



PARLIAMENT OF WESTERN AUSTRALIA

**SEVENTH REPORT**

**OF THE**

**STANDING COMMITTEE ON ESTIMATES  
AND FINANCIAL OPERATIONS**

**IN RELATION TO**

**PUBLIC SUBMISSIONS 1993/94**

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

**7**  
**APRIL 1994**

## 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 Revenue 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 Bruce Donaldson

### **Staff of the Committee:**

Ms Karen Schmidt (Advisory/Research Officer)  
Mrs Margaret Liveris (Clerk)

### **Previous Reports of the Committee:**

See APPENDIX I

### **Address:**

Parliament House, Perth WA 6000, Telephone 222 7222

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## **PUBLIC SUBMISSIONS 1993/94**

### **1. BACKGROUND**

In September 1993, the Standing Committee on Estimates and Financial Operations placed advertisements in the West Australian and the Sunday Times newspapers requesting public comment regarding the distribution and management of government funds in Western Australia. The Committee received a total of 17 submissions in response to the advertisement. This paper provides an overview of the submissions received, including the action taken by the Committee to date. At present, eight of the submissions require further consideration by the Committee.

### **2. OVERVIEW OF SUBMISSIONS**

#### **2.1 MR RIC LIVINGSTONE**

##### ***2.1.1 Submission***

Submission from Mr R Livingstone regarding

- a) the validity of criteria for considering applications for government funding;
- b) the viability and management of agencies such as the Rural Innovation Centre and the New Enterprise Scheme;
- c) the need for priority allocation of government funds to small export businesses;
- d) discrimination against non-Aboriginal people in the allocation of ATSIC funds;
- e) the absence of a report on a State Development funded project to examine export markets for vegetation and seeds;
- f) continued funding of the Strelley Community School, Strelley Power Station, and CDEP funding after the community was abandoned;
- g) funding allocated to Homeswest houses at Strelley Station that were not built; and
- h) the need for monitoring the use of all State funding to Aboriginal people.

##### ***2.1.2 Inquiry***

Mr Livingstone has forwarded to the Committee additional details which specifically relate to the management of government funds. This second submission identifies:

- a) Department of Education funding of the Strelley Community School;

- b) a brucellosis eradication programme conducted for the Strelley Pastoral Company;
- c) the supply of electricity by SECWA to abandoned communities.

The Committee has since met with Mr Livingstone, considered comment from the Federal Minister for Aboriginal and Torres Strait Islander Affairs, reviewed the original draft of an ATSIC Strelley (Nomads) Task Force Review Report, and met with a representative from the Education Department.

The Committee notes that, in September 1993, ATSIC conducted a comprehensive review of the alleged mismanagement of funds by the Strelley group of companies and has developed a number of recommendations for funding administration and auditing. The Committee accepts that the State has allocated funds to the Strelley Community School on the basis of audited student numbers supplied to the Department of Employment, Education, and Training and information supplied by school census. The Committee will, therefore, request from the Aboriginal Affairs Planning Authority updates on the implementation of recommendations contained in the ATSIC report.

## **2.2 MR LEN WAKEMAN**

### ***2.2.1 Summary***

Submission from Mr L Wakeman regarding State Government financial administration policy.

### ***2.2.2 Inquiry***

The Committee received a response to the submission from the Treasurer noting that the comments detailed in the submission reflect the approach adopted by the current Government. The Committee subsequently forwarded the Treasurer's letter to Mr Wakeman

## **2.3 MR W M GRIFFITHS**

### ***2.3.1 Submission***

Submission from Mr W M Griffiths regarding the expenditure of funds on Wyalkatchem Shire Council chambers.

### ***2.3.2 Inquiry***

The Committee forwarded to Mr Griffiths details of the Shire's income and expenditure performance as it compares to shires of comparable size. Mr Griffiths has since written to the Committee indicating his dissatisfaction with the response, but not requesting any further action.

## **2.4 HERITAGE**

### **2.4.1 Submission**

The Committee received three submissions from Mr Phillip Griffiths, Ms Ainslie Evans, and Mr Bruce W S James regarding the allocation of funding to state heritage, in particular the Heritage Council of Western Australia.

### **2.4.2 Inquiry**

The Committee forwarded the submissions to the Minister for Heritage, noting that the submissions concern government policy and, as such, lie outside the Committee's terms of reference. A response from the Minister indicating the possibility of future additional funding was forwarded to Mr Griffiths, Ms Evans, and Mr James.

## **2.5 MR B S HORSMAN**

### **2.5.1 Submission**

Submission from Mr B S Horsman regarding alleged mismanagement and malpractice surrounding tenders, disposal of Government materials and equipment, budgeting, and accountability by the Main Roads Department.

### **2.5.2 Inquiry**

Mr Horsman has since forwarded two additional detailed submissions. This information, which has not yet been considered by the Committee, covers at length numerous issues and incidents relating to Main Roads Department operations in the North West. In order to progress this submission, therefore, Mr Horsman will be invited to appear before the Committee to discuss his submission. Upon clarification of the issues of concern, the Committee will seek a response from the Main Roads Department.

## **2.6 MR JOHN HALIFAX**

### **2.6.1 Submission**

Submission from Mr J Halifax regarding the travel and accommodation allowances afforded to politicians and public servants.

### **2.6.2 Inquiry**

The Committee forwarded to Mr Halifax details of the rules governing travel and accommodation, including reports from the Office of the Auditor General and the Salaries and Allowances Tribunal. No further comment has been received.

## **2.7 MR BARRY O'CONNOR**

### **2.7.1 Submission**

Submission from Mr B O'Connor regarding public sector purchasing practices. The submission concerns alleged failure by government agencies to observe the requirements of the State Supply Commission Act (1991), particularly those requirements relating to accredited quality assurance companies.

### **2.7.2 Inquiry**

A response to the submission from the Minister for Works and Services raises a number of points regarding the implementation of the quality assurance policy, including:

- a) that the policy has undergone a staged implementation process from 1989 until observance of the State Supply Commission's guidelines became mandatory on 1 August 1992;
- b) that the State Supply Commission does not require all of its suppliers to implement quality assurance systems consistent with AS3900; and
- c) that the State Supply Commission has acknowledged concerns regarding inconsistent implementation of the policy, and is currently compiling a report regarding future policy directions.

In the interests of avoiding duplication of effort, the Committee has resolved

- a) to obtain a copy of the State Supply Commission report; and
- b) forward a copy of the letter from the Minister for Works and Services to Mr O'Connor for comment.

## **2.8 CONCERNED RESIDENTS OF BECKENHAM**

### **2.8.1 Submission**

Submission by the Concerned Residents Group of Beckenham/Kenwick regarding the Roe Highway Project between Tonkin Highway and South Street. The Group maintains that the Department of Transport's preferred option for the redevelopment is contrary to the outcome of consultation with local residents and is more expensive than options preferred by residents.

### **2.8.2 Inquiry**

A response to the submission from the Minister for Transport reiterates the Department's chosen option for implementing the redevelopment. The Minister also notes that the Parliamentary Commissioner for Administrative Investigations has investigated the issue and found that the process which lead to the Department's decision was acceptable. The Committee subsequently requested and received a response from the Residents of Beckenham to the Minister's letter.

This response continues to oppose the decision on the basis of grounds which include:

- a) the actual extent of public comment referred to by the Minister;
- b) the validity of the project costs for the various implementation options;
- c) disagreement regarding the transport efficiencies and amenity of local residents anticipated as a result of the option preferred by the Main Roads Department.

In order to progress this submission, the Committee will need to meet with representatives from the Main Roads Department and the Concerned Residents of Beckenham.

## **2.9 MR ROGER RAVEN**

### **2.9.1 *Submission***

Submission from Mr R Raven regarding a range of issues concerning the privatisation of government services. Specifically, the submission raises the following concerns:

- a) the role of the State in providing goods and services;
- b) economic theory;
- c) the privatisation of transport services, particularly Transperth;
- d) State development;
- e) SECWA financial management and restructuring;
- f) Stateships financial management;
- g) management of Homeswest;
- h) the level of State debt;
- i) financial transactions taxation; and
- j) garnaut and wool.

### **2.9.2 *Inquiry***

The Committee forwarded to Mr Raven responses from the Minister for Finance and the Minister for Resources Development regarding government policy in the areas raised in the submission. The Committee has considered a further letter from Mr Raven seeking comment on "inefficiencies and mismanagement in the implementation of government policy where [these] are a logical result of the policy". Advice from Mr Laurie Marquet, Clerk of the Legislative Council, indicates that the Committee's terms of reference include consideration of whether State Government policy is administered in an efficient, effective, and accountable manner. The question of whether State policy itself results in



efficient and effective management of the State is a consideration for Government and lies outside of the terms of reference of the Committee. The Committee has resolved, therefore, to advise Mr Raven accordingly and to recommend that he contact the Minister for Finance should he wish to pursue this policy matter with the Government.

## **2.10 MASTER CLEANERS GUILD OF WESTERN AUSTRALIA (INC)**

### ***2.10.1 Submission***

Submission from the Master Cleaners Guild of Western Australia (Inc) regarding the cost of retaining in-house cleaning services at departments such as Education, Health, and the Building Management Authority.

### ***2.10.2 Inquiry***

The Committee is currently considering responses to the submission from the Miscellaneous Workers' Union, the Minister for Labour Relations, the Minister for Health, and the Minister for Education.

## **2.11 MR MICHAEL J WHITLEY**

### ***2.11.1 Submission***

Submission from Mr M J Whitley regarding privatisation of Government services, particularly Transperth.

### ***2.11.2 Inquiry***

The Committee responded to the submission, noting a media release by the Minister for Transport regarding the restructuring of Transperth. No further comment has been received.

## **2.12 MR GEORGE DRIMATIS**

### ***2.12.1 Submission***

Submission by Mr G Drimatis regarding alleged excessive government expenditure on seminars for government officers and the production of unnecessary reports.

### ***2.12.2 Inquiry***

The Committee responded to the submission, advising that the Committee intends to address wastage in the specified areas as part of its on-going work. No further comment has been received.

## **2.13 CONSERVATION COUNCIL OF WESTERN AUSTRALIA INC**

### ***2.13.1 Submission***

Submission from Dr Beth Shultz, President, Conservation Council of Western Australia Inc regarding alleged mismanagement of the Department of Conservation and Land Management (CALM) operations. Specifically, the submission notes:

- a) the sale of native forest logs at subsidised prices;
- b) sharefarming activities;
- c) the fuel reduction burning programme;
- d) the publication section; and
- e) the public relations section.

A second submission alleges CALM malpractice in tendering for tree planting contracts.

### ***2.13.2 Inquiry***

The Committee has met with the Chief Executive Officer of CALM and subsequently written to the Conservation Council requesting a detailed written submission on the issues raised. The Committee has yet to receive a further submission from the Council.

## **2.14 MR A W NEWMAN**

### ***2.14.1 Submission***

Submission from Mr A W Newman regarding the quality of the Albany Highway and the relative funding allocated to improving the road given current and anticipated usage. Specifically, the submission notes:

- a) serious deterioration along extensive lengths of the road;
- b) road shoulder subsidence, including on newly built sections of the road;
- c) the condition of the Beaufort River Bridge and Floodlands section of the road;
- d) road depressions caused by heavy vehicles; and
- e) the need for additional overtaking lanes.

### ***2.14.2 Inquiry***

A response to the submission from the Minister for Transport details the 1993/94 construction and maintenance works programme for Albany Highway. The Committee has resolved to forward a copy of the works programme to Mr Newman for comment.

## **2.15 TOWN OF ALBANY**

### ***2.15.1 Submission***

Submission from the Town of Albany regarding the distribution of Federal and State road funds.

### ***2.15.2 Inquiry***

The Committee forwarded a response to the submission from the Minister for Local Government. A response to the Minister's letter has since been received from the Country Urban Councils' Association.

**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

**Previous Reports**

- . First Report: 1990/91 Budget Estimates - November 1990.
- . Second Report: 1991/92 Budget Estimates - November 1991.
- . Third Report: Leasing of Computer Equipment for the Legislative Council - February 1992.
- . Fourth Report: 1992/93 Budget Estimates - November 1992.
- . Fifth Report: Programme Undertaken During 1992.
- . Sixth Report: 1993/94 Budget Estimates - December 1993.