

40TH PARLIAMENT



Public Accounts Committee

Report 12

ANNUAL REPORT 2018-19

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Presented by  
Dr A.D. Buti, MLA  
September 2019

## Committee Members

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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

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Principal Research Officer	Mr Tim Hughes
Research Officer/s	Mr Michael Burton (until 9 November 2018)
	Dr Amy Lampard (from 1 October until 5 November 2018)
	Dr Sam Hutchinson (from 29 January 2019)

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Published by the Parliament of Western Australia, Perth.  
September 2019  
ISBN: 978-1-925724-48-6

(Series: Western Australia. Parliament. Legislative Assembly. Committees.  
Public Accounts Committee. Report 12)

328.365

# Public Accounts Committee

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## Annual Report 2018-19

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Report No. 12

Presented by

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

Laid on the Table of the Legislative Assembly on 26 September 2019



## Chair's Foreword

**A**s Chair of the Public Accounts Committee (the Committee), I present for tabling the Committee's report for the 2018-2019 financial year which covers our second full year of 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 financial year 2018-2019 our primary focus has been our inquiry into public sector contract management practices. We have received a number of written submissions, and held a number of public hearings with a range of relevant stakeholders. We intend to table our report at the end of November 2019.

Further, in discharging our responsibilities, we have conducted hearings in response to a number of Auditor General reports. These resulted in the tabling of four reports following-up agency responses to the Auditor General's recommendations.

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 continue delivering relevant and useful outcomes.



DR A.D. BUTI, MLA  
CHAIR



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# Chapter 1

## Committee Activities

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Another productive year.

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### Introduction

In the 2018-19 reporting period, the Public Accounts Committee (PAC):

- met **21 times**, for a total of more than **30 hours**, with a Member attendance rate exceeding **89 per cent**;
- held **10 hearings**, attended by a total of **33 witnesses**;
- received **6 briefings**, at which a total of **15 guests attended**;
- undertook investigative travel to **the United Kingdom**;
- hosted the annual post-Budget briefing for Members of Parliament by the Under Treasurer, which was attended by **16 Members**;
- considered **60 items** of incoming correspondence, and dispatched **104 items** of outgoing correspondence;
- made **138 formal resolutions**; and
- tabled **7 reports** in Parliament, containing a total of **27 recommendations** for the Government;

Table 1.1 Summary of activities of the Committee, 1 July 2018 - 30 June 2019

Description	Activity
Meetings	21
Briefings	6
Hearings	10
Witnesses appearing	33
Reports tabled	7
Report findings tabled	48
Report recommendations tabled	27

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### 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.

### Public 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 2018 - 30 June 2019, we conducted 10 public hearings, taking evidence from 33 witnesses to assist with our investigations.

**Table 1.2 Public Hearings of the Committee, 1 July 2018 - 30 June 2019**

Date	Witness	Position	Organisation
20 March 2019	Ms Jodie Cant	Director General	Department of Finance
	Mr Philip Helberg	A/Deputy Director General, Building Management & Works	
	Ms Stephanie Black	Executive Director, Government Procurement	

Date	Witness	Position	Organisation
	Ms Kate Ingham	Director, Strategic Advisory Services	
	Mr Anthony Halberg	Director, Policy and Procurement Services	
3 April 2019	Mr Nicholas Egan	State Solicitor	State Solicitor's Office
8 April 2019	Mr Darren Foster	Director General	Department of the Premier and Cabinet
	Ms Emily Roper	A/Deputy Director General, Policy and Reform	
	Mr Greg Italiano	Government Chief Information Officer	
8 April 2019	Mr Michael Court	Deputy Under Treasurer	Department of Treasury
	Mr Neil Hunter	A/Director, Infrastructure and Public Sector Reform	
	Ms Chelsea Lim	Project Director, GTE Reform	
	Mr Anthony Smith	Principal Financial Advisor, Infrastructure and Finance	
8 April 2019	Mr Jay Peckitt	Executive Director, Finance and Commercial Services	Department of Education
	Mr John Fischer	Executive Director, Infrastructure	
	Ms Corinne Roberts	Specialist Advisor, Commercial Services	

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Date	Witness	Position	Organisation
8 April 2019	Ms Michelle Andrews	Director General	Department of Communities
	Mr Greg Cash	Assistant Director General, Commercial Operations	
	Mr Brad Jolly	A/Assistant Director General, Commissioning and Sector Engagement	
	Ms Penny Kennedy	A/Director, Stewardship	
	Mr Robert Rye	Strategic Procurement Manager	
	Mr Garry Young	Manager, Remote Essential Municipal Services Program	
10 April 2019	Mr Richard Sellers	Director General	Transport agencies (Main Roads WA and Public Transport Authority)
	Mr Mark Burgess	Managing Director (PTA)	
	Mr Peter Woronzow	Managing Director (Main Roads) Acting Executive	
	Mr John Chung	Acting Chief Finance Officer (PTA)	
	Mr Ross Hamilton	Executive Director, Major Projects Unit (PTA)	

Date	Witness	Position	Organisation
	Mr Philip D'Souza	Director, Finance and Commercial Services (Main Roads)	
19 June 2019	Ms Caroline Spencer	Auditor General	Office of the Auditor General
	Ms Sandra Labuschagne	Deputy Auditor General	
26 June 2019	Mr Steve Coghlan	State Manager, WA Division	Consult Australia
	Mr Sheldon Krahe	WA Division Committee Chair	
26 June 2019	Mr Mick Buchan	State Secretary, Construction and General Division	CFMEU WA Division

## Briefings

In addition to gathering evidence during formal hearings, we received a number of informal briefings. We used these briefings primarily to gain information in relation to our inquiry into public sector contract management practices, and the processes for following up agency responses to the Auditor General's reports.

**Table 1.3 Briefings provided to the Committee, 1 July 2018 - 30 June 2019**

Date	Witness	Position	Organisation
10 October 2018	Mr Michael Court	Deputy Under Treasurer	Department of Treasury
	Ms Nicole Eastough	Manager, Infrastructure and Public Sector Reform	
17 October 2018	Ms Rebecca Brown	Director General	Department of Jobs, Tourism, Science and Innovation
	Mr Geoffrey Wedgwood	Deputy Director General	

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Date	Witness	Position	Organisation
31 October 2018	Ms Jodie Cant	Director General	Department of Finance
	Mr Anthony Halberg	Director, Strategic Advisory Services Director, Policy and Procurement services, Building Management and Works	
	Ms Lara Connor	A/Executive Director, Government Procedure	
	Ms Kate Ingham	A/Executive Director, Government Procedure	
7 November 2018	Mr Nicholas Egan	State Solicitor	State Solicitor's Office
28 November 2018	Ms Caroline Spencer	Auditor General	Office of the Auditor General
	Ms Sandra Labuschagne	A/Deputy Auditor General	
19 June 2019 (closed)	Ms Caroline Spencer	Auditor General	Office of the Auditor General
	Ms Sandra Labuschagne	Deputy Auditor General	

### Investigative travel

In the first week of June 2019, the Public Accounts Committee and its secretariat travelled to London and Edinburgh for a series of meetings relating to its current inquiry and its ongoing work scrutinising agency responses to the Auditor General's reports. The travel offered an opportunity to obtain evidentiary material that is likely to prove critical in shaping the final recommendations emerging from our inquiry into public sector contract management practices. Our schedule of meetings provided a unique occasion to learn first-hand about the implementation of some key contract

management initiatives, their overall impact, and their potential applicability to WA. The prospect of meeting with the audit offices and clerks of our counterpart committees in London and Edinburgh also presented a rare chance to share knowledge about the general operations of public accounts committees. The UK Public Accounts Committee, in particular, has had a major influence on our approach to following-up performance audit reports from the Auditor General.

## Reports tabled

We tabled seven reports during the period 1 July 2018 - 30 June 2019, including:

- [Budget Briefing 2019-20](#)
- [Annual Report 2017-18](#)

In addition, we tabled a report on the above-mentioned investigative travel to the U.K.:

- [Report on investigative travel to London and Edinburgh](#) details the 12 meetings over a five-day period we had with 38 academics, members of Parliament, senior civil servants, and think tanks with expertise in matters relating to our current inquiry into public sector contract management practices, and to public audit offices. A number of important themes emerged from the research we gathered in London and Edinburgh, and these now inform the approach to our inquiry. The knowledge we gained from meeting with the UK parties allowed us to pitch new and refined ideas to the Auditor General, and to test with her the applicability of these ideas to our inquiry.

We also tabled four reports following-up agency responses to the Auditor General's recommendations:

- [Where to from here? The status of the Ord-East Kimberley Development Plan \(Follow-up of agency response to Auditor General's Report No. 20 of 2016\)](#), tabled on 21 March 2019, scrutinises the Department of Primary Industries and Regional Development's responses to a 2016 Auditor General report that had criticised the 2009 Ord-East Kimberley Development Plan for lengthy delays and cost blowouts. We made 10 findings and six recommendations, and said the Department had not fully addressed most of the Auditor General's recommendations.
- [Setting the stage for improvement; Department of Education's management of student attendance \(Follow-up of agency response to Auditor General's Report No. 16 of 2015\)](#), tabled on 29 November 2018, looks at the extent to which the Department of Education had addressed the Auditor General's recommendations to improve student attendance in public schools. We made

## Chapter 1

12 findings and six recommendations and said that further work was needed to address the Auditor General's recommendations and to improve processes for supporting schools to manage student attendance.

- [Further along the path; The development and implementation of the Western Australian Bicycle Network Plan \(Follow-up of agency responses to Auditor General's Report No. 22 of 2015\)](#), tabled on 1 November 2018, looks at the actions taken by the Department of Transport and Main Roads to implement the Auditor General's recommendations to improve the planning, funding and governance relating to Perth's cycling infrastructure. We made eight findings and eight recommendations and concluded that work remained to be done in respect of the Auditor General's recommendations.
- [No \(more\) time to waste; The ongoing implementation of Western Australia's Waste Strategy \(Follow-up of agency responses to Auditor General's Report No. 23 of 2016\)](#), tabled on 11 October 2018, focuses on the extent to which the audited agencies addressed the Auditor General's recommendation designed to address shortcomings identified in the implementation of the *Western Australian Waste Strategy*. We made 18 findings and seven recommendations and concluded the agencies failed to address all the Auditor General's recommendations in a timely manner.

### **Work in progress**

Our primary focus at present is our report into public sector contract management practices. This inquiry has its origins in concerns over the quality of public sector contract management that arose during our inquiry into the Perth Children's Hospital project. The current inquiry looks more generally 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 have taken evidence on these issues from a range of stakeholders through written submissions and public hearings. We intend to table our report at the end of November 2019.



## Chapter 2

### Financial Statement

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#### 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 2018 - 30 June 2019 (in accordance with Standing Order 276) is detailed below:

Table 2.1 Expenditure items of the Committee, 1 July 2018 – 30 June 2019

Expenditure Item	\$
Printing	\$1,101.00
Staff and Member amenities	\$818.00
Investigative travel*	\$86,901.00
<b>TOTAL</b>	<b>\$88,820.00</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.*



DR A.D. BUTI, MLA  
CHAIR



## 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.











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