



Public Accounts Committee

Annual Report 2013-14

Report No. 7
September 2014

Legislative Assembly
Parliament of Western Australia

Committee Members

Chairman	Mr S.K. L'Estrange, MLA Member for Churchlands (from 19 March 2014)
	Mr D.C. Nalder, MLA Member for Alfred Cove (until 18 March 2014)
Deputy Chairman	Mr B.S. Wyatt, MLA Member for Victoria Park
Members	Mrs G.J. Godfrey, MLA Member for Belmont
	Mr W.J. Johnston, MLA Member for Cannington
	Mr M.H. Taylor, MLA Member for Bateman

Committee Staff

Principal Research Officer	Mr Tim Hughes
Research Officer(s)	Ms Michele Chiasson (from 6 November 2013)
	Mr Daniel Govus (15 November 2013 to 24 April 2014)
	Ms Lucy Roberts (until 6 October 2013)

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Report No. 7

Presented by

Mr S.K. L'Estrange, MLA

Laid on the Table of the Legislative Assembly on 18 September 2014

Chairman's Foreword

This report details the activities of the Public Accounts Committee of the 39th Parliament for the 2013-2014 financial year. The Committee has focused its work during this period on two main areas: the follow-up Auditor General reports and the Inquiry into Amendments to the *Public Sector Management Act 1994*.

The Committee has an important role in following up the reports of the Auditor General. This follow-up helps to ensure that the recommendations made by the Auditor General are properly implemented by the audited agencies. There is a considerable workload attached to this part of the Committee's role, and we continue to seek a balance between this work and the other inquiry related work of the Committee.

The second main area of Committee work during the reporting period was the Inquiry into Amendments to the *Public Sector Management Act 1994*, which investigated the Act in light of the reforms passed in 2010. The report was tabled in the Legislative Assembly on 21 August 2014.

The Annual Report also provides details of the Committee's expenditure for the financial year.

I thank my fellow Committee members (Deputy Chairman Ben Wyatt MLA; Glenys Godfrey MLA; Bill Johnston MLA; and Matt Taylor MLA) for their work on the Committee during the 2013-2014 financial year, as well as Mr Dean Nalder MLA, who was Chair of the Committee during the first part of the reporting period. I also thank the Committee Secretariat (Tim Hughes; Michele Chiasson, Daniel Govus and Lucy Roberts) for their work for the Committee over the period.

MR S.K. L'ESTRANGE, MLA
CHAIRMAN

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Chapter 1

Committee Activities

Introduction

- 1.1 The Public Accounts Committee (the Committee) tabled four reports in the 2013-14 reporting period. The reports were:
- Review of Auditor General Reports (September 2013)
 - Budget Briefing 2013-14 (October 2013)
 - Annual Report 2012-2013 (November 2013)
 - Review of Auditor General Report No. 2 (December 2013)
- 1.2 At the end of the financial year, the Committee was conducting an inquiry into the 2010 amendments to the Public Sector Management Act 1994. This inquiry commenced 28 September 2013 and the Committee tabled its report to Parliament on 21 August 2014.
- 1.3 During the reporting period the Committee:
- Held 19 deliberative meetings;
 - Held seven hearings;
 - Held nine briefings;
 - Hosted members of Parliament for two separate budget briefings on the 2013-14 and 2014-15 budgets with the Department of Treasury; and
 - Conducted investigative travel to Sydney, Canberra, and Melbourne in relation to its inquiry into amendments to the Public Sector Management Act 1994.

Chapter 1

Table 1.1 Hearings of PAC 2013-14

Date	Name	Position	Organisation
16 October 2013	Mr Grahame Searle	Director General	Department of Housing (Housing Authority)
	Mr Steve Parry	General Manager, Service Delivery	
	Mrs Sarah Ronald	Director, Housing Maintenance	
26 February 2014	Professor Bryant Stokes	A/Director General	Department of Health
	Mr Wayne Salvage	Executive Director, Resource Strategy	
	Mr Graeme Jones	Chief Financial Officer	
	Mr Bill Leonard	A/Chief Information Officer	
	Mr Colin Xanthis	Director Performance Activity and Quality	
	Mr Jordan Kelly	A/ Executive Director, Corporate Services	WA Country Health Service
12 March 2014	Mr Malcolm Wauchope	Public Sector Commissioner	Public Sector Commission
	Mr Dan Volaric	Deputy Public Sector Commissioner	
	Mr John Lightowlers	General Counsel	
	Mr Lindsay Warner	Director Policy and Reform	
2 April 2014	Mr Warwick Claydon	Senior Industrial Officer	Civil Service Association of WA
	Ms Jeannette O'Keefe	Industrial Officer	
2 April 2014	Professor Michael Wood	Academic	University of Notre Dame Business School
9 April 2014	Mr Dan Volaric	Acting/Public Sector Commissioner	Public Sector Commission
	Ms Fiona Roche	Deputy Public Sector Commissioner	
	Mr John Lightowlers	General Counsel	
	Mr Lindsay Warner	Director Policy and Reform	
7 May 2014	Hon Richard Court	Former Member of Parliament	

Table 1.2 Briefings of PAC 2013-14

Date	Name	Position	Organisation
12 August 2013	Chief Justice Wayne Martin	Chief Justice	Supreme Court of Western Australia
	Dr Jeannine Purdy	Senior Legal Research Officer	
26 March 2014	Mr Graeme Head	NSW Public Service Commissioner	NSW Public Service Commission
27 March 2014	Dr Andrew Southcott MP	Chair	Joint Committee of Public Accounts and Audit
27 March 2014	Professor John Nethercote	Adjunct Professor	Canberra Campus, Australian Catholic University
27 March 2014	Mr Tony Harris	Former NSW Auditor General	
27 March 2014	Mr Stephen Sedgwick AO	Australian Public Service Commissioner	Australian Public Service Commission
28 March 2014	Dr Lynne Williams	Victorian Public Sector Standards Commissioner	State Service Authority
	Ms Pam White	Chief Executive Officer	
28 March 2014	Mr Andrew Tongue PSM	Secretary	Department of Premier and Cabinet (Victoria)
28 March 2014	Mr David Morris, MLA	Committee Chair	Public Accounts and Estimates Committee (Victoria)
	Mr Neil Angus, MLA	Committee Member	
	Mr Robin Scott, MLA	Committee Member	

Committee Activities

- 1.4 The Committee's main focus areas for this year were its reviews of the Auditor General's performance audits and our Inquiry into Amendments to the *Public Sector Management Act 1994*.

Chapter 1

Review of Auditor General Performance Audits

- 1.5 The Auditor General tabled 18 performance audits during the reporting period. These audits, in addition to the outstanding 27 audits from the previous two reporting years, created a considerable amount of work for the Committee. The Committee completed 13 reviews in the second half of 2013; these reviews were tabled in two separate reports to Parliament.
- 1.6 The Committee has concluded another 11 Auditor General Performance Audit reviews and was expecting to finalise them into a report to be tabled in the second half of 2014.
- 1.7 To decrease the administrative workload, but maintain the effectiveness of the Auditor General follow-up process, the Committee began reviewing ways to streamline its process for assessing the audits and reporting to Parliament.

Inquiry into Amendments to the Public Sector Management Act 1994

- 1.8 The Committee commenced its Inquiry into Amendments to the *Public Sector Management Act 1994* in September 2013. As part of the Inquiry the Committee held five hearings in Perth, taking evidence from 12 witnesses. The Committee also undertook investigative travel and conducted eight briefings in Sydney, Canberra and Melbourne collectively.
- 1.9 At the end of the reporting period, the Committee was nearing the final stages of deliberation on its Inquiry and it subsequently tabled its report to Parliament on 21 August. The report included 34 findings and 14 recommendations.

Budget Briefings

- 1.10 The Committee also hosted a briefing for members of Parliament with the Department of Treasury regarding the 2013-2014 State Budget. The release of the budget was delayed until August due to the State election in March 2013. This briefing was held on 13 August 2013 and resulted in the Committee tabling a short report containing the presentation provided by the Department.
- 1.11 After the 2014-15 State Budget was tabled in May 2014 the Committee held a similar briefing with Treasury and it subsequently tabled the presentation in a report to Parliament on 21 August 2014.

Australian Council of Public Accounts Committees

- 1.12 The Australian Council of Public Accounts Committees held their mid-term meeting on 20 June 2013 in Melbourne. The Committee was represented at the meeting by the Chairman and Deputy Chairman.

Chapter 2

Financial Statement

Committee Expenditure

- 2.1 The Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditure is required on a case-by-case basis and is entirely at the discretion of the Speaker.
- 2.2 The table below includes all expenditure for the financial year.

Table 2.1 PAC Expenditure 2013-14

Expenditure Item*	Cost
Staff and Member amenities	\$1,243
Printing	\$795
Couriers	\$2,626
Travel	\$44,214
Advertising	\$2,183
Miscellaneous	\$64
Total	\$51,125

**Salaries of committee staff are not included.*

MR S.K. L'ESTRANGE, MLA
CHAIRMAN

Appendix One

Committee's functions and powers

The Public Accounts Committee inquires into and reports to the Legislative 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. Standing Order 286 of the Legislative Assembly states that:

The 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) (Deleted V. & P. p. 225, 18 June 2008);
 - 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.
- 5 The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.