

**PUBLIC ACCOUNTS COMMITTEE**

*Thirteenth Report — “Knowing What Good Looks Like:  
Challenges in Managing Major Public Sector Contracts” — Tabling*

**DR A.D. BUTI (Armadale)** [10.21 am]: I present for tabling the thirteenth report of the Public Accounts Committee titled “Knowing What Good Looks Like: Challenges in Managing Major Public Sector Contracts” and submissions to the inquiry.

[See papers 3061 and 3062.]

**Dr A.D. BUTI:** In tabling this thirteenth report of the Public Accounts Committee titled “Knowing What Good Looks Like: Challenges in Managing Major Public Sector Projects”, it is important and useful to articulate the terms of reference of our inquiry; that is —

The Public Accounts Committee will inquire into and report on public sector contract management practices, with a focus on:

1. the policy frameworks that currently govern public sector contract management in WA;
2. the extent to which compliance with these frameworks is monitored and reported;
3. the effectiveness of these frameworks in fostering robust contract management practices and capacity within agencies;
4. the processes by which contract management expertise and good practice within individual agencies is identified, developed, and shared across the WA public sector;
5. the processes and instruments available to ensure agencies can effectively allocate and manage commercial and performance risks on major contracts; and
6. ways to improve or enhance contract management performance across the sector.

Our inquiry focused on large contracts, which we defined as those valued at \$5 million or more. Although we acknowledged that this value is somewhat arbitrary, it allowed the committee to focus its inquiry on activity that poses a reasonably high level of risk and significance, and imposes a high cost to the state. Whenever one is dealing with the use of public funds, it is important to ensure that there is appropriate oversight and credible, workable and effective regulation. This is equally important in the procurement process and in the contract management process. The current serious corruption allegations emanating from the Department of Communities highlights the importance of scrutinising how government procurement is managed and how contracts are managed. However, the terms of reference for this inquiry did not focus on potential fraud or misbehaviour, and obviously our committee is not in a position to comment further on the allegations. Our report, though, remains timely as it deals with high-level preparedness for better management practices on major contracts and for improving control, oversight and transparency in pursuit of good public outcomes. This report’s recommendations are aimed at improving the efficiency and effectiveness of public sector contract management. I should add that in seeking to guard against corruption, there needs to be robust oversight and monitoring of compliance and it is important to ensure that project managers are diligent and capable of ensuring that public money expended for goods and services on any project results in those goods and services being provided.

In ensuring effective contract management, experts from the Oxford University Saïd Business School told our committee that the following factors are important. The factors listed in the report are —

- A coherent and consistent policy framework;
- A rigorous compliance monitoring regime;
- An active approach to managing contracts;
- Transparency on contract data and commercial and legal information;
- A culture of clear accountability;
- The efficient allocation of risk;
- An understanding of value as more than the ‘lowest price’; and
- A high standard of commercial capability.

By focusing on these factors, we have sought a better understanding of what good looks like in public sector contract management. Although the eight factors are not systematically tracked, our report addresses these aspects of good practice.

In conducting the inquiry, the committee received 18 written submissions and heard evidence from 38 witnesses across 11 briefings and hearings in Perth, which led to seven agencies providing detailed responses to follow-up

questions. We also held discussions with 31 experts and practitioners over nine meetings in the United Kingdom. The committee has worked collaboratively throughout the process of receiving and considering this evidence, and I would like to take this opportunity to acknowledge the hard work and contribution of my fellow committee members, the member for Bateman and deputy chair; the member for Mount Lawley; the member for North West Central; and the member for Bicton. Further, on behalf of the committee, I would like to thank our secretariat, principal research officer Dr Alan Charlton and research officer Dr Sam Hutchinson, for their excellent assistance with and dedication to this inquiry. I would also like to acknowledge the outstanding contribution made to this inquiry by former principal research officer Mr Timothy Hughes before he moved to the Office of the Auditor General in July of this year.

This inquiry logically follows on from our earlier inquiry into the Perth Children's Hospital project, in which we observed notable shortcomings in the management of contracts. During that inquiry, we also heard evidence from the State Solicitor, Mr Nicholas Egan, who expressed concern with the quality of contract management in the public service in Western Australia. The State Solicitor reinforced these views when appearing before the committee in this current inquiry. We also note in the report this observation from the Auditor General —

'some agencies are not following their own approved practices or widely accepted good practice in contract management.'

Likewise, it is noted in the report that, in evidence to the committee, the Department of Finance witness said —

'Shortcomings of contract management appear to be embedded in the culture and processes within agencies.'

Further, three recent public sector inquiries—namely, by the service priority review, the CEO Working Group on Public Sector Efficiency and special inquirer Mr John Langoulant—reinforced the need for reform in public sector contract management practices. To this effect, key public sector agencies are currently undertaking an ambitious program of reform in response to the recommendations of those earlier reports. Under these proposed reforms, the Department of Finance will be the functional lead for all government procurement. In addition, the Department of Treasury is leading reform of government trading enterprises to standardise and streamline their governance arrangements and operations.

Before continuing, though, it is important to acknowledge that there are many examples of good contract management in the public service. It is also noted in the report that the Auditor General told us —

'every day in government, many, many services are delivered successfully under contract.'

Even though the State Solicitor was critical of the quality of contract management, he also acknowledged that there are examples in the public service of well-managed contracts. However, there is room for much improvement in the management of contracts by the public service and we believe that the 42 findings and 30 recommendations in the report I am tabling today as Chair of the Public Accounts Committee can assist the reform process. We respectfully submit that adopting our recommendations will enhance the rigour of the state's contract management policies and practices, hopefully generating substantial public savings and freeing up resources to deliver important and critical public services for Western Australians. We cannot stress enough how important it is to ensure that we have the best possible contract management practices in place, as we are dealing with significant amounts of public funds. For example, one government report said that the state spent \$14.7 billion on goods and services in a single year, and the public health sector has contracts valued at about \$20 billion, with hundreds of staff directly involved in their management. Such figures reinforce the timeliness and importance of our report and the need for government and the public service to give careful consideration to the changes we propose.

At a high policy and governance level, which this report is pitched at, we found that public sector contract management frameworks, policies and processes were fragmented and complicated and unevenly monitored and reported, with deficient support systems for the personnel managing contracts. We hope that the reforms being pursued by the Departments of Finance and Treasury on procurement and contract management will contribute to a more coherent policy framework that should improve contract management outcomes. Even allowing for the size and variability of the public sector, the framework surrounding contract management is overly complicated, with significant variation in legislation, regulations, policies, frameworks, matrices, international agreements, Treasurer's instructions, Premier's circulars and guidelines that contract managers might need to consult. We submit that this complexity and variation is in large part due to the arbitrary distinction between the types of contract that exist in the current system. This is far from ideal, as the type of entity involved can impact the expectations and policies involved.

It is disconcerting that we found inconsistencies in overseeing and monitoring procurement and contract management. Although the State Tender Review Committee and the Community Services Procurement Review Committee have significant roles in monitoring compliance with State Supply Commission policies, there are knowledge gaps and undue reliance on passive measures to monitor performance. We recognise and acknowledge that, since 2017, the State Supply Commission has been reviewing agency audits to assess their compliance with the State Supply Commission policies; however, more needs to be done to capture and analyse data around agency compliance. We believe that Treasury should increase the rigour with which it monitors and enforces agencies to comply with the strategic asset management framework.

I would like to stress our recommendation that, as part of the ongoing public service reform programs, contract management plans that are independently assessed for their rigour should be made mandatory for all major contracts that are high value and high risk, or low value and high risk, whether they be for goods and services, capital works or government trading enterprises. Further, any decision to self-exempt from such requirements should be independently interrogated by the Department of Finance, and results of these assessments should be included in the annual report.

Our inquiry and the findings in this report highlight concerns we have with the public sector's allocation of risk and accountability. We believe that the Department of Finance should implement the special inquiry's recommendation to add litigation risk to compulsory contract register information. Further, there needs to be clearer guidance and process to determine when the State Solicitor's Office should become involved in high-value, high-risk or significant contracts. We also recommend that government should prohibit the contracting out of proportionate liability. On accountability, we believe it would be wise for the Western Australian public service to look to the United Kingdom, where senior project managers are individually accountable for reporting outcomes of projects and contracts. In addition, if the state can become better at being a good client, it will assist contractors to better understand what they need to do and what they should expect from the state.

The Public Accounts Committee was concerned with the fragmented transparency of major contracts in Western Australia. There are no comprehensive cross-sector requirements to make contract information public. This results in insufficient information on contract performance and management being easily accessible to Parliament and the public. Also, there appears to be no clear whole-of-government guidelines for dealing with issues of commercial-in-confidence and public disclosure. We believe this information should be publicly available.

Submissions and information the committee received from the Western Australian public service and third parties within this state and the United Kingdom raised the question of what we mean by "value for money". In Western Australia, low cost still appears to be the default measure for determining value. This approach can be problematic. Western Australia needs to follow the lead of other jurisdictions in providing clear and strong guidance in dealing with unusually low bids. We believe that the Department of Finance, in developing the procurement reform program, should develop an unusually low bids policy, taking into consideration similar initiatives in Queensland and the United Kingdom. Further, in Western Australia there is little clear guidance on how agencies recognise, measure or report social value. This makes it difficult for agencies to include social and non-financial measures in their procurement processes and harder for contract managers to ensure they are being achieved. Given the potential for major government contracts to have a significant impact on the public, this is a significant deficiency in the management of contracts in the Western Australian public service.

As noted by the Service Priority Review —

The amount of WA's annual procurement expenditure means there is potential for its purchasing decisions to drive community benefits in other areas. This would require adjusting procurement policy settings beyond narrow conceptions of value towards a framework that allows the government of the day to include consideration of other legitimate government objectives.

Similarly, several witnesses to our inquiry such as the Department of Communities, the Auditor General and the Construction, Forestry, Maritime, Mining and Energy Union submitted that a focus on cost to the exclusion of other considerations might not be the best approach for getting the best service or outcome for the community.

Some government policies expand the notion of best value to include wider issues such as social impact—for example, the Western Australian industry participation strategy, which came into effect under the Western Australian Jobs Act 2017, the Buy Local policy and the Aboriginal procurement policy. But much more needs to be done in this area. Western Australia should look to other jurisdictions such as the United Kingdom and the Australian Capital Territory in developing policies for measuring and giving greater importance to including social value criteria in contracts for major projects.

Finally, more needs to be done within the public service to recognise the importance of contract management and the ongoing development of relevant skills. Although we applaud the development of a procurement competency matrix that identifies the key competencies required by procurement professionals in Western Australia, we believe it should be mandatory. Similarly, while some training programs have been developed, they, too, are optional. This stands in stark contrast with the situation in the United Kingdom, where a set of professional qualifications and requirements have been developed and are now compulsory. The Western Australian government should follow the lead of the Victorian government, which has turned to the United Kingdom in developing and implementing its training program.

This latest report by the Public Accounts Committee complements our previous work, other recent public sector reviews and current public sector reforms to the state's contract management policies and practices. We respectfully submit that it is crucial that the recommendations within this report are carefully considered and positively acted on. This is crucial for the proper allocation and spending of public funds and the effective and efficient delivery of services and facilities in Western Australia.

Before sitting down, I reiterate some points in conclusion. First, good contract management is an important part of the broader procurement processes and is crucial to our state, but it has not always received the attention it deserves. Second, it is key to point out that many, many contracts are well run and provide what they are set out to do. Third, we applaud the reform program in place, led by the Department of Finance, which looks at specific activity and broader frameworks, but it also needs to think about the whole-of-sector picture and analysis. Fourth, outsourcing is an enormous part of executive government—approximately \$14.7 billion per annum—therefore, this report is very important. Fifth, Western Australia's current framework is overly complicated, with a split between goods and services and capital works contracts without clear benefit or rationale for that division, and more than 20 separate acts, regulations, policies, guidelines and other things that a manager might need to look at. Sixth, there is inconsistency in the oversight and monitoring of contract compliance. Seventh, there is much more work that needs to be done in risk allocation and accountability. Eighth, transparency is limited. There is too much concern over commercial confidentiality and many in the public sector appear to not be well informed about legal liability. Ninth, more work needs to be done on value for money for both the procurement process and, more so, managing contracts. Tenth, there is an urgent need to improve the contract management capability of the Western Australian public service by mandating appropriate and relevant training programs. We could take a leaf out of the UK and Victoria's books and develop compulsory qualifications for contract managers. I commend this timely report to Parliament.

**MRS L.M. O'MALLEY (Bicton)** [10.40 am]: Today, we, the Public Accounts Committee, table the thirteenth report titled "Knowing What Good Looks Like: Challenges in Managing Major Public Sector Contracts". I do so with admiration and gratitude to the many open and generous individuals across agencies, departments and jurisdictions for their willingness to share with our committee the good, the bad and, occasionally, the ugly of managing major public sector contracts. I would also like to take this opportunity to thank our chair, Dr Tony Buti, member for Armadale, for his leadership and guidance throughout our task, my fellow committee members: the deputy chair, the member for Bateman; the member for Mount Lawley; and the member for North West Central for their diligence and effort. I acknowledge and extend my sincere gratitude to our secretariat—Mr Timothy Hughes, Dr Alan Charlton and Dr Sam Hutchinson—for their commitment and outstanding work in the creation of this report.

Recent events of mismanagement and worse within the public sector have highlighted the need for a body of work such as contained in this report. However, our committee is certainly not the first nor the only one that is aware of the necessity for investigation and recommendation of change across the sector in the area of contract practice. This report follows on from other bodies of work, which focused on reform. Although this report is a standalone document, it contains findings and recommendations that, if accepted and adopted, have the capacity to improve the proper allocation and spending of public funds. The report's recommendations together with other reform recommendations and actions already undertaken following the service priority review, the CEO Working Group on Public Sector Efficiency and the report by special inquirer Mr John Langoulant creates an opportunity for transformation within the public sector to ensure effective and efficient delivery of services and facilities for Western Australians.

That is not to say that good practice in contract management is not happening currently. There certainly are examples where this is the case, and it is important that acknowledgement is made. However, this should be the standard, not the stand out, and the 42 findings and 30 recommendations in this report provide guidance for this to become the case. I would like to focus my contribution to this report tabling on some recurring key topics or themes that helped inform our deliberations throughout the hearing and inquiry stage.

Oversight, transparency, accountability and value were words and, more broadly, themes consistently raised with the committee across agencies, departments and throughout jurisdictions both here and internationally. Members will need to read the report for a full exploration of these themes. In summary, we found that good oversight is vital and that inconsistencies in oversight and monitoring of contract management and procurement can lead to serious issues, including corruption.

Transparency plays an integral part of this oversight, and fragmentation of this transparency, particularly for commercial-in-confidence matters, is problematic. Further, good oversight and accountability at agency level or above does not diminish the need for personal accountability, and in fact this was highlighted as being an especially beneficial feature of contract management in the UK.

Finally, the notion of value was a really interesting area of discussion. The question of what is meant by "value for money" was a topic of great debate as we expanded on the concept of meaning going beyond one of purely cost. We found that unusually low bids for contracts should be a red flag and be taken very seriously during consideration. Entering contracts on a low-cost preferential basis is not necessarily a good measure of the success of that contract being completed on time and on budget. In doing so, we risk missing out on important social value benefits such as creating opportunities for disadvantaged communities and local content and local jobs, to name just a few. I highly recommend reading chapter 6 of the report if this is an area of personal interest to members. I commend this report to the house.

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**MR V.A. CATANIA (North West Central)** [10.44 am]: I rise to also speak on this committee report, the thirteenth report, titled “Knowing What Good Looks Like: Challenges in Managing Major Public Sector Contracts”. It is a simple heading but very timely as it investigates the way government operates its contracts.

Firstly, I will want to acknowledge the chair, the member for Armadale, for his hard work and diligence when it comes to chairing the Public Accounts Committee. I want to thank my fellow colleagues, the member for Bateman, deputy chair; the member for Mount Lawley; and the member for Bicton. A committee cannot perform unless it has good staff, so I say thank you to the principal research officer, Dr Alan Charlton, and research officer, Sam Hutchinson, who have done an amazing job; and Timothy Hughes, who has moved to the Office of the Auditor General. He has played a major role in the Public Accounts Committee for not only us, but also past committees. I just want to say thank you, Tim, and all the best in your future endeavours.

This report highlights that over 20 different policies and pieces of legislation for government agencies create a whole lot of confusion. Having over 20 acts and government policies, frameworks, matrices, international agreements, Treasurer’s Instructions, Premier’s circulars, and guidelines that contract managers might need to consult, I think, is a recipe for disaster and it needs to be simplified. The first recommendation states —

... the Minister for Finance should seek to simplify the policy framework for procurement and contract management.

I refer to the “Chair’s foreword”, which states —

There are some government policies that go towards expanding the notion of best value to also include wider issues such as social impact, for example, the ‘Western Australian Industry Participation Strategy’ (which is given effect via the *Western Australian Jobs Act 2017*), the ‘Buy Local Policy’ and the ‘Aboriginal Procurement Policy’.

Perhaps a future Public Accounts Committee should review this to see how the Western Australian Jobs Act is actually progressing. Is it getting the results it has set out? As the local member for North West Central, I can point to a couple of areas where infrastructure is being built but I cannot see how the Western Australian Jobs Act benefits local businesses or hits the right amount of procurement for local contractors. I think a future Public Accounts Committee needs to review the act to make sure it is working; and, if not, why not? It would ensure that the Buy Local policy, which is integral for regional businesses, is adhered to.

This committee report obviously needs a ministerial response to it, and I refer back to the Western Australian Jobs Act. It gives the Premier, who is responsible for replying to this committee report, an opportunity to respond as to how the Western Australian Jobs Act is progressing. Is it meeting its targets? Does it have targets to ensure that the Buy Local policies are being adhered to? That will be critical. It is the responsibility of the Premier to see how that bill is progressing.

Recommendation 13 of the Public Accounts Committee report states —

The Minister for Finance should ensure that there is a clear and logical process to determine when the State Solicitor’s Office becomes involved in high value, high risk or significant contracts, with a minimum expectation that the State Solicitor’s Office be informed of all such contracts.

An inquiry was conducted into the Department of Transport when the Huawei contract was given and there seemed to be little or no oversight or involvement by the State Solicitor’s Office, and that occurred under this government. Recommendation 13 is a good example of what is still occurring, despite the Western Australian Jobs Act 2017. A lot of issues involving contracts are presently being played out, whether it be through the Corruption and Crime Commission, police or media. Some of those practices still occur. In my mind, recommendation 13, to involve the State Solicitor’s Office, is critical when it comes to high-value, high-risk or significant contracts. It should be part of ensuring that the government is protected and, therefore, the taxpayers of Western Australia are also protected, knowing that they are involved in delivering projects, whether they are high-value, high-risk or significant contracts to the state.

I will conclude by referring to chapter 6, which the member for Bicton highlighted as a very important chapter in the report. It is not just about value for dollar. Paragraph 6.14 states —

The CFMEU suggested that ‘around 70 per cent of all government projects are based purely on price.’ It also submitted that ‘Competition on cost alone has driven adversarial relationships in the construction industry, with companies looking to drive down labour costs.’ The CFMEU’s view was that the State ‘must take the lead in determining best practice procurement models which allow the community to be assured that projects are being delivered not only at lowest price but at greatest dividend.’

That sums up how it is not about the price, but about ensuring we get value for money on a jobs level and on a social level, and ensuring that the project will be delivered with the expectations of what that department or government sets out to deliver. The Construction, Forestry, Maritime, Mining and Energy Union hit the nail on the head.

I congratulate the CFMEU for its submission to this inquiry. It is an eye-opener when it comes to contracts in this state and is something that requires more work by this government and future governments, and also public accounts committees, to ensure that we have a robust and transparent system and a system that is simplified so that every department and every agency can participate within the same parameters to ensure that transparency and value for money is being delivered for government and, therefore, the taxpayers of Western Australia.

Overall, I congratulate my colleagues. It is a valid report for government. I hope the government and the Premier take note of the recommendations and look at ways in which the government can review its legislation to see whether it is working. I have evidence to suggest that the WA Jobs Act needs a little ironing out. That is something on which the Premier can report back to this house to see how it is working and whether it is working at all.

**MR S.A. MILLMAN (Mount Lawley)** [10.54 am]: I rise to make a contribution to the tabling of the Public Accounts Committee report “Knowing What Good Looks Like: Challenges in Managing Major Public Sector Contracts”. I echo the sentiments expressed by fellow members of the committee. I take up the last point raised by the member for North West Central about the evidence that was provided to the committee by the Construction, Forestry, Maritime, Mining and Energy Union. In correspondence to the committee, it states —

The community expects the government to deliver the services and infrastructure we need, and to ensure work undertaken in the interests of the people is done so ethically, responsibly and in line with their expectations of proper behaviour.

While the government may outsource the delivery of projects, they cannot outsource ... their obligations to the community.

This is not the first, and will not be the last, report on contract management and government procurement. Time and cost overruns in major public projects remain all too frequent. However, as all members who have spoken have indicated, this report could not be more timely. The recommendations in the report indicate the many benefits to the community of what the committee proposes. I will talk first about the standardisation of procedures. The member for North West Central spoke about simplifying and standardising contract management processes. As we move into an era of e-data and data analytics, we can interrogate much more readily and much more quickly the data that is provided if there are standardised formats for the procurement of government services. We can more readily identify anomalous behaviour in that dataset.

The second thing the committee seeks to have implemented is the streamlining of processes by removing old or inactive agencies. We debated legislation yesterday on the redundant WA Building Management Authority. Members can see that there are attendant benefits there.

The third point I raise, cognisant of the sub judice convention in standing order 91, is that a good contract management process will hopefully allow us to avoid costly litigation, such as that reported in *The West Australian* today, at page 9 under the heading “Not what the doctor ordered: Children’s hospital could cost us another \$300m”. Even though that is another report on contract management and procurement, this builds on the work the committee has already done on the inquiry into the Perth Children’s Hospital and provides further recommendations for the government to act on.

They are some general comments, but I want to draw out two elements of the report in further detail at this tabling. Both of these points have been raised by other members, and for that I am grateful, but I want to emphasise them. The member for North West Central has already taken members to the evidence provided at paragraph 6.14 by Mr Buchan, the secretary of the Construction, Forestry, Maritime, Mining and Energy Union. Members have already talked about looking beyond cost. I draw members’ attention to paragraphs 6.21 to 6.24. Paragraph 6.21 states —

Our inquiry, and previous government inquiries on related topics, have held concerns about ways of measuring and assessing value. In many cases, the concern rested on how to look beyond cost, and how contracts could bring value to communities as a whole.

Paragraph 6.23 states —

Indeed, the Service Priority Review itself concluded that:

The amount of WA’s annual procurement expenditure means there is potential for its purchasing decisions to drive community benefits in other areas.

This is precisely consistent with what the member for North West Central said when he quoted the secretary of the CFMEU. The report continues —

This would require adjusting procurement policy settings beyond narrow conceptions of value towards a framework that allows the government of the day to include consideration of other legitimate government objectives.

Paragraph 6.24 states —

Witnesses to our inquiry expressed similar views. The CFMEU, for example, criticised the current definition of value-for-money as 'very narrow', and argued for 'a broader measure of value.' The Auditor General told us that this focus on cost, to the exclusion of other considerations, carries potential flow-on effects for quality and local community benefits. That is, the easiest procurement decision to justify might not be the best decision for getting the best service or outcome for the community.

In this regard we were advised, and are keen to convey, that there is an opportunity now to look at the good examples of other jurisdictions. In Queensland, we should look at the unusually low bids framework, which the member for Bicton has already mentioned; in the UK, the Public Services (Social Value) Act; in Victoria, the social procurement framework; and in the ACT, the Secure Local Jobs Code. I re-emphasise that point having regard to the comments of the member for North West Central about our own efforts in that vein with the Western Australian Jobs Act.

The other main point I want to highlight is the emphasis we place on the public sector being a good client. I direct members' attention to several paragraphs, finding 23 and recommendation 16 —

- 4.38 Contracts are always at least two-party mechanisms. While this inquiry has focused on what the public sector needs to do to manage its contracts well, we have inevitably been drawn at times to the processes involved in making a contract.
- 4.39 For the most part the focus on good contracting has involved proper and necessary effort at inward-looking improvement, led by Finance. ... Part of this will involve a change of mindset. In particular, it will mean moving from being predominantly self-protective to becoming a 'good' or 'model' client.
- 4.40 Consult Australia was particularly interested in the notion. It proffered a framework for model client behaviour—

That is, to build on a concept that is well known to the legal practitioners; namely, the state is a model litigant in court processes and perhaps in contracting processes we should look to become a model client. It continues —

It believed this approach would improve the position for consultants and government together:

...

- 4.41 The CFMEU also believed in the benefits of adopting a similar approach. It said that government needed to become an 'informed purchaser of infrastructure'.

This ties in with what I mentioned earlier about the UK supplier code of conduct.

- 4.43 Part of being a good client means being open to various forms of contracting arrangement, and using those that best suit the project or service type. Consult Australia and the CFMEU both understood that better performance would come from less traditional types of contracting. The CFMEU believed that alliance arrangements, like the one involved in the construction of Fiona Stanley Hospital, was less combative and led to better outcomes.

I want to re-emphasise those two points. It provides an opportunity for us to look beyond the lowest possible price and look towards value for money—findings 34 and 35 and recommendation 24—and it provides us with an opportunity to give serious consideration to the state becoming a good or model client. I draw members' attention to finding 23 and recommendation 16.

I want to finish by thanking the staff of the committee, Dr Alan Charlton and Dr Sam Hutchinson, and echo what members have said about the fantastic work of Tim Hughes, the former principal research officer for the committee. I have alluded to all the contributions made in the tabling of this report, but I want to finish by thanking my fellow members of the committee. The rapport and working relationship that has emerged in the committee is a testament to all members. The fostering of community interest is a particular testament to the efforts of our chair, the member for Armadale. It comes as no surprise to me that this committee is once again tabling a unanimous report. I commend the report and I thank my fellow members of the committee.