



**Public Accounts Committee**

# **Annual Report 2015-16**

**Report No. 16**  
**October 2016**

Legislative Assembly  
Parliament of Western Australia

## Committee Members

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Chairman	Hon. Dr K.D. Hames, MLA Member for Dawesville (Member from 11 May 2016) (Chairman from 18 May 2016)
	Mr S.K. L'Estrange, MLA Member for Churchlands (until 31 March 2016)
Deputy Chairman	Mr B.S. Wyatt, MLA Member for Victoria Park
Members	Mrs G.J. Godfrey, MLA Member for Belmont
	Mr W.J. Johnston, MLA Member for Cannington
	Mr M.H. Taylor, MLA Member for Bateman

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# Public Accounts Committee

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## Annual Report 2015-16

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Report No. 16

Presented by

**Hon Dr K. D. Hames, MLA**

Laid on the Table of the Legislative Assembly on 20 October 2016



## Chairman's Foreword

This report details the activities of the Public Accounts Committee (the Committee) of the 39<sup>th</sup> Parliament for the 2015-2016 financial year. The Committee focused its work during this period on following-up Auditor General's reports; continued with its *Inquiry into Information and Communication Technology (ICT) Procurement and Contract Management*; and investigated other areas of interest including local government accountability.

The Committee plays an important role following up the performance audit reports of the Auditor General. This follow-up process helps ensure that public sector agencies give proper consideration to implementing the recommendations made by the Auditor General. With the volume of these reports steadily increasing the Committee modified the manner in which it conducts and reports on its follow-ups. This new method was used to follow-up 16 performance audits, which were summarised in the Committee's tenth report, *Review of Auditor General Reports No. 4*, tabled on 24 September 2015.

The Committee also tabled a report on the Housing Authority's failure to follow-through on undertakings made to the Committee in relation to a 2012 Auditor General report.

A considerable focus for the Committee during the reporting period was its *Inquiry into ICT Procurement and Contract Management*. By the end of the reporting period the Committee was finalising its deliberations and subsequently tabled its report to Parliament on 22 September 2016.

In addition to this inquiry the Committee followed-up on a 2006 Public Accounts Committee report entitled *Local Government Accountability in Western Australia*. In November 2015, the Committee tabled a report on its findings from this investigation.

I thank my fellow Committee members (Deputy Chairman Ben Wyatt MLA; Glenys Godfrey MLA; Bill Johnston MLA; and Matt Taylor MLA) and former Committee Chairman, the Hon Mr Sean L'Estrange, for their work on the Committee during the 2015-2015 financial year. I also thank the Committee Secretariat (Tim Hughes and Michele Chiasson) for their work over the period.

HON DR K.D. HAMES, MLA  
CHAIRMAN



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# Chapter 1

## Committee Activities

### Introduction

1.1 The Public Accounts Committee (the Committee) tabled five reports in the 2015-2016 reporting period. The reports were:

- Report No. 10 *Review of Auditor General Reports No. 4 – Selected Reports of 2013 and 2014* (24 September 2015)
- Report No. 11 *Annual Report 2014-15* (12 November 2015)
- Report No. 12 *Improving Local Government Accountability* (26 November 2015)
- Report No. 13 *Report on the Housing Authority’s Failure to Follow Through on Undertakings Made to the Committee* (23 June 2016)
- Report No. 14 *Budget Briefing 2016-2017* (30 June 2016)

1.2 At the end of the reporting period the Committee was finalising a report on its *Inquiry into Information and Communication Technology (ICT) Procurement and Contract Management*. This inquiry commenced in May 2015 and the Committee was due to table the report on 22 September 2016.<sup>1</sup>

1.3 During the reporting period the Committee:

- Held 21 deliberative meetings;
- Took evidence from 35 witnesses at 14 public hearings;
- Was briefed by 29 witnesses at 11 briefings;
- Corresponded with 21 agencies in relation to their implementation of recommendations from 13 Auditor General’s reports;
- Hosted members of Parliament for a briefing by the Department of Treasury on the 2016-2017 State Budget; and
- Conducted investigative travel to Brisbane, Canberra, Sydney and Wellington (New Zealand) in relation to its *Inquiry into Information and Communications Technology (ICT) Procurement and Contract Management*.

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1 This report was subsequently tabled on the scheduled date. See, Public Accounts Committee, [Doing ICT Better: Improving Outcomes from the Western Australian Government’s Investment in Information and Communications Technology \(ICT\)](#), Report No. 15, 22 September 2016. Available from the Committee’s website: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac). Click on “Reports”.

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- 1.4 In addition, the secretariat travelled to Alice Springs to represent the Committee at the Australasian Council of Public Accounts Committees (ACPAC) mid-term meeting.<sup>2</sup>
- 1.5 Further details regarding the abovementioned activities are provided in the following paragraphs.

### Committee hearings

- 1.6 Pursuant to Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2015 to 30 June 2016, the Committee conducted one public hearing as part of its follow-up of agency responses to Auditor General's reports; 10 public hearings at part of its ongoing ICT Inquiry; and three public hearings on other matters of interest to the Committee. Details of these hearings are listed in Table 1 below.

Table 1 Details of PAC Hearings 2015-2016

Date	Name	Position	Organisation
19 August 2015	Mrs Jennifer Mathews	Director General	Department of Local Government and Communities
	Mr Brad Jolly	Executive Director, Sector Regulation and Support	
	Mr Vernon McKay	Manager, Sector Monitoring	
23 September 2015	Ms Sharyn O'Neill	Director General	Department of Education
	Ms Amanda Branley	Director, Strategic Contracts and Procurement	
	Mr John Fischer	Executive Director, Infrastructure	
	Ms Jennifer McGrath	Deputy Director General, Administration and Finance	
11 November 2015	Mrs Jennifer Mathews	Director General	Department of Local Government and Communities
	Mr Brad Jolly	Executive Director, Sector Regulation and Support	
	Mr Vernon McKay	Manager, Sector Monitoring	
18 November 2015	Mr Giles Nunis	Government Chief Information Officer	Office of the Government Chief Information Officer (WA)
	Ms Marion Burchell	A/Executive Director, Policy and Governance	

2 Committee members were unable to attend the ACPAC mid-term meeting on 28 April 2016 as it coincided with the special joint sitting of the Legislative Assembly and Legislative Council to approve the appointment of Mr Patrick Dodson to the Senate of the Commonwealth of Australia.

Date	Name	Position	Organisation
18 November 2015	Mrs Cheryl Robertson	Chair WA	Australian Information Industry Association
	Mr Thomas Gardner	State Government Liaison	
16 March 2016	Mr Paul Whyte	A/Chief Executive Officer	Housing Authority
	Mr Gregory Cash	General Manager, Service Delivery	
16 March 2016	Mr Michael Bradford	Chief Executive	Landgate
	Mr John Wreford	General Manager, Finance, Information and Legal Services	
23 March 2016	Ms Anne Nolan	Director General	Department of Finance (WA)
	Mrs Stephanie Black	Executive Director, Government Procurement	
23 March 2016	Mr Reece Waldock	Director General	Department of Transport (WA)
	Ms Nina Lyhne	Managing Director, Transport Services	
	Mrs Ann King	General Manager, Driver and Vehicle Services	
	Mr Christian Thompson	Executive Director, Business Information Systems	
6 April 2016	Dr Timothy Griffin	A/Director General	Department of Mines and Petroleum (WA)
	Mr Mietek Banaszczyk	Executive Director, Corporate Support	
	Ms Gee Lightfoot	General Manager, Information Services	
6 April 2016	Dr David Russell-Weisz	Director General	Department of Health (WA)
	Mrs Rebecca Brown	Deputy Director General	
11 May 2016	Mr Paul Wilkins	General Manager, Innovation and Strategy	Ajilon Australia Pty Ltd
11 May 2016	Mr Jonathan Ladd	Chief Executive Officer	Datacom WA
	Mr David Povey	Director	
	Mr David Cox	Services Specialist	
18 May 2016	Mr Giles Nunis	Government Chief Information Officer	Office of the Government Chief Information Officer (WA)
	Dr John Dixon	Director, Policy and Governance	

## Chapter 1

### Committee briefings

1.7 The Committee also conducted a series of closed briefings:

**Table 2 Details of PAC Briefings 2015-2016**

Date	Name	Position	Organisation
16 September 2015	Mr David Povey	WA General Manager	Datacom (WA)
	Mr David Cox	Managed Services Specialist	
	Mr Gary Croucher	State Government and PBI Client Executive	
7 March 2016	Mr Andrew Mills	Queensland Government Chief Information Officer	Queensland Government Chief Information Office, Department of Science, IT and Innovation, (Queensland)
	Ms Fiona Armstrong	General Manager, One-Stop Shop Strategy & Implementation Office, Digital Productivity and Services	
	Mr Stuart Taggart	Director, Strategic Profiling	
	Mr Andrew Ee-Kuan Low	Senior Enterprise Architect	
	Mr David Ainscough	A/Director, Open Data Policy	
8 March 2016	Mr Paul Madden	Deputy Secretary, Special Advisor Strategic Health Systems and Information Management	Commonwealth Department of Health
	Ms Bettina Konti	First Assistant Secretary – Digital Health	
	Mr Daniel McCabe	First Assistant Secretary, Information Technology Division	
8 March 2016	Mr Gary Sterrenberg	Chief Information Officer	Commonwealth Department of Human Services
8 March 2016	Mr John Sheridan	First Assistant Secretary, Technology and Procurement	Commonwealth Department of Finance
8 March 2016	Mr Paul Shetler	Chief Information Officer	Digital Transformation Office
9 March 2016	Mr William Murphy	Deputy Secretary, Services and Digital Innovation	Department of Finance, Services and Innovation (NSW)
	Dr Rachna Gandhi	Chief Executive Officer, Services NSW	

Date	Name	Position	Organisation
10-11 March 2016	Mr Tim Occleshaw	Government Chief Technology Officer and Deputy Chief Executive, Service and System Transformation	Department of Internal Affairs (New Zealand)
	Mr Chris Webb	General Manager, Commercial Strategy and Delivery, Service and System Transformation	
	Mr Duncan Reed	General Manager, System Transformation, Service and System Transformation	
	Ms Alison Schulze	Director, ICT Assurance, Service and System Transformation	
	Ms Jane Kennedy	Manager, AOG ICT Commercial Services, CSD, Service and System Transformation	
	Mr Karl McDiarmid	General Manager, Service Innovation, Service Delivery and Operations	
	Mr Dave Jackman	Manager AOG ICT Common Capabilities, CSD, Service and System Transformation	
	Mr Phil Cutforth	AOG Enterprise Architect, Government Enterprise Architecture Team, Service and System Transformation	
	Mr Graeme Hearfield	Senior Advisor, Market Insights, CSD, Service and System Transformation	
	Ms Sophary Dim	Product Manager, AOG ICT Common Capabilities, CSD, Service and System Transformation	
10 March 2016	Mr Mark Richards	Market Capability and Development Manager	Ministry of Business, Innovation and Employment (New Zealand)
11 March 2016	Mr Simon Mason	Portfolio Commercial Director	Inland Revenue Department (New Zealand)

## Chapter 1

Date	Name	Position	Organisation
11 March 2016	Mr Bryce Johnson	Manager Service Delivery, Business Technology and Information Services – Corporate Services	Ministry for Primary Industries (New Zealand)

### Committee activities

- 1.10 The Committee has had a productive year dividing its time between following-up agency responses to recommendations from the Auditor General; continuing its Inquiry into state government ICT procurement and contract management; and investigating other matters of interest. These other matters of interest included local government accountability and the use of Common Use Arrangements (CUAs) in Western Australian public schools.

#### Review of agency responses to Auditor General reports

- 1.11 During the reporting period, the Auditor General tabled 20 reports that were subject to the Committee's agency follow-up process. The Committee commenced preliminary consideration of these reports, while continuing to work through 17 other reports from 2013 through 2015. During this period the Committee concluded and reported on 16 audit follow-ups.<sup>3</sup> A further 6 audit follow-ups were concluded later in the reporting period and are being prepared for tabling prior to the conclusion of the 39<sup>th</sup> Parliament.
- 1.12 In addition to the ongoing Auditor General follow-up activity, the Committee tabled a report in 2015 regarding the Housing Authority's failure to follow through on undertakings made to the Committee in relation to a 2012 Auditor General report.<sup>4</sup>

#### Inquiry into ICT procurement and contract management

- 1.13 In May 2015 the Committee commenced its *Inquiry into Information and Communications (ICT) Procurement and Contract Management*. Throughout its inquiry the Committee examined alternative methods for government ICT procurement and contract management that have demonstrated a reduction in cost and/or improved delivery of government services. The Committee also examined innovative ICT solutions that have been successfully implemented in other jurisdictions with potential for Western Australia (WA).

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3 Public Accounts Committee, *Review of Auditor General Reports No. 4 – Selected Reports 2013 and 2014*, Report No. 10, 24 September 2015. Available from the Committee's website: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac). Click on "Reports".

4 Public Accounts Committee, *Report on Housing Authority's Failure to Follow Through on Undertakings Made to the Committee*, Report No. 13, 23 June 2016. Available from the Committee's website: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac). Click on "Reports".

- 1.14 As part of this Inquiry the Committee undertook investigative travel to Brisbane, Canberra, Sydney and Wellington (New Zealand), speaking with 26 witnesses over five days.
- 1.15 At the end of the reporting period, the Committee was finalising its deliberations on this inquiry and was expecting to table its report to Parliament on 22 September 2016.<sup>5</sup>

#### **Other areas of interest – Common use arrangements in WA public schools**

- 1.16 During the previous reporting period (2014-15), the Committee resolved to conduct some preliminary research into the Department of Finance’s Common Use Arrangements (CUAs), specifically the implementation of CUAs in WA’s primary and secondary public schools. As part of this work, the Committee sent out a written survey to 50 public school principals and held a public hearing with the Department of Finance to discuss the themes that emerged from the survey responses and to gain a greater understanding around the practical application of CUAs in the school sector.
- 1.17 During this reporting period, the Committee resolved to hold a public hearing with the Department of Education on 23 September 2015 to discuss the findings of both the survey results and the hearing with the Department of Finance.<sup>6</sup>
- 1.18 Following the public hearing with the Department of Education, the Committee was confident the WA education sector was, and is, effectively managing the implementation of CUAs in primary and secondary schools and saw no need to conduct further investigation on the matter.
- 1.19 The Committee conducted this work under the provisions of Standing Order 286(4), which enable it to ‘[c]onsider whether the objectives of public expenditure are being achieved, or may be achieved more economically.’

#### **Other areas of interest – Local government accountability**

- 1.20 Following ongoing developments regarding the accountability of local government councils in WA the Committee held a public briefing with the Department of Local Government and Communities in August 2015.
- 1.21 Following the initial hearing the Committee requested copies of the independent audit reports prepared for each local government for the 2013-14 financial year and called a second public hearing with the Department in November 2015.

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5 This report was subsequently tabled on the scheduled date. Refer Footnote 1.

6 A copy of the transcript of this hearing is available from the Committee website at: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac), click on “Other Proceedings” and “PAC Miscellaneous”.

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- 1.22 The Committee's examination of the Department was not conducted as a formal inquiry, but as an agency follow-up of the recommendations made in a 2006 PAC Report titled *Local Government Accountability in Western Australia*.<sup>7</sup>
- 1.23 The Committee resolved to table a report to inform Parliament on the outcomes of the two public hearings. The report, *Improving Local Government Accountability*,<sup>8</sup> was tabled on 26 November 2015 and included 24 findings and eight recommendations.

### **Budget briefing**

- 1.24 On Thursday, 19 May 2016, the Committee hosted a briefing on the 2016-2017 WA State Budget. The briefing was offered to all interested members of the Parliament and was delivered by the Under Treasurer, Mr Michael Barnes.
- 1.25 The Committee subsequently incorporated the presentation, along with a copy of Treasury's responses to questions taken from the floor, into a report that was tabled in the Legislative Assembly on 30 June 2016.<sup>9</sup>

### **Australasian Council of Public Accounts Committees – Mid-term meeting**

- 1.26 The Australasian Council of Public Accounts Committees (ACPAC) held its mid-term meeting on Thursday 28 April 2016 in Alice Springs. The Committee was represented at the meeting by a member of the secretariat Mr Tim Hughes, Principal Research Officer.

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7 Public Accounts Committee (37<sup>th</sup> Parliament), [Local Government Accountability in Western Australia](http://www.parliament.wa.gov.au/Parliament/commit.nsf/(Report+Lookup+by+Com+ID)/B43CF02C6EBA8C5B48257831003E96AF/$file/final%20report%20270906.pdf), Report No. 4, 28 September 2006. Available at: [http://www.parliament.wa.gov.au/Parliament/commit.nsf/\(Report+Lookup+by+Com+ID\)/B43CF02C6EBA8C5B48257831003E96AF/\\$file/final%20report%20270906.pdf](http://www.parliament.wa.gov.au/Parliament/commit.nsf/(Report+Lookup+by+Com+ID)/B43CF02C6EBA8C5B48257831003E96AF/$file/final%20report%20270906.pdf)

8 Public Accounts Committee, [Improving Local Government Accountability](http://www.parliament.wa.gov.au/pac), Report No. 12, 26 November 2016. Available from the Committee's website: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac). Click on "Reports".

9 Public Accounts Committee, [Budget Briefing 2016-17](http://www.parliament.wa.gov.au/pac), Report No. 13, 30 June 2016. Available from the Committee's website: [www.parliament.wa.gov.au/pac](http://www.parliament.wa.gov.au/pac). Click on "Reports".



# Chapter 2

## Financial Statement

### Committee expenditure

- 2.1 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.
- 2.2 The table below includes all expenditure for the financial year.

**Table 3 PAC Expenditure Summary 2015-2016**

<b>Expenditure Item*</b>	<b>Cost</b>
Staff amenities	\$1,102
Printing	\$1,303
Couriers	\$1,855
Travel	\$40,191
Advertising	\$2,346
Minor Office Equipment	\$163
Conferences	\$39
Taxis/Hire	\$16
<b>Total</b>	<b>\$47,015</b>

*\*Salaries of committee staff are not included.*

HON DR K.D. HAMES, MLA  
CHAIRMAN



# Appendix One

## Committee's functions and powers

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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.