

FINANCIAL LEGISLATION AMENDMENT BILL 2021

Second Reading

Resumed from 17 June.

HON DR STEVE THOMAS (South West — Leader of the Opposition) [12.52 pm]: It is obvious that members have not heard enough of my dulcet tones today and require another dose! Let us move on to a particularly important piece of legislation, the Financial Legislation Amendment Bill 2021. It might seem like only the economic tragedies and the financially focused would take much interest in this bill, but can I say at the outset —

Hon Darren West: That's us.

Hon Dr STEVE THOMAS: That's you, is it?

Hon Darren West: That's all of us.

Hon Dr STEVE THOMAS: We will not divide on that, member; it might be the first time you lose!

The importance of this bill cannot really be understated, and the reason for that is this: a very good report came down in the last Parliament that referred to procurement processes and the need to make sure that procurement is done well—I think it was a report of the previous Joint Standing Committee on the Corruption and Crime Commission—but other reports have also come down that suggest that financial management needs to be improved. It is always the case that we can improve financial management, but there have been a number of significant warnings, in my view, over the last year or two in particular. I would recommend all members attend the Auditor General's office briefings; I know they are not necessarily popular, but they are a very useful tool. I go to as many of them as I can—I am one of those tragedies—and it is not just, as my friend Hon Tjorn Sibma might suggest for the sausage rolls and free orange juice; it is actually because they are very useful tools. The Auditor General's office does excellent work. Over the last 12 months, it has come up with a number of reports that have called for the tightening of procedures around things like procurement, IT safety and the management of government departments. I think that the most recent one was on the exiting of public servants and whether the exiting processes were safe and secure, whether those people were divested of their passes and had their passwords and access to computer systems removed. Almost all those reports have highlighted deficiencies.

In my view, this is a very long-term trend of government. We need to have far better oversight of the finances of Western Australia, because we manage them on behalf of the taxpayers, the people and the communities of Western Australia. There is significant room for improvement, as highlighted by the Auditor General, to the point that if we do not take a strong and significant view on that sort of oversight, we will find ourselves in a similar situation as that in which a department member by the name of Patrick Whyte managed to squirrel away \$25 million of taxpayers' money.

Hon Alannah MacTiernan: I don't think it's Patrick Whyte.

Hon Dr STEVE THOMAS: Sorry, not Patrick; it is Paul Whyte. He managed to take \$25 million, across, it will no doubt be said, a number of governments. As much as I would like to say that the situation we find ourselves in is entirely the fault of the incumbent government, this is a very long-term issue and improvement is required. When a public servant allegedly manages to pick up \$25 million of state money, there are obviously significant issues around oversight.

The bill before the house today is a first step towards picking up some of that oversight. It is obviously not the be-all and end-all; it does not contain all the answers. In this circumstance, it may not have prevented Mr Whyte from carrying out the activities he is accused of, but it is an acknowledgement that things can be made better.

Some of the things in this bill may seem obvious. We might think that it would be obvious that government departments would be restricted to their budgets. If we asked the average person in the street how a government department works, I think we would get the answer that the government seeks funding from the Parliament and appoints an expenditure level and the department sticks to that level. Avid readers of this bill would probably be surprised to understand that we are introducing legislation now, after so many years of government in Western Australia, to require departments to do precisely that. I would have thought it might have been obvious that that was a requirement.

The bill before the house is a reflection of two reviews, one I think in 2012 and one later on in 2017, that made very similar recommendations. There is nearly a decade's worth of history in this recognition that improvement should be made. I am sure that somebody might like to cast aspersions that the previous government did not get its bill in place; it was working along those lines, and I suspect that the current government has used some of the work of the 2012 review as much as some of the work of the 2017 review in the bill that is before us today.

I guess the bill is focused on what the government calls those two separate areas that it wants to focus on: greater accountability and greater efficiency. I think that the bill goes certainly some way towards greater accountability and has the potential to deliver some significant efficiencies, depending on its implementation. I start today by telling

the house that the opposition will be supporting the bill, because it is a good first step in greater accountability in the government of Western Australia. I think it will manage some of those things.

Some of the key themes of the bill address issues that have been brought to light by a series of reviews—the *Service priority review*, the review that I mentioned earlier; *Red flags...red faces*, a report on public procurement, which was an excellent report released in the previous Parliament—and the bill will hopefully provide increased responsibility and accountability in government departments in particular. I would think that most people in Western Australia would have thought that that already existed. It surprises most people to realise that it does not.

Let us look at some of the more important parts of the bill. I will probably get into a little bit more detail when we resume after a short break. Minister, I indicated that the opposition will be supporting the bill.

Hon Stephen Dawson: Thank you. My colleague has—I'm grateful—been writing notes.

Hon Dr STEVE THOMAS: Excellent. Hopefully it is word for word. I hope she does shorthand.

Hon Stephen Dawson: Her handwriting is impeccable. Gold star, really.

Hon Tjorn Sibma: Did she make any reference to Hon Dr Steve Thomas in a complimentary sense?

Hon Stephen Dawson: It does say "Steve Thomas", so not uncomplimentary!

Hon Dr STEVE THOMAS: I will take the fact that she used my first name as well as my surname as a compliment!

Sitting suspended from 1.00 to 2.00 pm

Hon Dr STEVE THOMAS: We had just begun our foray into this very important legislation, the Financial Legislation Amendment Bill 2021. We have done a brief overview thus far of some of the provisions in the bill. It is time to get into some of the issues of substance that we need to address. I will start with what the government calls governance and accountability referred to in the explanatory memorandum and, I think, the second reading speech. On the passing of this legislation, departments will be required to do some of the things that, rather astoundingly, they do not do at the moment. One of those things is that this legislation will make it a legality for an agency or a department to operate within their approved expense limit. If we asked the public generally whether that was happening in government, we would assume, as I said earlier, that the government sets a budget through the budget process, Parliament approves it and government departments and entities are therefore restricted by that. However, I can tell members that I have had some experience when that had not necessarily been the case.

Hon Alannah MacTiernan: I think that happened a lot under Mr Barnett, when he was education minister. I do not think he took any notice of budgets at all.

Hon Dr STEVE THOMAS: I cannot tell the minister what happened under Mr Barnett as a minister or Premier because I was not in Parliament for any of that time, so I will have to take the minister's word.

Hon Alannah MacTiernan: Ask Richard Court.

Hon Dr STEVE THOMAS: Perhaps the minister is expecting me to take her word on that, but I will not necessarily accept it as L-A-W law. It is absolutely the case that departments, even sections within departments, have long had a principle of spend first and apologise second. In fact, in some cases, we could probably apply that old principle that it is better to apologise afterwards than to seek permission in advance. Departments and parts of departments in the past have previously absolutely operated under those circumstances. In my role involved in health planning throughout the south west in the 1990s, I knew this to be the case: effectively rubberstamped by departments. In those days, health boards were installed by the Richard Court government and hospitals within that health system in the 1990s I dealt with took the view that they would expend whatever amount of money they thought it was appropriate to expend. If their budget was exhausted before the end of the financial year, it would be the problem of the health department to increase its budget. I would have said that I thought the Department of Health at the time fully understood the principle in place at the unit and would go forward and effectively rubberstamp it and take it to the government and say, "Well, your choice as government is therefore to increase the expenditure and reward the behaviour or face political backlash of suddenly, a regional hospital, for example, closing down its surgery for the last six weeks of the financial year and blaming the government because it ran out of money. Those situations did exist. It is astounding to think that a government department can effectively hold a government and a minister to ransom. That is exactly what happened on occasions. The argument would be that a strong minister would not allow that to happen. I would have thought that, under those circumstances, a strong minister might ask their director general to seek alternative employment. We know that it is not easy to get rid of a director general. Perhaps we should do it a bit more often to keep everybody on their toes. I will see if I can make it to my car at the end of the night having said that!

Sometimes I think we are a little complacent around the performance of public service senior executives in this state. For a long time, some areas of the public service have viewed their budget as sacrosanct and something over which they themselves exert control and use as a pressure point on Parliament. For those who use the bible of politics,

which is not the practice—*Yes, Minister*—they probably remember Sir Humphrey at some point describing the fact that the role of a minister is to publicly defend the department and fight for its budget. Sometimes there is truth in fiction. I am sure some sections of the public service in both that country and this think that is the role. It is rather astounding to think there are departments out there that do not stay within their budget.

Leading on from that, it is also remarkably astounding to think that, as part of that process, if heads of department expenditure levels were almost certainly going to exceed the amount given by government, they would not notify the minister of an impending shortfall. I do not know, personally, whether this has happened. I cannot say I am aware of a minister who faced an impending shortfall that was not notified. I would have thought that act by a senior public servant might perhaps go past the level of being asked to find alternative employment and could perhaps be referred for prosecution. I think that is a significantly higher offence. It is also the case that the Financial Management Act does not require departments and heads of departments to live within their means. It does not require specifically the head of a department to notify the minister, and therefore the government, that it is not doing so. Again, if we ask most people in the street in Western Australia whether they think that is a reasonable outcome or are surprised that it exists, I think they would be astounded that we, the government and the Parliament, do not have the level of authority of control that people think we do.

These are good changes. They were no doubt recommended in 2012 and 2017, and it is absolutely about time. It is astounding to think that they are not already in place. Some of us think that governments should live within their means; if we do not apply that rule within government departments, we have a huge double standard. Those are a couple of particularly important things that should not necessarily need legislating because they should have been in place from day one, but they are good bits that are absolutely worthy of support. I am not aware of a senior public servant who has been shuffled out because of budgetary controls, but it is certainly the case that ministers are held to account. Perhaps the argument might be that we have lost a degree of ministerial responsibility; that is probably true. The standard that we, as members of Parliament, and ministers in particular, have been held to was higher when I first got involved in the political system 20 years ago than it is now, and that is sad. We need to be demonstrating the highest of integrity and we need to be held to that standard; that will give us the capacity to hold the senior public service to the same high and exacting standards. That standard has slipped, unfortunately, but this is absolutely a step in the right direction. Firstly, an agency's accountable authority is required to stay within its budget. If the agency sees something impending that would diminish its ability to stay within the budget, the agency should notify its minister. The minister would have a conversation with definitely the Treasurer, and perhaps also cabinet, and steps would then be taken. We should have seen this in legislation a long time ago.

What might be one of the more contentious issues is that the bill will require accountable authorities—in this case, we are generally referring to government departments—to ensure that they comply with state government policies on financial management. Again, there is a separate set of rules for most government trading enterprises in that their legislation tends to require them to be compliant. That legislation is sometimes tested when ministers give directions to government trading enterprises. When we get to the committee stage of the bill—sorry, the minister got his hopes up there for a minute. Government ministers can ultimately give directions to departmental heads, but it is a very long and involved process. We need to remember that departmental heads have generally got to become the head of their department by being particularly good at working in the public service system. That does not necessarily mean that they are particularly compliant with the policies of the government of the day; it means that they are very good at working through the public service system. I do not see that changing very much, because the people who have got to the top of the public service got there under the current system. Just as an aside, we have always spoken about the need to bring in good people from outside the public service on occasion. I know that all that previous governments—probably from the conservative side of politics—have talked about is getting the best and brightest from outside of government and bringing them in. To be honest, with all the best intent in the world, I have never seen that happen in any significant way. I suspect that it does not happen because the appointment process is managed within the public service, and I suspect that the people who have reached the top of the public service have a vested interest in not having people from the outside coming in. They do not want to have people from outside coming in who are problematic or who cannot do the job, but more importantly, they do not want to bring in people from outside the public service who can do the job and who are efficient, because that potentially would not reflect well on the public service.

Hon Stephen Dawson: You're very cynical.

Hon Dr STEVE THOMAS: I will take that. The capacity for the government to hold departments to account through government policy is actually important. The risk is that a government may ask a department to support and uphold policies with which the department disagrees and, ultimately, and more importantly, with which the community disagrees. I understand that on occasion government policy is bad, in the same way that on occasion public service policy is bad. It is not always good. It is not always bad. It is generally better than it is worse. The reality is that this will apply a simple control in that the accountable entity in the end will be the government, and the community has the capacity to hold governments to account every four years. That reinforces that this clause

and this part of the bill are worthy of support. I do not know too many public servants who reapply for their job every four years, whereas the members of the chamber do—even one who was reached lofty heights, as this minister has. He still has to reapply for his job every four years and is at risk of having his job shifted in the meantime. I must admit, I am not sure what he did to get his current portfolios because he was given some very tough ones. He must have offended somebody.

Hon Stephen Dawson: I figure I am here for a good time, not a long time.

Hon Dr STEVE THOMAS: They gave him some toughies.

Hon Peter Collier interjected.

Hon Dr STEVE THOMAS: They made it hard for him. They have given him some tough portfolios. It must be due to the fact that he works very hard to give the opposition fulsome and accurate answers in Parliament, I suspect.

Hon Stephen Dawson: It's probably payback.

Hon Dr STEVE THOMAS: Yes, it is probably payback.

Hon Stephen Dawson: I'm always up for a challenge, honourable member.

Hon Dr STEVE THOMAS: Yes; it is a vicious game, politics, is it not? It is absolutely the case that government departments should be required to comply with government policy. If government policy is bad, it is up to the opposition to point that out, hold the government to account and convince the community at the next election that this government and its policies should be removed—an act that I am doing my very best to fulfil as soon as possible.

Hon Stephen Dawson: You can live in hope, honourable member.

Hon Dr STEVE THOMAS: I certainly do, minister. That is another sound and good provision in this bill and one that is well overdue.

The next part of the bill is also very important. This reflects back on things I said earlier around procurement in particular and the report of the Joint Standing Committee on the Corruption and Crime Commission. This bill will ensure that there is more formalised and accountable oversight of the expenditure of state government money. That is a very good thing. The risk always is that it gets hard at the end when we get oversight of oversight of oversight; I understand that. We will probably get to this in the committee stage of the bill, but the hard part is: who is watching the watchers who are watching the watchers? In this case, this bill strikes a reasonable balance. It has picked up some of the recommendations of the Auditor General, particularly those of this year and last year, in which the Auditor General raised concerns about the oversight of the expenditure of government money. Obviously, with the examples that we mentioned earlier and the significant risk factors, improvements in the framework of delegations and authorisations are particularly important, even with simple things such as not having the same person approve and review an expenditure. I understand that to be how people who misuse the public purse get away with it. They find themselves as the purchaser of a service and, because of the position they are in, they are also the head of the audit or the review of that particular purchase. That is how they get away with significant fraud against the people of Western Australia. That change will be a significant improvement. It will also improve, in theory, the internal audit functions. There will be one of those “suck it and see” situations in the implementation of the internal audit process. The bill contains a broad head of powers that will allow that to occur. I understand that it will also give the Department of Finance a greater role for assisting in that process, and that is also important. We do not necessarily want to go back to a centralisation argument. Having the best and the brightest in the public service spreading that expertise around is also a very important process; it is very good.

There are other things that the bill intends to do. First, it will change the system appropriations to allow for an increase in automatic appropriations. We have gone to a set election period—a fixed-date election. Generally, members know that, interestingly, the budget process for the next year starts pretty quickly after the first budget is released in May—usually. By this time of the year, in August, the government generally is already in negotiations for departmental budgets for the next year. It is a fairly long and involved process and does not get finalised until a month out from the next budget. For example, I assume—I do not imagine the minister will tell us—that cabinet, if it has not ticked off the September budget in the last cabinet meeting, will be ticking it off in the next cabinet meeting with an allowance for a small amount of change for emergencies; for example, a quick fillip in the mental health budget.

As we go to fixed-term budgets, it is not an issue in a normal year. There will be a May budget because it is a budget for the upcoming financial year—1 July to 31 June. There is about a month in which Parliament will go through the process, examine the budget, go through the budget estimates process in both houses and approve the budget. In theory, if the government does not have control of both houses, the opposition can block the budget. That power has been used very rarely in the history of Australia, although there are a couple of notable exceptions to that—I think

somewhere in 1974–75. But outside of that, it is not a tool that we would want to be used too much. When we shift to fixed-term elections and there is a March election, a May budget becomes a little problematic. I imagine in a year in which a government is retained—I am interested to hear what the minister thinks about this—the capacity to bring that budget in faster than it seems to happen is reasonable. Obviously, in the 2021 election, the Labor government was retained. I think that the budget work around departments would have started in that same period of time, so it should have been going on since August last year. I am interested to know—the minister might not be in a position to tell us—whether the government at that stage said to the departments, “It’s an election year next year so we are not even going to start the budget process until that period of time.” It would be interesting to know whether that happened. It is a financial technical issue.

Before I continue, can I acknowledge some visitors upstairs today: the students, staff and parents of Baynton West Primary School. Welcome to the Parliament of Western Australia. You are in the Legislative Council, which is the lesser reported but far more important house in the Parliament of Western Australia. We hope you enjoy your day here today. I hope I have pronounced the name correctly.

That sidetracked me a little. The minister may not be in a position to let us know, but can he tell us whether, when there is an upcoming election, departmental budgetary preparation still starts in August or is it the case that the government will say, “Who knows what’s going to happen at the next election; we won’t actually start it until that decision is made”? I would think that the government would be prepared earlier. It is important because there have been a couple of late budgets. The next budget will be in September. I know Treasury, in particular, has heart failure and gets more stressed the later the budget is. Last year we had the COVID-19 budget, so it was in October. I am sure a bit of stress leave is taken by the Department of Treasury personnel. I would have thought that work would start earlier, but then, obviously, if there were a change of government, it would have to potentially start over. I would think that Treasury, in particular, would try to get that budget done as early as possible. A retained government might decide to do an August budget, for example. State elections are held on the second Saturday in March, so the government has April, May, June, July, August and September. I am interested to know whether it is deferred for that six-month period. Having said that, the opposition agrees that changing the legislation so that not so many emergency appropriation bills are needed will be a useful tool.

I am very fond of an urgent appropriations bill. I have been known to make speeches on those bills that perhaps last a little longer than the new time frames will allow, but only ever with good intent and purpose. Oppositions love appropriation bills; it is an opportunity to digress far and wide on money the government is expending, sometimes well and sometimes not so well. But I think that we could dispense with the number of appropriation bills and do those things in other ways. The opposition will support the automatic extension of, let us say, credit—the capacity for the government to expend money prior to the approval of an appropriations bill—because, obviously, the Constitution requires that expenditure of Parliament is to be approved. We will be supporting that, but I will just have to adapt and live with restricted opportunities to harangue the government, as sad as that might be.

Other significant sections of the bill before us are new division 4, “Preparation of draft annual estimates” and new division 5, “Resource agreements”. I am sure that we will spend a little time on these in the committee stage. I am interested to know how the government envisages these processes will interact. The budget process involves the department looking at what it expended last year, what has been committed to and to start negotiations through its minister and Treasury and Finance to work out what its budget should look like going forward. It develops a set of estimates. It then goes into a bunfight and battle to work out whether the ambit claims of various ministers should be supported or rejected. Experience tells us that not many would be supported and we would normally expect a few rejection letters before approval is given, unless a minister is on the Expenditure Review Committee and they are able to get a better run than somebody else. No, minister—that is a pity. There we go; I am sorry about that.

The process will be far more normalised than it otherwise would be. The draft annual estimates are prepared. In division 4, members will see a specific system will be put in place for that section. Clause 10 of the bill contains a new division 4 that will formalise the draft annual estimates processes. Clause 11 contains a new resource agreements section. We will probably spend a little time in the committee stage looking at the comparison between the two—at how the new system of budget estimates and resource agreements will differ from the previous system. Basically, I would have thought that one would lead almost directly into another. The resource agreement is the one that the department will sign off on and the one that we assume it will be held to account to. It will set an expenditure limit and it will be the one that will claim the head of a department if it does not do the things that will be introduced by the bill. I would have thought that putting together the budget estimates would almost immediately lead to the look of the resource agreement. I would be interested in any variation in that and the negotiating process between the two, because I suspect that they should look remarkably similar. I suspect that the estimates will start with the ambit claim of the department, tempered by the oversight of the minister, plus a few of the minister’s ambit claims. It will then go through the Expenditure Review Committee and Treasury process. It will be pared back to the bare minimum, and if the department is unlucky, pared back a little bit further. It will then end up in a set of budget estimates that will then be converted, presumably, almost directly, into a resource agreement.

I am also interested in how much of that process might be made public. Some of those things will be released. It would be interesting to know the level to which resource agreements and budget estimates will become public. Much of that will be confidential, but some of it might, ultimately, become public, particularly the resource agreements.

This legislation will also do a few other things. The bill contains provisions about modifying resource agreements, which would be completely normal. We have talked about the need to notify about financial difficulty. My understanding is that most government trading enterprises already have clauses within their validating legislation that effectively apply that, so it will be completely appropriate to allow that to happen.

The next point that I will discuss is something that, again, we will get to at the Committee of the Whole stage. This bill will allow the Treasurer to modify what goes into the key performance indicators that are ultimately reported in annual reports and the budget process. I am of the view that the vast majority of KPIs that apply to departments, whether it is in their budget papers or their annual reports, are meaningless drivel. I am not entirely sure how we got to the meaningless drivel level, but for those tragics who read annual reports regularly, they are full of things that say, “What percentage of complaints did we process within seven working days or 14 working days?” There is almost nothing that reflects the efficiency of the department. There is almost nothing that reflects the outcomes and certainly nothing that reflects generally negative outcomes.

Then we get to the budget estimates process. I have been doing this for many years now in both houses—here and in the house that shall not be named—and it makes no difference which house we are in; we are dealing with the same set of meaningless KPIs for the most part. There is an absolute need to review how departments report their efficiencies and processes. Regarding the KPIs that we get to examine, I have sat there and I remember asking questions of ministers such as, “Why has your KPI of the amount of time in which you restock the tea cabinet decreased from three days to 2.7 days?” Ridiculous bits of information sometimes end up having ridiculous questions asked about them.

Hon Stephen Dawson: Honourable member, I’d have to agree with you about the KPI process. I mean, I’ve sat here for the last few estimates times. I’m not sure if Hon Peter Collier’s raised it in terms of KPIs, but I think you have. Certainly, for the honourable Diane Evers—formerly Hon Diane Evers—constantly it was a bugbear of hers. Sometimes the KPIs have borne little relevance to much, and it was cumbersome process to actually change the KPI process. So, anyway, I think this is good.

Hon Dr STEVE THOMAS: I know; I absolutely agree, minister. I am sure that current and former ministers would probably also agree. I have yet to see a KPI deliver a relevant debate in the estimates. Maybe there are one or two that I have missed. I have not been in every estimates process.

Hon Stephen Dawson: Put it this way, I can’t remember one. I’m sure there probably have been some.

Hon Dr STEVE THOMAS: Yes, there possibly have been in the ones that we missed or we were not awake for!

Hon Alannah MacTiernan: I think some of those ones where you’ve got approval processes and you have target approvals to be done within a certain time frame —

Hon Stephen Dawson: They’re the better ones.

Hon Dr STEVE THOMAS: But for even those, consider this: if we have a KPI that requires environmental approvals achieved within the set government time frame, what does a five per cent variance on that mean? It does not tell us that the average time frame for approval is X or that there was one very long one because this or that did not work. Often the full information is not in the estimates because it is a meaningless estimate and nobody can be bothered researching it. The KPI process absolutely needs an overhaul.

The head of power that exists in the bill, which will exist in the act because both the opposition and the government support the bill, is only that; it is only a head of power. It is only something that allows the Treasurer to try to fix the problem; it does not require the Treasurer to fix the problem. Therefore, we are in the hands of the Treasurer to try to make sure that government department KPIs become more meaningful.

I know it is hard to do in government because the government does not necessarily want to give the opposition more ammunition to use and no minister ultimately wants to be held to account. However, I go back to the Bible that I mentioned previously, *Yes, Minister*: the opposition is not the opposition, they are just the opposition in waiting; it is the civil service that is the opposition in residence. Sometimes we just need to remember that eventually we swap sides. It may always seem like we are opposing each other, but we should listen to the conversations around the chamber. This is the second bill today in which the opposition is in furious agreement with the government, and I think people would be surprised at how often that occurs. It is absolutely the case that governments of both persuasions need to be better at holding departments to account. Generally, government tries to set KPIs for departments. I would be interested to know how often KPIs are set by departments for themselves or for other departments. Obviously, if that is a part of the system, that needs to be addressed. The Treasurer must have a far greater capacity to make those KPIs far more meaningful. It drives me absolutely mad. The two things that I hate about annual reports are the fact that they have all turned into glossy brochures—I try to flick past all the advertising to get to the actual financial reports!—and the fact that the KPIs are not necessarily —

Hon Stephen Dawson: It's to keep an ordinary person interested, though. You need a bit of colour and movement in there to keep them.

Hon Darren West: Some of us like the pictures!

Hon Dr STEVE THOMAS: Honourable member, that is probably all some people can understand!

I do not know how many members of the public are picking up annual reports, to be honest. Holy mackerel! They have lost their relevance.

Hon Alannah MacTiernan interjected.

Hon Dr STEVE THOMAS: It might be, too.

Perhaps if we made annual reports shorter, less glossy and more to the point, more people would take an interest in them. They are tabloid, not broadsheet; let me say that. My view is that something needs to give on that. When in government, it is easier to say, "We don't mind them being meaningless because we don't want to empower the opposition", but one day government members will be back over here saying, "Holy mackerel, that's driving me mad as well"! That potentially is a good thing, depending on how the Treasurer of the day deals with that. I am very keen to see that part of the legislation amended. That will be an excellent process.

In the very limited time I have available these days, I have a few other things to say about the bill. Again, we will go through it in more detail when we get to the committee stage. It makes sense to me that the government, particularly the Treasurer, would be able to make movements within various government accounts without it necessarily impacting on debt. There are also some risks involved in this. If a Treasurer were of a mind to manipulate economic outcomes—for example, by shifting money around—this might make the Treasurer more able to do so. I still think that it is worthy of support.

This section will allow the Treasurer to shift money in and out of dead accounts in particular. This might be different if the official interest rate were seven per cent and we were talking about getting income back in at a significantly higher level, but I do not see the official interest rate shifting off 0.1 per cent for some time. I think that will take years. It makes sense in this circumstance to allow the Treasurer to automatically take money off debt without necessarily going through an onerous process and then have an accounting mechanism that has to be written up as debt anyway. I think that is a worthy component, although we will need to watch that carefully. Again, we will canvass this in committee. The minister might feel moved to make some comments about the reporting process around that freedom that we will allow the Treasurer to engage in.

I now refer to the schedule around annual reports and other bits that we are reporting to both houses of Parliament. I happened to note one of the changes in this bill is that it will delete the delivery of "copies" and we will now deliver "a copy". I am not sure why somebody felt the need to restrict, potentially, the number of hard copies that might be delivered. Is this a shift to the online environment and members will be asked to download the bits of information that they want? I must admit, I am getting on a bit now and am a bit old-fashioned. I like having a book in front of me so that I can flick through the pages and read the data that I want to get to. I am intrigued to know why we will switch from the delivery of "copies" to "a copy". I know that budgets are a bit tight, but I cannot imagine that the printing out of a few annual reports will bust the bank, particularly not with the iron ore price where it is!

Hon Stephen Dawson: "Is it to protect the environment?", I hear you ask!

Hon Dr STEVE THOMAS: It might well be.

Hon Stephen Dawson: Let's ask the question.

Hon Dr STEVE THOMAS: Save a tree perhaps!

Hon Stephen Dawson: Could well be.

Hon Dr STEVE THOMAS: Possibly. Make it out of hemp paper, then you're probably okay! There you go.

Hon Stephen Dawson: At least some of our honourable members will be happy with that.

Hon Dr STEVE THOMAS: I presume so. That is a different plant; a plant of a different character!

I am interested to know specifically why, in a couple of places, "a copy"—singular—of an annual report will be delivered. Is that cost shifting? We know the parliamentary budget is not all that huge, if we take some of the maintenance issues around the place—for example, the roof—so is that cost shifting the production of a few books? In the old days, honourable members, the state printers' office was just about a 24-hour event. So many booklets, papers, *Hansards* and all the rest of it were pumped out of it consistently. Everybody got a hard copy of everything, basically. I know we have cut back significantly from that, we all get a hard copy of the budget, but, gee, there are not many things anymore that mean there is one copy for every member. I know someone who worked in the old state printers' office; it was full-on. I am interested to know why we will be down to a single copy. Will it be like a library—we will have to get a stamp and look at it one at a time? In which case I put dibs on going first!

Those are probably most of the interesting things that are in the current piece of legislation. There will be some improvements in the way things operate. Some of the things we expect; we take government on trust. The democratic process pulls that back out. There is a proposal to extend the statutory review process of the Financial Management Act from five to 10 years. At one level, I would say: why are we frightened of more frequent reviews of the act? I guess the reverse argument to that is that we have done two reviews since the last changes to the Financial Management Act and it has taken 10 years anyway! We could have a look at what we on this side of the chamber now respectfully call the Mischin amendment. But I suspect there will not be anything in this bill that will not be proclaimed and acted upon in the next year, so I suspect we would be wasting our time if we went with that. I suspect that this will not languish on the shelves before it is extended.

In summary, the opposition will support the bill. At this stage I am not intending to move any amendments. I do not know whether the government has any at this point. This bill is remarkably similar to the bill that was presented to the previous Parliament; I looked through it as a comparison. Apart from the changing of a few dates, I found no difference, effectively, between the previous bill that the opposition said it would support and the current bill. To be honest, I do not remember whether the previous bill got through the lower house in the last Parliament—it may have done. I was prepared and waiting for it in the upper house before we were diverted by other weighty matters that we had to address. It is not significantly different from the bill that was presented in the previous Parliament. It reflects the outcomes of the reviews in 2012 and 2017. It gives the government more freedom to hold the public service to account.

Hon Nick Goiran: It did pass the lower house.

Hon Dr STEVE THOMAS: It did pass the lower house—thank you. I was getting ready for it. I had prepared for that speech as much as I had prepared for this speech.

It gives the government the opportunity to have greater accountability and oversight. It will be up to the government, in the implementation process, to demonstrate that it will do precisely that. We are happy to give the government the opportunity to demonstrate some strengths in these areas: greater oversight of departmental budgets; and, to some degree, greater control of the public service, importantly, in an open and accountable manner. The minister might like to address the sort of disclosure that would occur if a department were to exceed its budget disclosures over information that the government receives. It should not be the case that oppositions should have to wait until there is a disaster to know that there is a problem. Those disclosure mechanisms are very important. Therefore, it would also be useful if the minister could give us some indication, along with the disclosures, around what will happen in both the budget estimates processes and the resource agreements processes. That would be useful information to have.

This bill is, let us face it, perhaps a little overdue. Most of the things in the bill appear to be well intended. The question mark is the delivery. The opposition will be watching carefully to make sure that the delivery is done to a standard that we believe is fitting.

At this stage, we will be supporting the bill unamended.

HON NICK GOIRAN (South Metropolitan) [2.50 pm]: I rise to speak to the Financial Legislation Amendment Bill 2021. I note that the bill seeks to amend three of the statutes of Western Australia: the Financial Management Act 2006, the Government Financial Responsibility Act 2000 and the Loan Act 2017. The government claims that this bill will enhance governance and accountability. In my view, judging from a number of reports from the Auditor General, this is absolutely necessary. However, despite the fact that there is great potential for reform in this area, this McGowan Labor government is continuing to just tinker around the edges. I am appalled that after this government has had effectively another two years in which to improve these reforms, all it has done, as the Leader of the Opposition has just recounted to the house, is reintroduce a bill that is essentially in identical terms to the bill that it introduced in the last Parliament. By my reckoning, this bill's predecessor in the fortieth Parliament was introduced on 19 March 2020.

Inevitably, what will happen—as sure as night follows day—is that the government's response will be that since March last year, it has been busy with the COVID-19 pandemic. It is indeed the case that this government, like every other government around the globe, has been busy dealing with COVID-19. However, the government cannot tell me that the people responsible for the Financial Legislation Amendment Bill 2020 had somehow been seconded into dealing with contact tracing, breaches of the SafeWA app, and data and the like, or with the supply of protective equipment for the pandemic.

The people who were responsible for this reform have had almost two years to enhance those reforms. It would have been good if there had been some form of consultation with the Auditor General. The first question that I will ask in Committee of the Whole, in the event that the minister is unable to deal with it in his reply, is: to what extent was the Auditor General consulted on this bill? I am not asking: has the minister consulted with the Auditor General on this bill? I am asking: to what extent was the Auditor General consulted on this bill? There has been stacks and stacks of time for the minister to consult the Attorney General.

I want to take members to some of the awkward comments for the McGowan Labor government that have come from the Auditor General's reports. I refer in particular to a recent report, report 7, dated 11 November last year and titled *Audit Results Report—Annual 2019–20 Financial Audits of State Government Entities*. I turn to page 7 —

We issued qualified audit opinions to 7 entities for reasons of inaccuracies or deficiencies in their financial statements or KPIs or due to control weaknesses, an increase from 3 in the prior year.

Who was in government in the previous year? It was the McGowan Labor government. According to the Auditor General, it then went from bad to worse. I turn to page 21 —

We reported 133 expenditure control weaknesses to 49 entities in 2019–20. Thirty-four were rated as significant and 39 weaknesses were unresolved from the prior year.

I turn to page 22 —

During our audits we identified 79 accounting procedures issues at 39 entities. Eighteen rated as significant and 11 were unresolved from the previous year.

It states further on that same page —

We reported 69 payroll and human resource control weaknesses to 27 entities. Seventeen rated as significant and 16 were unresolved from the previous year. Our payroll controls audits identified the following weaknesses.

I turn to page 23 —

During our audits we identified 61 governance and legal compliance issues at 45 entities. Eleven rated as significant and 21 were unresolved from the previous year.

It states further on that same page —

Information systems underpin most aspects of entity and government operations and services. It is therefore important that entities implement appropriate controls to maintain reliable, secure and resilient information systems.

...

In 2019–20, we identified 423 weaknesses across 49 entities where our information system audits have been completed. Forty-one percent of these were unresolved issued from the previous year.

I repeat that —

Forty-one percent of these were unresolved issued from the previous year.

It continues —

Last year we reported 434 findings at 41 entities. Five percent of the issues were rated as significant and 71% were rated as moderate requiring action as soon as possible.

I turn to page 24 —

In 2019–20 we reported 26 KPI weaknesses to management at 19 entities. The number of qualified KPI audit opinions was 1.

Almost all of the 26 weaknesses need prompt or urgent attention by entities.

I turn to page 25 —

We reported 18 control weaknesses relating to data integrity and collection to 13 entities. Seven rated as significant.

These are the comments of the Auditor General of Western Australia about the performance of the McGowan Labor government in a report tabled in November of last year.

If members turn to clause 16 of the Financial Legislation Amendment Bill 2021, they will see that the government is asking this house to amend section 80 of the Financial Management Act 2006. If members turn to clause 17, they will see that the government is asking the house to amend section 85 of that act. In my view, it is telling that this government has deliberately decided to leap over section 82 of the Financial Management Act. It is plain that a new clause 16A should be inserted into this bill to address the fundamental deficiencies in section 82 of the Financial Management Act. The question, minister, is: why has the government deliberately decided in this legislation not to implement any reforms to section 82 of the Financial Management Act? That option is plainly available to the government. I suspect that one of the reasons that the government has deliberately gone out of its way to make sure that there will be no reforms to section 82 of the act is that the current system suits this secrecy-obsessed government. It absolutely suits it. This government's track record over the past four-plus years demonstrates that.

I draw members' attention to a question I asked as recently as 14 March 2019—two years ago. I asked the Minister for Child Protection, via her then representative, the Leader of the House, some important questions about whether the Department of Communities was monitoring cases in which a young person attending a private school had been charged or convicted of a sexual offence. In response to this serious matter, I asked the Minister for Child Protection, via her then representative, the Leader of the House, whether she would undertake to comply with section 82 of the Financial Management Act 2006. The minister responded, via the Leader of the House —

I will comply with any obligations imposed upon me by section 82 of the Financial Management Act 2006, but I am of the view that my answer to part (3) does not give rise to any obligation to give further notice under section 82 as the information requested is not “information concerning any conduct or operation of an agency” within the meaning of section 82.

This arrogant government and this arrogant minister say to the Parliament of Western Australia, “I will not be providing any information to the Parliament because it is my view—I might insert there ‘my arrogant view’—that we are not required to comply with section 82 in this instance.” Did the Minister for Child Protection or the Leader of the House think to maybe consult the Auditor General of Western Australia? It is no wonder that this government does not want to change section 82 of the Financial Management Act when it can continue to hide, in its secrecy-obsessed fashion, behind answers like the one given in 2019.

Interestingly, this same minister had obviously learnt a thing or two from what happened in 2018. *Hansard* records that on 11 September 2018 I asked the Leader of the House representing the Minister for Child Protection a question on matters that had been addressed by the Auditor General. I specifically asked whether contact that had been made between the minister and the Office of the Auditor General was written or verbal. If it was written, I asked the minister to table that document. If it was verbal, I asked the minister to table any documents that were created that recorded that verbal contact. The answer provided by the Leader of the House representing the Minister for Child Protection on 11 September 2018 stated —

The Office of the Auditor General made telephone contact with the Minister's office on the 13 June 2018, to inquire if the Minister was going to give notice of a section 82 of Financial Management Act 2006. Following the phone call, the Minister's office made contact with the Office of the Auditor General to advise that the office did not submit a Section 82 as they believe that it is not required in this particular circumstance.

Such is the arrogance of this minister and the McGowan Labor government that when the Auditor General of Western Australia, an independent statutory office holder, picks up the phone, speaks to the minister's office and asks, “Are you going to file a section 82 notice?”, they say, “We thought about it. We've decided we're not gonna do that because we don't think we have to.” That is the level of accountability in this arrogant government. Therefore, it is no wonder that the bill before us expressly does not look to address these fundamental problems that are conveniently being abused by Labor ministers. Plainly, I would think that after all this time it has now been recognised that the section 82 process should be complaint driven. It should not be left to arrogant McGowan Labor government ministers to decide when they will and when they will not comply with section 82. But that is how the situation sits at the moment.

In a report tabled as recently as just before the winter recess, 23 June this year, the Auditor General in the Auditor General's overview says —

Recently, I have reiterated how the principles of transparency and accountability are fundamental to good public governance in a parliamentary democracy.

In our Westminster system, responsible government is open and accountable to the people. This is reliant on the government providing information to Parliament, wherever possible. Sections 81 and 82 of the *Financial Management Act 2006* support this principle, and it is the long-held position of my Office that, by default, Ministers should disclose information to Parliament wherever it is not contrary to the public interest.

When a Minister provides a section 82 notice, it triggers my duty under the *Auditor General Act 2006* to provide Parliament with an impartial and independent view of whether a Minister's decision to not provide information was reasonable and appropriate. My role acts as a safeguard for Parliament. To do this, my Office views the information requested by Parliament and considers the reasonableness of the Minister's decision.

In the current case, the document requested by Parliament was a briefing note related to the Bushfire Centre of Excellence. The briefing note was the subject of a section 82 notice from former Minister Francis Logan and was therefore central to our inquiry. Following initial enquiries with the Department of Fire and Emergency Services, the Minister's Office provided us access to a heavily redacted copy of the briefing note. However, we were not permitted to view an unredacted copy and could not determine what had been redacted. My Office made it clear to Minister Logan's Office that without the ability to view all of the

document I could not provide an opinion on whether it is reasonably covered by the public interest immunity of Cabinet confidentiality.

It is regrettable that I need to issue a Disclaimer of Opinion for this section 82 inquiry. However, such outcomes are likely when I cannot access all the information I need to carry out my statutory responsibility. While Ministers have generally provided access to such information, this is the fourth time since 2007 where a Disclaimer of Opinion by the Auditor General for a section 82 notice has been necessary.

The Auditor General issued that information on 23 June 2021 to Parliament via the thirty-second report, *Disclaimer of opinion on ministerial notification—Bushfire Centre of Excellence*. Unless members think that this is an isolated incident when it comes to the McGowan Labor government—this secrecy-obsessed, arrogant administration—I turn to the Auditor General’s twenty-seventh report of 20 June 2019 and the “Disclaimer of Opinion”, which states —

The inability of an auditor to access the information they need to meet their obligation is a serious matter for the auditor and for those who rely on their opinion. In the event that an auditor is unable to obtain sufficient appropriate audit evidence, auditors have few options. One of these is to issue a Disclaimer of Opinion. This is the third occasion where my Office has been placed in this position for an opinion on a section 82 notice.

These people have form. It is clear that they are not ashamed of their secrecy-obsessed conduct. This is despite the fact that the Labor Party’s leader promised the people of Western Australia that his government would adhere to a gold standard of transparency. Government members are exposed time and again, not by a political appointee, but by an independent statutory office holder who continues to expose that this government is obsessed with secrecy. Of course, this government will maintain that regime, that statutory structure, which suits its purposes. It will not change section 82; why would it? Wait until one day when the Labor Party is in opposition again and railing against section 82. I hope I am there that day.

Hon Stephen Dawson: You can say, “I told you so.”

Hon NICK GOIRAN: I will remind members opposite of all these secrecy-obsessed episodes by many of the government’s ministers, some of whom will be quoted from momentarily.

When it comes to opinions of ministerial notifications, it is worth noting the *Annual report 2019–2020* of the Office of the Auditor General. There are not too many pictures, so Hon Darren West has most probably not read this report. The Auditor General said in the report —

When a Minister decides not to provide certain information to Parliament concerning the conduct or operation of a State government ...

Essentially, the Minister is required to notify the Auditor General of their decision not to provide information and the Auditor General is then required to form an opinion and report to Parliament on the reasonableness and appropriateness of the Minister’s decision.

At page 118, the Auditor General goes on to say —

The often complex, lengthy and unplanned nature of reviews required for these notifications are a legislative obligation and use the same resources as planned performance audit reports, causing the unfavourable results compared to targets in other report categories. Further, a variance between actual and target can arise given the Auditor General’s decision to choose audit topics that in our view at the time would better inform Parliament and the community.

It seems that this would ensure a much more targeted approach and better use of the time and resources of the Office of the Auditor General—that is, if this government adhered to its own much promised, but yet to be delivered, supposed gold standard of transparency. I continue to be concerned when time after time, report after report, we receive findings from the Office of the Auditor General stating that ministers are not providing or seeking to provide reasonable information to Parliament or not providing sufficient appropriate audit evidence to the Auditor General. Report 32 of 2020–21, dated 23 June 2021, which I quoted from, involves a decision by former Minister for Corrective Services Hon Francis Logan, MLA, not to provide Parliament with a briefing note on the Bushfire Centre of Excellence. In that instance, the Auditor General could not tell us whether what the former minister had done was reasonable. Instead, the Auditor General had this to say —

An opinion cannot be formed on whether the former Minister’s decision not to provide information to Parliament was reasonable and therefore appropriate, as the OAG has been unable to obtain sufficient and appropriate evidence.

Here, the arrogant Labor government and its ministers not only did not provide information to Parliament but also did not provide information to the independent umpire whose job it is, paid by the taxpayer of Western Australia, to assess whether what has been done is reasonable; the Auditor General was not even provided with information by this secrecy-obsessed government. With this kind of behaviour, members opposite wonder why commentators refer to this government as WA Inc mark 2.

Earlier this year, another decision was made by the Auditor General in report 15 of 2020–21, dated 26 February 2021. It is about a ministerial decision not to answer how much point-of-consumption tax was paid by Racing and Wagering WA to other jurisdictions between 2019 and 2020. Racing and Wagering WA has its hands full at the moment, but report 15 by the Auditor General is about the conduct of the McGowan government. It states —

The decision by the Minister for Racing and Gaming, the Hon Paul Papalia MLA, not to provide Parliament with information about how much point-of-consumption tax was paid by RWWA to other jurisdictions for 2019–20 was not reasonable and therefore not appropriate.

This minister has spectacular form, because two days earlier, in report 14, the Auditor General dealt with another decision by the Minister for Tourism, Hon Paul Papalia, MLA, not to provide Parliament with five post-campaign performance reports in full on certain performance information regarding the Hotel Perth campaign. The Auditor General had this to say —

The decision by the Minister for Tourism, the Hon Paul Papalia MLA, not to provide Parliament with 5 post campaign performance reports in full and the number of people booking travel as a result of the Hotel Perth Campaign, was not reasonable and therefore not appropriate.

I understand that that minister is now the Minister for Police. His predecessor is not immune from this either. A report dated 30 October 2019 deals with a ministerial decision not to provide Parliament with information about operating hours and costs and maintenance costs for rotary-wing aircraft used by the Western Australia Police Force. The Auditor General had this to say —

The decision by the Minister for Police, the Hon Michelle Roberts MLA, not to provide Parliament with information about operating hours and costs, and maintenance costs for rotary wing aircraft in use by the WA Police Force was not reasonable and therefore not appropriate. The information requested was factual, operational information, and was not prepared expressly for, nor would reveal, the deliberations and decisions of Cabinet. Any discrete information in relation to operational costs that may compromise the commercial affairs of the State could have been redacted.

This is a very important lesson for members, particularly non-government members, for whenever a government minister puts up a shield and says, “Sorry, I can’t tell you about that; cabinet-in-confidence”, and the Auditor General of Western Australia has a different view. Ministers cannot use that shield every single time. They might utter the words, but it does not mean it is genuinely cabinet-in-confidence.

The Leader of the House, Hon Sue Ellery, is also not immune from all this. In report 6 of 2019–20, dated 18 September 2019, the Auditor General dealt with that minister’s decision not to provide documents previously released under the FOI act. Such is the obsession with secrecy that even though material had been previously released under the FOI act, the minister was not willing to provide it. The Auditor General says this —

The decision by the Minister for Education and Training, the Hon Sue Ellery MLC, not to provide Parliament with 2 documents previously released under the FOI Act was not reasonable and therefore not appropriate, as most of the information in these documents was publicly available.

Then there is the Attorney General’s report dated 20 June 2019, in which the Auditor General states —

This report deals with a decision by the Attorney General, the Hon John Quigley MLA, not to provide information to Parliament about an email from the Executive Director,

Once again, in this instance, the Auditor General could not provide an opinion. Why is that? The Auditor General says —

I have been unable to obtain sufficient appropriate evidence on the Attorney General’s decision not to provide requested information to Parliament. Accordingly, I am unable to form an opinion on whether his decision was reasonable and therefore appropriate.

The Department of Justice and the SSO have both declined my requests to view a copy of the email requested in the parliamentary question and I therefore have insufficient information on which to base an opinion.

The email requested in the parliamentary question was crucial evidence to our inquiry. My inability to view it meant that I was unable to form an independent opinion about the claim of public interest immunity.

The Auditor General continues —

The inability of an auditor to access the information they need to meet their obligation is a serious matter for the auditor and for those who rely on their opinion.

That would be members of Parliament and the people of Western Australia. But this arrogant Labor administration continues year after year to thumb its nose at the independent Auditor General. It shows no remorse for its systemic conduct and obsession with secrecy. With the bill before us, there was an opportunity for it to do what it claimed it would do—enhance governance and accountability—and it deliberately chose not to do so.

On 5 June 2019, we had the twenty-second report. The Auditor General was asked in that instance to make a determination on whether a ministerial decision not to provide information on whether revenue from the naming rights agreement for Perth Arena was contained within the 2018–19 state budget and forward estimates. The Auditor General said that the decision by former minister Mick Murray, MLA —

... not to confirm whether revenue from the agreement was contained within the 2018–19 State Budget and forward estimates (Part 5), was not reasonable and therefore not appropriate.

The Minister for Transport, certainly in the last Parliament—I think she might still be the Minister for Transport despite the fact that there was some contention as to other portfolios that might have been of interest —

Hon Alannah MacTiernan: Isn't it good to have people who are so talented that they are considered for a range of portfolios?

Hon NICK GOIRAN: They were not considered.

Hon Alannah MacTiernan: This is what I find ridiculous about you; if someone is capable of doing more than one thing, it is a criticism.

Hon NICK GOIRAN: What is remarkable is that the Minister for Regional Development has once again decided to inject herself into a debate and, rather than dealing with the substance of this matter, has opened only the door in the usual way for me to raze her in particular. Let us look at thirteenth report —

Several members interjected.

The ACTING PRESIDENT (Hon Jackie Jarvis): Order!

Hon NICK GOIRAN: On 23 January—you're so predictable. As per usual you're one of the many members who is arrogant —

Several members interjected.

The ACTING PRESIDENT: Order!

Withdrawal of Remark

Hon TJORN SIBMA: I may have misheard this. If I did, I am prepared to be corrected, but if I heard correctly, I believe the Minister for Regional Development called Hon Nick Goiran a misogynist. I think that is absolutely unparliamentary and I ask her to withdraw.

Hon ALANNAH MacTIERNAN: I agree that it is unparliamentary and I withdraw.

Debate Resumed

Hon NICK GOIRAN: I thank the Minister for Regional Development for her contribution, but I note the following with respect to what the independent Auditor General had to say about this minister's conduct on 23 January. This report regards a ministerial decision not to provide Parliament with any of schedule 7, the proposal of the FAA—financial assistance agreement—between the state and Carnegie Clean Energy in relation to the Albany wave technology development project. We know this minister in particular was very, very fond of the Carnegie wave project and we also know that this minister has a great, great keenness for Albany. Nobody has used the government jet to go to Albany more than this minister. What does the independent Auditor General —

Hon Kyle McGinn: She's a great regional minister who looks after the interests of regional Western Australia.

Hon NICK GOIRAN: Does the member recognise that she actually used to be a member for the North Metropolitan Region? My goodness. What a talented parliamentary secretary we have!

Hon Kyle McGinn interjected.

Hon NICK GOIRAN: This is what the Auditor General had to say. I encourage the honourable member —

Hon Kyle McGinn interjected.

The ACTING PRESIDENT: Order, members!

Hon NICK GOIRAN: If Hon Kyle McGinn could just get off his phone and read the report by the independent Auditor General, he would realise that what she had to say was —

The decision by the Minister for Regional Development not to provide Parliament with any of schedule 7 (the proposal) of the FAA, was not reasonable and therefore not appropriate.

We are dealing with an issue here of transparency and accountability. As per usual, the minister tries to target the individual and she does not like the message that is being raised, but it is her leader who promised the gold standard of transparency. Not once have we seen this government adhere to that standard—not once. She is much more

interested in trying to get on the jet as quickly as possible and going up and down to Albany, but when it comes to dealing with matters of substance, she is nowhere to be seen.

Prior to the rude interjections by the Minister for Regional Development, I was dealing with the situation with the Minister for Transport and what the Auditor General had to say about a decision by that minister not to provide the taxi user subsidy scheme review report to Parliament. On that occasion, the Auditor General said —

The decision by the Minister for Transport, the Hon Rita Saffioti MLA, not to provide Parliament with the Taxi User Subsidy Scheme ... Review report was not reasonable and therefore not appropriate as parts of the report were not Cabinet-in-confidence and could have been provided.

All this is by a government that likes to beat its chest about its performance. It is very, very quick to issue media releases. Within microseconds it will release a media release boasting about its performance, but when will we get the media release that boasts about them actually adhering to their gold standard of transparency? Maybe the parliamentary secretary should chat with his government about that, because we have not seen it. There has not been a media release with regard to it once, and there is a reason for it. It is because the independent Auditor General of Western Australia continues to expose this government for the sham that it is. It promised gold-standard transparency and it continues to deliver the exact opposite. It may well be inconvenient for these members to hear report after report, month after month, from the independent Auditor General. Do not blame me. Go and take it up with the Auditor General. I am simply reading from her reports. I did not author these things, yet these arrogant ministers float in and out of the chamber trying to tell us when we can speak and when we cannot speak. We are fed up with it. All we are asking on the part of the people of Western Australia is for this government to adhere just once to its much promised gold standard of transparency.

The Minister for Transport has been found out on multiple occasions. There was another incident when the minister decided not to provide the 2018 Metronet Taskforce minutes to Parliament. The Auditor General said on that occasion —

The decision by the Minister for Transport, the Hon Rita Saffioti MLA, not to provide Parliament with minutes of the METRONET Taskforce meeting held on 27 February 2018 was not reasonable and therefore not appropriate as parts of the minutes were not Cabinet-in-confidence and could have been provided.

It is the same theme. Every time we pick up another report, we get another damning indictment of this government. The hapless Minister for Health, Roger Cook, is also not immune from these matters. If members turn to the tenth report of 24 May 2018, they will find that he was unwilling to provide information. In this instance, it was on a sensitive issue. We have just been dealing with a piece of legislation touching on this area. He decided not to provide a report in 2016 on induced abortions. The report states —

The decision by the Minister for Health, the Hon Roger Cook MLA, not to provide Parliament with a copy of the report *Notification of Induced Abortions, 2015–16, Gestation 20 weeks or more* was not reasonable and therefore not appropriate as most of the information was not confidential and could have been provided.

It does not matter on what topic it is or in what portfolio it is, the government is obsessed with secrecy. We have an opportunity in this bill to change the scheme so that it can be complaints driven, rather than allow the government to continue to use this massive shield to deflect from any accountability and to continue to underperform when it comes to transparency.

The now retired former Treasurer, Hon Ben Wyatt, MLA, was caught up in this debacle of the McGowan Labor government. When it came to his ministerial decisions not to provide information about the overall cost of increasing the payroll tax threshold, the Auditor General said —

The decisions by the Treasurer, Hon Ben Wyatt MLA, not to provide Parliament with the requested information were not reasonable and therefore not appropriate, as the information was already publicly known.

These people are so obsessed with secrecy that when information is already out in the public and a member of Parliament dares to ask for it, they say, “I’m not going to tell you.” Then they pretend that they are adhering to a gold standard of transparency.

There are so many more examples, it beggars belief. I return to Hon Paul Papalia, MLA. He is one of the prime culprits. On 14 December 2017, in the twenty-sixth report on the ministerial decision not to provide information about WA TAB’s wagering turnover figures, the Auditor General said —

The decision by the Minister for Racing and Gaming not to provide the information requested by Parliament was not reasonable and therefore not appropriate, as most of the information was already publicly available.

The Auditor General then said about then Minister for Finance, now retired Hon Ben Wyatt, MLA, in the third report on 21 March 2018, and a ministerial decision not to provide information about a claim from John Holland Pty Ltd —

The decision by the Minister for Finance not to provide Parliament with information about whether the state had received a claim from John Holland Pty Ltd ... in relation to the PCH was not reasonable and therefore not appropriate because this information was already publicly known.

One key issue that has been raised by providers of services that seek to manage or reduce the incidence of family and domestic violence is the fact that service agreements are often not signed off until 30 June. Staff are often waiting, nervously, to see whether they still have a job after 1 July. It is my hope that when we get to clause 10 of the bill, which deals with section 40 of the act, it will provide an opportunity to rectify that matter. I am certainly looking forward to addressing that with the minister when we get to the Committee of the Whole stage, as we explore the bill in greater detail.

In essence, the government has missed an opportunity here. It could have brought in meaningful, enhanced reforms, but, in what has now become the standard for this government, it has rolled over a bill from the previous Parliament, largely unamended, and then expects, because of the weight of numbers, that it will be passed. It is right; that will happen. In this instance, as the Leader of the Opposition said, we will be supporting this bill. But that does not mean that the McGowan Labor government should simply get away with a lazy approach to law reform. There has been an opportunity here, because of the government's deliberate decision after 19 March this year, to never, ever bring on the previous bill for debate—to enhance it, to improve it, to consult further with the Auditor General; indeed, I would be fascinated to know whether there has been any conversation between the government and Auditor General about this bill since 19 March last year. I am talking about 19 March last year and not 19 March this year. Has anybody consulted the Auditor General? Is it because of what the Auditor General has been doing that this matter has been held up? We would like answers to those questions. That is the job of the opposition—to continue to hold this government to account. My word, the government might have the numbers to pass any legislation at any time, but equally the rest of us have a responsibility to ask the questions that need to be asked. The prime question I am asking the minister to address is: why has the government deliberately decided not to introduce any reforms with regard to section 82 of the Financial Management Act when it has this opportunity at the moment? If it has been for any particular reason, will it now consider it; and, if not, what does it propose to do with respect to section 82 so that it can adhere to a gold standard of transparency?

HON NEIL THOMSON (Mining and Pastoral) [3.36 pm]: I rise to say a few words on the Financial Legislation Amendment Bill 2021. I endorse what Hon Nick Goiran said about a lazy approach to financial accountability. I do not think that we are going to oppose anything in the bill, but we will be looking at it in committee. But so much in the accountability of the financial system needs to be considered. Accountability starts at the top—it starts at the very top. One observation I have made in recent years is that under this government there has been incredible politicisation of the budget process. I think it is an appalling indictment of the Labor Party that when the WA state budget documents come out, there is constant referral to the McGowan Labor government.

Hon Stephen Dawson: And that has not happened before? You were a senior public servant.

Hon NEIL THOMSON: I have —

Hon Stephen Dawson: You must have been asleep for those years.

The ACTING PRESIDENT: Order!

Hon NEIL THOMSON: I can go into the document in 2016 —

Hon Stephen Dawson interjected.

The ACTING PRESIDENT: Order!

Hon NEIL THOMSON: Go to the fact sheet.

Hon Stephen Dawson interjected.

The ACTING PRESIDENT: Order!

Hon NEIL THOMSON: Go to the fact sheet.

Hon Stephen Dawson interjected.

The ACTING PRESIDENT: Members!

Hon NEIL THOMSON: Go to the fact sheet. If the member looks at the fact sheet of the 2016–17 budget, it is simply a fact sheet. Go to the WA state budget and it is all about the McGowan Labor government did this and the McGowan Labor government did that.

Hon Stephen Dawson: Because they did! And that is what your government did when you were in office.

Hon NEIL THOMSON: My point is this —

Hon Stephen Dawson: Your point is that your memory is misplaced.

Hon NEIL THOMSON: My point is that if this is a document produced by the public sector, I ask the question: what is the culture in the public sector? Is this how Treasury operates? I have been a member of Treasury; I have been involved in the creation of budgets, but I can assure members that it was always done in a very academic way, presenting documents.

Hon Stephen Dawson: Ludicrous!

Hon NEIL THOMSON: It was; it was always done that way.

Hon Stephen Dawson: You must have amnesia or dementia.

The ACTING PRESIDENT: Members!

Hon Nick Goiran: You must be onto something.

Hon NEIL THOMSON: I must be onto something.

Hon Tjorn Sibma: You've touched a nerve.

The ACTING PRESIDENT: Members!

Hon NEIL THOMSON: I must have touched a nerve. I started counting how many times the "McGowan Labor government" was mentioned in the "WA State Budget 2020–21: The WA Economy & WA Jobs". The minister might say it is great; it is the McGowan Labor government. I am saying that that is the politicisation of the public sector. It puts pressure on public servants —

Hon Stephen Dawson: I'm pleased Hon Tjorn Sibma is looking at you and not me, because he will remember when he was a senior staff member.

Hon NEIL THOMSON: Obviously, I have touched a nerve.

Hon Stephen Dawson: To suggest this has changed is outrageous.

Hon NEIL THOMSON: It has touched a nerve.

Several members interjected.

The ACTING PRESIDENT (Hon Jackie Jarvis): Members! I think Hansard is having difficulty reporting the conversation.

Hon NEIL THOMSON: My point is —

The ACTING PRESIDENT: Member!

Hon NEIL THOMSON: I am sorry, Acting President.

The ACTING PRESIDENT: I ask that we keep the side conversations to a minimum so that Hansard can hear what is going on.

Hon NEIL THOMSON: The lack of transparency starts at the top, and I can assure the minister that I have read the budget papers at length trying to understand what is going on in my region. This is a propaganda piece; it is not an open and transparent budget process. I will enjoy asking the public servants at the budget estimates about their views on their budget. With the super agencies that have been established, it is very difficult to compare and contrast the impact of the budget; for example, we had funding in my region for the Tanami–Duncan Road of almost \$40 million, which was put in the 2018–19 budget. The commonwealth committed another \$75 million to local governments. Then there was a sleight of hand and everything changed, probably because these budget papers have been drafted by spin doctors in the Treasurer's office rather than the Department of Treasury. I do not know what the drafts look like when they come out of the treasury department. I am sure people are all signing up to the Labor Party if they want to keep their jobs. My point is: the next budget round comes and all the funding for the Tanami–Duncan Road has been merged with the figure closer to \$90 million, automatically allowing for the transfer of funds from one project to another, with \$40-odd million disappearing into the state's coffers, as far as I can tell. I just give an example because I believe that these budget papers do not have a level of integrity that they have had in the past, and I believe that it is vital that integrity starts at the top.

The other piece that I would like to say is about clause 5 of the bill, relating to the resource agreements. A lot more could be done. I hope that there is consideration about the accountability of our directors general. I would be interested in the detailed discussions. More consequences have to be put in place for our directors general relating to overspending. That is a vital issue, which comes from my experience at a senior level in the public sector. I believe that is important and will help drive accountability on budget control. I would like to see the performance agreement, if it is not already occurring, linked to the Financial Management Act so that when a director general exceeds their expense limit, there is some form of consequence. There is so much more that could happen. I am not confident that the level of accountability is appropriate at the moment because we have these large agencies that have been created, a lot of the detail has been buried and the level of transparency in these budget papers that I have seen

over the last couple of years has been of the lowest standard that I have noted in my long years of examining budget papers. I believe that there needs to be greater transparency and greater consideration. I endorse the comments of Hon Nick Goiran and my other colleagues in this place today.

The ACTING PRESIDENT (Hon Jackie Jarvis): Members, the question is that the bill now be read a second time. All of those with that opinion say aye!

Hon Stephen Dawson: I might say something in response.

The ACTING PRESIDENT: Sorry. Thank you. I was trying to move on!

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Mental Health) [3.42 pm] — in reply: Thank you, Acting President. I appreciate you trying to move the debate on this afternoon. Can I, at the outset, thank Hon Dr Steve Thomas for his contribution and indication that the alliance will support the Financial Legislation Amendment Bill 2021 that is before us this afternoon. Can I thank, to a lesser degree, Hon Nick Goiran, and acknowledge his contribution this afternoon. Can I acknowledge, a lot less, the comments made by Hon Neil Thomson, who has just spoken. Indeed, I might start off with the comments made by the honourable member.

I want to place this on the record this afternoon because I think there is a collective cloud of amnesia on the benches opposite, at least from certain members who are sitting in the chamber this afternoon. I remind members of previous findings of Auditors General in Western Australia. Up until the end of 2016–17, the Auditor General had ruled that more than 40 per cent of the ministerial decisions made not to release information to Parliament were not justified—40 per cent! This was you! This was your government—absolutely.

Hon Nick Goiran: Was it me, minister?

Hon STEPHEN DAWSON: It was the Liberal–National government.

Hon Nick Goiran: Be careful what you say.

Hon STEPHEN DAWSON: I said it was the Liberal–National government. And, absolutely, I recognise that you were only a parliamentary secretary then, and so you could not be blamed for giving answers to questions. You gave answers on behalf of all this.

Several members interjected.

The ACTING PRESIDENT: Members! Let us proceed. Minister.

Hon STEPHEN DAWSON: I will remind members. On 11 August 2016, there was the eighteenth report. On 15 October 2015, Hon Sue Ellery asked the then Minister for Education —

I refer to the strategic asset plan referred to in the 2014–15 annual report.

Will the minister table a copy; and, if not, why not?

The then minister replied —

The strategic asset plan is considered as part of the annual budget deliberation process and is therefore cabinet-in-confidence.

What did the Auditor General find? The Auditor General found that the minister's decision was not reasonable and therefore not appropriate. He formed this opinion as information contained within the strategic asset plan was not prepared solely for consideration by cabinet and some of the information it contains is publicly available.

I remember that a few minutes ago one of the honourable members over the far side had a go at ministers because they did not answer the question because information was publicly available. Guess what your own side did when you were in government? It did the very same thing!

Hon Nick Goiran interjected.

Hon STEPHEN DAWSON: I am going on. The minister did not consider, for instance, whether he could provide a redacted version of the SAP. Although the Auditor General acknowledged the short time frame in considering the response to questions without notice, the minister could have requested additional time if needed.

I will touch on the Langoullant report's findings. The special inquiry said of the previous Liberal–National government —

A general lack of transparency and default response of 'commercial-in-confidence' to questions about projects has led to a reduction in accountability.

That was from page 16. A further quote from page 84 states —

Throughout the examination of the programs and projects that form the Terms of Reference for the Special Inquiry, evidence of over-use of 'commercial-in-confidence' and lack of transparency about project decision-making and progress reporting was uncovered.

Up to the end of the 2016–17 the Auditor General had ruled that more than 40 per cent of the ministerial decisions not to release information to Parliament were not justified. Again, a quote from the report —

For the Western Australian Government's report card on transparency, this must surely constitute an unacceptably low mark.

Information about estimated and actual project costs, and disclosure about ongoing costs, changing time frames, contract variations, project scope groups and emerging project risks are withheld from the public. That is again on page 84. Finally, there is a lack of transparency around the commercial negotiations involving major projects and large contracts even when there would be no disadvantage to any party. That is on page 89. I could go on. I could talk about numerous other decisions made by the Barnett government—a government of which you were a senior public servant. I can show you the newspaper articles. I can give you the comments made by John Langoulant. I can give you comments made by previous Auditors General. You were there. You have obviously got amnesia now because it happened, and for you to suggest that it did not happen is outrageous.

Now I might move on. Now that that is out of my system, honourable Acting President.

Several members interjected.

The ACTING PRESIDENT: Members, order!

Hon STEPHEN DAWSON: Thank you.

I will not sit here and listen to made-up stuff as Hon Neil Thomson has said this afternoon. It is highly appropriate for me and other honourable members to point that out. Even if he has dementia or amnesia, we will certainly remind the house if that indeed is what was going on.

Several members interjected.

The ACTING PRESIDENT: Order!

Hon STEPHEN DAWSON: If that indeed is what was going on.

The ACTING PRESIDENT: Minister.

Hon STEPHEN DAWSON: Thank you, Acting President.

I turn back to Hon Dr Steve Thomas, who made some good points this afternoon and put some very good questions on the record, and so it is my intention to try to answer those now. I note, of course, that we will go into Committee of the Whole at a later stage.

I say at the outset that Western Australia already has a very good financial management framework. This bill will tighten the requirement for compliance with good financial management practice. As highlighted by Hon Dr Steve Thomas, this bill addresses many of the recommendations of recent government reviews, particularly in the area of stronger governance, accountability and better oversight of public finance. This includes the report titled *Red flags...red faces: Corruption risk in public procurement in Western Australia*, which stated that government agencies with strong governance and internal controls are much better placed to mitigate corruption risk. In addition, the special inquiry into government programs and projects highlighted the need for better governance and stronger accountability of budget management.

Clauses 13 and 14 in particular place a stronger onus on accountable authorities to ensure that their agency's budget management practices and internal controls are robust. This includes ensuring the approved expense limits are not breached and that their officers comply with financial management policies. This includes complying with *Treasurer's Instruction 304*, which requires a certifying officer to make sure that money is lawfully available before authorising payment. I note that noncompliance with expense limits or financial management policies could conceivably allow the use of disciplinary processes available in other legislation, where warranted, and depending on the severity, including the Public Sector Management Act 1994 and the Corruption, Crime and Misconduct Act 2003. The matter of noncompliance could also be addressed through the CEO performance agreement framework.

This bill will also improve the efficiency of many financial management processes by including the provision of a standing appropriation in place of supplementary appropriation bills and increasing the automatic supply of moneys in an election year when a budget is handed down late. I thank Hon Dr Steve Thomas for his support and agree that the bill provides some workable solutions.

With regard to key performance indicators, I agree—I also did via interjection—and I think my colleague who was sitting beside me also agreed —

Hon Dr Steve Thomas: I think the entire chamber agreed, to be honest.

Hon STEPHEN DAWSON: Yes. Any of us who have sat through budget estimates hearings over time would agree that certain KPIs in annual reports are either fanciful or just do not meet what is required. KPIs are not particularly useful. KPIs are a key component of the outcome-based management framework. I can confirm that Treasury is embarking on a review of the OBM framework now. It is the responsibility of agencies to develop their KPIs and these are audited by the Office of the Auditor General. It is incumbent on agencies to ensure that their KPIs are useful and meaningful. Treasury and the OAG regularly assist agencies in revising KPIs. I commented, by way of

interjection, that, from my perspective, the process to change KPIs is particularly laborious. I am very pleased that Treasury is undertaking that review at the moment.

Hon Nick Goiran asked to what extent the Auditor General was consulted on the bill. I have been advised that the Auditor General has been consulted throughout the process. That is the advice that has been provided to me.

I now refer to changes to section 82 of the Financial Management Act 2006. I have had brought to my attention a recommendation from the Joint Audit Committee's *Second review of the Financial Management Act 2006* dated May 2019. I understand the committee supported Treasury's decision not to progress amendments to section 82 as recommended in the second Treasury report.

Hon Nick Goiran asked about further changes to the bill. I advise that the government has no intention at this time to make any further changes to the bill before the house. Obviously, honourable members will have an opportunity to canvass their views and ask me further questions about the legislation that is before me when we get into Committee of the Whole. With those comments, I commend the bill to the house.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chair of Committees (Hon Jackie Jarvis) in the chair; Hon Stephen Dawson (Minister for Mental Health) in charge of the bill.

Clause 1: Short title —

Hon Dr STEVE THOMAS: Obviously, this is a reasonably significant change to the financial legislation, and I suspect it will not be the last as we go forward. My question relates to the consultation process and feedback. I assume the Department of Finance and Treasury sought feedback from government departments on that process. Can the minister indicate what that feedback looked like and what he might make available to us in terms of that feedback?

Hon STEPHEN DAWSON: If I can clarify, is the member asking me what engagement Treasury had about the legislation in relation to other government departments?

Hon Dr Steve Thomas: Yes, what that feedback looked like.

Hon STEPHEN DAWSON: I am told that the process has been very long. The work commenced in 2014. It came out of the FMA review at that time. There was consultation at that time and there has been ongoing consultation. Obviously, we are not going to finish this this afternoon, so I can undertake to get a copy of that review from 2014 and a list of who was consulted in that time. If I can, I will provide an answer at a later stage about who else along the way was consulted. Bear in mind, of course, that recommendations were made a long time ago to make these changes, and they have been in the wings for a long time.

Hon Dr STEVE THOMAS: There might not be that many people left in the same position as they were when that process started, but let us see what we can get from back then. The next step on from that is the oversight position of the entirety of the changes. I presume that the Department of Finance will, to some degree, insert itself more into the processes of other departments. I presume it will be Finance, not Treasury. I presume that an assistance process will be in place to make sure that government departments are able to comply with the changes that we will put on them. Maybe the minister could give us a quick briefing on what that will look like.

Hon STEPHEN DAWSON: It is definitely the Department of Treasury. I am advised that various documents, forms of communication and training are available. There are communities of practice for finance. There are chief financial officer forums that are run by Treasury. There are also communities of practice for finance teams in the various agencies. Treasury has a website called the financial administration bookcase, which is a central repository of the various documents. It lists the changes, the financial management frameworks, and the *Treasurer's instructions*. Those documents are all available in one spot and accessible, and of course they will be updated as part of the legislation before us. Financial management training is also available. I am told that three modules of training are currently available and will be updated if necessary as a result of the bill. Quite a comprehensive set of communication tools and training is available.

Hon Dr STEVE THOMAS: Will that come at a cost to Treasury? Are there any budget implications that are being addressed? While I am rolling all my questions into one, is any of that additional upgrading and education compulsory? Could there be government departments that are too busy to engage, or are there compulsory components that will be required?

Hon STEPHEN DAWSON: There will be no requirement for an extra resource allocation. Treasury is the functional leader, so it does this as a matter of course. In relation to training, I make the point that changes to the framework and *Treasurer's instructions* are mandatory. The training is put out there. However, although the changes are mandatory, of course the agencies are audited by the Office of the Auditor General, so it makes sense for them

to participate, because if they do something that does not comply or align with the *Treasurer's instructions*, for example, they will be pinged by the Office of the Auditor General. My advisers tell me that there is no kind of reticence on the part of agencies to engage in this stuff. People genuinely participate, because it is a requirement at the end of the day, and, if they do not do the right thing, the Auditor General will point that out.

Hon NICK GOIRAN: How many statutory reviews have there been since the commencement of the Financial Management Act 2006?

Hon STEPHEN DAWSON: I am told two—one in 2012 and one in 2017.

Hon NICK GOIRAN: Were both those statutory reviews conducted by the Joint Audit Committee?

Hon STEPHEN DAWSON: Yes, they were.

Hon NICK GOIRAN: This bill consists of some 23 clauses. Which of the recommendations from the 2012 and 2017 reviews will be implemented by this bill?

Hon STEPHEN DAWSON: There was a recommendation in the 2012 review on expense limits, to amend the existing provisions to resource agreements. That is in the bill before us. There was a recommendation in the 2017 review on resource agreements, to amend existing provisions to provide an effective accountability tool and provide clarity for agencies in government with regard to the timely response to changes occurring in a financial year. That is included. There was a recommendation in the 2012 review on financial commitment, to explicitly require approval of funding before an officer, on behalf of their agency, enters into a significant financial commitment. That is included. There was a recommendation in the 2012 review on controls over public expenditure, that the accountable authority should maintain a register that details the framework, policies and underlying authority for approved delegations and authorisations that have been devolved to officers who have the ability to incur financial obligations on behalf of the agency. That is included. There was a recommendation in the 2012 review on notices of financial difficulty. That is included. There was a recommendation in the 2012 review on alternative tabling provisions. That did not make it into the bill. There was a recommendation in the 2012 review on amending the existing provisions in relation to key performance indicators to allow the Treasurer discretion to exempt agencies from reporting key performance indicators in the annual report where appropriate. That is included.

There was a recommendation in the 2017 review on annual estimates, to amend section 40 of the FMA to improve the effectiveness of annual estimates as an accountability tool and provide clarity for agencies and government with regard to timing, and the application approval processes for the annual estimates. That is included. There was a recommendation in the 2017 review on appropriation bills 3 and 4, the supplementary appropriation bills. That is included. There was a recommendation in the 2017 review on the periodic statutory reviews of the FMA and the Auditor General Act. That is included. There was a recommendation in relation to temporary repayment and redraw of borrowings. That relates to the Loan Act 2017. That is included. There was a recommendation in the 2017 review on holding accounts, to amend section 26(3) of the FMA to enable the Treasurer to direct all or part of the balance standing to the credit of the holding account to be paid or returned to the consolidated account. That is included. There was a recommendation in the 2017 review on payments before supply is granted. That is included. There was also a recommendation on the Treasurer's advance for extraordinary and unforeseen matters. That is included. There was a recommendation in the 2012 review on write-offs in excess of \$250 000. That is included. There was a further recommendation in 2012 on act-of-grace payments in excess of \$250 000. That, too, is included.

Hon NICK GOIRAN: By my count there are seven recommendations arising from 2012 that have been included. One recommendation that did not make it was the alternative tabling recommendation. How many of those types of recommendation did not make the cut?

Hon STEPHEN DAWSON: I do not have that information, honourable member, so I will have to come back to you on that.

Hon NICK GOIRAN: In the same vein, looking at the 2017 recommendations, by my count it looks like eight of the 2017 recommendations have been included in this bill. I assume that the minister does not have this information readily available, but could he come back to us with the number of recommendations from 2017 that are not being addressed by this bill?

Hon STEPHEN DAWSON: My figure is seven from 2017. I do not have that information with me. In the same vein as a previous commitment, we will seek that information and come back to the chamber with it.

Hon NICK GOIRAN: With regard to the 2017 recommendations, I note the resource agreements, the annual estimates, the appropriation bills, the statutory review, the temporary repayment, the holding accounts, the payment before supply and the Treasurer's advance. I had eight but one of them might have been —

Hon Stephen Dawson: The Treasurer's advance is from 2012.

Hon NICK GOIRAN: In which case there should be eight from 2012 and seven from 2017, and the minister will let us know about the ones that are not being implemented in the fullness of time.

Hon Dr STEVE THOMAS: I said in my contribution to the second reading debate that my understanding is that government trading enterprises generally will not be captured by much of this because they have enabling legislation that effectively covers most of those things. Can the minister confirm that that is the case? Are all GTEs that we have, including the Western Australian Treasury Corporation and the more commonly known ones, obliged to do the equivalent activity by their enabling legislation? Whilst he is at it, maybe the minister could find out whether there are any other departments or entities that might be excluded somehow through having alternative legislation like the GTEs. Effectively, I am asking whether this legislation will apply to every government department, or are there exclusions?

Hon STEPHEN DAWSON: It will apply to every government department, so all Financial Management Act agencies. They are listed in schedule 1 of the Financial Management Act 2006. I will not read them out, honourable member.

Hon Dr Steve Thomas: That's all right. We're not aware of any exemptions—ones within government departments.

Hon STEPHEN DAWSON: No.

Hon Dr Steve Thomas: I will accept that.

Hon STEPHEN DAWSON: It is an expansive list—three pages long.

Hon Dr Steve Thomas: I won't ask you to read the whole lot.

Hon STEPHEN DAWSON: It does not apply to the electricity generators, Water Corporation, the port authorities and the Western Australian Land Authority. Treasury is working with those various agencies, though.

Hon Dr Steve Thomas: Do we know whether Treasury Corp is captured?

Hon STEPHEN DAWSON: Treasury Corp is on the list. It is an FMA-listed agency.

Hon Dr STEVE THOMAS: I have always said there are too many echoes in this place.

I guess the obvious question from that is whether during the process any thought was given to unifying the entirety of government enterprises. There might be a government trading enterprise. Is there any advantage in capturing GTEs as a part of this process? It does not necessarily make sense to have two different versions of oversight. Was any thought given to capturing everything and making it universal?

Hon STEPHEN DAWSON: Honourable member, some GTE reform legislation is being worked on across government at the moment. As part of that process, the intention is to line up those GTEs with the requirements.

Hon Dr STEVE THOMAS: That does make sense. I think that would be an obvious thing to do. Is the minister giving us any advance notice of what else is in the GTE review—limitations on government benefits and bonuses coming out of GTEs, for example? That might be nothing.

Hon STEPHEN DAWSON: As Hon Nick Goiran knows, I do try to be helpful when I can from this part of the chamber. However, that GTE reform legislation is being worked on is public knowledge. I am not in a position to disclose what might be in there because, of course, it has not gone to cabinet yet.

Hon Dr Steve Thomas: You kind of just have, because you've told us there's a review process.

Hon STEPHEN DAWSON: There is public knowledge of the process that is being undergone by government, because it has been said before, but I do not know what is in there because it has not gone to cabinet yet.

Committee interrupted, pursuant to standing orders.

[Continued on page 2744.]

Sitting suspended from 4.15 to 4.30 pm