

STATE BUDGET - REGIONAL DEVELOPMENT COMMISSIONS

478. Hon NIGEL HALLETT to the Minister for Regional Development:

The nine regional development commissions that were created by the same act of Parliament appear in the 2007-08 state budget papers to report like for like, but on examination do not. I give the following examples. The South West Development Commission expends its capital works program through the income statement. The Great Southern Development Commission does not. The South West Development Commission used to budget technical insolvency, but now budgets to remain solvent. The mid-west does not. The Goldfields-Esperance Development Commission does not produce outcomes and key effectiveness indicators. The remaining eight development commissions do.

The PRESIDENT: Order! The member is asking a question, not mounting an argument.

Hon NIGEL HALLETT: The question is coming.

The PRESIDENT: Would you please get to the question.

Hon NIGEL HALLETT: The Gascoyne Development Commission provides more details on the use of the regional investment fund than the remaining eight. Would the minister please explain why the nine regional development commissions do not have a uniform accounting policy?

Hon JON FORD replied:

I thank Hon Nigel Hallett for some notice of the question. The nine regional development commissions operate as statutory authorities under the Regional Development Commissions Act 1993, as amended, independent of each other's policy, yet guided by state government policy, Treasurer's Instructions and provisions of the Financial Management Act 2006. In meeting their statutory responsibilities, the commissions are not required to adopt a uniform accounting policy. Each development commission is subject to an annual audit of its own accounts and any irregularities are reported to the chairman, chief executive officer and the minister. The audits are conducted by the Office of the Auditor General or an auditing practice contracted by that office.

One explanation of the difference in expensing capital works through the income statement rather than capitalising the works to an asset account on the balance sheet can be provided by the example of the Gascoyne Development Commission. In the past, the commissions had capital works to fund the planning and construction of the Aboriginal Heritage and Cultural Centre. The actual tendering out and control of the construction was with the Department of Housing and Works, whereas the funding was provided through the development commission as banker. The project was therefore a capital asset for the Department of Housing and Works and an expensed recurrent funding item on the income statement of the Gascoyne Development Commission. As previously advised, specific matters relating to the operation or functions of a particular development commission should be directed to the relevant minister with responsibility for one or more of the nine individual development commissions. If there is any individual variance that the member would like explained, I am happy to supply the information.