



# **Public Accounts Committee**

## **ANNUAL REPORT 2001-2002**

**Report No. 1**  
**In the Thirty-Sixth Parliament**

**2002**

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## **ANNUAL REPORT 2001-2002**

### **Report No. 1 In the Thirty-Sixth Parliament**

Presented by:  
**John D'Orazio, MLA**  
Laid on the Table of the Legislative Assembly  
on Thursday, 22 August 2002



## COMMITTEE MEMBERS

<b>Chair</b>	John D'Orazio, MLA Member for Ballajura
<b>Deputy Chair</b>	Hon. Monty House, MLA Member for Stirling
<b>Members</b>	John Bradshaw, MLA Member for Murray-Wellington
	Tony Dean, MLA Member for Bunbury
	Martin Whitely, MLA Member for Roleystone

## COMMITTEE STAFF

<b>Principal Research Officer</b>	Stefanie Dobro, BA,MA, Grad. Dip.Bus (until 26 May 2002)
<b>Principal Research Officer</b>	Andrea McCallum, BA, BJuris, LLB, LLM (from 27 May 2002)
<b>Research Officer</b>	Jovita Hogan, BA (Hons)
<b>Research Officer</b>	Linlee Davies, BA, LLB (Hons)
<b>Research Officer</b>	Alf Opie, LLB

## COMMITTEE ADDRESS

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Legislative Assembly  
Parliament House  
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## COMMITTEE'S FUNCTIONS AND POWERS

The Public Accounts Committee's establishment, powers and functions are provided for within Standing Orders 284-286 of the Legislative Assembly. Under the Standing Orders, the PAC is empowered to inquire into and report to the Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund.

Under Standing Order 285, the Public Accounts Committee may:

- (1) Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- (2) Inquire into and report to the Assembly on any question which:
  - (a) it deems necessary to investigate;
  - (b) is referred to it by resolution of the Assembly;
  - (c) is referred to it by a Minister; or
  - (d) is referred to it by the Auditor General.
- (3) Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- (4) Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.

The general provisions for standing and select committees (Standing Orders 248 –281) also apply to the Public Accounts Committee.



## CHAIR'S FOREWORD

This report is a summary of the work of the Public Accounts Committee carried out since the commencement of the 36<sup>th</sup> Parliament. The present Committee was formed on 30 May 2001. It is clear that from the outset, the Committee took its responsibilities seriously and has worked, and continues to work, diligently on lines of inquiry.

The Committee currently has two inquiries underway – *Inquiry into the use of Visiting Medical Practitioners in the WA Public Hospital System*, and *Inquiry into Hospital Trust Accounts*, and it is those issues that have been the focus of our work over the past year.

I commend my fellow Committee Members, Deputy Chairman, the Hon. Monty House, Mr John Bradshaw, Mr Tony Dean, and Mr Martin Whitely, for their hard work in this reporting period. The Committee held 41 deliberative meetings and 9 briefings. Formal evidence was taken on 51 occasions with a total of 98 witnesses appearing before the Committee. The Committee held a public hearing with the Auditor General and also hosted the Treasury information session on State Budget Estimates for members of both Houses of Parliament on two occasions during the reporting period.

On behalf of the Committee, I would like to place on record our thanks to the Committee's staff: Ms Linlee Davies, Ms Jovita Hogan, and Mr Alf Opie, whose professionalism and dedication contributed greatly to the work of the Committee. In particular I would like to thank Ms Stefanie Dobro, former Principal Research Officer, for her hard work and commitment. I also take this opportunity to welcome Ms Andrea McCallum into that role.

In conclusion, I can assure you that the Public Accounts Committee is committed to continue working effectively over the next three years, on behalf of the people of this State, to attain the goals of efficient, effective and accountable government in Western Australia.

**JOHN D'ORAZIO, MLA**  
**CHAIR**



## CHAPTER 1 COMMITTEE ACTIVITIES

### 1.1 INTRODUCTION

During the course of this reporting period (Table 1), the Committee:

- Commenced two inquiries involving 41 deliberative meetings;
- Took evidence and was briefed by 127 persons;
- Undertook investigative travel to Broome, Geraldton, Kalgoorlie, Albany and Bunbury; and interstate travel to Victoria and New South Wales;
- Hosted delegates from the Standing Committees on Public Accounts of the Kwazulu-Natal and Mpumalanga Legislatures of South Africa; and
- Hosted the Treasury information session on State Budget Estimates for all members of Parliament.

In addition:

- The Chairman and Principal Research Officer attended the Australasian Council of Public Accounts Committees (ACPAC) mid-term meeting in Melbourne, Victoria;
- Staff attended the Certified Practicing Accountant's (CPA) Congress 2002; and
- Staff provided a briefing on Committee activities to the Ombudsman and senior officers.

**Table 1.** *Summary of activities of the Public Accounts Committee, 30 May 2001 - 30 June 2002.*

Description	Activity
<b>Briefings</b>	<b>9</b>
<b>Deliberative meetings</b>	<b>41</b>
<b>Formal evidence hearings</b>	<b>51</b>
<b>Witnesses appearing</b>	<b>98</b>
<b>Reports tabled</b>	<b>1</b>

## 1.2 PUBLIC HEARINGS

Pursuant to Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 30 May 2001 to 30 June 2002, the Committee conducted 49 public hearings, taking evidence from witnesses to assist with its investigations (Table 2).

**Table 2.** *Public Hearings of the Public Accounts Committee, 30 May 2001 - 30 June 2002*

Date	Witness	Position	Organisation
27/06/01	Mr Des Pearson	Auditor General	Office of the Auditor General
	Mr Gary Baker		Office of the Auditor General
	Dr Peter Wilkins		Office of the Auditor General
29/08/01	Professor Bryant Stokes	Acting Commissioner of Health	Department of Health
	Mr Michael Moodie	Executive General Manager, Finance & Infrastructure	Department of Health
	Mr Julian Henderson	General Manager, Executive Services Division	Department of Health
05/11/01	Professor Bryant Stokes	Acting Commissioner of Health	Department of Health
	Mr Colin Xanthis	Acting General Manager, Officer of Aboriginal Health	Department of Health
	Mr Brian Troy	General Manager, Health Workforce	Department of Health
	Mr Peter Bartlett	Project Manager	Department of Health
	Mr Phillip Aylward	General Manager	Swan & Kalamunda Health Services
	Mrs Helen Morton	General Manager	Armada Health Service
	Mr John Dowling	Manager, Business Services	Armada Health Service
	Mr Steven Marshall	Acting General Manager	North Metropolitan Health Service, Osborne Park Hospital
	Mr Ronald Shand	Manager, Financial Services	North Metropolitan Health Service, Osborne Park Hospital
07/11/01	Mr Michael Moodie	Executive General Manager, Finance & Infrastructure	Department of Health
12/11/01	Mr Michael Moodie	Executive General Manager Finance & Infrastructure	Department of Health
19/11/01	Dr David Russell-Weisz	Director of Medical Services	North West Health Services
	Dr Ian Smith	General Manager	Kimberley Health Service
	Dr Lindsay Adams	Paediatrician	Kimberley Health Service
	Mr Andrew Waters	Executive Officer	Kimberley Division of General Practice
20/11/01	Ms Bronwen Scott	General Manager	Midwest Health Service
	Mr Allan Putland	Deputy Chair	Midwest Health Service District Clinic Council
	Mr Brian Chinnery	Operational Support Manager	Midwest Health Service
	Ms Jayne Reid	Union Official	Australian Liquor, Hospitality and Miscellaneous Workers Union
	Mr Dermot Buckley	Project Officer	Men's Health Inc
	Mr Terence Brennan	Operations Manager	Geraldton Regional Aboriginal

Date	Witness	Position	Organisation
			Medical Service
	Mr Kim Snowball	General Manager	Geraldton Health Service
	Mr Alan Glover	Manager, Finance & Support Services	Geraldton Health Service
	Mrs Elizabeth Anderson	Director of Nursing	Geraldton Health Service
	Mr Paul Flanagan	Surgeon	
	Dr John Pollard	General Practitioner	University Medical Practice
21/11/01	Mr Trevor Canning	General Manager	Northern Goldfields Health Service
	Dr Keith McCallum	Obstetrician & Gynaecologist	
	Dr Charles Nadin	Medical Practitioner	
21/11/01	Dr Ian Skinner	Orthopaedic Surgeon	
	Ms Christine Bolvig	Executive Support & Compliance Officer	City of Kalgoorlie-Boulder
	Dr Christine Jeffries-Stokes	Paediatrician	
	Mr Michael McGushin	Medical Practitioner	
22/11/01	Mr Alistair Holmes		
	Dr Mark Zafir	General Practitioner	
	Mr Stan Wisniewski	Urologist	College of Surgeons
	Dr Ian Leggett	General Practitioner	Southern Regional Medical Group
	Dr Leanne Abas	General Practitioner	Albany Clinical Society
	Dr John Treanor	Surgeon	
	Dr David Tadj	General Practitioner	North Road Family Practice
	Dr Lorraine Spurgeon	General Practitioner	
	Dr Darcy Smith	General Practitioner	Albany Clinical Society
	Dr John Lindsey	Physician	
	Miss Katherine Ivey	Health Information Manager	Lower Great Southern Health Service
	Mr Douglas Gilchrist	Director of Nursing	Lower Great Southern Health Service
	Mr Keith Symes	General Manager	Lower Great Southern Health Service
	Mr Paul Williams	Finance Officer	Lower Great Southern Health Service
	Mr Ian Wilson	Councillor	City of Albany
	Mr Andrew Hammond	Chief Executive Officer	City of Albany
	Professor John Maloney	Executive Chairman	Consulting International Partnerships
	Mr Dennis Wellington	Business Proprietor	Albany Health Action Group
	Dr Joe Lubich	Doctor	Southern Regional Medical Group, Member of Medical Board of Western Australia
23/11/01	Dr Ronald Jewell	Specialist Obstetrician /Gynaecologist	
	Ms Linley Donaldson	General Manager	Bunbury Health Service
	Dr Jonathon Mulligan	Director, Medical Services	South West Health Services
	Mr Noel Carlin		
	Mr Luigi Tuia	Chair	Bunbury Health Service Board
	Dr Robert Jarvis	Treasurer	Rural Doctors Association of Western Australia

Date	Witness	Position	Organisation
28/11/01	Mr Alan Bansemer		
3/12/01	Dr Gary Geelhoed	Medical Practitioner	Princess Margaret Hospital for Children
	Dr Alan Duncan	Medical Practitioner	Princess Margaret Hospital for Children
	Dr David Baker	Director, Department of Haematology/Oncology	Princess Margaret Hospital for Children
10/12/01	Dr Edward Pedlow	President	Rural Doctors Association of Western Australia
	Dr Andries van Ballegooyen	Rural General Practitioner	
	Mr Peter Jennings	Deputy Executive Director	AMAWA
	Mr Paul Boyatzis	Executive Director	Australian Medical Association
	Dr Simon Towler	Medical Practitioner	
	Dr Warwick Ruse	Chairman	Medical Advisory Committee, Bentley Area Health Service
21/12/01	Mr David Vaughan	Chief Executive Officer	Shire of Kalamunda
	Prof. Lou Landau	Physician, Faculty of Medicine and Dentistry	University of Western Australia
	Mr Andrew Weeks	Chartered Accountant	
	Hon Ian McCall	Retired	
18/02/02	Mr John Copp	Partner	Ernst & Young
	Mr Terry Larkan	Principal, Business Risk Services	Ernst & Young
20/02/02	Dr Gary Hastwell	Obstetrician / Gynaecologist	
13/03/02	Mr Graeme Clarke	General Surgeon	
20/03/02	Dr Bill Beresford	Acting Chief Executive Officer,	Women and Children's Health Service
	Mr Brian Austin	Manager, Financial Services	Women's and Children's Health Service
10/04/02	Professor Louis Landau	Physician, Faculty of Medicine and Dentistry	University of Western Australia
15/04/02	Mr Kingsley Faulkner	President	Royal Australasian College of Surgeons (WA)
	Mr Phillip Fisher	Chairman	Royal Australasian College of Surgeons (WA)
10/06/02	Mr Craig Bennett	Chief Executive	Sir Charles Gairdner Hospital
	Dr Mark Platell	Acting Executive Director, Medical Services	Sir Charles Gairdner Hospital
	Dr Philip Montgomery	Acting Director, Clinical Services	Royal Perth Hospital
	Mr John Burns	Chief Executive	Fremantle Hospital and Health Service
	Dr Shane Kelly	Executive Director, Medical Services	Fremantle Hospital and Health Service



### 1.3 BRIEFINGS

In addition to gathering evidence during the formal hearings, the Committee received a number of formal briefings. The briefings were used to gain information in relation to the Committee's inquiries, and other matters. A total of 29 people appeared before the Committee in this manner. The Committee staff also had many informal briefings throughout the period (Table 3).

**Table 3.** *Briefings provided to the Public Accounts Committee, 30 May 2001 - 30 June 2002.*

Date	Name	Organisation	Location of Briefing
29/04/02	Mr Bruce Marshall Chief Executive Officer	Djerriwarrh Health Service	Victoria
	Mr David Grace Director	Acute & Residential Care Djerriwarrh Health Service	Victoria
	Dr John Ferguson Executive Director	Acute Services Bendigo Health Care Group	Victoria
	Mr James Digby General Manager	Corporate Services Bendigo Health Care Group	Victoria
30/04/02	Prof. John Balla Chief Medical Officer	Sunshine Hospital Western Health	Victoria
	Mr Jon Evans Chief of Operations	Sunshine Hospital Western Health	Victoria
	Mr George Shaw Chief Executive	Sunshine Hospital Western Health	Victoria
	Prof. Brendan Murphy Chief Medical Officer	St Vincent's Hospital	Victoria
	Dr Clive Wellington Executive Officer	St Vincent's Hospital	Victoria
	Mr Simon Chant Industrial Relations Consultant	Department of Human Services	Victoria
	Mr Lance Wallace Executive Director	Financial and Corporate Services Department of Human Services	Victoria
	Dr Chris Brook	Rural and Regional Health and Aged Care Department of Human Services	Victoria
02/05/02	Ms Karen Crawshaw	NSW Health Department	NSW
	Mr Robert McGregor Acting Director General	NSW Health Department	NSW
	Mr Ken Barker Chief Financial Officer	NSW Health Department	NSW
	Mr Tony Farley Assistant Director	Employee Relations NSW Health Department	NSW
	Mr Paul Gavel Executive Officer	Australian Medical Workforce Advisory Committee	NSW
	Ms Justine Kernow Senior Policy Analyst	Australian Medical Workforce Advisory Committee	NSW
	Assoc. Prof. Steve Boyages Chief Executive Officer	Western Sydney Area Health Service	NSW
	Mr Bernard Deady	Finance & Corporate Services	NSW

Date	Name	Organisation	Location of Briefing
	Director	Western Sydney Area Health Service	
	Dr Siun Gallagher Director	Sere Development & Population Health Western Sydney Area Health Service	NSW
	Ms Jenny Coutts Director of Nursing	Western Sydney Area Health Service	NSW
	Dr Claire Blizzard Director	Clinical Management Unit Western Sydney Area Health Service	NSW
02/05/02	Ms Roy Cordell Director	Clinical Management Unit Western Sydney Area Health Service	NSW
	Mr Russell Mills Director	Clinical Management Unit Western Sydney Area Health Service	NSW
	Mr Nick Gerrand Director	Human Resources Western Sydney Area Health Service	NSW
	Ms Miriam McCartney Acting Director	Corporate Affairs Western Sydney Area Health Service	NSW
03/05/02	Dr Ian Rewell Director	Clinical Services South Eastern Sydney Health Service	NSW
	Mr Ken English	Human Resources South Eastern Sydney Health Service	NSW

## 1.4 INVESTIGATIVE TRAVEL

As part of the investigative process, the Committee travelled to Broome, Geraldton, Kalgoorlie, Albany and Bunbury for a series of hearings with representatives from regional health services and other interested parties in relation to its *Inquiry into Visiting Medical Practitioners in the WA Public Hospital System*. The committee also undertook travel to Victoria and New South Wales during April and May 2002 for a series of briefings in relation to the inquiry.

### 1.4.1 Conferences

Australasian Council of Public Accounts (ACPAC) meets biennially in the form of a conference, with mid-term meetings being attended by the Chairman and Principal Research Officer. The Chairman and the Principal Research Officer attended the ACPAC mid-term meeting held in Melbourne, Victoria in February 2002.

## 1.5 REPORTS TABLED

The Committee tabled one report during the period 30 May 2001 – 30 June 2002.

### 1.5.1 Report 50: Report of Activities March 1999 – January 2001

The report of activities of the previous Public Accounts Committee was tabled on 2 August 2001.

## **1.6 WORK IN PROGRESS**

### ***1.6.1 Inquiry into the Use of Visiting Medical Practitioners in the WA Public Hospital System***

On 26 September 2001, the Public Accounts Committee resolved to examine and report on the use of Visiting Medical Practitioners in the Western Australian Public Hospital System. The terms of reference adopted are as follows:

That the Public Accounts Committee examine and report on the use of visiting medical practitioners (VMPs) for the provision of medical services in the Western Australian public hospital system, with particular reference to the:

- use of VMPs in the public hospital system;
- terms and conditions of engagement of VMPs; and
- compliance and accountability within an output based management framework.

The Committee invited written submissions relating to the terms of reference, and received 23 in response. Work is currently continuing on the inquiry.

### ***1.6.2 Inquiry into Hospital Trust Accounts***

On 5 November 2001, the Public Accounts Committee resolved to examine and report on issues relating to the administration and use of hospital trust accounts in the Western Australian public hospital system. The following terms of reference were adopted:

That the Public Accounts Committee examine and report on issues relating to the administration and use of hospital trust accounts in the Western Australian public hospital system, with particular reference to the:

- nature and purpose of trust accounts;
- sources of funding;
- use, administration and management of trust accounts;
- statutory requirements, accountability and compliance;
- the costs, benefits and potential liabilities to the health system of trust accounts; and
- any other matter that the committee deems necessary to investigate.

The Committee received 5 submissions in relation to the terms of reference. Work is currently continuing on the inquiry.

### **1.6.3 Auditor General**

The Auditor General and the Public Accounts Committee share a common mission to enhance public sector accountability and performance. The Committee continues to maintain a cooperative and supportive relationship with the Auditor General, meeting periodically on a needs basis.

## CHAPTER 2 FINANCIAL STATEMENT

The Public Accounts Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 2001-2002 (in accordance with Standing Order 276) is detailed below:

Advertising		\$4,500
Conferences Fees		\$700
Consultants*		\$28,200
Miscellaneous		\$1,100
Protocol (Food/Beverages/Gifts)		\$2,000
Travel		
Members' Fares	\$22,800	
Members' Allowances	\$13,700	
Staff Fares	\$15,300	
Staff Allowances	<u>\$11,000</u>	\$62,800
	<b>TOTAL</b>	<b>\$99,300</b>

### Notes:

1. Figures rounded off to nearest \$100.
  2. Salaries of committee staff not included.
  3. Costs of shared administrative expenses, including lease costs for committee accommodation, not included.
- \* Recoup of salary of officer seconded from Office of the Auditor General