

*Standing Committee on Estimates and Financial Operations — Seventy-seventh Report —  
“2017–18 Budget Cycle—Part 2: Annual Report Hearings” — Motion*

Resumed from 14 August on the following motion moved by Hon Alanna Clohesy —

That the report be noted.

**Hon NICK GOIRAN:** I note that when this matter was last before us, the parliamentary secretary and Chair of the Standing Committee on Estimates and Financial Operations, Hon Alanna Clohesy, was making her contribution. I know that she has a little bit of time left and, no doubt, if she wishes to continue her remarks, she will do so when she returns from urgent parliamentary business. In the meantime, it gives me the opportunity to consider this important report. Part 2 of the budget cycle for the 2017–18 financial year deals with the annual report hearings. When one has the opportunity to peruse and consider this report, the theme that emerges is that once again it showcases this government’s refusal to adhere to its so-called gold standard of transparency. I would like to take a few examples from the annual report hearings to demonstrate this in the few minutes that we have to consider this report this afternoon.

I start with the annual report hearing that took place with the Department of Education on 14 November. During that education hearing, I asked some questions on Operation Fledermaus, and, in particular, the issue that arises because some perpetrators of child sexual abuse are still attending school with their victims. I refer members to the transcript of the hearing that took place on 14 November 2018. It was the second session that was undertaken by the Standing Committee on Estimates and Financial Operations on that day. As I say, it was with the Department of Education; the Leader of the House and, indeed, the Minister for Education and Training was the chief representative of government that day. The sequence of events included the following exchange. I asked —

Minister, during the reporting period, were you briefed about the male perpetrators identified during Operation Fledermaus who attend schools in Karratha and Roebourne?

The minister replied —

I was not briefed about anyone in particular ...

Later on, I asked —

Are any of the witnesses before the committee here in a position to have knowledge about the male perpetrators identified during Operation Fledermaus who attend those schools?

The minister then gave a very, very longwinded response, which included these important points —

... in respect to Operation Fledermaus, the department received notifications of 10 students who were enrolled in public schools at the time of the alleged sexual offences in the Pilbara.

The minister then later said in her answer —

Of those original 10, six are currently enrolled in public schools.

I then asked this question of the Minister for Education and Training —

Of the six that are currently enrolled, are any of them at the same school as their victim?

Hon Sue Ellery replied that she did not know that she could tell us that. I asked if anyone knew, and she responded —

I am advised we do not know.

On that day, 14 November 2018, we had this revelation from government, courtesy of the work of the Standing Committee on Estimates and Financial Operations, the government was unable to tell us whether any of the six perpetrators enrolled and attending a school in Western Australia were attending the same school as their victims.

The Standing Committee on Estimates and Financial Operations holds multiple sessions on annual reports in one day, and immediately following the session for education was the session for the Department of Communities. Of course, the minister representing the government in that hearing was none other than Hon Sue Ellery. In the communities session that immediately followed the education session, I asked the minister —

Are any of the six child perpetrators who are still attending school at the same school as one of their victims?

Hon Sue Ellery answered —

I am not sure, honourable member, that the Department of Communities could answer that question.

This interaction then took place —

**Hon NICK GOIRAN:** They do know because the briefing note tells us that they know that.

**Hon SUE ELLERY:** Honourable member, I will see if Grahame Searle can provide that information but you might like to direct that to the Minister for Education and Training, which of course, you already have.

**Hon NICK GOIRAN:** No, I asked you that in the last hearing and you said that the Department of Education is not told that information; it is the Department of Communities. That is why I am asking it now.

On the same day, the Standing Committee on Estimates and Financial Operations called in multiple departments. The second session that took place that day was the Department of Education. The third session was the Department of Communities. The minister representing the government in both of those hearings was Hon Sue Ellery. In the second session she said in response to this issue, “We don’t know from Education’s perspective; you’ll have to ask Communities.” In the very next Department of Communities session, when she was also the minister—it was the same day; she could not possibly have forgotten what happened only a few hours earlier—she said —

Honourable member, I will see if Grahame Searle can provide that information but you might like to direct that to the Minister for Education and Training, which of course, you already have.

It is staggering that there was such contempt for the inquisitorial and accountability processes that Parliament has established in the form of parliamentary committees and the important work of the Standing Committee on Estimates and Financial Operations. It is staggering that this government holds that work in such contempt that we can have the Leader of the House, the most experienced member opposite, saying in one hearing, “Sorry, you’ll have to ask that question in the next hearing”, and then no sooner did I ask that question in the other hearing, she said, “No, you’ll have to ask the question of the previous hearing.” That must be a contemptuous attitude towards the processes of Parliament; it surely must be that, and it is certainly not fulfilling a commitment to a so-called golden standard of transparency. This is not some insignificant matter; this is with respect to victims of child sexual abuse being forced to see and confront their perpetrator at school every day, a situation that we know of from the limited information we were able to extract from the government at these hearings. There were at least six perpetrators involved in this situation. We get these kinds of answers from the government. Later in this hearing after an inadequate response, I followed it up further and said —

You say that it is your expectation; is that an indication that we need to take on notice what the actual answer is? The question is: are any of the six perpetrators still at a school with one of their victims?

Hon Sue Ellery said, “Can you answer that question now?” She was obviously speaking to one of her advisers. The adviser, Mr Geddes, said, “No, we could not answer that question now.” Later on Hon Sue Ellery said, “We could take it on notice.” The committee, as per its normal administrative process, assigned that question as supplementary information C7. After that process, we then waited—it is usually weeks and weeks—for some response to come back from government. We finally got a response from the Department of Communities to supplementary information C7, and the response was along the following lines.

**The CHAIR:** Hon Alanna Clohesy.

**Hon ALANNA CLOHESY:** Thank you, Deputy Chair, for the call. I thank members for their interest in this incredibly —

**Hon Stephen Dawson** interjected.

**Hon ALANNA CLOHESY:** Sorry, the Chair of Committees, otherwise known as Deputy President, thank you. On this occasion, you are the Chair of Committees. I am corrected, thank you.

**Hon Peter Collier:** You’re also the birthday girl.

**Hon ALANNA CLOHESY:** I am the birthday girl, thank you—40 again!

I thank members for their interest in this incredibly important part of the process of scrutinising the government’s budget. The government’s annual reports are an important tool for not only accountability and transparency, but also members to understand the detail of the budget before them for consideration. I want to highlight what I talked about last time, which is important, as it leads into the annual report hearings that are likely to be held by the committee again this year once all the annual reports are tabled by or around 30 September. What is important about this is that the committee undertook its own inquiry into a number of key issues. In the budget hearings, the committee looked at key performance indicators because, as we know, key performance indicators are a measure of effectiveness, efficiency and how well the resource allocation provided to an agency is being met. It is important because the key performance indicators are often reported on in annual reports and are targets contained in the budget. That is why the committee chose to look at key performance indicators. Also, generally speaking, no other level of scrutiny is applied to government agencies and the government budget as to whether the actual outcomes stated are being achieved. The committee’s role is to look into all aspects of the state’s finances, and this is an important tool to use to do that.

The importance of KPIs, of course, is that reporting on them makes sure that an agency is accountable when it spends public money, and that is exactly why it is important for this committee to inquire into a range of issues regarding KPIs. This committee inquired into whether the key performance indicators that were stated by agencies were meaningful, were being reviewed, how often they were being reviewed and a few other things. In my last contribution, I talked about meaningfulness. If a KPI is not meaningful, it is not going to measure whether an agency is efficient and is properly using the public money allocated to it to meet its objectives. That is why the committee inquired into the meaningfulness of KPIs. Some good work was done throughout this process and by Hon Diane Evers, in particular. She identified some areas that could be further developed by agencies, such as the Art Gallery of Western Australia. The KPIs needed more explanation, thereby giving them more meaning. The committee also looked at whether there might be different ways to measure bushfires in relation to how many more homes were saved so the KPIs for emergency workers were meaningful. Some good work was done on understanding meaningfulness.

The committee also inquired into KPI redevelopment as a result of the machinery-of-government changes, which amalgamated a number of agencies into single departments. On the whole, I am pleased to say that some very good work was done on that, but, as is the case with any change, there is still more work to be done. The committee took up the recommendation of the Auditor General that, on amalgamation, agencies needed to expedite the merging of their systems and develop their outcome-based management structures and KPIs quite quickly. Prior to the hearings, the committee asked 50 agencies, including statutory authorities and government trading entities, how they were getting on with that. The reason that we looked at government trading entities was that there had been very little obvious scrutiny of them. Government trading entities expend public money, so we need to make sure we focus on them as well. When we collated the answers on the review frequency of key performance indicators, it was kind of a mixed bag, but all for different reasons. Most of the agencies review their KPIs annually as part of the budget process, but for those that do not, it is for particular reasons.

For example, the Lotteries Commission reviews its KPIs on an ad hoc basis when its operations change. The core business of the Lotteries Commission, which is a very sound and important agency within the Western Australian government, has not changed all that much; it still really does what it was set up to do all those years ago. It does not really need to review its KPIs often because its core business has not changed. In contrast, the Public Transport Authority monitors its KPIs on a daily, weekly or monthly basis because those KPIs relate more to system performance. Service delivery issues such as the frequency of public transport necessitate an agency like that monitoring and reviewing its KPIs fairly often and modifying them when they need to be modified. The Western Australian Electoral Commission reviews its KPIs biannually. Again, the Western Australian Electoral Commission's core business does not change, but part of its business does. Its business of making contact with voters, getting voters on rolls or making sure that voters are aware of elections does change from time to time, so it needs to review its KPIs not as frequently as the Public Transport Authority, but certainly on a relatively regular basis. The Department of Treasury, for example, reviews its KPIs every three to four years.

**The CHAIR:** I give the call to Hon Diane Evers.

**Hon DIANE EVERS:** I rise to speak on the seventy-seventh report of the Standing Committee on Estimates and Financial Operations, "2017–18 Budget Cycle—Part 2: Annual Report Hearings". I reiterate what the chair of our committee said about key performance indicators—that some just do not seem to make sense. I say that again, because I hope to see them change before the next budget annual reports come out. One such KPI is for the dollars per item of artwork maintained. I hope all members have had the opportunity to go into the Art Gallery of Western Australia. Some items of artwork at the gallery might be worth \$50 while others could be worth \$50 000, \$500 000 or several million dollars. We also have some quite simple items of artwork—I am not sure what a "simple" item of art would be—that might need dusting every couple of days, and then there might be other artwork that needs serious restoration work. Again, to lump all the artworks into a quantity of how many artworks we have and how much is spent on each of them is completely meaningless. That is one KPI that I think we need to talk to the people who work at the art gallery about. We need to work out a KPI that addresses what we are trying to measure with that KPI. Our artworks need to be maintained properly—they should all be maintained properly—but we do not need to spend more money than we need to. That matter definitely needs to be reviewed and the KPI changed.

The other matter that is dear to my heart in regional areas and that causes the environment to suffer due to unnecessary frequent prescribed burns is the KPI that refers to dollars per hectare burnt. Again, if staff tried to get that KPI reduced, they would look at areas in which it is much easier to do a large amount with few resources, and cover as many hectares for as few dollars as possible. That is a ludicrous measure for making a decision about what areas should undergo prescribed burns. It is the last thing that we should be doing. There are many other matters that I have gone on about many times before, which I will go on about in the future, so I will leave it there.

Another area of the report that I would like to discuss is government trading enterprises. The committee had a good look at GTEs. I am pleased to learn that they will be reviewed. I can only hope that significant changes are put in place because government trading enterprises are set up under a number of different acts. The requirements for GTEs vary from one act to another. The committee is concerned that GTEs are not subject to the same scrutiny as public sector agencies. This really needs to be addressed. The committee's examination of GTEs helped highlight that and acknowledged that everything is not right. Changes need to be made. I support the actions that the government is taking to review this matter and I hope that it comes up with a better way of managing GTEs so that they become somewhat more consistent and are all brought up to the same standard.

I would like to speak about the statements of corporate intent of government trading enterprises. There are 27 GTEs, and 21 are either required or expected to prepare an SCI. However, the committee found that last year and in previous years SCIs have been somewhat delayed. They are supposed to be put out by 30 June, yet it is 21 August and the ports' SCIs were tabled only today. There has been no explanation for that delay. On a number of occasions in the past, they have been released considerably later. I am pleased to see that they have been tabled today, but they are nearly two months late. I hope that the report highlights this so that we can address this matter and encourage GTEs to put out their statements of corporate intent by 30 June when they are due.

What is interesting, too, is that one particular finding states —

Synergy exhibits a culturally entrenched ambivalence about its Statement of Corporate Intent responsibility.

That is unfortunate because it raises the questions: What is the purpose of the statement of corporate intent? Who is interested in receiving them? Who looks at them? Does it provide an opportunity for questions to be raised about these statements, such as: What is the purpose? What do we want to do here? Again, this is very important. I really appreciate the opportunity to be a member of the Standing Committee on Estimates and Financial Operations. I am able to ask those questions, dig deeper and find out what drives the reporting of those agencies' financial obligations and activities. An agency's statement of corporate intent gives us an idea of what GTEs are doing. They are not included the budget, as we would like them to be, but we should be able to find out what their intentions are. It is good that SCIs are available, but they should be available by 30 June when they are required.

Another thing that has become apparent, hopefully to everybody in here, is that we are now addressing the idea of each year as a budget cycle in itself. We are in the second part of the 2017–18 budget cycle; the first part is the actual estimates for that year and then we have the year and everything that happens, and we come back and review the annual reports. It gives completion to the whole thing. We see what is coming, we monitor it while it is happening and then we get to review what has happened in the past.

**The CHAIR:** Members, the time allocated for consideration of that report has now lapsed under temporary order 4, so it will move to the bottom of the list of committee reports and will come back for further consideration in due course.

Before we proceed to the next report, I will let members know something, because some of you may not be familiar historically with the pattern of consideration of committee reports that is now, once again, being evolved. The Chair will normally give precedence to members in turn so that as many members as possible can get a go on the day, but of course members may stand to seek the call as many times as they may need to, and in the absence of another member seeking the call, they would be given another bite of the cherry and so on. But if another member is seeking the call, the Chair is normally bound by convention to give that other member the next call. It is up to the chamber and the body of members collegiately whether they want to remain seated to give a speaker a little bit more flow on; perhaps if they have just indicated that they have a closing remark to give or something like that. Otherwise, we wait until it comes around again. Unfortunately, that applies even if it is your birthday!

**Consideration of report postponed, pursuant to standing orders.**