

McGOWAN GOVERNMENT — AUDIT FINDINGS

44. Dr D.J. HONEY to the Treasurer:

The report *Financial audit results: State government 2021–22*, published in late December last year, revealed that since the Premier has taken on the role of Treasurer, the number of qualifications on audit findings has increased by over 300 per cent, and the number of qualified government entities has more than doubled. Further, the report also revealed that government agencies have miscalculated financial estimates by over \$300 million.

- (1) Almost six years after the government's machinery-of-government changes, why are so many government entities apparently incapable of complying with basic audit requirements and time lines?
- (2) Given the massive miscalculation in financial estimates, does the Treasurer have any confidence that these entities have the capacity to identify any financial impropriety that might be occurring?

Mr M. McGOWAN replied:

- (1)–(2) I will answer all those points. First of all, the machinery-of-government changes, which I think were made in 2017, were designed to ensure that we had a more robust and more sensible arrangement of government. We had 41 government agencies, and we reduced that to 25. Victoria has eight. We had 41 for a population one-third that of Victoria, and they have eight. The arrangement of government was too cumbersome and not sensible. Perhaps we could have gone further, but it was a sensible, rational and realistic thing to do in a state with a population the size of Western Australia's.

Secondly, the biggest financial impropriety that we found was by Mr Paul Whyte, which was discovered by this government and the arrangements this government put in place. Most of his frauds were committed during the last government. They were not uncovered by the last government, but the arrangements we put in place meant they were uncovered and discovered. He is now spending a considerable amount of time in Hakea Prison or Casuarina Prison.

The third point about the findings is that we funded the Auditor General better. We are giving the Auditor General more resources. We have actually changed the law to give the Auditor General more access to government documents than she had before. That is what has occurred.

As the Auditor General advised me recently, all agencies of government have difficulty recruiting in the current environment, particularly chief financial officers and people with those skill sets. We all have difficulty recruiting them because the demand is so high because the economy is so strong. That is the issue that every government across Australia faces. The member can shake his head and be unaware of the real economy—that is clear—but that is the reality of what we face. When we give more resources to the Auditor General, of course, the Auditor General will find more things, and that is what has occurred under this government. The Auditor General is getting significant funding increases and increased support. That is a major transparency initiative, as were the legislative changes we made last year. They were major transparency initiatives to improve the accountability of government that were not done before. That is what we did. It does not get reported, but that is what we did during our time in office.