Government of **Western Australia**
Department of **the Premier and Cabinet**

Government Response to the Public Accounts Committee

Auditor General's Report No. 15
Review of the Reports of the Auditor General December 2011

1 March 2012

Response to the Auditor General's Recommendations

Introduction

This Western Australian Government response to Report 15 of the Public Accounts Committee, entitled *Review of the Reports of the Auditor General*, tabled in the Legislative Assembly on Thursday 1 December 2011, has been endorsed by Cabinet.

Please find below the responses to the recommendations contained in the Report.

Response to the Auditor General's Recommendations

Recommendation 1: That the Minister for Police report as to the:

- **number of unlicensed firearms owners currently outstanding; and**
- **number of unlicensed firearms currently outstanding.**

For each of the above, the report should:

- **be based on the number of unlicensed firearms and unlicensed firearms owners at 1 January 2012; and**

- **distinguish between firearms owners and firearms, which became unlicensed prior to and post the completion of the firearms stabilisation project in May 2011.**

1. Expired – Unresolved Licences prior to 1st May 2011

Licence Type	Licences	Firearms
COLLECTOR LICENCE	224	417
CORPORATE LICENCE	28	316
DEARLERS LICENCE	21	496
FIREARM LICENCE	2365	4105
MANUFACTURERS LICENCE	1	3
Total	2639	5337

2. Expired – Unresolved Licences between 1st May 2011 and 1st Jan 2012 (inclusive)

Licence Type	Licences	Firearms
COLLECTOR LICENCE	2	17
DEARLERS LICENCE	1	11
FIREARM LICENCE	5	14
Total	8	42

3. Expired – Unresolved Licences as at 1st Jan 2012 (inclusive)

Licence Type	Licences	Firearms
COLLECTOR LICENCE	226	434
CORPORATE LICENCE	28	316
DEARLERS LICENCE	22	507
FIREARM LICENCE	2370	4119
MANUFACTURERS LICENCE	1	3
Total	2647	5379

Caveats: *Statistics are provisional and subject to revision.*
Data extracted from the Firearms Registry System on 09-Jan 2012.
Data includes licenses which have a status "Expired – Unresolved" and firearms which are "Licensed".

Recommendation 2: That the Minister for Police provide:

- **an estimate for the accuracy of the information contained in the Firearms System following the completion of the firearms stabilisation project; and**

- **information regarding the availability of the Firearms System, including the number of hours during the preceding month in which the system was unavailable.**

Information Accuracy

The accuracy measure from a technical perspective is reflected in the reduction in the tasks received to fix data within the system. WA Police have invested in the development of business user capability to find and correct errors in data records.

Where a data fix is required, specific programs address these requests. The number of data fix calls has decreased from 215 in 2010 to 135 in 2011, a reduction of approximately 38%.

Firearms System Availability

In the month of November 2011 there were no recorded planned or unplanned outages. For the period from January 2010 – December 2011 there has only been one unplanned outage for a total of one hour and ten minutes. For the same period there has been a small number of technical incidents, which have been, tracked which did not result in any loss of service due to the levels of resilience built into the existing system.

WA Police consider the systems to be performing to meet service delivery and availability requirements.

Response to the Auditor General's Recommendations

Recommendation 3:   That the Minister for Transport provide detail:

- **regarding all fees charged by the Department of Transport which exceed cost recovery of more than 30%; and**

- **explaining what action is being taken to bring fees closer to their actual cost recovery amounts.**

The Department of Transport's (DoT) policy in regard to fees and charges is to set user charges on a full cost recovery basis for services that provide identifiable user groups with direct benefits.

As a result of this policy the vast majority of DoT's fees and charges are set at, or very near to, 100 percent cost recovery. There are times when changes in the volume of transactions or cost drivers relating to specific fees create a divergence between costs and revenues. DoT has five fees that exceed cost recovery by more than 30 percent, as shown in the following table:

Fee	Existing Charge (GST Inclusive)	2011-12 Revenue	Level of Cost Recovery
Motor Vehicle – Personalised Plate Application	$104.60	$147,000	390.3%
Motor Vehicle – Personalised Plate Remake	$80.50	$39,000	303.2%
Motor Vehicle Permit – Modification	$19.50	$27,000	133.9%
Motor Drivers – Computer Theory Test Revisit	$17.90	$165,000	133.6%
Motor Drivers – Hazard Perception Test Resit	$19.60	$86,000	146.3%

The total annual revenue from all of these five fees is estimated to be $464,000, representing only 0.6 per cent of DoT's total controlled revenue from its Driver and Vehicle Services Business Unit. As recovery rates for such relatively small revenue lines can vary significantly with movements in volumes and cost pools, the approach taken is to hold fees at current levels until cost recovery rates return to 100 per cent, then to apply consumer price index increases.

In relation to the fees currently exceeding cost recovery by more than 30 per cent:
- personalised plate application and remake fees have remained at current rates since July 2008;

- motor vehicle permit modification fees have not increased since July 2010;
- computer theory test re-sit fees were increased with effect from July 2011 after a period of four years when the fees did not increase; and
- hazard perception test re-sit fees have remained at current rates since July 2009.

Furthermore, the re-sit fees are aligned to the initial test fees for the computer theory test and hazard perception test for efficiency and simplicity. In combining the initial and re-sit cost and revenue estimates for each category the cost recovery rate for computer theory tests is 98.13 per cent and for hazard perception tests is 101.77 per cent, which bring them into close alignment with DoT policy.

Recommendation 4:   **That the Minister for Land tables in the Legislative Assembly the plan developed by Landgate to introduce the 'more effective costing system' within the agency.**

Regarding improvements to the allocation of staff labour costs as advised in its initial response to OAG, Landgate has structurally reviewed and revised its staff labour cost allocation system (*Clockwise*) to better align it with key agency services and priorities.

Additionally, as part of its internally initiated efficiency program titled "Pathways to Greater Capacity", Landgate is now striving for an even more comprehensive Corporate Cost Model (CCM) that will facilitate reviews of service efficiency, improve the allocation of scarce resources and provide for the tighter management and pricing of its products and services.

The CCM's development is a priority of Landgate's Board of Management with close oversight by Landgate's Corporate Executive through a formal Program Board Structure.

A Project Team (Team) led by the Chief Finance Officer has been formed and is well underway having defined and determined the purpose, scope and approach for aligning the CCM with Landgate's Products and Services.

The CCM (incorporating the existing regulated services cost model), will have all expense streams (labour, IT, accommodation, depreciation, etc) feeding into a core model. The Team is currently working on the development of the core and once this working model has been completed and satisfactory tested, it is intended that it will then be mitigated into a more relevant application in the latter part of 2012 for a more sustainable and efficient ongoing costing solution.

Whilst Landgate was initially focused on complying with its undertaking to the OAG's report, the broader approach to a total costing system was taken as a key corporate efficiency initiative that will have ongoing and far reaching benefits well beyond the final audit outcome.

Recommendation 5:   **That the Minister for Regional Development tables a copy of the Auditor's Review of the Country Local Government Fund (CLGF).**

'This audit is currently underway, with an expected date of completion in the near future. Once the independent auditor's report has been received, its findings processed and due thought given to the appropriate protection of any privacy implications that may arise, the Minister For Regional Development will consider tabling it.

The PAC may also wish to note that the WA Regional Development Trust has only recently completed a separate review of the CLGF. The purpose of the Trust's separate review is to determine whether there is a continuing need for the CLGF beyond the four-year term originally contemplated and, if so, in what form, with what budget parameters, and with what purpose.

Recommendation 6:   **That the Premier report as to whether the Economic Audit Committee's recommendation to establish the positions of Chief Information Officer and Chief Technology Officer will be accepted and implemented, and:**

- **If so, which of the two offices will be responsible for improving IT security within the Public Sector?**
- **If not, which agency will be given responsibility for establishing improved and consistent IT security across the public sector?**

Recommendation 6 - Establishment of CIO/CTO positions

The establishment of the positions of Chief Information Officer (CIO) and Chief Technology Officer (CTO) is currently being considered by the Department of Finance in consultation with the Department of Treasury.

Recommendation 7: **That the Premier tables a copy of the Cyber Security Policy Framework developed by the Public Sector Commissioner.**

The Department of Finance is currently working collaboratively with agencies to improve IT security across government. A Cyber Security Policy Framework is being finalised and a one page overview is attached (Attachment 1).

Additionally, a Cyber Security services common use arrangement (CUA) is under development and nearing completion, and together these will assist agencies meet their obligations to establish and maintain adequate IT security standards.

GOVERNMENT OF WESTERN AUSTRALIA

Cyber Security Policy Framework   November 2011

Purpose: To describe the key elements required to address cyber security risks across the Western Australian Public Sector

Leadership & Governance

Aims:
- Set the policy direction and mandatory requirements for cyber security across the sector
- Drive sector-wide, accountable cyber security progress
- A consistent and appropriate level of cyber security within agencies
- Clear oversight to monitor implementation of policies, standards and compliance with reporting requirements

Core Policies/Mandatory Requirements
- Cyber security principles, policies and standards
- Information Security Management Framework

Governance and Accountability
- An Executive Committee responsible for delivering whole of government cyber security policy
- Reporting

Engage
- Identify, leverage and manage stakeholder relationships

Coordinate
- Whole of government high risk cyber security incidents

Support

Aims:
- Provide the ongoing information and tools required for the sector to implement the cyber security policy framework
- Work with agencies to assist them better manage their cyber security risks
- Foster adoption of Defence Signals Directorate's 'Top4' mitigation strategies
- Established processes to identify and communicate emerging cyber security risks to the sector

Advice
- AUSCERT advisories
- Defence Signals Directorate advisories, publications, resources
- Defence Computer Security Operations Centre reports
- Cyber security incident response
- Facilitate information sharing on cyber security matters
- Central contact point for advice

Resources
- Common Use Arrangements for cyber security services
- Tools, templates, guidelines, etc

Cyber Security Training and Awareness
- Awareness raising sessions
- RiskCover workshops
- Defence Signals Directorate workshops/forums
- IT certifications
- Exercises – simulated cyber attacks, test responses

Monitor ongoing needs for support

Provide policy direction, mandatory requirements

Stakeholders

Commonwealth
- Dept. of Prime Minister & Cabinet – Cyber Policy Coordination
- Attorney-General's Dept. – Cyber Security Strategy, Cyber Security Policy, Protective Security Policy Framework, CERT Australia
- Defence Signals Directorate – Cyber Security Operations Centre, Information Security Manual, technical advisories, publications and resources, Cyber Security Event Reporting
- Dept. of Broadband, Communications and the Digital Economy – SCADA Community of Interest

Other State Government Jurisdictions

WA bodies
- Executive Committee
- Office of the Auditor General
- Department of Commerce
- Office of State Security & Emergency Coordination
- Police Department
- Public Sector Agencies
- CIO Council
- Inter Agency Information Security Management Group