

OFFICE OF THE AUDITOR GENERAL, BUDGET

Motion

MR M.W. TRENORDEN (Avon - Leader of the National Party) [4.00 pm]: I move -

That recognising the Auditor General is an officer of this Parliament and in accordance with Standing Order No 285(2)(b), this House immediately respond to the dire resource and funding situation outlined by the Office of the Auditor General in its 2002-2003 annual report in the following ways -

- (a) immediate reassessment of the Auditor General's budget for 2003-2004 by the Public Accounts Committee, with the committee reporting to the House by 27 November 2003; and
- (b) the 2004-2005 draft budget to be assessed by the Public Accounts Committee prior to the Treasury budget estimates process, and the committee to report to the House by 4 March 2004.

I point out that those processes are automatically a part of the processes of some Parliaments. In fact, they are an automatic part of the processes of the Victorian Parliament, which has a special committee that overlooks this set of circumstances and reports to the Parliament every year. What I am advocating is a pretty standard and important process in many western democracies. I will make a few comments in advancing my argument. I will start with a quote for the benefit of the Labor Party members on my left.

Mr R.F. Johnson: There aren't many.

Mr M.W. TRENORDEN: It is four o'clock, and we understand why there are not many. However, I hope that members will come back and engage in the debate on this issue.

Mr R.F. Johnson: I hope the Treasurer will come back into the Chamber. He is responsible.

Mr M.W. TRENORDEN: Yes. This is one of the issues on which we are meant to adopt a bipartisan approach.

[Quorum formed.]

Mr M.W. TRENORDEN: As I was saying prior to the call, the Office of the Auditor General is not an agency of the State. The Auditor General is an officer of the Parliament. I will point out some difficulties that people have with the position. Mr Acting Speaker (Mr A.D. McRae), before you pick me up for reading from the blue *Hansard*, I point out that I am reading from the green *Hansard*, which is the record of the Estimates Committee hearings. On 22 May I was pursuing the Treasurer for an answer to my question about the funding of the Office of the Auditor General. It was very evident in the estimates hearing that there had been a reduction in the Auditor General's resources. Interestingly, I was supported in the hearing by a couple of government members, which was pleasing to see, because, as I said, the Auditor General is an officer of the Parliament, not of the Government. At page E23 of the *Hansard* of the estimates hearing the Treasurer is reported as saying -

We took to the election a priority dividend applying to most agencies, including the Auditor General.

According to the Treasurer, the Office of the Auditor General is an agency of the State, which is just not correct. We cannot look upon the Auditor General in that way. A bit further on in the same hearing, the Treasurer pointed out quite clearly that all agencies were to get a reduction in their budgets except for police, health and education. Health, police and education agencies were not part of the budget-stripping process, but the Office of the Auditor General was. I make that point because there may be a view within government that the Office of the Auditor General is just an agency, but it is not. I also point out that there are some dangers involved with that and I will talk about that later.

Labor's election policy on accountability for the last election states -

The Office of Auditor-General is one of the most important institutional 'checks' on misuse of public resources by government . . .

The Office of Auditor-General must be independent, strong and properly resourced to ensure it has the power to protect the public interest.

Surprise, surprise! Each of the 57 members who sit in this Chamber - I am pleased there are a few more in the Chamber now - has an obligation to an officer who is accountable to this Parliament. All my motion asks is that each member take that responsibility seriously, because there will be very strong outcomes if they do not.

The annual report of the Auditor General should be thoroughly scrutinised by Parliament. I am surprised that the chairman of the Public Accounts Committee is not in the Chamber - he must have other things to do at the moment - because he would point out quite correctly that the Public Accounts Committee will take an interest in the report of the Auditor General. This matter needs to be put in its context. Several members in the Chamber are ministers and several members sitting to my right were ministers. This is akin to a minister of the Crown not

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reading his or her agency's report. Each of us has a responsibility to read the report of the Auditor General, because that report is directed to us. We have that direct responsibility. The Auditor General himself - I say "himself" because I cannot recall a female Auditor General in the 15 years that I have been in this House - quite rightly points out to members of this Chamber and of the other place that his responsibility is to report within the parameters of his duties. It is our responsibility to act, not his. All he can do is report. We would be derelict in our duty if we did not take notice of the cry from the Auditor General. The Auditor General clearly states in his report that he is starved of resources to the point at which it is impacting on performance. In the last paragraph on page 3 of the Auditor General's 2002-03 annual report he states -

My ability to continue to maintain the quality, quantity and integrity of the audit program in coming years, however, may be restrained if the current trend in resourcing continues.

That is a crisis. I challenge anyone in this House to find similar comments in Auditor General's reports to other Parliaments of this nation. As I said, this Auditor General's 2002-03 annual report is a crisis report.

Similar arguments were made by Premier Kennett in Victoria a few years ago when he decided to privatise the Office of the Auditor General. Guess what happened to Premier Kennett? It was one of the reasons he lost office, although it probably was not the prime reason. He lasted a few weeks or months after that stupid act. In another famous case, the Prime Minister of the day, Paul Keating, attempted in a dastardly way to alter policy in relation to the commonwealth Auditor General. It was not a resources issue. The Government should note that this sort of statement in an Auditor General's report is exceedingly rare. It ignores this issue at the risk of incurring very serious consequences.

The Auditor General is being asked to perform his task with a proportion of the resources that he states he needs. Any reasonable person in this Chamber will agree that it is valid to debate the resources allocated to the Auditor General. I will not argue with the Treasurer's claim that funding is not infinite. No Auditor General can have the luxury of open-ended funding; nonetheless, the amount of funding he is allocated must be negotiable to a reasonable level. That has clearly not happened with the 2003-04 budget, and I will point out exactly why it is not reasonable.

As I said, the consequences of not providing sufficient resources for the Office of the Auditor General can be quite serious. A fairly famous case in this State in 1990 involved the Acting Auditor General, Neville Smith, when he reported to Cabinet his program for the coming year. A few days later he found that his budget had been slashed because Cabinet did not like his program.

Mr A.J. Dean: Is that hearsay?

Mr M.W. TRENORDEN: It is nothing to do with hearsay; it is in a Commission on Government report.

Mrs C.L. Edwardes: If you haven't read those reports, you should read them so that history does not repeat itself.

Mr M.W. TRENORDEN: Yes. It was in a report that recommended a range of reforms to this House. The reforms that have not been instituted are those concerning the Auditor General. Members on my left might claim that, according to the Labor Party's policy statement, reforms will be included in the new audit Bill. However, that Bill might not be introduced for a considerable time. In fact, I have seen no sign of such a Bill, although I will support one. From memory, the Financial Administration and Audit Act was passed in 1985. Although that is not a long time in the life of legislation, it is still some time ago. At that time, the Financial Administration and Audit Act was signpost legislation. It was introduced by the Burke Government and it brought a new form of accountability to Parliament. Although it was not introduced by a Government of my political colour, I very strongly supported its intent, as is obvious today.

History shows that serious problems emerge when auditors are under-resourced. Enron Corporation is a clear example of that. Audit reports were giving Enron's financial status a clear bill of health when that was clearly inappropriate. Part of the problem with the Enron Corporation was that there were four or five big accountancy firms at the time. Arthur Andersen was represented on the board of Enron; Arthur Andersen conducted the audit of Enron; and Arthur Andersen was clamouring for the consultancy business that came out of a major organisation like Enron. The huge conflict of interest brought Enron down and had various ramifications throughout the western world. People might ask what the relevance is today. The relevance is that brand new international and Australian auditing standards have resulted from that process. We in this House should abide by them. A similar situation arose with HIH Insurance, which was another company that got a tick by the auditor but obviously was not healthy. There was the argument about the auditor auditing the organisation and also seeking consultancies. The difficulty is that auditing produces a very low return for the auditing company, as against a consultancy for which the income will be 10 to 20 times greater. Companies do not want to do auditing any more. The other point arising from that process is what happened to Arthur Andersen. It was sued.

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The public indemnity process has ramifications throughout the western world, right down to our pony clubs. It arises from the same source - the audit. The audit is part of the process that drove it. We cannot ignore the question today. It is a matter of fundamental importance. In his report the Auditor General clearly outlines that he is expecting a 27 to 29 per cent increase in the cost of outsourced auditing, which accounts for about one-third of his activity. The reasons are, first, that the companies want more profit out of the process now that they cannot conduct audits as well as consultancies, and, second, because of the cost of professional indemnity insurance, they want the return from the task as well. That is cunning. A little bit of this was outlined in the budget upon which the Auditor General commented, but the majority of it relates to future audits. As you, Mr Acting Speaker (Mr A.D. McRae), and members will know well, audits are contracted out for a period of one, two or three years. Once contracts are finished prices will be renegotiated. Who will do those audits in a city like Perth? We all love Perth but it is really a small city. The family accountant down the road is not qualified to do it. I have spoken to several people involved in the process. They are not keen to carry out audits. Consultancies are far more important to Western Australian companies than audits. An accountancy firm must have some really well qualified people to conduct audits of Western Power, the Water Corporation and other major entities. They need specialists to be involved in the process. If they are not available, a failed audit may be the result. People might ask, so what? The "so what" is answered by what happened at the end of the 1980s to the Pyramid Building Society Ltd in Victoria, the State Bank of South Australia and this State. The State's situation was not so much wrapped up in the auditing process, but it was part of it. Audit problems in the State Bank of South Australia and the Pyramid Building Society were at the core of their troubles. Those audits were not done by private enterprise. They were done by the Auditor General. The audit of the State Bank of South Australia was done by the Auditor General of South Australia.

It comes right home to us. Members on my left are the ones who should be moving this motion. It is in their interests - it is their insurance - to make sure that the Office of the Auditor General is properly resourced. During the estimates debate, the Treasurer said to me on several occasions that it is in his interests to make sure that the Office of the Auditor General is strong. As the Treasurer, he is correct. However, in terms of other ministers of the Government, perhaps he is not. In the past eight years I can remember a few ministers even on my side of politics coming into my room and cursing the Auditor General because of reports that he had made about their agencies. My response was, "Who cares?". It is a minister's responsibility to deal with those things. The process of the Auditor General is that a minister is given at least one month's notice of a poor outcome from an audit. Therefore, ministers should not be opposing a strong audit outcome from the Office of the Auditor General.

The structural changes that have been made in the public service as a result of the Machinery of Government Taskforce have had an effect on the number and complexity of audits. However, it is wrong to argue that because there are now fewer agencies there is a smaller audit task. We all know the task has grown, not reduced. What an audit is about is not the number of agencies but the activity in those agencies. We now have a situation in which the number of reporting standards and the cost of audits is increasing, and we have a range of high profile corporate collapses. That is placing a strong demand on the very limited resources of the Office of the Auditor General. At a time when all those things are happening around us, we need to make sure that the Office of the Auditor General is adequately resourced. We know - it cannot be debated - that that is not the case. To challenge an Auditor General's report is a serious matter. If any member of this House wants to take on the Auditor General, I suggest we bring him to the Bar of the House and have a talk to him, because that is the part of the process that we should be talking about. We are not talking about defending a political process. We are talking about defending an officer of the Parliament.

During the 2002 audit cycle there were 18 qualified audits of the major government agencies - not the smaller offices or departments. In five of those major agencies weaknesses were found in fundamental controls such as reconciliations and legal authority. We would expect these major agencies to be on top of things. The Auditor General states in his report that this leaves the public service exposed to the risk of mistake, fraud and corruption. There has been maladministration and corruption in the Aboriginal section of the Department of Health. That matter has been debated in this place and in the public, and the Minister for Health has said in this House that it was because of that fraud and maladministration that he decided to abolish that agency. The minister recognised that that had occurred; he had to, because it had been reported by the Auditor General. We need to recognise that if the Auditor General is required to conduct major accounting procedures for the large agencies, it consumes a greater amount of his resources. That is a logical conclusion to draw. However, as those resources have been consumed, they have not been replaced by the Government of the day. In fact, the Government of the day has reduced the amount of funding for the Office of the Auditor General in real terms. It did not reduce it in the amount of money. The increase was 1.8 per cent in the budget but in real terms it was a reduction because it did not meet the level of inflation. More importantly, it did not recognise the matters I just

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raised about the pressures that the Auditor General is under. The Auditor General states in his report, and has reported to us, what are those pressures. We know what they are. Will anyone challenge that?

There have been increased requests for specific investigation by the Office of the Auditor General. The report states -

A further strain on our resources resulted from the concerns of the Public Accounts Committee and the public at large regarding hospital special purpose accounts.

I congratulate that committee. The chairman is now in the Chamber. The Public Accounts Committee is continuing its good role in checking those reports.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: I am not arguing with the member. The Public Accounts Committee did pursue that matter and it is to its credit that it did. The report continues -

The inability of the administering agency to reliably address the community's expectations for accountability and transparency resulted in my Office undertaking a comprehensive, wide-ranging audit of these special purpose accounts in 2002.

I congratulate the Public Accounts Committee for its initiative but we must recognise that it creates a cost in the Office of the Auditor General.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: Who paid for it? The PAC paid for the resource that came to it; that is correct and it is the correct process. The PAC did not pay for the time it consumed within the Office of the Auditor General.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: It was not an office. It was several hundred thousand dollars worth of expenses mentioned in the report. Did the PAC pay the Auditor General a few hundred thousand dollars? No; exactly. I am not trying to argue with the Chairman of the Public Accounts Committee. I congratulate him on the process. I know the process. There were extra costs for the Auditor General to go through the process, which is understandable. It is pretty hard to criticise the Auditor General's actions over a number of years.

Because of this action the Auditor General significantly reduced the controls, compliance and accountability of examinations that would normally be undertaken. The money that was, quite rightly, consumed in this investigation meant that other matters were not dealt with. That is beyond argument.

The Auditor General has to deal with late submissions from agencies, particularly the Department of Health. Would members believe that 95.5 entities in the health sector submitted a financial and performance indicator report late yet again? It was not for the first time. That is one issue the Auditor General has to deal with. Because nearly all the Department of Health was late in reporting, the Auditor General had to interact with that agency and pull the reports in. Almost 20 per cent of departments submitted financial and performance indicator reports late. Overall, 33 per cent of public sector entities did not meet their statutory deadlines. That figure was up 11 per cent from the previous year. We ask the Auditor General to audit that activity. He is clearly telling us that the activities jumped by one-third but the budget did not increase to meet it, not that the budget would have to jump by one-third. The budget did not jump to meet the demand.

Some of this can be attributed to the Government's wonderful idea to shuffle around agencies as a result of the Machinery of Government review. It is appalling that the Department of Health would argue that part of the reason it did not comply was the Machinery of Government changes. The Financial Administration and Audit Act does not contain a provision that departments need not comply because of Machinery of Government changes. Departments have to comply with the law. That is part of the process. Before the review was put in place, every agency knew what were the requirements. Departments need to meet them; it is as simple as that. The Health Department has used an enormous amount of resources due to its tardy lodgment of reports, insufficient information and poor standard of reporting. The Auditor General therefore had to go back over all those matters. The Auditor General's annual report stated -

For example, delays in the receipt of health service 2002 Key Performance Indicators resulted in extra field trips and considerably delayed planning for the 2003 audit cycle. There was an additional estimated cost of \$220 000 for the health service audits alone.

That is a pretty serious statement and it is one impact standing alone in the Auditor General's report.

The Auditor General highlighted the deficiencies in the application of key performance indicators by agencies. He said that without the effective use of these indicators, the Government cannot get an accurate picture of an

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agency's efficiency and whether it was making effective use of taxpayers' dollars. That is pretty obvious. The Government's decisions on expenditure are therefore flawed. If the Government receives money, does not know where it has gone and there is no measure of its performance, how can it debate next year's budget? How can the Minister for Health come into the House and say that his agency is performing as it should be, or even near to where it should be? There is no way that the Minister for Health can stand in the House, look members in the eye and say that those sections of his agency are performing; the Auditor General has said they are not.

The Auditor General used the example of the health portfolio, in which a staggering \$250 million of the department's total expenditure of \$531 million did not have efficiency indicators; that is, 50 per cent of the health department's budget did not meet the criteria. If that example does not flash red lights at people, it should do, because the department is getting to the stage of Enron Corporation, HIH Insurance and the State bank. If the minister and the Cabinet do not know what is happening in the Department of Health - and they do not - how can they act on it? The Auditor General has said that they do not know what is happening in 50 per cent of the cases. That is a very serious matter.

The Minister for Health has said in this place that he is cutting mental health programs in the name of efficiency. I challenge him, as I did the other day, to tell me which programs are not efficient. He has given the health budget an emergency operation, but based on what? It is certainly not based on accurate information given by the Department of Health, as the Auditor General has told us that it is not reliable information. The minister has made those cuts, but he cannot say that he has done so through a process that he understands. The Director of Health cannot come into this place and say that he understands the process. We know that the performance audits indicate that we cannot have confidence in that process; in fact, they indicate that the Government has no idea of the efficiency of the expenditure of the Department of Health's money.

In referring to the evaluation of the process, the Auditor General identified problems that a number of agencies had in implementing their strategic plans. This, combined with an identified lack of evaluation by agencies, means their accountability may suffer. It also means the Government, and more importantly the taxpayer, cannot gain an accurate picture of their efficiency and effectiveness. That is what the Auditor General does: he brings to the Parliament each year a measure of efficiency and effectiveness. If that is not being done, that measure will not be there.

Parliament must consider itself a commercial operation - the Treasurer says that on a regular basis. Any efficient corporation must know where it is, hopefully at least on a monthly basis. If it does not know where it stands at the end of the year, it will be in a great deal of trouble.

Since the impact of Enron, HIH and other corporate disasters, the cost of private external audits has increased dramatically. I quote from the Auditor General's annual report -

The spate of corporate collapses during the year resulted in a strengthening of audit standards and approaches, with a reported 27 per cent increase in auditing fees in the private sector. In that context, a tender for one of our contract audits saw the audit fee increase by 29 per cent.

That is the problem facing the Auditor General. That is part of the contracting out process that he goes through with a number of major agencies. As a result, the Auditor General has decided that he will pool much of that activity in-house. However, to pool that activity in-house, he will need to employ officers who are capable of conducting that audit, which he said in his report he does not have. It is obvious that he will need a bigger budget to employ those people. If the Government does not want the office to use the same number of private auditors, it must increase the resources provided to the Office of the Auditor General of Western Australia. Extra staff will have to be recruited. However, in his annual report, the Auditor General said that it is necessary to retain core outsourcing officers as part of the office's overall strategy for cost-effective procedures and to retain specialist expertise to manage a substantially cyclical auditing program.

The Auditor General has said that he cannot do all the work in-house. A large amount of it will have to be contracted out. The Auditor General is looking at a 27 or 29 per cent increase in the cost of the audit. Is that reflected in his budget? It is not. It should be, otherwise we should ask the Government why it is not. At the moment I am not asking the Government that. I am just asking the 57 members of this Chamber to allow the Public Accounts Committee to do what it does well. I point out that I hope the chairman of that committee does not feel aggrieved by this process, because it is a standard process. Under the standing orders, Parliament has the right refer an issue to the Public Accounts Committee.

Mr J.B. D'Orazio: You are welcome.

Mr M.W. TRENORDEN: I have no doubt that the member will conduct the process well, as long as the House covers it.

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The Auditor General has indicated a further problem in the 2004-05 budget when the mandated adoption of international accounting standards will occur. Western Australia is a signatory to those standards. The federal Government enters those agreements on our behalf. Nevertheless, we are obliged to adhere to those standards. Believe it or not, Chairman of the Public Accounts Committee, when I was the Chairman of the Public Accounts Committee, I had to sit on the Australian Public Sector Accounting Standards Board for a couple of years. I was involved in the process of debating these standards. I must say that I was not totally impressed by the process. Much of it was driven by the Stock Exchange. Bringing the standards to an international level meant a reduction of Australian standards, rather than an increase.

Mr J.B. D'Orazio: It is interesting that you said that. When I was in Norway, I heard from experts from all over the world. We are so far in front them that it was unbelievable. To me it was an absolute shock that some of the so-called major countries are so far behind. It is unbelievable.

Mr M.W. TRENORDEN: That is correct. Nevertheless, there are international standards, which are lesser standards than those accepted in Australia. Those standards will mean an increase in the cost of an audit from the big auditing companies. There is no question about that. If any member doubts that, he should ring the well-known auditing companies and ask them what will happen to the cost of an audit. I refer to not just government audits, but all audits. The cost will increase significantly.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: For their own protection, that is right. Andersen is an enormous company.

Mr J.B. D'Orazio interjected.

Mrs C.L. Edwardes: You have missed the point that the Leader of the National Party raised.

Mr M.W. TRENORDEN: It does because if an auditing company is contracted to the State and it is contracted to the Auditor General, it does not absolve it from its responsibilities as an auditor.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: If the cost of the audit increases, it must be paid for.

Mr J.B. D'Orazio interjected.

Mrs C.L. Edwardes: Rest our case!

Mr J.B. D'Orazio: Do you understand what I am saying? You are arguing for more resources. One does not necessarily follow the other.

Mr M.W. TRENORDEN: The member cannot tell me that the Water Corporation or the key agencies will not be audited next year.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: They are the audits that are contracted out. We should be clear about that. The agencies that will not be audited will be those that are usually audited by the Auditor General himself. He will audit all agencies but, as the member quite rightly pointed out, some agencies will receive a light audit. They will be the agencies for which the control is in-house and which have a record of compliance and are able to be trusted.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: The member and I both know that the Department of Health will be audited next year.

Mr J.B. D'Orazio: Yes.

Mr M.W. TRENORDEN: Precisely. There is a definite need for a significant increase in the audit budget. I would be blowing my trumpet to say it should increase by 10 per cent. I say without any glibness whatsoever that I trust the member for Ballajura and his committee to carry out an assessment. That is what my motion is about. I want his committee to do that work on our behalf and report back to us. The motion calls on the Public Accounts Committee to assess this year's audit budget and, more importantly, next year's budget. The reason I want the committee to look at the cost of this year's audit is so it can better understand what should be the cost of the audit next year. The member knows that every year the Victorian Parliament conducts the process I am outlining.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: If Hansard had trouble picking that up -

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Mr R.F. Johnson: I said that she should put down that he interjected and that it was not worth recording anyway.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: I will provide my interpretation of what the member for Ballajura said. For the first time in this State, the Public Accounts Committee is conducting an audit of the Office of the Auditor General.

Mr J.B. D'Orazio: Not a full audit.

Mr M.W. TRENORDEN: A compliance audit.

Mr J.B. D'Orazio: Yes.

Mr M.W. TRENORDEN: I congratulate it. I wanted to do that when I was Chairman of the Public Accounts Committee. Again, as the member quite rightly said, it takes resources. The committee had to pull in resources to make sure it could do that. I congratulate it for it. That is a good process, and I ask the committee to do it again.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: I will continue with my speech and then give the member an opportunity to say those things. I hope that we can get support across the Chamber for that work and this motion. That is up to the member's leadership group. I say that to the member not as the Chairman of the Public Accounts Committee but as a member of the government party.

Agencies will experience major difficulties during the implementation of the international accounting standards, which will increase the audit workload. The nature of the audit will change, even if only slightly. We know from years of watching that not all agencies have the capacity to easily adapt to change. They will turn to the Office of the Auditor General for assistance. The Auditor General will have to be in a position to advise those agencies how to comply with the new regime. That will also increase the audit workload. I have said several times but it is worth saying again that it is safe to assume that the cost of a private audit will only continue to increase. Given this and the current disarray of the public sector, the Government has no choice but to substantially and quickly increase the resources of the Office of the Auditor General. The Government has made a great fanfare about openness and accountability, and here is one clear opportunity for it to show its commitment - supporting the very simple and non-political motion I have moved today. I will be interested to see how it goes. I will quote again the Labor Party accountability election policy. You went to the election, Mr Acting Speaker (Mr A.D. McRae), as an Australian Labor Party member. There is a whole section in the ALP's policy about accountability. I will be interested to see whether you meet that test today, Mr Acting Speaker. I am not saying you as Acting Speaker, but you as a party member. I hope that the Government will stand by its policy convictions in this case. The ALP policy reads -

A Gallop Labor Government will aim for:

- the highest standards of openness and accountability in government;
- the highest standards of integrity in public life; and
- an enhanced democracy.

Let us see whether that happens. The Government has its clearest opportunity yet to show that it is prepared to go through that process with a committee of this House. Apart from the Independents, all three parties in this House are represented on that committee, so it is representative of this House. If I did not have confidence in the Public Accounts Committee, I would not be moving this motion. I have confidence in the Public Accounts Committee, so I am happy for that process to happen. Adequately funding the Auditor General is the main way the Government can be accountable. We all know the Auditor General is the key accountability provider in any Westminster Government, going back 200 years in Westminster itself, and to 1972 in this Parliament. It is important that that is marked. I quote further from the elaborate ALP accountability policy -

Labor will -

...

- ensure that the Auditor General has adequate legislative authority to investigate all government dealings with private business;

I suggest that this report shows that not too much of that has happened. I had a debate with the previous Government that that should happen. Records will show that the Public Accounts Committee, when I was a member, reported to this Chamber and said precisely that: every public dollar should be pursued to its end, even through private entities. That did not happen last year because of the lack of resources - that will be the first task

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the Auditor General will push off - and the lack of direction. This is an important issue. I remind members why that report came from the Public Accounts Committee. Ministers, even though they stated in opposition that they would never do it, still pleaded commercial in confidence. One person who can be trusted with commercial confidence is the Auditor General. Everything must be audited, whether in private enterprise or the public domain. The Public Accounts Committee reported to this House and said precisely what the Labor Party policy states: the Auditor General should have the power to pursue every public dollar, even through private enterprise. The Public Accounts Committee has that power, and the Auditor General also has that power, although there is some dispute about whether the Auditor General can actually call in BHP-Billiton to argue about how some grant was expended. At the time, when the committee reported back to the House, as it is compelled to do by the standing orders, the previous Government refused to take up the recommendation. I support that section in the Labor Party policy. That should be a clear process in any Parliament. However, for that to happen, the Auditor General must be resourced. There is little or no reason not to ensure that the Auditor General has adequate legislative authority. If he is given legislative authority but not the resources, it will not happen. That happened back in the time of the Acting Auditor General, Neville Smith, in 1990. I am not sure whether it was during the time of the Lawrence or the Dowding Government.

Mr R.F. Johnson: In 1990 it was the Lawrence Government.

Mr M.W. TRENORDEN: That Government deliberately reduced the resource to the Auditor General to pull back criticism. I point out that that was the time of WA Inc, and there was a fair bit of hype around. Nevertheless, it was a pretty ordinary process and one that should be condemned in any democratic process.

I go back to the Labor Party platform, which states that the Labor Party is here to increase the role of democracy. All members of the Labor Party will have the opportunity today to do just that. The Labor Party election policy on accountability states -

Labor is committed to strengthening the checks and balances - particularly the agents of accountability - that keep government and the public sector open and accountable.

For that to happen, we need an effectively operating Auditor General. The Office of the Auditor General does not need to be resourced to the nth degree - I think everyone in this House would accept that - but it should nevertheless be resourced to the point at which it can carry out its duties effectively. Page 3 of the annual report of the Office of the Auditor General for 2002-03 states -

My ability to continue to maintain the quality, quantity and integrity of the audit program in coming years . . .

To have that statement from an Auditor General is a cry of crisis. We need to take notice of it.

In my view, all members of this House have no option, as individual members, but to support the motion. It is logical, correct and part of our processes. I do not know the exact page of the standing orders, but the process I am asking to be put in place is already in the system for just this occasion. It is not aggressive or in one's face; it is just asking for a set of procedures to be put in place. The chairman of the Public Accounts Committee may jump up and say that the committee will do this anyhow. If he does say that, I will commend him for it. That is excellent in itself, but there is also a process. Each of us should put our weight to that wheel as well.

Mrs C.L. Edwardes: Even if the committee were to proceed with it, there would be no reason for members not to support the motion.

Mr M.W. TRENORDEN: That is right.

Mr R.F. Johnson: Perhaps the chairman will support the motion.

Mr J.B. D'Orazio: Thank you.

Mr M.W. TRENORDEN: Well.

Mr R.F. Johnson: Should I take that as a yes?

Mr J.B. D'Orazio: Yes.

Mr M.W. TRENORDEN: I will just go through a few quotes that have been highlighted in the annual report. I refer to the overview of the report, which is signed by the Auditor General himself and which states -

. . . as a proportion of State transactions has fallen by an estimated eight per cent in the nine years since 1993-94.

In other words, the resources of the Office of the Auditor General have fallen by eight per cent since 1993-94. The overview further states that the ability to administer the agency to be on a reliable level to address the

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community's expectations has reduced. The Auditor General is saying that his ability to meet the needs of the people of Western Australia, not the needs of the Parliament, the Treasurer or the minister, has reduced. A good thing has happened in this State in the past 20 years. Institutions such as the Public Accounts Committee and the Auditor General himself have raised the Office of the Auditor General high in the expectations of the people of Western Australia. That is a good thing and something that we should seek to emulate and ensure it continues.

On page 3 of the report the Auditor General states that during the year -

... almost all our broader corporate goals and targets were effectively achieved, ...

The Auditor General is saying that, even though his budget was reduced, he just about met what he thought were the expectations. I am sure that you, Mr Acting Speaker, have read the report, but for the other 55 members in the Chamber the message from the Auditor General is that the next budget will be a different matter for all those reasons I just outlined.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: We must resource it to make sure it happens. All I am saying is that we have received a letter from the Auditor General asking that the 57 members in this place examine this matter. I am saying that we should collectively do that. All 57 members should say to the appropriate committee - the Public Accounts Committee - that it should go through the process and put it to a vote of this House to make sure we do it on behalf of the people we represent.

Mr R.F. Johnson: I will do it on behalf of my electorate.

Mr M.W. TRENORDEN: We will see what happens with members shortly.

Page 5 of the report refers to financial controls and timely reporting. The last sentence under timely reporting states -

... such deficiencies may be a symptom of further underlying management problems.

Mrs C.L. Edwardes: That is a key to the annual report. It is a very serious comment.

Mr M.W. TRENORDEN: In my own copy of the report I have written next to it "major". In an open letter to us the Auditor General has said that there could be underlying management problems. We should take notice of that.

Today I went to the Auditor General's briefing - there were only three parliamentarians there -

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: The member's committee staff were there -

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: The member does not need to apologise to me. I do not pick on any members of the Public Accounts Committee. The committee staff were there and took note of the briefing.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: Okay, but three members of Parliament were at that briefing. The Auditor General outlined clear management issues in the Water and Rivers Commission, TAFE and the Betting Control Board and other entities in that process. That is what we pay the Auditor General to do. What will happen? The Auditor General will go to those agencies - except for the Water and Rivers Commission, which I think will be an issue that we will debate here for some time - and raise those deficiencies with them. The two jurisdictions he goes to will respond to the report. If they do not respond to the report, they will get a hiding in their audit next year. If that happens, it is our responsibility, not the Auditor General's, to act. Today I am asking -

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: That is good, but I have my point of view as well.

Mr R.F. Johnson interjected.

The ACTING SPEAKER: Member for Hillarys, it is already hard enough for me to hear the member speaking. You do not need to make a comment to the Hansard reporter about whether she needs to record interjections. That is a decision that she will make and I advise that you are not helping. Be quiet please.

Mr M.W. TRENORDEN: On page 5 of the report the Auditor General also refers to the significant shortcomings of the Department of Health, which I have already been through. The Auditor General has put

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down on paper that the problems in the Department of Health are significant. Do members think we should take notice of that? I certainly do. The last paragraph states -

... general feedback and anecdotal information suggests that for many agencies' performance indicators are simply being produced to comply with the legislation, with minimal benefit, use and focus arising from them.

This has been drawn to the attention of people in the Department of Health, in particular, for many years. They go through the processes not to make sure their system works, but just to comply. For example, until recent times the Department of Health did its accounting on a cash basis and converted it at the end of the year to an accrual basis to comply with the Financial Administration and Audit Act. What a ridiculous outcome that is!

I bring this motion to the House, and I have some credentials to do so. From 1989 to 2001 I was on the Public Accounts Committee in this State, and I chaired it for eight years. I chaired the Australasian Council of Public Accounts Committees, and I was on an informal international committee for a time. Therefore, I have a record in this area. I repeat for the last time that this report is directed to each of the 57 members of this Chamber. It is the responsibility of those 57 members to respond to that report. I am giving them the opportunity to respond, and I will be interested in the outcome.

MRS C.L. EDWARDES (Kingsley) [5.01 pm]: I rise to support the motion that has been moved today, the key to which is accountability. I refer to page 75 of the most recent Auditor General's report, which refers to the role of the Auditor General. Under the heading "Accountability and Authority", the report states -

Accountability within the public sector is traditionally established when Parliament confers responsibility on public sector agencies, subject to control of a Minister of the Crown, to account through that Minister for all that is done in the exercise of their authority, the manner in which it is done and the ends sought to be achieved.

It goes on to state -

The Auditor General's responsibility, conferred by Parliament, is to audit and report upon the manner in which conferred responsibilities have been discharged by agencies. As such the Auditor General has a responsibility to the community generally and his role is superimposed on the accountability relationship between the responsible Minister and Parliament.

It is very important to remember that the accountability is established by Parliament when it confers responsibility on public sector agencies, and the powers and the roles of those agencies are subject to the control of a minister. The minister, in the exercise of that authority, is to account to the Parliament. The Auditor General is appointed by the Parliament to account to the Parliament on the responsibilities discharged by the agencies, and the interrelationships between the three can be described diagrammatically as a triangle. It is very important to remember that. The Auditor General states in the report that -

... the Auditor General can be seen as serving the public interest and an 'ally of the people and Parliament'.

The critical element in that is the question of independence. The Auditor General states -

This independence is the foundation of the external audit function in the public sector context.

He also states that -

He must act, and be seen to be acting, independently in carrying out all of his powers and duties.

The member for Avon said that there was a time when the Auditor General's program for the following year was not accepted by the Cabinet of the day, and his resources were cut. That is unacceptable because it affects the independence of that agency, but, more importantly, it means that the Auditor General is not able to do his job, which was probably the reason that his resources were cut in the first instance. The issue raised by the Auditor General in this year's annual report is particularly important, because some of these points were raised in last year's annual report. In the 2001-02 annual report, under significant issues and trends, the Auditor General raised some key issues of government influences and external influences. Under government influences, the report states -

The restructuring and amalgamation of agencies in the ... Public Sector as a result of the Review of the Machinery of Government ... affected both the number and the complexity of audits undertaken. From an audit perspective the amalgamations posed particular challenges as a result of the different computer systems in place, the different locations of the combined agencies, and 'blurred' lines of accountability and/or responsibility during the initial stages of amalgamations.

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The Auditor General also identified the ongoing exploration of public-private partnerships and the complex contracting arrangements with the private sector to deliver services or acquire assets. He referred to the introduction of whistleblower legislation, which came into existence on 1 July 2003, and the greater community expectation on him to identify and report any instances in which government fails to meet community demands.

The major aspect of this year's annual report, which the member for Avon raised, is that the under-reporting or the delay in reporting was probably symptomatic of broader management problems, which is a key issue in the role of the Auditor General. In this year's annual report the Auditor General refers to the significant issues and trends that have impacted on the agency, such as government influences and structural changes to the Western Australian public service resulting from the machinery of government review, which will continue to affect the complexity of audits undertaken due to the restructuring and amalgamation of agencies. That will not change next year. I know. I undertook a major amalgamation to create the former Ministry of Justice. The prisons department was amalgamated with the courts and other agencies such as the Solicitor General's Office, the Crown Solicitor's Office, parliamentary counsel and juvenile justice. That was a major exercise. Legislation was passed through this Parliament in less than five months to ensure that the ministry was up and running by 1 July. Although legislation can be put in place quickly, it takes a good two or three years for agencies to settle down, talk to each other and work together. The issue with the machinery of government review is the way the reforms have been undertaken. They have been done very much in an ad hoc way. They have not allowed the systems to keep up with the expected outcome. Although I did it with the former Ministry of Justice, the public sector reforms being performed by this Government are on a huge scale, the consequences of which will be even greater. The Government's reforms are contributing to a number of factors, which the Auditor General has highlighted as the reasons for delays in reporting or under-reporting and other financial and management issues.

Another issue raised by the Auditor General in his 2002-03 annual report is that, as a result of government and organisational reform, government agencies are continuing to introduce complex contracting arrangements for the delivery of services or the acquisition of assets. Only last week the Auditor General's report on the leasing of government assets was released. It reads in part -

The introduction of 'whistleblower' legislation (Public Interest Disclosure) will increase the number of enquiries directed to the Auditor General, and potentially create a significant increase in the workload associated with the handling of public enquiries.

Given that public servants have been sufficiently concerned to approach their agency heads, the Auditor General in his independent role under the Public Interest Disclosure Act will probably play a very important role as someone to whom those public servants can report. I suggest that he has underestimated his role in that regard.

As I indicated, the key issue in this motion is accountability. Two weeks ago in a ministerial statement the Premier assured the House that he had asked agencies, where appropriate, to provide more details in answers to questions on notice. Part of Labor's election platform was to be accountable. Accountability is a critical element in policy attached to the Office of the Auditor General. One of the keys to accountability is the information provided to the Parliament and the Auditor General. The flow of information is triangular between ministers, Parliament and the Auditor General. It is a very important triangle. The reports of the Royal Commission into Commercial Activities of Government and Other Matters and of the Commission on Government are also very important. Many new members have been elected to Parliament since those reports were tabled in this place. We must use them as though they were bibles if we are not to repeat history.

The Auditor General's comments about a possible underlying problem with the management of particular agencies are serious. Last week, the leader of opposition business asked the Premier about appointments referred to in the *WA Business News*. The article referred to two former Labor federal members of Parliament, five former state Labor ministers, two former state Labor MPs, one former federal Labor candidate, a former Greens (WA) MP, five unionists, one spouse of a former state Labor minister, the spouses of two current Labor MPs and one former interstate Labor minister. They were not all appointments to boards and committees; some appointments were within the public sector. History is repeating itself. An article in the *Sunday Times* of 22 March 1987, headed "Cronyism 'costs taxpayer'", reads -

Cronyism in State Government departments is wasting thousands of dollars of tax payers' money, a senior public servant claimed this week.

It was also claimed that highly paid consultants were doing work that in some cases could be done by public servants. The allegations made at that time could be repeated today. What advice are ministers receiving about appointments to departments, boards and committees? Is it *Yes Minister* advice or is it fair and independent advice? In that regard, the Auditor General's role is critical. If the processes fail, as they did in the 1980s, the

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Auditor General will uncover them and report them to Parliament. The Auditor General did much of the work in the 1980s, and it eventually came to light in the royal commission.

An article in the *Civil Service Journal* of 16 October 1989, under the heading “Burke’s buddies weave themselves into the PS”, reads -

Since the early days of the Burke Government, the Public Service has seen a greater influx of political advisers than at any time within its history.

The point is illustrated by a cartoon depicting a minister surrounded by the yes men with the caption: “What do they mean when they say the public service is being politicised?” Again, that is a critical reason that the Office of the Auditor General must be funded. The accountability direction statement released by the Labor Party prior to the last election stated that it recognised the important role of the Auditor General and that it would ensure that he has sufficient legislative powers to carry out his role. The Government can give the Auditor General a new audit Act and legislative powers, but unless it funds him to carry out his job and fulfil his role, it will tie one hand then two hands behind his back and it will probably chop him off at the knees. This is what we are talking about. We want to ensure that the independence of the Auditor General is maintained. One way a Government can have an impact on the Auditor General and his independent role is to cut his funding or ensure that it does not keep pace with the job he is given. It does not matter what legislative powers he is given unless he is adequately funded.

Mr E.S. Ripper: You would know because what he is complaining about occurred during your period of government.

Mrs C.L. EDWARDES: The Treasurer can keep saying that, but at some point he has to move out of the ark and into today. The member for Belmont is the Treasurer. He can say that the leasing of assets occurred when we were in government; however, what did he do when the issue was brought to his Government’s attention in 2001?

Mr M.W. Trenorden: I will tell the member for Kingsley what he did: during the estimates committee hearings, the Treasurer told me that the Office of the Auditor General should be cut like every other government agency.

Mrs C.L. EDWARDES: That is an absolute disgrace.

[Leave granted for the member’s time to be extended.]

Mrs C.L. EDWARDES: The other issue relates to questions. The Government grizzles like mad when somebody is diligent enough to ask questions. The interesting part - I am sure the Treasurer would recognise this - is that when I was the minister I used to read some of the questions when they came back from the agencies and think “What a damn good question; I can’t wait to see what the answer to that one will be.” I bet the Treasurer thinks the same thing, because when I asked the question about flowers and plants -

Mr E.S. Ripper: Do you still read the answers?

Mrs C.L. EDWARDES: Absolutely, as I am sure the Minister for Police found out today.

Mr E.S. Ripper: I thought there might’ve been a few you didn’t bother to read.

Mrs C.L. EDWARDES: The Treasurer can say all of those things -

Mr A.J. Carpenter: I asked whether you were sure that question on notice 1554 had been answered and you said absolutely.

Mrs C.L. EDWARDES: Members opposite try to distract me. However, getting back to the issue of questions, the flowers and plants question was an interesting one. Some people like the Treasurer said, “Hang on; this is what you spent on flowers and plants when you were in government and this is what we’re spending on flowers and plants.” However, the issue is that the Labor Party came in on a platform of cutting waste. The Government spent hundreds of thousand of dollars establishing a task force to investigate and cut waste. Guess what? Flowers and plants will give us back the mobility program for seniors.

Mr A.J. Carpenter: That is a big issue.

Mrs C.L. EDWARDES: It is a big issue. The Minister for Education and Training obviously does not understand that a mere \$1 600 would fund the mobility program. We are talking about priorities. The Government can ask where to cut the funding -

Mr C.J. Barnett: The Minister for Education and Training is in the Chamber. I will tell him one thing about accountability; it is having the courage to stand on the steps of Parliament House and face demonstrating teachers.

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Several members interjected.

The ACTING SPEAKER (Mr P.W. Andrews): First, members do not speak when I am on my feet. Second, the member for Kingsley has the floor and the motion before us is on the Notice Paper.

Mrs C.L. EDWARDES: I refer again to the WA Inc report, which reads -

The office of the Auditor General provides a critical link in the accountability chain between the public sector, and the Parliament and the community.

That is what the Auditor General has put into his report. It continues -

It alone subjects the practical conduct and operations of the public sector as a whole to regular, independent investigation and review. This function must be fully guaranteed and its discharge facilitated.

We are talking about resources. It continues -

The Auditor General is the Parliament's principal informant on the performance of the administrative system. The Parliament therefore has a special responsibility to ensure that both the independence and the effective resourcing of the Auditor General are secured, and that its own investigative procedures (particularly through committees) -

We have talked about the Public Accounts Committee -

are such that it fully utilises the information about government supplied to it in the Auditor General's reports.

That is a very important comment and one that again needs to be reinforced for members. The member for Avon raised today the history, knowledge and experience of the Parliament. Our concern is that the Parliament contains many new members from the 1990s and particularly from the last election of 2001. They do not have the knowledge nor, I suggest, have they read those reports. I will not go through all the issues the member for Avon has raised, but when the Auditor General raises issues, it is incumbent upon us as members of Parliament to know what is the Auditor General's role and what has been said about the Auditor General in the past. The two most important reports, from the Council of Australian Governments and the Royal Commission into Commercial Activities of Government and Other Matters, are fundamental bibles for every single member of Parliament. I encourage all members to read them to ensure that the function of the Auditor General will not be reduced to merely carrying out what the Government wants to do.

The question to which I referred earlier is a very important one. The subject was raised as a major issue in the WA Inc royal commission report at paragraph 2.1.7, which states -

The public and the public's accountability agents, including the Parliament and the Auditor General, depend upon this commitment for information.

It is a good faith commitment of the officials who are at the heart of the action. It continues -

To be a reality, open Government must be a habit, a cast of mind.

The Parliament and the Auditor General depend upon this commitment for information. It continues -

Importantly, it requires a willingness to expose miscalculation and failure as well as to publicise innovation and achievement.

It is very important to ensure that the Parliament supports the Auditor General because information is the key to accountability. As the royal commission said at paragraph 2.10, accountability can be exacted only when those whose responsibility it is to call government to account are themselves possessed of, or able to obtain, the information necessary to make decisions. That is why members ask questions. At paragraph 3.12 the royal commission report refers to question time. The key to this motion is accountability. I have asked a number of parliamentary questions, the answers to which ministers, and even the Premier's office, have refused to provide. I asked a series of questions about the number of ministerial staff or persons working in ministerial offices who have been seconded from UnionsWA or an individual union. The Attorney General answered that question. However, where were the answers from the other ministers? I asked questions about management-initiated redundancy agreements. I received the standard answer. When I asked the Premier who had drafted the standard answer, he fudged and said all ministers sign off on answers, and it is their responsibility to ensure that the answers they provide are correct. That may be true. However, the question that must then be asked is: is someone in the Premier's office actually drafting those answers? I also asked questions about in-house cleaning services. Again, only the Attorney General answered that question; all the other ministers fudged the answer. I also asked questions about how many creditors are paid within 30 days or 45 days. I asked that question

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primarily because, when the Premier came into government, he said that he would guarantee, particularly for small business, that accounts were paid within 30 days. That is something we would all support. When the Premier was in opposition, he said that payment should be from the date the invoice was received. It would not matter if there was some discrepancy about whether it was 30 days from the date of the invoice or 30 days from the end of the month, so long as we could get an answer. However, when I tried to find out from each of the ministers whether each of the agencies for which they are responsible are paying creditors within the required time, the answer that I received was that -

... information systems used in agencies are designed to address operational and statutory requirements and don't necessarily facilitate the ready provision of information being sought by the Member.

I find that fascinating. The Attorney General was able to answer the question. If the Attorney General, who has a particularly large portfolio, can answer the question, why cannot the other 12 ministers also answer the question? The Attorney General has made a commitment to provide the answers to questions, and he does that willingly and provides full information.

It is critical that the Auditor General be properly funded to carry out his work and be able to carry out an investigation if required - particularly when we cannot get answers to questions. One example is the use of government credit cards. I asked a series of questions about credit cards. Again, I received the generic answer that I was asking for too much information and the minister could not respond. At the beginning of the year the Department of Justice had a problem with the way in which a particular prison officer was using his government credit card. That resulted in a three-month investigation into the use of Department of Justice credit card accounts. The audit exposed a system that is open to rorting and corruption. Justice workers racked up tens of thousands of dollars on the taxpayer-funded cards, but officials were unable to tell whether big bills at department stores, restaurants and bars were legitimate. The lack of receipts was also identified as a systemic problem within the department, and it meant that the State was unable to claim back some of the goods and services tax component on the purchases. Therefore, there was a double whammy, because not only was it not possible to determine whether the expenditure was legitimate, but also the lack of receipts meant that there was no opportunity to claim back the GST component on the purchases. The audit of 1 000 transactions on 80 credit cards revealed also that junior officers were made to authorise their boss's expenses, and employees used cards without proper authorisation. That is why we need an Auditor General. That is why we need to have a proper management system in place and ensure that that management system is working. It is not possible to get answers to those questions from this Government. It has made what was an art form in the 1980s even more refined in the 2000s. If the Auditor General is to be impacted upon in any way, so that he cannot carry out his proper duties with independence, this Government will go the way of previous Governments that have impacted on independent agencies. I remind the House that the Auditor General said it was a very serious issue. It was a major issue in terms of the amount of under-reporting on time. He stated that 33 per cent of entities were not meeting statutory deadlines. That figure was up 11 per cent from the preceding year. The increase was in all categories with 20 per cent of departments submitting their reports late. He stated -

Good corporate governance is built on getting the fundamentals, such as compliance with statutory accountability obligations, right. If agencies are deficient in such basic requirements it gives cause for concern that such deficiencies may be a symptom of further underlying management problems.

It is a critical issue; it is one on which we need to ensure our support for the Auditor General. By all accounts, the parliamentary survey shows - in all the years I have been here - that he has been fearless and independent. He needs to stay that way. I support the motion absolutely and ask all members to do so.

MR R.F. JOHNSON (Hillarys) [5.31 pm]: I will keep my comments fairly brief. I support the motion moved by the member for Avon because it is an extremely good one. As he said, the motion pricks the conscience of every member of this House. Members have a responsibility to the people in their electorates to ensure that the Government and government agencies spend Western Australian taxpayers' money wisely and prudently and that it is not spent frivolously or in party political areas.

This Government came to office on the election promise that it would be a Government of integrity and the most open and accountable Government Western Australia has ever seen. Like other promises it has made, it has broken this one as well. This is the most secretive and unaccountable Government I have ever known. Quite frankly, it will go the same way as the WA Inc Government did in February 1993. Unfortunately, some members on the other side of the House have very short memories. Some of those members, who are now leading ministers, were ministers in that Government. The Treasurer is one of the most important members of this House. He was a minister in the Government during the dreadful WA Inc years when public money was

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squandered, wasted and given away to buy patches of blue sky to help its good friends out of liquidation. That did not work.

Mr C.J. Barnett: It was a corrupt Government.

Mr R.F. JOHNSON: Yes, it was a corrupt Government. There is no question about that. They were found to be corrupt.

Point of Order

Ms A.J. MacTIERNAN: The allegation that members in this place, when in a previous Government, were corrupt is unparliamentary. It is also absolutely incorrect. There was no finding of corruption by the Royal Commission into Commercial Activities of Government and Other Matters.

Mr C.J. BARNETT: The member for Hillarys did not accuse any member of being corrupt. There is absolutely no doubt he said that the Government was corrupt. That was borne out by a royal commission and the Commission on Government. Indeed, there are proceedings before the Supreme Court in which the State is finally trying to recover some money from the appalling Bell Resources -

Ms A.J. MacTiernan interjected.

Mr C.J. BARNETT: What is more corrupt than \$1 billion going to Bell Resources Ltd for the Labor Party's WA Inc mates for lunch down at the Mediterranean every day? If that was not corruption, what was?

The ACTING SPEAKER (Mr P.W. Andrews): Members, we will all go home and read the history books at some stage. I will not make any comment about the term. There is no point of order, as no reference was made to a member.

Debate Resumed

Mr R.F. JOHNSON: I would not accuse any member on either side of the House of being corrupt unless I had absolute proof and could substantiate it. If I did have proof, I would do it by substantive motion, which is the way to do that in this place. However, I am allowed to refer to a previous Government as being corrupt; there is nothing wrong with that. If government members are so sensitive -

Mr A.J. Carpenter interjected.

Mr R.F. JOHNSON: It is funny that the Minister for Education and Training is interjecting now.

The ACTING SPEAKER: I have given my ruling on the point of order. The member for Hillarys will please address the motion before the House.

Mr R.F. JOHNSON: Mr Acting Speaker, I am in no way canvassing your ruling. The point that I am trying to make is the need for government to give the Auditor General the funds to ensure corruption does not take place. I remind members of what happened when there was not enough scrutiny by the Auditor General in the corrupt years of the WA Inc government. I suggest to you, Mr Acting Speaker, that WA Inc kept the funding short, which is exactly what this Government is doing today. This Government and this Treasurer are not adequately funding the Auditor General so that he can do his job properly. There are many areas that the Auditor General would like to investigate and there are some matters I would like the Auditor General to investigate. I will write to the Auditor General in the near future to ask him to investigate areas about which I have a concern. I understand that he is automatically obliged to investigate a matter if I write to him or phone him and ask him to do that. I asked this Parliament a few weeks ago to instruct the Auditor General to investigate a certain area, but the Government used its numbers to block that request.

Mr A.J. Dean: Why don't you write to him straightaway then?

Mr R.F. JOHNSON: The day that my friend the member for Bunbury makes a useful contribution in this House is the day I will listen to him.

Mr A.J. Dean: Why didn't you write to him?

Mr R.F. JOHNSON: I will not respond to the member for Bunbury's stupid, inane interjections. He should go back to sleep, look at his computer or do something else.

If the Auditor General is drip-fed with enough funds just to be able to comply with the job he is doing, the Government will not see its resources used properly or efficiently. Quite frankly, with a budget of today's magnitude and the number of changes to agencies since this Government came to office, the Auditor General has his work cut out to do his job adequately. Before the Labor Party came to office, it criticised the previous Government for using commercial confidentiality as a reason for not producing documents. In the last 15 months of the previous Government, I was the Minister for Works and Services and responsible for the Contract

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and Management Services organisation. That agency dealt with about \$5 billion worth of government contracts a year through a tendering process. I was working on a policy that would have compelled every document to be open to public scrutiny. Corporations that want to tender for government business have no right to say that they want material kept secret. They have the right to have formulas and such material kept secret, such as the formula for Coca-Cola. People do not need to know the formula for Coca-Cola; it is a genuine trade secret. Only material such as that should be kept in confidence. A person of the Auditor General's status should have the right to examine every contract that this or any Government enters into. That is what is needed if we truly want open and accountable government; however, that is not what we are getting. We hope that the Government can move forward and progress to a stage that the public is assured of its integrity and that it will conduct itself in the best interests of the public of Western Australia, not just best interests of its party political mates or any business it might favour.

The member for Kingsley touched on the subject of parliamentary questions the Opposition asks of the Government. We want to find out the details of certain costs. We will have to ask the Auditor General to investigate those costs at some stage. I want the Auditor General to investigate the Department of Premier and Cabinet. I believe that the Auditor General desperately needs to audit that department. I have a feeling that the taxpayers' money that has been blown in that department has not been spent on worthwhile projects for the benefit of Western Australians but on party political activities. That matter must be thoroughly investigated. The Premier has acknowledged that the number of staff in his department has dramatically increased.

Mr A.J. Dean: What does that have to do with the Auditor General?

Mr R.F. JOHNSON: What does that have to do with the Auditor General? The member is a short-term member. He has a year to go and then he can go back to school teaching, because that is more appropriate. On behalf of the Government, the Office of the Auditor General has a duty and an obligation to report to Parliament on all things that happen in government agencies and departments. It deals with matters of public expenditure. The Auditor General has an absolute responsibility to the public. As members have said, the Office of the Auditor General is not an agency of the Government; it is responsible to every member in this Parliament. It appears that only opposition members on this side of the House believe that. The Treasurer considers it to be one of the government departments for which he is responsible. That is why he was happy to include the Auditor General's department in the budget cuts. He should not have done that. If he were genuine about being open and accountable and ensuring that best practice in government expenditure is adhered to, he should be the first to say he wants the Auditor General to make a thorough audit of all government agencies. He should ensure that the Office of the Auditor General is properly funded so that the Auditor General can do his job properly without any limitations. If somebody is paid only a few peanuts to do a job, he cannot do it properly. He would effectively have one hand and one leg tied behind his back.

I touched on the Department of Premier and Cabinet. I would like that department to be audited. I believe the Auditor General has the authority to do that if he is asked to do so.

Mr E.S. Ripper: If he chooses to do so.

Mr R.F. JOHNSON: I bet London to a brick that this Government would never ask the Auditor General to audit the Department of Premier and Cabinet.

Mr E.S. Ripper: The Auditor General chooses of his own volition which departments he audits; the Government does not tell him which departments to audit.

Mr R.F. JOHNSON: If he is paid only a few shillings to do the job, he is limited in the amount of work he can do. I suggest that the last thing the Auditor General wants to do is upset the Treasurer and the Premier by auditing the Department of Premier and Cabinet and finding out what is going on.

Mr E.S. Ripper: He can go wherever he likes.

Mr R.F. JOHNSON: The Government should give him the money to do so. I think he has a duty to audit the Department of the Premier and Cabinet. I believe public money is being wasted and squandered in that department on party political activities and spin doctors.

Mr E.S. Ripper: Do you think the Opposition should direct his program?

Mr R.F. JOHNSON: We have seen how unstuck the Government's spin doctors have come in the past few weeks.

Several members interjected.

Mr R.F. JOHNSON: We cannot even get the credit cards that are issued to government departments. The Treasurer is too clever. I will not say that he is too cunning.

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Ms A.J. MacTiernan: Are you saying we are more clever than you were when you were in government?

Mr R.F. JOHNSON: No, there is a difference between being cunningly clever and clever. I suggest that the Treasurer is the latter.

Mr E.S. Ripper: *The West Australian* obtained information about my credit cards through freedom of information. That is completely open.

Mr R.F. JOHNSON: We cannot get details. The member for Kingsley has asked for details.

Mr E.S. Ripper: *The West Australian* had all the credit card vouchers.

Mr R.F. JOHNSON: We cannot get information in many areas. What has happened? The Treasurer goes on about what happened under the previous Government. I thought that the Labor Party had learnt from previous Governments, particularly its own of the WA Inc years. It tells everybody that it has learnt from those years and that it will act differently and be much better. It says that it will be honest, open and accountable and that it will be a Government with integrity. I am afraid the Government is falling far short of that expectation. If the Treasurer does not believe me, he should ask members of the public. It is not me, the member for Hillarys, saying this. The Treasurer should talk to members of the public. They think the Government is an absolute disgrace and that it has not lived up to its promises to be open and accountable. Even the media says that. *The West Australian* and *The Australian* say that the Labor Government is not living up to its promises. We knew that it would break its promise about taxation. The Labor Party said there would be no increases in taxes and charges. We knew that was an absolute and outright untruth. The Treasurer was the first to break that promise through the introduction of the premium property tax.

Mr C.J. Barnett: It did not last long.

Mr R.F. JOHNSON: Exactly. He came under too much pressure from his federal colleagues. A federal election was to be held, and the Treasurer had to bend, wave and do a backflip. I suggest that the Treasurer does not like doing backflips.

Mr E.S. Ripper: Wasn't the Alston cartoon wonderful? I thought it was very funny.

Mr M.W. Trenorden: It was very funny.

Mr R.F. JOHNSON: There have been some very wonderful Alston cartoons about some of the ministers, including the Treasurer. I recall a couple of wonderful cartoons about ministers who are in the Chamber at the moment. One was of the gay mardi gras through Northbridge. One minister was on a float holding a glass. That is how the people of Western Australia view the Government. Alston reflects the feelings and imagination of the Western Australian people.

I outline what I wanted to do. The member for Kingsley touched on it. Last week I asked a question about 20 people who have been appointed by the Government. Those 20 people comprised former state, interstate and federal Labor members and ministers; spouses of Labor Party members; a former federal Greens MP; and five unionists. It was absolutely blatant. The guides to recruitment were not used.

Several members interjected.

Mr R.F. JOHNSON: The Treasurer has mentioned four or five people connected with the Liberal Party. We took on Ian Taylor when we were in government. He is a great bloke and has a lot of commonsense. He made a really good contribution to this State. We recognise that, just as the Labor Party recognises that Barry MacKinnon and Ian Laurance have a lot to offer. That is why it has kept them on. However, it has appointed 20 of its cronies, who are in receipt of probably a few millions dollars of taxpayers' funds. I asked a question without notice about those people. The Premier said that he would try to get me that information by the end of that working day. He talks about being open and accountable and having integrity. He gave me a great big wad of documents detailing every single person who sits on a committee, commission or board.

Ms A.J. MacTiernan: You got too much information! You want us to do the research.

Mr R.F. JOHNSON: No. Instead of answering the question and giving me the information I asked for, he gave me so much stuff that it will take weeks to go through. There are about 600-odd boards.

Mr E.S. Ripper: You poor soul. You got all the information, and you do not have the capacity to research it.

Mr R.F. JOHNSON: No. I did not want the information the Premier gave me. I was not given the specific information I asked for because the Premier did not want to provide it. He thought that he would tie up that bloke from Hillarys by making him go through all the information! That big folder listing everybody who is on a board, committee or commission does not actually provide all the necessary information. It does not give the

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salary the members are receiving. It just provides details about them. Now we have to go through each one of them. We will do it. This is a Government that wants to be open and accountable!

[Leave granted for the member's time to be extended.]

Ms A.J. MacTiernan: You have broken another promise; you said you would be brief.

Mr R.F. JOHNSON: The minister said she would not make inane comments in this House, but now she is doing it.

Instead of being open and honest with the people of Western Australia through this Parliament, the Government does not do it. I asked a simple question. It was a bit embarrassing, because it highlights about 20 of the Government's cronies who are being paid public money to do jobs. I am not saying that all those people are not good people, and do not deserve to be taken on. If they are good and they have merit, of course they can be considered, along with everybody else. However, I can guarantee that the Government did not use the Guise report to actually appoint those people. It was public money, and I want the Auditor General to have a look at that area.

I also want the Auditor General to see what is going on in the department of the Minister for Planning and Infrastructure. She has had a lot of problems with money in her department. She could not find it. Two thousand dollars went missing from one account to another.

Ms A.J. MacTiernan: The Auditor General found that those problems actually dated back to 1999, interestingly enough, and we have now sorted them out.

Mr R.F. JOHNSON: The minister interprets things differently from people on this side of the House. The report actually said that the money had gone astray in the changes of department from one to another - from road safety, to police, to transport and all over the place. Nobody knows what is going on in this Government. The minister is using the old quickness of hand deceives the eye trick. If she can shift stuff around enough times and do it quickly enough, and confuse the people, the minister thinks they will not understand what is going on. They know what is going on and that the Government will not allow the Auditor General to do his job properly by keeping him short of funds. The Government will live to regret that, the same as the Deputy Premier did when the Labor Party was previously in office. Some of the people can be fooled some of the time, but they cannot be fooled all the time. The people are seeing the Treasurer and his Government in their true light. They are not doing things properly, as they should be done. The Government is not acting with integrity at all. What are we talking about in financial terms, for the job of the Auditor General?

Mr C.J. Barnett: Things like integrity and personal standards.

Mr R.F. JOHNSON: Yes, that is what we are talking about - things that some government members do not have a clue about. In monetary terms, we are not talking about fortunes, or hundreds of millions of dollars. We are talking about adequately funding the Auditor General so that he can do the job he is required - not requested, but required - to do under the standing orders of this House, and under the obligations he has to this House. If the Auditor General cannot do that, the blame must be on this Parliament. However, the blame should not be on this Parliament, because this side of the House believes that the Auditor General should be properly funded. We will support the motion to ensure that that happens.

The Chairman of the Public Accounts Committee, the member for Ballajura, has said that he will support the motion. I am pleased about that, but I would bet London to a brick that he will either go missing when the vote is taken or he will not vote with the opposition on this motion. He said he supported the motion, but he will not vote with the Opposition. He should have courage, and follow the convictions I am sure he has for wanting to ensure that there is openness, accountability and integrity in this Parliament, so that the Auditor General can do his job properly. The member for Ballajura has a very responsible position as Chairman of the Public Accounts Committee, because he has a direct link, as a member of a committee of this Parliament, with the Auditor General. He must work very closely with the Auditor General.

Mr J.B. D'Orazio: We do.

Mr R.F. JOHNSON: I suggest that most of what the Public Accounts Committee looks at is stuff that members on the other side of the House particularly want it to look at. If I were to put forward a request to the Public Accounts Committee to look at exactly what goes on in the Department of the Premier and Cabinet - how the money is spent, how many personnel it has and what their jobs are - to find out whether the public is getting value for money, I bet that it would not look at it, because the Government has the numbers on that committee. The Auditor General is a different story. He is independent.

Mr E.S. Ripper: It is a terrible thing when you are in a minority.

Mr R.F. JOHNSON: Absolutely.

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Mr E.S. Ripper: It is dispiriting.

Mr R.F. JOHNSON: Absolutely.

Mr E.S. Ripper: It eats away at the soul.

Mr R.F. JOHNSON: It does not eat away at the soul, but it is a bit dispiriting, because one knows that the Government has the numbers and will have its way.

Mr E.S. Ripper: We experienced that for eight years. You have eight years at least.

Mr R.F. JOHNSON: The Labor Party deserved to spend eight years in opposition. It deserved more than that for bankrupting this State when the Deputy Premier and his colleagues were last in government. The Deputy Premier was a minister then.

Mr R.C. Kucera: Is that why you are knocking back some of the preselections at the moment?

Mr R.F. JOHNSON: We do not all have friends who can ensure that we can get into this House and become a minister straightaway. We are not as fortunate as the Minister for Tourism. We know how the Labor Party works. We know the power of the Attorney General in the Labor Party. If someone is a good mate of the Attorney General, he will be in this place in no time and a minister, even though that person cannot do the job. Even if a person runs the place into the ground, he will still be a minister. If the Attorney General wants someone to be a minister, that is what will happen, because the Attorney General is the person with the power in the Labor Party in this House. We know that and members opposite know that. The faction that is led by the Attorney General will have its way. That is why certain people who came into this House and who did not have a clue about how to run a State got jobs as ministers. They are hardly ever heard of. Members can look at the crisis that was experienced in the Department of Health. It was the worst crisis this State has ever faced. I do not know why the ex-Minister for Health, who is the present Minister for Tourism; Small Business; Peel and the South West; and whatever else, bothers.

Mr R.C. Kucera: When will you ask me a question on tourism? I have been waiting for eight weeks for a question on tourism.

Mr R.F. JOHNSON: The minister was asked a question on small business and he did not have a clue.

Mr R.C. Kucera: When are you going to ask me a question on tourism?

Mr R.F. JOHNSON: I will.

Mr C.J. Barnett: He was Minister for Health for two years but we cannot look at a single achievement in that portfolio.

The ACTING SPEAKER (Mr P.W. Andrews): Member for Hillarys, nothing is of more interest to me than preselection, but what about going back to the debate.

Mr R.F. JOHNSON: I apologise, Mr Acting Speaker. I digressed because of the interjection from the Minister for Tourism. I think he wishes that he had never interjected on me now, because, as always, it has been turned back on him.

Mr R.C. Kucera: I am waiting.

Mr R.F. JOHNSON: The minister just had it. He is here only because of one person - his mate. I assure the minister that he would not be here otherwise. A few years ago, he would not have known whether he was Liberal or Labor - he would not have known what he was.

All the Opposition is asking is for the Government to agree to fund the Auditor General properly, so that he can do his job properly and we can see where there is waste in government agencies, because there surely is waste. I come back to the Department of the Premier and Cabinet, because that is where the decisions are made on what the Opposition believes to be political advertising. Something like \$890 000 was recently spent on the Ningaloo, Burrup and technical and further education advertisements. That is close to \$1 million. However, this stingy, Scrooge-like Government has cut funding to a program that was keeping senior citizens healthy and out of hospital. The Government has spent nearly \$1 million on those advertisements. That is what we know about. We want to know what else has been squandered. I guarantee that thousands and thousands of dollars, if not millions, have been spent. We know of the \$13 million that was spent on committees, summits, commissions and so on. We know what the previous Minister for Health spent on the Community Drug Summit. What a total waste of time that was. It is a pity that the Auditor General did not have a good look at that.

Mr C.J. Barnett: How do you reckon the sustainability summit would be seen?

Mr R.F. JOHNSON: Exactly.

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Mr E.S. Ripper: The Drug Summit resulted in a change to the law. It was a very useful summit.

Mr R.F. JOHNSON: It was a useful summit! The only people who benefited from it were those who smoke marijuana and want to grow their own. They can now grow their own. What a wonderful indictment that is on the people of this State. I would have thought any policeman worth his salt would not want to put his name to it.

Mr C.J. Barnett: I wonder if any Labor members still use drugs occasionally?

Mr R.F. JOHNSON: Who knows?

The ACTING SPEAKER: Member for Hillarys, I use drugs frequently. They are all prescribed drugs, and I am sure that every other member in this Chamber uses only those types of drugs. Can you please return to the motion.

Mr R.F. JOHNSON: Of course, I was referring to cannabis, which is illegal. That topic of conversation was brought up by members of the Government; I did not bring it up. I simply talked about the Community Drug Summit, which dealt with illegal drugs - heroin and all the rest of it.

This is an area that the Auditor General should examine. He should be looking into the money that has been squandered on all these committees, summits and so on, because that money has gone down the drain. We know it amounts to at least \$13 million, but the Auditor General could find out exactly how much more it is. When we got information from the Government about the money that was spent on these particular committees and summits etc, one minister would not give us an answer; the previous Minister for Health would not tell us how much had been spent on committees, summits and inquiries. That is the honest and truthful, open and accountable Government that this State has to endure at the moment.

In conclusion, I want to get across the point that members on this side of the House totally support this motion. If members on the other side of the House have any integrity, they would support this motion as well. This is not a blatant, highly political motion. It is quite a simple one that says we should fund the Auditor General to do his job properly. If the Government does not want to vote on this motion with members on this side of the House, it can mean only one thing; that is, that this Government does not want to be open and accountable and it does not want to be audited or investigated. That is a simple fact. If the Government wants to show the public of Western Australia that it meant what it said before the last election, then I urge members on the other side of the House to vote with us. There are some decent members on the other side of the House -

Mr C.J. Barnett: Where?

Mr R.F. JOHNSON: Well, there are one or two. Mr Acting Speaker (Mr P.W. Andrews) is a very decent member, although he will not be able to take part in this vote. I ask those members opposite to search their consciences and remember whom they represent - the people in their electorate. They do not represent the Labor Party first and foremost. Their duty is to represent their electorate, and I ask them to support this motion and vote to show that honesty, openness and integrity can come back to government in Western Australia.

MR B.K. MASTERS (Vasse) [6.03 pm]: It gives me quite a deal of pleasure to offer my support to what I believe is a very sound and important motion moved by the Leader of the National Party. The motion effectively offers this House's support to the Auditor General in making sure that the Auditor General and his office are adequately funded to allow that independent agency to do its job properly.

I commend the member for Ballajura, the Chairman of the Public Accounts Committee, for staying in the House and listening. As a new member of Parliament, there are times when it is better to be in the House listening rather than off doing other things, and I commend him for having the patience to listen to the various points of view put forward so far by opposition members.

The importance of the Auditor General cannot be overestimated. He is independent of government and reports to the people of Western Australia via this Parliament. He is charged with the responsibility of auditing not just financial activities but a wide range of activities. These include services, programs and the capital and operating expenses of virtually every government agency in Western Australia. In the seven years that I have been a member of this place, I have been one of the very regular, even religious, attendees at the Wednesday lunchtime briefings provided by the Auditor General. I say that in spite of the fact that the lunch that is laid on leaves something to be desired. Nonetheless, those lunches have contributed to my waistline expanding over the past seven years.

Mr R.C. Kucera: The lunch is free.

Mr B.K. MASTERS: It is free, but when a person does not have time to eat anywhere else, he eats what he can lay his hands on. The important point is that in seven years I have learnt to place a high value not only on what the Auditor General says in his various reports, but also on the fact that he and his staff are independent of the Government of the day, of the minister and of the agencies that they assess.

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Mr P.G. Pendal: He is an officer of this Parliament.

Mr B.K. MASTERS: Yes. By way of comparison, I will briefly talk about the Environmental Protection Authority, which is an agency that I also hold very dear to my heart, not just because I am the shadow Minister for the Environment, but because, after some 30 years of involvement in the voluntary conservation movement and all things relating to environmental protection and nature conservation, many years ago I became totally committed to the concept of having an independent advisory body to give the Government fearless advice on environmental protection matters. Over the years, I cannot think of any EPA errors or any occasions on which the EPA advice was wrong, bad or inappropriate, remembering of course that the recommendations it makes are just that - recommendations - and in many cases are not decisions. I have been overwhelmed by the professionalism and competence of the EPA. I therefore find it very disappointing when anyone criticises an independent agency such as the EPA for reasons that are unfair or invalid, or, worse, for political reasons.

Just recently there has been a significant environmental issue in my electorate.

Mr P.G. Pendal: You're not going to square off on those tuarts, are you?

Mr B.K. MASTERS: I am just about to mention the word "tuarts".

Mr P.G. Pendal: I thought you would.

Mr B.K. MASTERS: That environmental issue created significant controversy. The proponent was Cable Sands (WA) Pty Ltd. The issue was mining for mineral sands in an area of state forest - not national park - in which there had been considerable disturbance over the years. Some environmental values were certainly attached to the remnant vegetation in that area. Nonetheless, it was an issue that, in my view, sought to achieve the right balance - a sustainable balance - between development, conservation and societal needs. Therefore, I got quite upset when certain groups that were opposed to that proposal criticised the EPA and accused it of being seduced by the proponent; and, by way of implication, suggested that when the EPA reported upon that project and others, it did so in a biased manner, or that it was otherwise unable to deliver a professional and honest assessment of the projects being assessed at the time.

I know most of the people on the board of the EPA. I have known many of them over the past 20 years. I certainly have some philosophical and other differences with the odd one or two of them. However, as a board and an entity that provides independent advice to the Government, the EPA has done an excellent job over the years.

Returning to the theme of this motion, I must say that the Office of the Auditor General has done an equally professional, honest, unbiased and totally non-political job of reporting to the people of Western Australia, through this Parliament, on a range of issues.

In my first term in Parliament - I am talking out of school here - I was a backbench member of the Government. I hope I am not letting too many cats out of the bag when I say that there was significant criticism from some of my colleagues about the way in which the Auditor General and his office occasionally handled particular projects they were working on, especially the release of their reports, particularly those reports that were considered by some people to be critical of government. I was concerned because I had attended most, if not all, of those Auditor General briefings. I had listened carefully, I had questioned, and I had read, not the entire body of the reports, but certainly the summary and relevant sections of almost all the reports, and I held a different view. I did not believe that people in the previous term of government had any justifiable complaints against the Auditor General, so I phoned Des Pearson and asked him to explain to me how he went about the latter stages of his reporting because I was being told privately that he was showing some political bias, unprofessional behaviour or whatever. Mr Pearson pointed out to me that when his officers completed a draft report, it was sent to the relevant agency and to the relevant government minister for their comment, and if the comment was then forwarded back to the Auditor General, the Auditor General considered that comment in as serious a manner as the original investigation was carried out. Without mentioning names, it became clear to me that the members of the previous Government who were critical of the Auditor General were the ministers who did not bother to respond to the draft reports when they were presented to them and their agencies. In other words - again, I hope this is not taken out of context - there was the odd occasion on which ministers, either through laziness or overwork or for other reasons, simply did not respond to what I thought was the very fair and reasonable manner in which the Auditor General made a particular report available to a minister and the relevant agency. In other words, if the minister had responded and had been able to convince the Auditor General of the merits of the case that he or she was putting forward, the final report might not have been viewed as being as antigovernment as members of the previous Government on infrequent occasions had thought. That telephone call and what I did with that knowledge in the year or two afterwards convinced me that the Auditor General is, as I said earlier,

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totally professional, scrupulously honest, fair and non-political in everything that he and his office have done over the years.

I therefore conclude that the content of this motion must be supported by this House; namely, we must ensure that there is appropriate funding in the 2003 budget for the Auditor General so that he and his office can do the job that is required of them. I very strongly support the motion. I commend Des Pearson and his staff for many years of effort, which I believe has been unrecognised to a certain degree. Unfortunately, this motion says that to a certain degree their efforts have been somewhat unrewarded financially. The Government is putting those people under significant performance pressure by under-resourcing them when, for legitimate reasons, they wish to carry out investigations into agencies that need to be investigated for what may be nothing more than normal reasons but also may be for abnormal reasons. Therefore, this motion deserves the strong support of this House.

In conclusion, I look forward to the Auditor General conducting an audit of the costings of the southern rail line, because at some stage in the future, that proposal from this Government will be shown to have financially blown out way beyond the figures that are being cited by the Government at the moment. I look forward to the Auditor General doing the same professional, competent and independent job on that project of the Government as he and his staff have done for many years on many other projects.

MR E.S. RIPPER (Belmont - Treasurer) [6.14 pm]: I place on record, firstly, my appreciation of the importance of the role of the Auditor General. In our system of government, it is necessary to have independent, fearless and open scrutiny of the financial transactions of government agencies. I regard the Auditor General's work as being of assistance to me in my role as Treasurer. I say that because many issues are essentially below the radar of ministers and perhaps even of chief executive officers. Ministers tend to focus on their agenda for change and what difference they will make during their time in government. Many administrative and implementation issues are deep in the bowels of departmental activity that are not brought to the attention of ministers by their senior public service advisers. Given the focus of ministers on change, they are not necessarily uncovered by ministers.

I have an example from my own portfolio. As Treasurer, I have concentrated on changes to taxation, the review of business taxation, the implementation of those measures and the resolution of various matters of controversy that arise from time to time. The Auditor General undertook a review of call centres in government. The performance of call centres was not something to which I had paid any attention. Quite frankly, I did not even realise that the Office of State Revenue had a call centre. In fact, I was advised that it is not really a call centre; it is a roster of officers who answer phone calls. Nevertheless, the Auditor General examined the Office of State Revenue's performance in responding to customer calls. He had a number of criticisms and, as a result of his investigation and report, the Office of State Revenue has implemented some corrective measures. That is an improvement in public administration that would not have happened through the usual parliamentary and ministerial processes. As a minister, I was focusing on broad policy change rather than the administrative performance of a section of the agency under my control that had not come to my attention.

There are also across-government issues. One of the problems with our system of government is the potential to develop a silo-like mentality. Ministers are inclined to review the performance of their portfolio without necessarily being aware of how their department's performance compares with that of other departments - for example, in information technology matters. Therefore, the work of the Auditor General in addressing those broad across-government public sector management issues is also of value. The Auditor General deals with matters that do not come to the attention of ministers or the Treasurer through the usual processes.

I also support the independence of the Auditor General. He determines his own work program. As Treasurer, I have formal responsibility in this House for the Auditor General's work. However, it is formal responsibility only. Every now and again the Auditor General briefs me on what he is doing. He tells me what he is doing; he does not ask me what to do, nor do I seek to influence his program of work. As Treasurer I may be worried about a particular issue and I may ask the Auditor General whether he has thought about inquiring into that issue. However, it is entirely up to him to decide whether that issue is worthwhile inquiring into. The Auditor General determines his own course of work. I wanted to place that on the record before I referred to other issues that relate to the motion moved by the Leader of the National Party.

I am surprised that the Leader of the National Party has taken such a self-righteous stand on the question of accountability, because I recall that on 17 May 2001 he addressed the congress of certified practising accountants and told them that he thought accountability had gone too far. He also told them that he was not a fan of annual reports, that he read about 20 a year and that they were reports of the companies in which he had an interest and not agency annual reports, the information of which he said was too old. Given that type of attitude to accountability, I am surprised that the Leader of the National Party has moved this motion and expressed such high notions of accountability.

Mr Max Trenorden; Acting Speaker; Mrs Cheryl Edwardes; Mr Rob Johnson; Mr Bernie Masters; Mr Eric Ripper; Mr John D'Orazio

Mr M.W. Trenorden: Because you weren't there, you don't know that the speaker before me was the Auditor General - he was the Carlton one - and that he disagreed with me and thought that my figure was too low. You disagree with not only me, but also the Auditor General.

Mr E.S. RIPPER: That is interesting information, but it does not change the incongruity of a man moving a motion such as this when he thinks that accountability has gone too far.

I want to deal with the budgetary issues surrounding the Auditor General and his office. Having dealt with those, I will then talk about what accountability really means and what it requires in this House. First, I will refer to the Auditor General's overview in his annual report for 2002-03, in which he commented on resources -

When assessing our overall position it became clear that while the Office's total expenditure has increased 16 per cent between 1993-94 and 2001-02, it had not kept pace with a corresponding 23 per cent increase in the CPI.

His overview concludes -

My ability to continue to maintain the quality, quantity and integrity of the audit program in coming years, however, may be restrained if the current trend in resourcing continues.

Clearly, the Auditor General is concerned about what he regards as a real decline in funding in the years 1993-94 to 2001-02. What he is saying is that, if that trend continues, it may pose a problem for his audit performance. I want to reassure the House that that trend is not continuing and will not continue. If we look at the history of appropriations for the Office of the Auditor General under this Government, in 2001-02 there was a small real decline in the appropriations of 0.18 per cent. In 2002-03 there was a real increase in the appropriations of 0.91 per cent. In 2003-04 there was another real but small increase in the appropriations of 0.02 per cent, which is still a real increase in inflation. The Government is forecasting in the forward estimates an increase in 2004-05 of 3.02 per cent. The Auditor General has said that his funding in real terms declined over eight years to 2001-02 and if that trend continued his performance would suffer. That trend will not be continuing because there was a real increase in the budget in 2002-03, another increase in 2003-04 and a significant real increase in the budget proposed for 2004-05.

I can add to these figures by quoting from the budget papers. They show the following trends in the budget to 2001-02: in 1999-2000 the total appropriation provided to the Office of the Auditor General was \$7.793 million; in the following year the office was provided with \$7.689 million; and in the 2001-02 budget - the first of the Labor Government - the office was provided with \$7.705 million. One can see that nominally the budget has been increased. Some debate occurred about the policy of the priority assurance dividend that the incoming Labor Government applied to all agencies funded by the taxpayer in order to meet its election commitments to give priority to health, education and law and order.

As part of our election commitment, we said that we would quarantine health, education and the Police Service from the priority assurance dividend but we would apply the priority assurance dividend to every other agency funded by the taxpayer so that we could redirect resources to those priority areas.

Mr M.W. Trenorden: You should be embarrassed to say that.

Mr E.S. RIPPER: The Leader of the National Party says that, but that was the platform upon which we were elected. We were elected on the basis that we would apply the priority dividend to every agency funded by the taxpayer other than those in health, education and law and order. If it was wrong, perhaps members of the coalition should have raised the issue during the election campaign, but we heard nothing from them during that campaign. It was quite clear from our policy document what we would do, and they did not raise it. We were elected on that platform.

Several members interjected.

The ACTING SPEAKER: Order!

Mr E.S. RIPPER: When we came into office and went through the budget process, I decided together with my colleagues that it was wrong to apply the priority assurance dividend to the Disability Services Commission. Therefore, I quarantined the Disability Services Commission from the application of that priority assurance dividend in the budget process. The coalition was particularly incompetent in its election campaign. I thought that it would raise the issue of the Disability Services Commission every day because the priority dividend applied to it, but the coalition never did.

Mrs C.L. Edwardes: Was there anything else we did wrong?

Mr Max Trenorden; Acting Speaker; Mrs Cheryl Edwardes; Mr Rob Johnson; Mr Bernie Masters; Mr Eric Ripper; Mr John D'Orazio

Mr E.S. RIPPER: There are lots of things that members opposite did wrong. I will not give them too many clues, because we have to fight another election campaign. However, members opposite were very poorly organised on financial matters during the last election campaign, and they paid the price for that.

Mrs C.L. Edwardes: We will take note of that for next time!

Mr E.S. RIPPER: I am glad, because I will be demanding from members opposite a comprehensive financial plan. That will be an interesting debate.

Several members interjected.

The ACTING SPEAKER (Mr A.J. Dean): Order! Members, the Treasurer has a dicky voice at this stage, so can members please give him the floor; and perhaps the Treasurer will stop baiting the Opposition.

Mr E.S. RIPPER: I will resist the temptation, Mr Acting Speaker, serious though it is.

When it came to the budget process for 2001-02, we discussed with the Auditor General the application of the priority assurance dividend. He was quite firm in expressing the importance of the independence of his office. In the end, the application of the priority assurance dividend to the Office of the Auditor General was very modest. In other words, the Office of the Auditor General made a small contribution to the overall expenditure restraint that is expected of all government agencies. The evidence of that can be found at page 176 of budget paper No 2 of the 2001-02 *Budget Statements*. We changed the Auditor General's budget by \$95 000 in 2001-02, \$125 000 in 2002-03 and \$125 000 in 2003-04. However, in 2002-03 we added back \$34 000 for additional wage increases in the Office of the Auditor General, and in 2003-04 we added \$47 000. Therefore, the application of the priority assurance dividend had a very small impact on the Office of the Auditor General. I believe it was appropriate that the Office of the Auditor General made at least a token contribution to the expenditure restraint expected of all agencies funded by the taxpayer.

The important point is that the Auditor General has complained about a real decline in funding over the eight years from 1993-94. Despite the priority assurance dividend changes, we made a real increase in the budget of the Office of the Auditor General in 2002-03 and 2003-04, and we are foreshadowing a significant real increase in 2004-05. The Auditor General has said that he had eight years of real decline in his budget under the coalition Government. In the past three years under Labor he has experienced real increases of 0.91 per cent, 0.02 per cent and 3.02 per cent. He has said that if that trend of real decline had continued, it would have had a significant effect on his performance. However, there have been real increases under Labor, with a significant real increase proposed for 2004-05.

Mrs C.L. Edwardes: What do you mean by "real"?

Mr E.S. RIPPER: "Real" is after we take account of inflation; in other words, it is above inflation. That puts paid to the argument from the Leader of the National Party, because over the period to 2006-07, real appropriations for the Office of the Auditor General are forecast to increase by 2.6 per cent. In other words, the trend that he was complaining about was a coalition Government trend. That trend no longer applies under the Labor Government's forward estimates. Of course, the Government will engage in a new budget process in 2004 for the 2004-05 budget year. The Government will hear from the Auditor General about the particular needs of his office. It is understood by the Government that there are trends in private sector auditing costs that are imposing special burdens on the Office of the Auditor General. As part of his usual practice, the Auditor General contracts out some of his auditing activities. Auditing charges levied by the private sector, partly due to increased perceptions of risk, higher interest costs and so on, have risen more sharply than the rate of inflation. Consequently, the Auditor General is bearing more cost and is likely to bear more cost for the contracting out of some of his auditing activities.

Mr M.W. Trenorden: Why aren't you going to fund it?

Mr E.S. RIPPER: In the forward estimates for the next financial year, the Government has already foreshadowed a three per cent real increase in funding for the Office of the Auditor General. We will, of course, engage in the discussions we usually have with the Auditor General in the budget process. Those discussions are absolutely separate from any consideration of the program of work of the Auditor General. The Auditor General is entirely free and independent, and I hope fearless, in his choice of audit targets. I want him to be entirely free, fearless and independent in making those choices. That is an important element in maintaining the overall integrity of our financial system. Unlike the coalition, this Government is not cutting the budget; it is increasing it.

There are other matters that must also be taken into account.

Mr M.W. Trenorden: Don't tell me about the reduced number of agencies.

Mr Max Trenorden; Acting Speaker; Mrs Cheryl Edwardes; Mr Rob Johnson; Mr Bernie Masters; Mr Eric Ripper; Mr John D'Orazio

Mr E.S. RIPPER: I think it is relevant that the number of government departments has fallen from 46 to 21. It means that fewer audits have to be conducted. Public sector reform will make the work of the Office of the Auditor General easier. The important point is that I am not alone in thinking that. The Auditor General also thinks that. I will quote from the annual report of the Auditor General; not the latest report, but the 2000-01 report. The Auditor General's overview states -

The other major challenge will be to manage the audit implications of the 'machinery of government' changes announced earlier this year by the new Government following its election win in February.

. . .

Responding effectively to this challenge will require considerable effort from all staff, and in the short term consume both time and resources.

Mr M.W. Trenorden interjected.

Mr E.S. RIPPER: The Leader of the National Party should listen. This is the part of the quote I have been waiting to get to, in which the Auditor General confirms the argument I have just put to the House. He states -

Long term the changes do have the potential to produce tangible savings in audit effort, however, these are unlikely to be achieved until 2003-04 at the earliest.

We are now in 2003-04, and back in 2001 the Auditor General was predicting that this Government's public sector reform would have an impact on savings in his audit activities. It may be that the savings are not coming in as soon as he expected or that increases in private sector audit charges are counterbalancing the reduced need for audit in the public sector due to the reduced number of government departments. The important point is that his budget is going up, not only in nominal terms, but also in real terms.

Mrs C.L. Edwardes: Go to some of the public service agencies that you have brought together and ask them. It is not happening. Your reforms are happening in such an ad hoc way there will be no benefit of savings because it is too complex.

Mr E.S. RIPPER: I am not talking about savings in government departments; I am talking about the fact that the Auditor General has fewer audits to do. Instead of auditing 46 sets of government department accounts, the Auditor General is auditing 21 sets.

Several members interjected.

Mr E.S. RIPPER: I can understand the Opposition's scepticism at what I say. I can well understand the Opposition saying that I am just the Treasurer and that it does not believe me. However, I have quoted from the Auditor General's 2000-01 annual report. His remarks in that report confirm my view. I am sure that if the Auditor General finds that these savings are not realisable, he will put that view to the Government. We value the work of the Office of the Auditor General and we are prepared to consider any budget issues that the Auditor General may put before us.

Mr M.W. Trenorden interjected.

Mr E.S. RIPPER: I remind members opposite - because it appears that the fact has not sunk in - that we are proposing not only a nominal increase but also a real increase in the Auditor General's budget for next year; it is already in the forward estimates. Therefore, we will adjust upwards for inflation and then add three per cent to the budget of the Office of the Auditor General. Members must be realistic about the 2004-05 budget; it is in our forward estimates.

Mr R.F. Johnson: Over how many years?

Mr E.S. RIPPER: The next budget, 2004-05. Members must be realistic about the amounts that are available for budget increases. This year, even with taxation measures, revenue is expected to increase by only 2.1 per cent. The average increase that a government agency could be given on the basis of that revenue increase is 2.1 per cent. The Auditor General will do significantly better than other government agencies if he is given a real increase of three per cent.

Mr C.J. Barnett: Why were your forecasts of revenue and expenditure so hopelessly wrong for 2002-03?

Mr E.S. RIPPER: It so happens, Leader of the Opposition, that I have available to me the annual report.

Mr C.J. Barnett: It is a real issue that Treasury's competence is so far out. The commonwealth Treasury does not make mistakes like that.

Mr Max Trenorden; Acting Speaker; Mrs Cheryl Edwardes; Mr Rob Johnson; Mr Bernie Masters; Mr Eric Ripper; Mr John D'Orazio

Mr E.S. RIPPER: Is it not interesting, Mr Acting Speaker, that the Leader of the Opposition seeks to attack the competence of the Department of Treasury and Finance? I recommend that the Leader of the Opposition turn to page 24 of the "2002-03 Government Financial Results Report". He will find there an interesting table on tax competitiveness, which contains the budget estimates for taxation revenue per capita and the budget actuals for each of the States. It can be seen that each State underestimated the amount of revenue that was realised in 2002-03. The table shows that the gap between the estimate and the actual revenue was smaller in Western Australia than in almost every other State. The figures are not in the report but the graph shows that Victoria and Western Australia did reasonably well in estimating their actual revenue whereas New South Wales, Queensland, South Australia and Tasmania had much bigger margins of error. Obviously I would prefer Treasury estimates to be exactly in accord -

Mr C.J. Barnett: Have you asked the Under Treasurer to explain the estimations?

Mr E.S. RIPPER: I would prefer Treasury estimates to be exactly in accord with the actualities. I have learnt that when talking to the public and the media about budget outcomes, the only perfect outcome is the forecast that is precisely to the dollar. If the actual revenue varies from the forecast, there is always room for criticism. The table on page 24 of the report shows that our Treasury performed very credibly compared with Treasuries in other States.

Mr R.C. Kucera: There is little wonder that the Leader of the Opposition seeks to criticise the Under Treasurer in particular given the letter the Treasurer read out to us the other day in the House.

Mr E.S. RIPPER: I can imagine that the Leader of the Opposition might well have a grudge against the Under Treasurer given the way in which the Under Treasurer pinged the Leader of the Opposition in that famous memo to Richard Court.

Mr C.J. Barnett: I will be asking the Under Treasurer in the estimates committee why there was such a wide underestimation of his professional forecast.

Mr E.S. RIPPER: I would be delighted if the Leader of the Opposition asked that question during the estimates committee and I will be happy to deal with it.

I will refer to the nature of this argument. The Government supports the independence of the Auditor General; it values the work of the Auditor General; it has reversed the trend of real declines in appropriations to the Office of the Auditor General; and it has foreshadowed a significant real increase in the Auditor General's budget in the next financial year. That matter is already in our financial estimates. The Auditor General envisages that savings will be made from the reduction in the number of government agencies that the Office of the Auditor General will audit.

Finally, I refer to the notion that the Public Accounts Committee should determine the budget of the Office of the Auditor General. I have a view about accountability.

Mrs C.L. Edwardes: Which view is that?

The ACTING SPEAKER (Mr A.J. Dean): Order, members!

Mr E.S. RIPPER: Accountability is about openness, scrutiny, the provision of information and being subject to independent oversight.

Mr J.H.D. Day: Except when you are in government.

Mr E.S. RIPPER: Accountability is about more than that. Accountability is about taking responsibility for decisions. On the question of the budget, the Government is responsible to the Parliament and the public for budget outcomes and revenue raising measures. No-one else in this House but the Government must take responsibility for the budget outcome. The Government will be held accountable for any deficit.

Mrs C.L. Edwardes: The Treasurer.

Mr E.S. RIPPER: Particularly the Treasurer. It will not be the Public Accounts Committee, the Opposition or any other member of Parliament who is held responsible. If it is necessary to raise taxes to fund the service needs of the community, the Government will be held accountable for that to the Parliament and the public. We cannot have a situation in which a group of people who are not accountable for budget outcomes or revenue-raising measures determine budgets. The people who are accountable for tax and the budget outcomes are the people who should determine the budget.

However, there is another side to accountability; that is, scrutiny. The Government's decisions on budget matters are subject to the scrutiny of the estimates committee, and the estimates committee can hear directly from the Auditor General. Members know how it works. The Auditor General comes into the Chamber and sits next to me, the Treasurer. I transfer questions to the Auditor General, and the Auditor General directly addresses

Mr Max Trenorden; Acting Speaker; Mrs Cheryl Edwardes; Mr Rob Johnson; Mr Bernie Masters; Mr Eric Ripper; Mr John D'Orazio

the committee on the issues of his budget. It goes further. The Public Accounts Committee has a special working relationship with the Auditor General. It takes steps to ensure that the reports of the Auditor General are followed up and seeks advice from the Government about what it has done about the various recommendations of the Auditor General. I am more than happy for the Public Accounts Committee to inquire into the budget or the resources available to the Auditor General if it decides that is a priority in its program of independent scrutiny. I do not think the Opposition or the Government should tell the Auditor General or the Public Accounts Committee what their respective programs of work should be. If agencies scrutinising the Government are to be genuinely independent, they must make their own decisions about the particular matters they will focus on. The Auditor General has to make his own decisions about what he intends to focus on, and the Public Accounts Committee should not be directed by this House, the Opposition or the Government to investigate the resources available to the Auditor General.

To summarise, the Government will not support this motion for good reasons. First, the Government has consistently supported the independence of the Auditor General. Second, the Government has increased the budget of the Auditor General and reversed the trend about which he expressed concern in his annual report. Third, accountability requires not only openness and the provision of information but also the acceptance of responsibility, and the only people in this Chamber who can accept responsibility for budget outcomes and taxation measures are members of the Government, in particular the Treasurer. If I am to be held accountable for particular matters, I will decide them. A person cannot be held accountable for something he has not decided. I regard the motion as misconceived. If the Opposition were able to properly do its job in this Parliament through the estimates committees and the other parliamentary mechanisms available to it, it would not need to take this sort of approach. The Government will not support the motion.

MR J.B. D'ORAZIO (Ballajura) [6.55 pm]: I must speak on this issue, since members have talked for one and a half hours about what I will or will not do.

Mr B.K. Masters: I commended you for what you were doing.

Mr J.B. D'ORAZIO: I thank the member, and I appreciate his comments. I will also commend my predecessor as Chairman of the Public Accounts Committee, the member for Avon, who moved this motion. I have moved in a number of circles -

Ms S.E. Walker interjected.

Mr J.B. D'ORAZIO: Can I finish please, member for Nedlands? Some opposition members want to vote on this.

I thank the previous Chairman of the Public Accounts Committee, who did a great job. He has been recognised in a number of places, not just in Western Australia but also interstate, for his role as Chairman of the Public Accounts Committee. I hope I can match his efforts even to a small degree, because he did a wonderful job. The Auditor General also does a fantastic job, at times dealing with very delicate and difficult issues. The Public Accounts Committee has been working very efficiently, and I praise the other members of the committee, especially the opposition members - one National Party and one Liberal Party member - because the committee has worked very amicably and well. We have set up processes that will do exactly what the member for Avon seeks to achieve with this motion; that is, achieve accountability. We have set up an informal process with the Auditor General under which we will have frequent meetings with him to find out what he is doing, to tell him what we are doing and to look for ways in which we can support each other. We have also now formalised the process of looking at his department, because nobody is overseeing the Office of the Auditor General; he is independent. The Public Accounts Committee has taken on itself the role of reporting to Parliament on the processes. I give a commitment to the Parliament that if for one minute the committee thought there was a problem with the resourcing of the Auditor General, and he made that clear to us, we would have no problems reporting it.

Mr M.W. Trenorden: He has written to every parliamentarian saying he is in trouble. Why do you not listen to that message?

Mr J.B. D'ORAZIO: He said in his report that he requires extra resources, and extra resources have been applied. If, through the arrangement we now have with the Auditor General, he clearly identified a specific problem, I would have no problem -

Mrs C.L. Edwardes: He just did - read the report.

Mr J.B. D'ORAZIO: Does the member understand plain English, or does she want me to explain it once again? At this point, the Auditor General has not indicated to us that he has a problem with resources.

Mr M.W. Trenorden: He wrote to each and every one of us.

Mr Max Trenorden; Acting Speaker; Mrs Cheryl Edwardes; Mr Rob Johnson; Mr Bernie Masters; Mr Eric Ripper; Mr John D'Orazio

Mr J.B. D'ORAZIO: Does the member understand the difference between the present and the future? When in Opposition, he may have a different view of the same set of facts. At this point, the Auditor General has indicated to us that he does not have a problem with resources. I indicated to the Parliament that if the committee were told, and the Auditor General made the specific point that he was critical of the resources available to him, I am sure we would tell the Parliament. As I said informally to the member for Avon, I would personally go to the Government and lobby for more resources. It is important that the Auditor General have the resources he requires to perform his job.

Mr M.W. Trenorden: Will you give us a chance to vote on this?

Mr J.B. D'ORAZIO: I have had three minutes. The member should let me finish.

Mr P.D. Omodei interjected.

Mr J.B. D'ORAZIO: Does the member for Warren-Blackwood wish to speak on this?

Mr R.F. Johnson: We want to vote on it.

Mr J.B. D'ORAZIO: I know members opposite do, but I want to have my say. If they had let me have my say - Several members interjected.

The ACTING SPEAKER (Mr A.J. Dean): Order!

Mr J.B. D'ORAZIO: Members opposite have not allowed me to finish my comments. I am happy to sit down and let the member for Avon have his vote. However, I put on record that I am disappointed that I have not been able to have my say on this issue.

Question put and a division taken with the following result -

Ayes (19)

Mr R.A. Ainsworth	Mrs C.L. Edwardes	Mr A.D. Marshall	Mr T.K. Waldron
Mr C.J. Barnett	Mr J.P.D. Edwards	Mr B.K. Masters	Ms S.E. Walker
Mr D.F. Barron-Sullivan	Mr B.J. Grylls	Mr P.G. Pandal	Dr J.M. Woollard
Mr M.J. Birney	Mr R.F. Johnson	Mr R.N. Sweetman	Mr J.L. Bradshaw (<i>Teller</i>)
Mr J.H.D. Day	Mr W.J. McNee	Mr M.W. Trenorden	

Noes (26)

Mr P.W. Andrews	Mr S.R. Hill	Mr A.D. McRae	Mrs M.H. Roberts
Mr J.J.M. Bowler	Mr J.N. Hyde	Mr N.R. Marlborough	Mr D.A. Templeman
Mr A.J. Carpenter	Mr R.C. Kucera	Mrs C.A. Martin	Mr P.B. Watson
Mr J.B. D'Orazio	Mr F.M. Logan	Mr M.P. Murray	Mr M.P. Whitely
Dr J.M. Edwards	Ms A.J. MacTiernan	Mr J.R. Quigley	Ms M.M. Quirk (<i>Teller</i>)
Dr G.I. Gallop	Mr M. McGowan	Ms J.A. Radisich	
Mrs D.J. Guise	Ms S.M. McHale	Mr E.S. Ripper	

Pairs

Mr P.D. Omodei	Mr J.C. Kobelke
Ms K. Hodson-Thomas	Mr C.M. Brown
Mr M.F. Board	Mr A.P. O'Gorman
Mr M.G. House	Mr J.A. McGinty

Question thus negatived.