



**THIRTY-EIGHTH PARLIAMENT**

**REPORT 14**

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**ANNUAL HEARINGS IN RELATION TO THE  
BUDGET ESTIMATES 2008/09**

Presented by Hon Giz Watson MLC (Chair)

December 2008

## **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

### **Staff as at the time of this inquiry:**

Lisa Peterson, Advisory Officer (General)

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# REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

## IN RELATION TO THE

### ANNUAL HEARINGS IN RELATION TO THE BUDGET ESTIMATES 2008/09

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#### 1 REFERENCE AND PROCEDURE

##### The estimates of expenditure

- 1.1 Government revenue goes into the Consolidated Account<sup>1</sup>, which is the major source of funding for the State Public Sector.<sup>2</sup> 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.<sup>3</sup>
- 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.<sup>4</sup>
- 1.3 This report relates to the Annual Hearings held in relation to the Budget Estimates for 2008/09.<sup>5</sup>

##### 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**).

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

<sup>2</sup> 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*.

<sup>3</sup> Section 72, *Constitution Act 1889*.

<sup>4</sup> Term of reference 2.3a.

<sup>5</sup> 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 This is a relatively new approach to the scrutiny of the budget estimates in the Council. In the past estimates hearings have been held over three to four days during which Members of the Council (**Members**) could ask questions relating to the Budget Papers. 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) held between the time of the tabling of the Budget Papers and the passing of the Appropriation (Consolidated Revenue Fund) Bills in the Council.
- 1.6 The Annual Hearings aid the Committee in identifying issues for further inquiry during its Ongoing Hearings. The hearings also provide Members with the opportunity to ask questions on the Budget at a time when it is most relevant, that is before the Appropriation Bills are passed.
- 1.7 In 2006 the Committee resolved that during the Annual Hearings questions must relate to the Budget Papers only, due to the limited time and purpose it had allocated to the hearings. In the Committee's view the Ongoing Hearings was the appropriate forum for Members to pursue wider issues regarding financial management through the Committee.

## **2 ANNUAL HEARINGS**

- 2.1 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.
- 2.2 The Committee received nine responses nominating 13 different agencies to appear. Of these, nine agencies were included in the Committee's program for its Annual Hearings.
- 2.3 The Committee also sought to give priority to the portfolios of the Ministers in the Council.
- 2.4 The Committee advertised the public hearings in *The West Australian* newspaper on 26 and 27 May 2008. Details of the hearings were also placed on the parliamentary website ([www.parliament.wa.gov.au](http://www.parliament.wa.gov.au)).
- 2.5 The Annual Hearings were held on 28 May 2008. The Committee heard from the following agencies:
- Department of Education and Training
  - Country High School Hostels Authority
  - Department of Housing and Works
  - Disability Services Commission

- 
- Main Roads Western Australia
  - Department for Communities
  - Department for Child Protection
  - Office of Shared Services
  - Department of Environment and Conservation
  - Department of Agriculture and Food

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

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

2.8 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.<sup>6</sup>

### **Questions on notice**

2.9 In accordance with the Procedure Policy, the Committee invited Members to submit questions on notice prior to the hearings. One Member submitted questions on notice.

2.10 During the Annual Hearings a number of questions were taken on notice.

2.11 If a 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.

2.12 Copies of the questions and answers can be found on the Committee's web page.<sup>7</sup>

### **Subjects covered during the hearings**

2.13 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.<sup>8</sup>

#### *Department of Education and Training*

- teacher shortage

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<sup>6</sup> <http://www.parliament.wa.gov.au/web/newwebparl.nsf/iframewebpages/Committees+-+Current> (current at 18 April 2007).

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

- government teacher recruitment campaign
- Twomey report
- additional educational support and monitoring for lead affected children in Esperance
- training of teachers in mandatory reporting of child sexual abuse
- kindergarten to year 10 syllabus implementation
- Bachelor of Education Conversion Courses for Aboriginal and Islander Education Officers and Education Assistants
- behaviour management and pastoral care
- school psychologists
- Deanmore Primary School problems with asbestos, termites and odour
- toilet upgrade at Morley Senior High School
- replacement of Governor Stirling High School
- healthy food and drink policy
- Auslan interpreter service

*Country High School Hostels Authority*

- boarding services to students with special needs
- funding of upgrade to Esperance Residential College
- occupancy rate of residential colleges
- redevelopment program for 2008/09
- works to Merredin college

*Department of Housing and Works*

- Office of Strategic Projects
- schedule of rates zone maintenance contracts
- government agency occupancy in the CBD



- building cost index
- construction workers in regional areas
- establishment of a building commission

#### *Disability Services Commission*

- staff recruitment and retainment
- Commonwealth/State/Territory Disability Agreement negotiations
- staffing levels of the Disability Services Commission
- development of an early child development framework for children with disabilities
- early years and consultancy services psychology strategy
- emergency accommodation for young people with disabilities
- accommodation support options
- community living program
- level of individual and family support
- continence product subsidy program
- review of the *Disability Services Act 1993*

#### *Main Roads Western Australia*

- State infrastructure strategy
- value of infringement notices issued by Main Roads
- heavy traffic movements on roads and highways
- road efficiency improvements program
- widening of Brookton Highway
- Cervantes-Greenhead Road - Lancelin to Cervantes
- Broome - Cape Leveque Road

- Carnarvon flood plain mitigation project
- Carnarvon - Gascoyne junction Road
- black spot program
- upgrade of Stock Road
- Toodyay Road

*Department for Communities*

- value of unpaid care and support
- social inclusion strategy and reference group
- early childhood agenda
- assessment of child abuse claims
- child care licensing and standards unit
- youth projects
- youth community service grant funding program
- funding for the Dungeon Youth Centre in Ballajura
- Women's Report Card

*Department for Child Protection*

- multiple placement of children in care
- Halls Creek Hostel for children and young people
- mandatory reporting of child sexual abuse unit
- cost of supporting children in care
- mandatory working with children checks
- therapeutic support model for children and young people in residential care

*Office of Shared Services*

- strategic objectives

- anticipated savings
- Oracle and ASG contracts
- Shared Governance Council
- review of the report “Shared Corporate Services Reform Options Case Review”
- number of agencies rolled-out

*Department of Environment and Conservation*

- percentage of waste in landfill versus recycling
- management of native vegetation clearing
- inspection and compliance monitoring
- cane toad management
- wood heater buyback program
- budget arrangement with the Forest Products Commission
- budget for climate change initiatives
- Living Smart Program
- nature-based tourism review

*Department of Agriculture and Food*

- impact of climate change
- salinity resource condition monitoring
- proposed biosecurity fencing
- rural business development corporation funding
- ‘enchanted’ apple marketing and development
- benchmarking of crops
- Merredin and Lake Grace Research Centres

### **3 FEEDBACK**

- 3.1 The Committee sought feedback on the Annual Hearings, distributing a questionnaire to all Members on 3 June 2008. Six completed questionnaires were received.

#### **Issues raised by Members**

- 3.2 The feedback from Members generally supported the hearings process; however, some criticism was received:
- the hearing duration was too short; there was not enough opportunity to follow through with a line of questioning;
  - Members should be able to ask questions of the public servant directly rather than through the Minister/Minister representing/Parliamentary Secretary. Minister/Minister representing/Parliamentary Secretary should be restricted to answering questions of policy only; and
  - there should be longer breaks between sessions.

#### **Committee comment**

- 3.3 The Committee received similar feedback to the Annual Hearings held in relation to the Budget Estimates 2007/08 and notes the comments it made in its Tenth Report in relation to those hearings. The Committee refers readers to this report.<sup>9</sup>
- 3.4 The Committee recognises that it is a constant challenge to organise a hearings schedule to suit all Members. The Committee is committed to continually reviewing and refining its processes to ensure that an effective and worthwhile estimates process is conducted. To this end, the Committee will continue to consult with Members to improve the process.



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**Hon Giz Watson MLC**  
**Chair**

**Date: 4 December 2008**

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<sup>9</sup> Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 10, *Annual Hearings in relation to the Budget Estimates 2007/08*, 27 September 2007.

# **APPENDIX 1**

## **PROCEDURE POLICY**

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### **STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

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#### **2008/09 ANNUAL BUDGET ESTIMATES HEARINGS PROCEDURE POLICY**

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- 1. CONDUCT OF THE 2008/09 BUDGET 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 2008/09 Budget Papers 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 As a general guide for Members, the rules governing questions in the Chamber will be followed (see SO 140).
- 6.7 Questions will only be permitted during the time allocated for the hearing.
- 6.8 At the Chair's discretion, if there is 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 five 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

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### Committee Hearings Information for Witnesses

*Important: Please read the following notes before giving evidence.*

Full name: (Title) (First Name) (Last Name)

Title of Position Held:

Business Name and Address:

Telephone:

Fax:

Signature:

Date:

#### 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 counsel<sup>1</sup>;
  - (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 public, ask the committee's staff before the hearing or the chairman of the committee before

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

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

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### ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

#### QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION

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

**Monday, 20 March 2006**

**Ministry of Whatever**

*Question No 170: Hon A. Brown (not "the member for West Metropolitan") asked for 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 -**

**Monday, 20 March 2006**

**Ministry of Whatever**

*Question No. 171: Hon A Brown (not "the member for West Metropolitan") asked -*

- (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 ...