 - 2020

---

Presented by  
Dr A.D Buti, MLA  
September 2020

## *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
	Mrs L.M. O'Malley, MLA Member for Bicton

## *Committee Staff*

---

Principal Research Officer/s	Mr Tim Hughes (until 26 July 2019)
	Dr Sam Hutchinson, PhD (acting from 26 July to 26 August 2019)
	Dr Alan Charlton, PhD (from 26 August 2019)
Research Officer	Dr Sam Hutchinson, PhD

Legislative Assembly  
Parliament House  
4 Harvest Terrace  
WEST PERTH WA 6005

Tel: (08) 9222 7494  
Email: [lapac@parliament.wa.gov.au](mailto:lapac@parliament.wa.gov.au)  
Website: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac)

Published by the Parliament of Western Australia, Perth.  
September 2020  
ISBN: 978-1-925724-64-6

(Series: Western Australia. Parliament. Legislative Assembly. Committees.  
Public Accounts Committee. Report 15)

# Public Accounts Committee

---

## Annual Report 2019-20

---

Report No. 15

Presented by

**Dr A.D. Buti, MLA**

Laid on the Table of the Legislative Assembly on 10 September 2020



## Chair's Foreword

**A**s Chair of the Public Accounts Committee (the Committee), I present for tabling the Committee's Annual Report for the 2019-2020 financial year, our final full year of operation in the 40th Parliament.

The 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.'

In the first half of the 2019-2020 financial year, we focused on concluding our inquiry into the effectiveness of policy frameworks governing public sector contract management, agency compliance with these policies, current public sector contract management capability, and steps that might be taken to improve contract management performance. We tabled our inquiry report – Knowing What Good Looks Like: Challenges in managing major public sector contracts – on 28 November 2019. We made 42 findings and 30 recommendations to the Government on issues ranging from simplifying the public sector procurement framework, enhancing oversight, clarifying the State Solicitor's Office role in the contracting process, improving training for contract management practitioners, and considering other measures in the procurement process such as social impact.

For a significant part of the second half of the reporting financial year, the Committee has operated in a COVID-19 pandemic environment which has required adaptations to normal work practices, including holding some online meetings. But we have continued our work, including holding closed exploratory hearings on the Government's response to the COVID-19 pandemic. The transcripts of these hearings have now been made public.

Discharging our vital role of inquiring into the expenditure of public money has again been facilitated by a strong and positive relationship with the Office of the Auditor General, and with the Auditor General, Ms Caroline Spencer. This financial year, as in previous financial years we have conducted follow-up hearings in response to audit reports.

Towards the end of 2019-2020 financial year, we agreed to conduct an inquiry into the use of State funding by the West Australian Football Commission. Our report on this inquiry is scheduled to be tabled in November 2020.

In concluding this Chair's Foreword, I am delighted to say that every report we have tabled in the 40th Parliament, has been adopted by the Committee unanimously. This is a reflection on the professionalism, discipline and bipartisanship of my fellow

committee members: Mr Dean Nalder, Deputy Chair and Member for Bateman, Mrs Lisa O'Malley, Member for Bicton, Mr Simon Millman, Member for Mount Lawley, and Mr Vince Catania, Member for North West Central.

I thank them, as I do our wonderful, hard-working and diligent secretariat: Principal Research Officer Dr Alan Charlton and Research Officer Dr Sam Hutchinson. Also I make special mention of Mr Timothy Hughes, who served as Principal Research Officer until his departure on 26 July 2019 to take up a position at the Office of the Auditor General.

A handwritten signature in blue ink that reads "Jony Buti". The signature is written in a cursive, flowing style.

Dr A.D. Buti, MLA  
CHAIR

# Contents

1	Committee Activities	1
	Introduction	1
	Portfolio responsibilities	2
	Committee hearings	2
2	Financial Statement	7
	Committee expenditure	7
1	Committee's functions and powers	8





# Chapter 1

## Committee Activities

---

**A difficult but productive year.**

---

### Introduction

While the COVID-19 pandemic meant that some important work was delayed, and we had to adjust to online meetings, the Public Accounts Committee (PAC) has had another productive year. In the 2019-20 reporting period, the PAC:

- met **17 times**, with a Member attendance rate of **87 per cent**;
- held **1 public hearing and 3 closed hearings**, attended by a total of **13 witnesses**;
- received **2 briefings<sup>1</sup>**, at which a total of **6 guests attended**;
- represented Parliament at the biennial conference of the Australasian Council of Public Accounts Committees in Canberra; and
- tabled **3 reports** in Parliament, containing a total of **36 recommendations** for the Government

**Table 1.1 Summary of activities of the Committee, 1 July 2019 - 30 June 2020**

Description	Activity
Meetings	17
Briefings	2
Hearings	4
Witnesses appearing	13
Reports tabled	3
Report findings tabled	51
Report recommendations tabled	36

---

<sup>1</sup> One of these briefings occurred during the strictest lockdown period, and was held by teleconference across Perth, the Mid-West and Brisbane.

## Chapter 1

### Portfolio responsibilities

The PAC oversees the following five portfolios, as determined by the Speaker of the Legislative Assembly of the 40<sup>th</sup> Parliament:

- the Premier;
- the Treasurer;
- the Minister for Finance;
- the Minister for Public Sector Management; and
- the Minister for Federal / State Relations.

In practice, the PAC's remit extends beyond these portfolios. Under 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.*

This enables the PAC to undertake inquiries into any expenditure of public money, irrespective of ministerial portfolio.

### Committee hearings

Under Assembly Standing Order 264, committees of the Legislative Assembly have the power to send for persons, papers and records. During the period 1 July 2019 - 30 June 2020, we conducted four hearings, taking evidence from 13 witnesses to assist with our considerations. One hearing was open to the public, and three were closed.

Table 1.2 Hearings of the Committee, 1 July 2019 - 30 June 2020

Date	Witness	Position	Organisation
14 August 2019 (Public hearing)	Dr David Russell-Weisz	Director General	Department of Health
	Mrs Amanda Jalleh	Executive Director, Resourcing and Purchasing	

Date	Witness	Position	Organisation
	Mr Paul Forden	Chief Executive	South Metropolitan Health Service
	Mr Jeffrey Moffet	Chief Executive	WA Country Health Service
	Mr Mark Thompson	Chief Procurement Officer	Health Support Services
17 June 2020 (Closed Hearing)	Mr Michael Barnes	Under Treasurer	Department of Treasury
	Mr Darren Foster	Special Adviser Economic Recovery	
	Mr Alistair Jones	Executive Director Economic	
24 June 2020 (Closed Hearing)	Ms Sharyn O'Neill	State Recovery Controller and Public Sector Commissioner	Public Sector Commission
	Ms Rebecca Brown	A/Director General	Department of the Premier and Cabinet
	Ms Emily Roper	Deputy Director General	
24 June 2020 (Closed Hearing)	Dr Andrew Robertson	Chief Health Officer	Department of Health
	Dr David Russell-Weisz	Director General	

## Briefings

In addition to gathering evidence during formal hearings, we received two briefings from the Auditor General. We used these briefings primarily to gain information about public sector oversight issues, and to receive updates about the Auditor General's processes for following up agency responses to the Auditor General's reports.

**Table 1.3 Briefings provided to the Committee, 1 July 2019 - 30 June 2020**

Date	Witness	Position	Organisation
26 November 2019	Ms Caroline Spencer	Auditor General	Office of the Auditor General

## Chapter 1

Date	Witness	Position	Organisation
	Mr Don Cunninghame	Assistant Auditor General Financial Audit	
	Mr Mikey Fiorucci	Director Financial Audit	
5 May 2020	Ms Caroline Spencer	Auditor General	Office of the Auditor General
	Mr Tim Hughes	Principal Advisor	
	Mr Glyn Lewis	Assistant Auditor General Forensic Audit	

### Investigative travel

The Public Accounts Committee did not undertake investigative travel during the period 1 July 2019 - 30 June 2020.

### Conference travel

Four members of the Committee and the Principal Research Officer attended the biennial conference and General Meeting of the Australasian Council of Public Accounts Committees in Canberra from 6-8 November 2019. At the Conference the Chair presented a Jurisdiction Report. The total cost of the trip was \$23,144.00.

### Reports tabled

We tabled the following three reports during the 2019-20 financial year.

- [\*Knowing What Good Looks Like: Challenges in managing major public sector contracts\*](#), tabled on 28 November 2019. This was the result of a major inquiry, initiated in November 2018. The inquiry looked into the effectiveness of policy frameworks governing public sector contract management, agency compliance with these policies, current public sector contract management capability, and steps that might be taken to improve contract management performance. We took evidence on these issues from a range of stakeholders through 18 written submissions and 11 public hearings. We made 42 findings and 30 recommendations to the Government. In broad terms the Committee recommended the simplification of public sector procurement frameworks; an increase and improvement of oversight, especially for high risk/high value contracts; more clarity on when the State Solicitor's Office should be involved in contracting processes; and improved training and support for contract

management practitioners, including the establishment of a Centre for Excellence. The inquiry arose from issues the Committee identified during its inquiry into the Perth Children’s Hospital project (the report of which was tabled in March 2018).

- [\*Building Slowly: Department of Mines, Industry Regulation and Safety’s regulation of builders \(Follow-up of agency response to Auditor General’s Report No. 12 of 2016\)\*](#), tabled on 18 June 2020, scrutinised the responses of the Department of Mines, Industry Regulation and Safety to the recommendations of a 2016 Auditor General report. The Auditor General had found that there had been limited progress in implementing a regulatory reform program first developed in 2011. We concluded that the Department had yet to implement two of the Auditor General’s most important recommendations, and made nine findings and six recommendations.
- [\*Annual Report 2018-19\*](#)

#### Government response

- The Government tabled its [\*response to Knowing What Good Looks Like\*](#) on 10 March 2020 (Tabled Paper 3243). Of the 30 recommendations the Committee made, the Government supported 11, supported a further nine in principle, nine needed further investigation, and did not support three recommendations.<sup>2</sup> Government did not support the need for a specified policy surrounding unusually low bids; it did not support the recommendation that procurement training should be mandatory for people managing contracts over a pre-determined level of risk and/or value; and it did not support making the use of the Procurement Competence Matrix compulsory for contracts high value/high risk contracts.
- We also note that the *Procurement Act 2020* was assented to on 19 June 2020, having been introduced in the Legislative Assembly on 13 May 2020, and passing the Legislative Council on 9 June 2020. This Act is intended to reform and improve public sector procurement, and *Knowing What Good Looks Like* recommended that its introduction be prioritised.

## Works in progress

### Office of the Auditor General Follow-ups

A key part of the Committee’s work involves following up agency responses to recommendations made in performance audit reports by the Office of the Auditor General. During 2019-20 the Committee completed its triage process of all

---

<sup>2</sup> Government responded differentially to parts of some recommendations, hence the disparity in the number of recommendations and number of responses.

## Chapter 1

performance audit reports tabled by the Auditor General before the end of June 2018. This included finalising some follow-ups that had been active for some time. The Committee also determined to seek information on responses to five reports. This process was deferred in mid-March to lessen the load on agencies during the height of the onset of the COVID-19 pandemic. We re-opened our follow-up process with agencies in May 2020.

As part of this function, we have resolved to table a separate report including information on the outcomes of triage and on selected completed follow-ups in before this Parliament is concluded.

### **Exploratory hearings into the Government's response to COVID-19**

At its meeting on 13 May 2020, the Committee decided to hold a number of closed exploratory hearings on the Government's response to the COVID-19 pandemic. The hearings were held on 17 June and 24 June, where the Committee took evidence from Treasury, the State Recovery Controller, and the Chief Health Officer. The Committee subsequently resolved to make the transcripts of the hearings public.

### **Inquiry into use of State funding by the Western Australian Football Commission**

On 24 June 2020 the Committee initiated an inquiry into the use of State funding by the West Australian Football Commission, with the following Terms of Reference:

The Public Accounts Committee will inquire into and report on the use of State funding by the West Australian Football Commission (WAFC) in its role as caretaker of football in WA. The inquiry will focus on:

- a) How effectively State funds have been used to develop football across all levels
- b) Whether the WAFC is meeting its obligations under the funding agreement with the State
- c) The effectiveness and transparency of monitoring and reporting functions included in the State's funding agreement with the WAFC.

The Committee expects to report to Parliament by 5 November 2020.

## 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 expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 1 July 2019 - 30 June 2020 (in accordance with Standing Order 276) is detailed below:

Table 2.1 Expenditure items of the Committee, 1 July 2019 – 30 June 2020

Expenditure Item	\$
Printing	\$475.00
Staff and Member amenities	\$141.00
Conference travel*	\$23,144.00
<b>TOTAL</b>	<b>\$23,760.00</b>

\* includes formal gifts and all associated travel costs.

*Note that salaries of committee staff are not included, nor are the costs of shared administrative expenses, including lease costs for committee accommodation. Figures are rounded to the nearest dollar.*



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) (Deleted V. & P. p. 225, 18 June 2008);
  - c) is referred to it by a Minister; or
  - d) is referred to it by the Auditor General.
- 3 Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4 Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.
- 5 The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.











---

Parliament House  
4 Harvest Terrace, West Perth WA 6005  
Telephone: +61 8 9222 7222  
Email: [laco@parliament.wa.gov.au](mailto:laco@parliament.wa.gov.au)  
Website: [www.parliament.wa.gov.au](http://www.parliament.wa.gov.au)