

41ST PARLIAMENT



Report 87

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Consideration of the 2022-23 Budget Estimates

Presented by
Hon Peter Collier MLC (Chair)
October 2022

Standing Committee on Estimates and Financial Operations

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ISBN 978-1-925580-62-4



Government response

This report is subject to Standing Order 191(1):

Where a report recommends action by, or seeks a response from, the Government, the responsible Minister or Leader of the House shall provide its response to the Council within not more than 2 months or at the earliest opportunity after that time if the Council is adjourned or in recess.

The two-month period commences on the date of tabling.

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EXECUTIVE SUMMARY

- 1 This report concludes the Standing Committee on Estimates and Financial Operations' (Committee) consideration of the estimates of expenditure contained in the 2022 Appropriation Bills and detailed in the 2022-23 Budget Papers.
- 2 The Committee considered the Budget broadly, with a thorough examination of 16 agencies, and a less detailed examination of a further 21. Questions asked were wide ranging and reflected both Committee and participating Members' interests. The Committee considers the process provided an appropriate level of scrutiny of the 2022-23 estimates.
- 3 In the course of this inquiry, the Committee:
 - a. identified 25 differences between the 2021 and 2022 Appropriation Bills
 - b. highlighted changes to agencies' performance reporting framework (and identified 56 occasions where key effectiveness targets changed since the 2021-22 Budget)
 - c. examined agency resourcing, through the operating surplus/deficit position and changes in cash assets
 - d. sought an update on which spending changes are subject to a sunset clause and/or program evaluation
 - e. examined general government net debt
 - f. provided an update on progress made to integrate key systems arising from the machinery of government changes announced in April 2017.
- 4 The Committee continued its practice of reviewing the Budget Papers and identifying areas where the Budget Papers could be improved.
- 5 This report also identifies 23 occasions where a Minister decided not to provide certain information to the Committee for various reasons. The Committee discusses non-provision by the Office of the State Coroner and a particular claim of Cabinet-in-confidence. Nonetheless, the Committee considers that these occasions did not affect the Committee's capacity to scrutinise the estimates.

Findings and recommendations

Findings and recommendations are grouped as they appear in the text at the page number indicated:

FINDING 1

Page 15

The 2022-23 Budget Papers would have benefitted from an explicit notice that some of the Forest Products Commission's financial estimates for 2023-24 and 2024-25 were sourced from the 2021-22 Budget.

RECOMMENDATION 1

Page 16

The Treasurer direct the Department of Treasury to include the outyears for each special purpose account listed in the relevant Appendix in the *Economic and Fiscal Outlook*.

RECOMMENDATION 2

Page 16

The Treasurer direct the Department of Treasury to explicitly identify funding from major special purposes accounts in an agency's asset investment program 'funded by' section and the financial statements.

FINDING 2

Page 21

The Committee's consideration of the 2022-23 estimates of expenditure was not adversely affected by Ministers' decisions not to provide certain information.

RECOMMENDATION 3

Page 21

Relevant Ministers listed in Table 6 consider issuing a notice under section 82 of the *Financial Management Act 2006* for those occasions of non-provision of information due to claims of Cabinet confidentiality, commercial confidentiality, agency resourcing issues and preparation for Parliament.

RECOMMENDATION 4

Page 25

Attending Ministers and Parliamentary Secretaries re-familiarise themselves with the Committee's procedure policy for conducting budget estimates hearings.

1 Introduction

- 1.1 The Legislative Council Standing Committee on Estimates and Financial Operations (Committee) is required to 'consider and report on ... the estimates of expenditure laid before the Council each year'.¹ This report concludes the Committee's consideration of the 2022-23 estimates of expenditure (estimates) laid before the Council on 12 May 2022.
- 1.2 The 2022-23 Budget (Budget) outlines the Government's priorities for the budget year (2022-23) and the next three financial years (2023-24 to 2025-26). The Budget is accompanied by:
 - two Appropriation Bills²—the Government's formal request to Parliament to access funds from the Consolidated Account³ to implement the Budget
 - the Budget Papers.
- 1.3 The Committee's inquiry procedure is in Appendix 1 and a summary of topics discussed during hearings is in Appendix 2.

2 The 2022 Appropriation Bills

- 2.1 The Government sought \$30.3 billion from the Consolidated Account in 2022-23, of which:
 - \$25.2 billion is for recurrent services, spread across 91 items of expenditure
 - \$5.2 billion is for capital purposes, spread across 62 items of expenditure.⁴
- 2.2 The 2022 Appropriation Bills contain five one-off payments⁵ and eight payments that will be discontinued this year.⁶
- 2.3 The request for funds is \$2.6 billion lower than the 2021 request, partly due to the one-off nature of certain payments in that year.

What's new in the Appropriation Bills?

- 2.4 Compared to the 2021 Appropriation Bills, 14 items have been added to, and 11 items have been removed from, the 2022 Appropriation Bills. Of these:
 - The Department of Treasury will administer 13 new payments,⁷ which include establishing the Remote Communities Fund, providing additional funds to the National Redress Scheme and Civil Litigations for Survivors of Institutional Child Sexual Abuse Account and the provision for COVID-19 Test Isolation Payments.

¹ Legislative Council Standing Orders Schedule 1 cl 3.3(a)(i).

² The Appropriation (Recurrent 2022-23) Bill 2022 and the Appropriation (Capital 2022-23) Bill 2022.

³ The Consolidated Account is the central Account for funding the operations of Government.

⁴ The number in the Schedule to the Appropriation (Capital 2022-23) Bill 2022 starts at Item 92, following the last item number of Appropriation (Recurrent 2022-23) Bill 2022, and finishes at Item 153.

⁵ These items did not appear in the previous Appropriation Bills and have no money allocated for 2023-24. These are the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account (Item 30); Provision for Perth City Deal (Item 34); Provision for COVID-19 Test Isolation Payments (Item 35); Remote Communities Fund (Item 120); and the Western Australian Museum (Item 142).

⁶ These items had payments in 2021-22 and comprise payments to the Forest Products Commission (Items 18 and 107); Southern Ports Authority (Item 24); Animal Resources Authority (Item 103); Bunbury Water Corporation (Item 104); Metropolitan Redevelopment Authority (DevelopmentWA) (Item 111); Climate Action Fund (Item 118); and the Digital Capability Fund (Item 119).

⁷ There are six recurrent items and seven capital items.

- The decision to incorporate Energy Policy WA into the Department of Mines, Industry Regulation and Safety on 1 July 2022 means a separate recurrent and capital items are no longer necessary.
- Seven items were removed. The 2021-22 Budget indicated these items were of a temporary nature.

3 The 2022-23 Budget

3.1 The 2022-23 Budget is structured around four governmental goals. The Government describes these as follows:

- Investing in WA's future: tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.
- Safe, strong and fair communities: supporting our local and regional communities to thrive.
- Strong and sustainable finances: responsible, achievable, affordable budget management.
- WA Jobs Plan: diversifying the WA economy, creating local jobs for the future.

3.2 Agencies contribute to these goals; and some agencies contribute to more than one goal. An agency will align its desired outcomes, services and key performance indicators to those goals. The indicators seek to measure the extent to which outcomes are achieved (effectiveness) or how efficiently services are delivered (efficiency).

Agencies examined in detail

3.3 The Committee examined 16 agencies in detail.⁸ Collectively, these agencies had:

- 58 desired outcomes
- 3 strategic objectives (these apply to government trading enterprises)⁹
- 209 key effectiveness indicators¹⁰
- 93 services groupings
- 160 key efficiency indicators
- 7 other key performance indicators.¹¹

⁸ The Committee also had a representative of the Department of Planning, Lands and Heritage appear at the transport agencies' hearing to answer possible questions on transport-related planning. It is not included as part of the 16 agency count. WA Health is counted as a single entity, even though it comprises the Department of Health and a number of related bodies (such as the North Metropolitan Health Service).

⁹ The Forest Product Commission, a government trading enterprise, does not present its operations on a service basis like the other agencies and does not make the distinction between key efficiency indicators and key effectiveness indicators. It has three strategic objectives, three desired outcomes and seven key performance indicators.

¹⁰ The Department of Communities had two key effectiveness indicators with a 2022-23 Budget target of 'n/a'. These were the proportion of quality evaluation which met national standards [for disability services] and proportion of the population in need who received services [for disability services].

¹¹ These numbers include all desired outcomes, services and key performance indicators from the Department of Communities, despite the Committee only examining a sub-set of that department. It does not include the Department of Planning, Lands and Heritage.

- 3.4 To illustrate how that information ties into goals, the 'WA Jobs Plan' goal was supported by four agencies (out of 16), one strategic objective, 10 desired outcomes, 16 key effectiveness indicators, 10 services, 11 key efficiency indicators and two other key performance indicators.

Changes to performance reporting

- 3.5 For the agencies examined in depth, there have been some changes to their performance reporting framework:
- The Department of the Premier and Cabinet now lists its 'supporting the Royal Commission to Inquire into and Report on the Affairs of Crown Casino Perth' service as part of its key effectiveness indicators, but notes that it is exempt from reporting on this service.¹²
 - The Department of Treasury no longer reports key efficiency indicators for its three services.¹³
 - The Department of Fire and Emergency Services no longer reports on the 'proportion of natural hazard events which cause a significant impact on the community' key effectiveness indicator.¹⁴
 - The Department of Transport replaced two key efficiency indicators for its maritime service.¹⁵
 - The Public Transport Authority changed the times associated with two metropolitan and regional passenger services reliability effectiveness indicators.¹⁶
- 3.6 The Committee followed-up with the Public Transport Authority on why the reliability effectiveness indicators were changed. It advised:

[On the bus services indicator] A new systems-based service reliability measure has been introduced, effective from 1 July 2022, which assesses bus performance based on all scheduled timing points for all trips operated, as opposed to a random sample. To support this improvement, the reliability tolerance for interim timing points was modified to 6 minutes (from 4 minutes). The changed interim timing point requirement now aligns with the PTA's contractual requirements and necessitated an increase in the performance target to 87 per cent (from 85 percent).

[On the ferry services indicator] A new service reliability measure has been introduced, effective from 1 July 2022, which assesses ferry performance for all scheduled services at both jetties. To support this improvement, the reliability tolerance was changed to 4 minutes (from 3 minutes), aligning the KPI [key

¹² Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 66.

¹³ The Department received 'a direction under section 61(a)(b) of the *Financial Management Act 2006* (FMA) that the accountable authority is not required to report on key efficiency indicators in the annual report with respect to the 2021-22 financial year and subsequent financial years' (Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 139).

¹⁴ Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 463.

¹⁵ The Department replaced 'average cost per day per maritime infrastructure assets managed' with 'average cost per day for planning, delivery, and management of a maritime asset', and 'average cost per private recreational vessel registration' with 'average cost of managing waterways, safety and compliance per registered recreational vessel' efficiency indicators (Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 594).

¹⁶ The 'bus services within four minutes of scheduled time' indicator is now 'bus services arriving with four minutes of scheduled time (first and last timing points – six minutes for interim points)', and the 'ferries arriving within three minutes of scheduled time' indicator is now 'ferries arriving within four minutes of scheduled time' (Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 627).

performance indicator] to contracted service obligations, however the target was increased to 98 per cent.¹⁷

- 3.7 In the 2021-22 Budget, the Department of Justice explained that it would review key efficiency indicators for its 'services to Government' service,¹⁸ which was without an indicator. The service remains without an indicator in this Budget. The Committee sought further information from the Department, which advised:

The development of a replacement Services to Government key efficiency indicator was carried out in conjunction with internal and external stakeholders during 2021-22. Final approval to amend the Department of Justice's Outcome Based Management (OBM) review structure to include the replacement Services to Government key efficiency indicator was provided by Treasury on 1 August 2022.¹⁹

- 3.8 Collectively, these agencies have revised 56 key effectiveness indicator targets in this Budget, with the Public Transport Authority changing 17 and WA Health 11.

Agency resourcing

- 3.9 Agency financial statements provide information on whether the agency will receive sufficient resources to cover the full cost of delivering services²⁰ and whether it will receive sufficient cash to fund the combined impact of operating, investing and financing outflows.²¹ Consistent shortfalls across these measures may indicate structural deficiencies or specific arrangements in agency resourcing. An example of specific arrangements is the Public Transport Authority, which has operating deficits that average \$324.3 million over the budget year and outyears. The Budget notes '[i]t has been determined that there is no need to provide the significant accrual appropriation that would be required to fund [its] depreciation.'²²
- 3.10 In contrast, the Commissioner of Main Roads has persistent operating surpluses, averaging \$1.1 billion over the budget year and outyears. The operating surplus includes income from grants and subsidies, but excludes the spending on capital projects that those grants and subsidies may be used to fund.
- 3.11 The current agency financial statements show:
- In 2022-23, eight agencies will receive sufficient resources to cover the full cost of service delivery.
 - In 2022-23, only the Department of Treasury will not need to draw on its cash assets to fund its activities.

¹⁷ Answer to additional questions 2 and 3 asked by the Committee and answered by Hon Rita Saffioti MLA, Minister for Transport, 20 July 2022, p 1.

¹⁸ Government of Western Australia, *2021-22 Budget, Budget Statements, Budget Paper No. 2*, 9 September 2021, p 434.

¹⁹ Answer to additional question 1 asked by the Committee and answered by Hon John Quigley MLA, Attorney General, 3 August 2022, p 13.

²⁰ The 'surplus/(deficiency) for the period' aggregate on the income statement shows whether own-source income and income from Government is sufficient to offset the total cost of services. The income statement includes non-cash expenses.

²¹ The 'net increase/(decrease) in cash held' aggregate on the statement of cashflows indicates whether cash inflows have been sufficient or not. Cash balances increase when cash inflows exceed outflows, and vice versa.

²² Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 635.

- In the outyears, two agencies—the Department of Communities and the Public Transport Authority—will have operating deficits in each year, and three agencies will have an operating deficit in one year.
- In the outyears, five agencies will not need to draw on their cash assets in any year and five agencies will draw their cash assets in each year.

4 Other matters

Evaluation plans

- 4.1 From 1 January 2014, all new programs (or extensions to existing programs) that impact the State's net operating balance by \$5 million or more in any one year will be subject to a sunset clause and some form of program evaluation.²³ In relation to this, the Committee asked the Department of Treasury the following question:

The Committee refers to Budget Paper No. 2, Chapter 3, and asks of the spending changes listed in each agency, which changes are subject to:

- a sunset clause; and/or
- program evaluation?

- 4.2 The Department of Treasury advised of 13 programs listed in the spending changes tables that would be subject to a sunset clause or program evaluation.²⁴ These programs and the associated spending are shown in table 1.

Table 1. *Spending changes subject to a sunset clause or program evaluation*

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Department of Communities						
Family and Domestic Violence (FDV) One-stop Hub—Armadale	-215	4 661	3 362	3 348	3 503	14 659
Aboriginal Representative Organisations	-328	662	1 003	0	0	1 337
Regional Family and Domestic Violence Services in the Kimberley	0	455	1 248	1 480	1 313	4 496
Harmful Sexual Behaviour Intervention Program ²⁵	0	1 732	2 120	2 123	0	5 975
Target 120 expansion	0	5 883	5 217	0	0	11 100

²³ Government of Western Australia, *Program evaluation guide*, report prepared by the Department of Treasury, December 2020 & Government of Western Australia, *Expenditure Review Committee handbook*, report prepared by the Department of the Premier and Cabinet, March 2021, pp 6-7.

²⁴ Answer to questions prior to hearing 3 asked by the Committee and answered by Hon Mark McGowan MLA, Premier, 10 June 2022, p 18.

²⁵ Listed as 'Royal Commission and Harmful Sexual Behaviour Intervention Program' in the spending changes table.

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Aboriginal short stay accommodation ²⁶	0	640	0	0	0	640
Department of Health						
Mental Health Patient Transport ²⁷	n/a	n/a	n/a	n/a	n/a	n/a
Aboriginal Health Practitioners in the WA Health Workforce—Early implementation	0	551	3 113	0	0	3 664
Virtual emergency medicine	0	7 679	2 653	0	0	10 332
Long stay patient initiatives ²⁸	0	2 890	2 890	0	0	5 780
Office of the Director of Public Prosecutions						
Perth Children's Court early resolution ²⁹	187	1 297	747	1 047	747	4 025
Department of Local Government, Sport and Cultural Industries						
Banned Drinkers Register (BDR) and Takeaway Alcohol Management System (TAMS) ³⁰	528	1 960	0	0	0	2 488
Department of Primary Industries and Regional Development						
Western Australian Agricultural Collaboration	0	5 000	8 000	12 000	0	25 000

[Source: Government of Western Australia, 2022-23 Budget, Budget Statements, Budget Paper No. 2, 12 May 2022, pp 219, 310, 476, 519-20 & 546.]

- 4.3 The Department of Treasury also noted that 'Other programs may be time limited, with an expectation of a report back to Government, including outcomes, prior to consideration of further funding'.³¹

²⁶ Listed as 'Geraldton and Kununurra Aboriginal Short Stay Accommodation' in the spending changes table.

²⁷ Not listed in the WA Health spending changes table.

²⁸ Listed as 'Long Stay Patient Fund' in spending changes table.

²⁹ Listed as 'Children's Court Matters' in spending changes table. The Perth Children's Court early resolution spending is only \$3.5 million (rather than \$4.0 million) so the measure listed in the spending changes table is broader than early resolution.

³⁰ The spending changes table refers to the 'Banned Drinkers Register Trial—Reflow and one-year extension in Kimberley/Pilbara'.

³¹ Answer to questions prior to hearing 3 asked by the Committee and answered by Hon Mark McGowan MLA, Premier, 10 June 2022, p 18.

- 4.4 The Committee also sought an update on the evaluation plans advised as part of the 2021-22 Budget estimates. The answers have been collated and presented in table 2.

Table 2. *Update on program evaluations*

Treasury response	
Department of Communities	
Home Stretch WA expansion	Evaluation planning has commenced with the final evaluation report expected in the second half of 2024.
Aboriginal Community Connectors Program	Evaluation is being conducted by the Department of Treasury and expected to be finalised by the end of 2022.
Mental Health Commission	
Investing in Aboriginal Social and Emotional Wellbeing	An evaluation process will be undertaken to better inform further decision-making with an interim report in late 2023.
Department of Justice	
Kimberley Juvenile Justice Strategy	Evaluation planning has commenced. The evaluation will be undertaken by the Western Australian Office of Crime Statistics and Research, in partnership with a culturally responsive organisation. The evaluation is expected to be completed in 2022-23.
Olabud Doogethu Halls Creek Youth Justice Reinvestment	This project will be evaluated in 2022-23 as part of the wider Kimberley Juvenile Justice Strategy.
Western Desert Justice Program	Evaluation will be undertaken by the Western Australian Office of Crime Statistics and Research, in partnership with Kanyirninpa Jukurrpa, and is expected to commence before the end of 2022-23. The evaluation report is expected to be completed in 2023-24. Consideration of further funding from 2024-25 onwards will be sought pending evaluation outcomes.
Public Transport Authority of Western Australia	
CAT Bus Service Extension Trial	Revised Red and Blue CAT bus services were implemented on 5 December 2021 and 27 February 2022 respectively. The Public Transport Authority monitors patronage and customer comments on a monthly basis and anticipates preparation of an evaluation report by mid-2023.

[Source: Answer to questions prior to hearing 3 asked by the Committee and answered by Hon Mark McGowan MLA, Premier, 10 June 2022, pp 19-20.]

Understanding general government net debt

- 4.5 The Department of Treasury hearing included interesting discourse on net debt and its components. The Committee explains some of these concepts in this section. Components of net debt, movements in general government³² net debt and the 'carrying costs of holding debt' are examined.

³² The general government sector is a subset of the total public sector (the broadest financial grouping of the Government of Western Australia). The general government comprises those agencies that are 'mainly engaged in the production of goods and/or services outside the normal market mechanism' (Government of Western Australia, *2022-23 Budget, Reader's Guide to the 2022-23 Budget Statements*, 12 May 2022, p 31). It includes all departments and certain statutory authorities. A complete list of agencies included in the general

Components of net debt

- 4.6 Broadly defined, net debt is the excess of gross debt liabilities over liquid financial assets. Gross debt liabilities comprise:
- Deposits held—money held within a sector that belong to entities outside the sector.
 - Advances received—as advised in the hearing ‘these are predominantly money from the federal government that has been loaned over years for various things, including public housing’.³³
 - Lease liabilities—obligations arising from a contract that ‘conveys the right to control the use of an identified asset for a period of time in exchange for consideration ... [such as leases for] buildings and vehicles’.³⁴
 - Service concession arrangements—obligations arising from arrangements where ‘a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain infrastructure assets such as roads, bridges, tunnels, airports, energy distribution networks, prisons or hospitals’.³⁵
 - Other borrowings—as advised in the hearing, ‘comprises Consolidated Account debt and the borrowings for low-interest loans for non-government schools that are managed by the Department of Education’.³⁶
- 4.7 Liquid financial assets comprise:
- Cash and deposits—unbanked cash held within agencies and deposits held within financial institutions.
 - Advances paid—a financial obligation created for policy purposes. It includes ‘long and short-term loans, non-marketable debentures and long and short-term promissory agreements (bonds and bills) issued to public sector units for achieving government policy objectives’.³⁷
 - Investments, loans and placements—a financial obligation created for liquidity purposes and the need to earn a return.³⁸
- 4.8 Special purpose account balances are held in cash and deposits; and investments, loans and placements.³⁹

Movements in general government net debt

- 4.9 The 2022-23 Budget shows general government net debt decreasing from \$22.8 billion at 30 June 2021 to an estimated \$19.6 billion at 30 June 2022. Net debt is expected to increase each year to peak at \$23.9 billion at 30 June 2025, before declining marginally in the year after.

government sector is contained in the Budget Papers (Government of Western Australia, *2022-23 Budget, Economic and Fiscal Outlook, Budget Paper No. 3*, 12 May 2022, p 256).

³³ Chris Wright, Director, State Finances, Department of Treasury, transcript of evidence, 22 June 2022, p 7.

³⁴ Government of Western Australia, *2022-23 Budget, Reader's Guide to the 2022-23 Budget Statements*, 12 May 2022, p 34.

³⁵ *ibid.*, p 37.

³⁶ Chris Wright, Director, State Finances, Department of Treasury, transcript of evidence, 22 June 2022, p 7.

³⁷ Government of Western Australia, *2022-23 Budget, Reader's Guide to the 2022-23 Budget Statements*, 12 May 2022, p 37.

³⁸ Australian Bureau of Statistics, *Australian System of Government Finance Statistics: Concepts, Sources and Methods*, ABS Catalogue No. 5514.0, December 2015, p 253.

³⁹ Chris Wright, Director, State Finances, Department of Treasury, transcript of evidence, 22 June 2022, p 7.

4.10 This section will examine movements in net debt from two related perspectives—the change in the value of debt-related components on the balance sheet and impact of cashflows.

4.11 Table 3 shows the value of each component of net debt.

Table 3. *General government balance sheet at 30 June*

	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 \$m	2026 \$m
Net debt						
Gross debt liabilities	30 851	31 945	30 781	30 698	30 746	30 641
Less liquid financial assets	8 063	12 323	10 232	8 518	6 885	6 879
Net debt	22 788	19 622	20 549	22 180	23 861	23 763
<i>Gross debt liabilities comprise:</i>						
Deposits held	1 333	3 014	3 159	2 948	2 992	2 952
Advances received	309	291	328	457	465	463
Borrowings						
Lease liabilities	2 753	2 768	2 614	2 631	2 649	2 591
Service concession liabilities	5	5	5	5	5	5
Other borrowings	26 451	25 867	24 675	24 656	24 635	24 630
Total	30 851	31 945	30 781	30 698	30 746	30 641
<i>Liquid financial assets comprise:</i>						
Cash and deposits	5 230	7 011	5 338	4 216	3 328	3 156
Advances paid	729	713	760	897	911	914
Investments, loans and placements	2 105	4 599	4 134	3 405	2 646	2 808
Total	8 063	12 323	10 232	8 518	6 885	6 879

[Source: Government of Western Australia, *2022-23 Budget, Economic and Fiscal Outlook, Budget Paper No. 3*, 12 May 2022, p 236.]

4.12 The Committee notes:

- The increase in deposits held in 2022 reflects the Government's decision in the 2021-22 Budget to allow certain government trading enterprises to retain their 2021-22 dividends.⁴⁰
- The decline in gross debt liabilities (and the 'other borrowing' sub-category) in 2023 reflects the Government's decision in this budget to repay \$1.2 billion in existing debt.⁴¹

⁴⁰ Chris Wright, Director, State Finances, Department of Treasury, transcript of evidence, 22 June 2022, p 7.

⁴¹ Michael Court, Acting Under Treasurer, Department of Treasury, transcript of evidence, 22 June 2022, p 6.

- The increase in cash and deposits; and investments, loans and placements in 2022 reflects the Government's decision in the 2021-22 Budget to appropriate funds into special purpose accounts.⁴²
- The decline in cash and deposits; and investments, loans and placements in the years thereafter is largely underpinned by the running down of balances in those special purpose accounts.⁴³

4.13 The Committee asked the Department of Treasury why net debt is generally increasing despite cash surpluses in each year. The Department's answer provides a related explanation for movements in general government net debt:

For the general government sector net debt projections shown on page 32 of the 2022-23 Budget Paper No. 3, the annual movement in net debt is largely due to the impact of:

- annual cash surplus/-deficit (a surplus reduces net debt while a deficit increases net debt);
- the sector's net *Investments in Financial Assets* (which mainly reflects capital and equity contributions to public corporations which are not part of the cash surplus/-deficit, with net debt funding carried by the general government sector for these contributions, while the public corporations have responsibility for the associated spending activity);
- Holding Account drawdowns paid to the Public Transport Authority (a public corporation), which are not part of the cash surplus/-deficit; and
- non-cash movements in leases.⁴⁴

4.14 The Department also provided the following table to summarise the aforementioned contributions.

Table 4. *Movements in general government sector net debt at 30 June*

	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 \$m	2026 \$m
Net debt at 1 July	23 758	22 788	19 622	20 549	22 180	23 861
Less: Cash surplus/-deficit	2 620	4 909	1 573	1 383	403	1 489
Plus:						
Net movements in financial assets ^(a)	1 205	1 309	2 203	2 651	1 752	1 112
Net movement in leases after repayments	350	315	152	321	337	261
Holding Account – payments to public corporations	96	107	152	64	28	38

⁴² Chris Wright, Director, State Finances, Department of Treasury, transcript of evidence, 22 June 2022, p 7.

⁴³ *ibid.*

⁴⁴ Answer to additional question 3 asked by the Committee and answered by Hon Mark McGowan MLA, Premier, 20 June 2022, p 3.

	2021	2022	2023	2024	2025	2026
	\$m	\$m	\$m	\$m	\$m	\$m
Net debt at 30 June	22 788	19 622	20 549	22 180	23 861	23 763

[Source: Answer to additional question 3 asked by the Committee and answered by Hon Mark McGowan MLA, Premier, 20 June 2022, p 3.]

- 4.15 Table 4 indicates that from 2023 onwards, the cash surpluses are not expected to be sufficient to cover the other movements in financial transactions.

Carrying cost of holding debt

- 4.16 Programs and activities can be funded on an emerging cost basis or by drawing down on existing cash assets.⁴⁵ There is an opportunity cost in holding cash assets on the balance sheet—those assets could have been used to pay down existing debt.⁴⁶ The opportunity cost arises when the interest rate on cash assets is less than the interest rate on borrowings.
- 4.17 At the hearing, the Department of Treasury undertook to provide some modelling on the carrying cost of holding debt. The Department advised:

The interest rate assumptions that underpin the 2022-23 Budget are contained in Table 1 of Chapter 1 of Budget Paper No. 3: Economic and Fiscal Outlook. The difference between the Public Bank Account (PBA) interest earning rates and Consolidated Account borrowing rates is shown in the following table as the Interest Differential line.

[The table is presented after this excerpt]

The interest differential can be used to calculate a simplified cost of carry (i.e. the cost attributable to earning lower rates of interest on cash and investments retained in the PBA compared with interest expenses that could be avoided had those assets been applied to reduced borrowings).

The extraordinary measures implemented by the Reserve Bank of Australia in response to the COVID-19 pandemic artificially reduced short-term interest rates to historical lows, and this is reflected in the forecast rate of return of the PBA. When financial markets normalise, the PBA is expected to achieve higher investment yields. Consolidated Account borrowings are predominantly long-term fixed rate and do not respond as quickly to changes in short-term interest rates.

...

In general terms:

- an estimated \$12 million in interest revenue will accrue for every \$1 billion invested in the PBA across the 12 months ending 30 June 2023; and
- interest expenses will reduce by approximately \$25 million for every \$1 billion reduction in Consolidated Account borrowings applying from 1 July 2022.

In net interest terms, the \$13 million difference between the two figures represents the estimated cost of retaining \$1 billion in cash and investment assets rather than paying down Consolidated Account borrowings. As shown in Table 1 [Table 5 in this report], the interest rate differential is projected to narrow across the three

⁴⁵ See paragraphs 3.11 for how agencies are funded overall in this year's budget.

⁴⁶ As noted in paragraphs 4.6 and 4.7, these cash assets are already used to offset gross debt liabilities when calculating net debt.

outyears, with the annual net interest cost declining to a projected \$11 million, \$10 million and \$9 million respectively.

These simplified sensitivities are based on assumed average interest rates, and in broad terms, can be scaled up or down (e.g. every \$100 million, the cost of carry is estimated at \$1.3 million in 2022-23, \$1.1 million in 2023-24, \$1.0 million in 2024-25, and \$0.9 million in 2025-26).⁴⁷

4.18 The table from the quote is below.

Table 5. 2022-23 Budget interest assumptions

	2021-22	2022-23	2023-24	2024-25	2025-26
PBA earning rates (%)	0.6	1.2	1.6	1.6	1.6
Consolidated Account borrowing rates (%)	2.3	2.5	2.7	2.6	2.5
Interest differential (percentage points)	1.7	1.3	1.1	1.0	0.9

[Source: Answer to question on notice E1 asked by Hon Neil Thomson MLC and answered by Hon Mark McGowan MLA, Premier, 20 July 2022, p 1.]

4.19 Some matters impact on whether to hold assets or repay debt. The Department notes:

Not all cash and liquid investment assets can be assessed as available to repay debt. For example, the Royalties for Regions Fund is a statutory account and there is no discretion to apply the balances to debt repayment or other purposes without legislative change.

...

It should be noted that other factors beyond the simplified net interest cost impact must be considered in deciding whether to allocate funds to debt repayment or to be held as an asset. These include:

- the benefits to liquidity management from carrying higher cash and liquid investments (S&P Global's 27 June 2022 announcement that it had upgraded Western Australia's credit rating to AAA noted that this was in part supported by the State's exceptional liquidity as a counterbalance to the risk of revenue volatility, with this liquidity reflecting balances held in Special Purpose Accounts and other cash and liquid investments); and
- previous crises have highlighted the importance of being prudent in ensuring access to funding over the short and medium term in the face of global financial market disruption and volatility. Retaining access to short-term funds through investing in high quality financial assets facilitates the State's ongoing ability to fund core services and projects.⁴⁸

4.20 On occasion, the Department of Treasury reviews agency cash levels and will require excess funds to be returned to the Consolidated Account.⁴⁹

⁴⁷ Answer to question on notice E1 asked by Hon Neil Thomson MLC and answered by Hon Mark McGowan MLA, Premier, 20 July 2022, pp 1-2.

⁴⁸ *ibid.*, p 2.

⁴⁹ Government of Western Australia, *Cash management policy*, report prepared by the Department of Treasury, December 2007.

Machinery of government changes

4.21 In April 2017, the Government announced machinery of government changes that would reduce the number of departments from 41 to 25 by 1 July 2017.⁵⁰ The Committee examined agencies' progress integrating systems arising from these amalgamations in April 2019,⁵¹ March 2020⁵² and November 2020.⁵³

4.22 In November 2020, the Committee found:

The Departments of Communities; Jobs, Tourism, Science and Innovation; Primary Industries and Regional Development are yet to fully integrate key systems arising from machinery of government changes announced in April 2017.⁵⁴

4.23 More recently, the Government announced three initiatives to consolidate separate systems:

- The Department of Jobs, Tourism, Science and Innovation will spend \$8.3 million over four years (2022-23 to 2025-26) to migrate multiple networks, grants databases and payroll functions into single systems.⁵⁵
- The Department of Communities will spend \$7.8 million over two years (2021-22 to 2022-23) to consolidate its three existing finance systems into a single system.⁵⁶
- The Department of Communities will spend \$9.4 million over three years (2021-22 to 2023-24) to consolidate its three existing human resources systems into a single system.⁵⁷

4.24 The 2022-23 Budget also notes that the Department of Primary Industries and Regional Development completed its upgrade of its enterprise document and records management system in 2021-22. It expects to complete an upgrade of the financial management information system and the human resource management information system in 2022-23.⁵⁸

4.25 The Committee sought an update from the Department of Primary Industries and Regional Development on how it is progressing the integration of various policies and systems. The Department advised:

DPIRD has progressed the uplift of its foundational systems and technology needed to improve staff efficiency and effectiveness and to protect DPIRD's data and assets by enhancing the Department's cyber security posture.

⁵⁰ Hon Mark McGowan MLA, Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations, *Major changes introduced to create a more efficient public sector*, media statement, 28 April 2017.

⁵¹ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, report 77, *2017-18 Budget cycle—Part 2: Annual report hearings*, April 2019, pp 17-20.

⁵² Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, report 80, *2018-19 Budget cycle—Part 2: Annual report hearings*, March 2020, pp 17-18.

⁵³ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, report 83, *2020-21 Budget cycle—Part 1: Estimates hearings and related matters and 2019-20 Budget cycle – Part 2: Annual report hearings*, November 2020, pp 11-12.

⁵⁴ *ibid.*, p 12.

⁵⁵ Government of Western Australia, *2022-23 Budget, Economic and Fiscal Outlook, Budget Paper No. 3*, 12 May 2022, p 115.

⁵⁶ Government of Western Australia, *2021-22 Government Mid-year Financial Projections Statement*, 16 December 2021, p 110.

⁵⁷ Government of Western Australia, *2022-23 Budget, Economic and Fiscal Outlook, Budget Paper No. 3*, 12 May 2022, p 150.

⁵⁸ Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 229.

The Core Business System (CBS) Program has now delivered consolidated human resource and records management systems, with a consolidated finance system scheduled to go live before [the] end of [the] 2022 calendar year. DPIRD has embarked on the CBS Program after it assessed that none of the legacy department systems were capable of supporting the new Department without significant risk, cost and bespoke IT builds. Finalisation of this complex program will support DPIRD staff to deliver on portfolio priorities more effectively and efficiently and will place DPIRD in a position to address open audit items which are system dependent.

Legacy agency policies have been integrated and DPIRD's key corporate policies are now being reviewed, in line with its Policy Framework, to ensure they are standardised and streamlined and up to date with current Public Sector policy and legislation.

DPIRD has developed and released its new Strategic Intent 2022-2026, which reflects a maturing and more integrated department.

Amalgamation of the compliance functions of the legacy departments is delivering effective and consistent regulatory services.

Significant progress has been made to risk and business continuity planning, which has assisted in supporting DPIRD's workforce and managing through COVID-19.⁵⁹

- 4.26 The Department of Communities advised the Committee that 'no other systems are identified as requiring consolidation during the 22/23 and 23/24 fiscal years'.⁶⁰

Observations on the Budget Papers

Forest Products Commission

- 4.27 During its hearing with the Forest Products Commission, the Committee was surprised to learn that the forecasts for 2023-24 and 2024-25 in the agency's income statement were unchanged from the 2021-22 Budget. They elaborated:

In this process, the budget numbers in the out years are based on the [2021-22] budget prior to the announcement [of the ban on native forest logging from 2024⁶¹]. Your two questions—the numbers relate to growing revenue and then equivalent growing costs to do those growing revenues.

In our discussions with the Department of Treasury, since the announcement to make changes to the native forestry projected revenue streams in the outyears, it was not possible—based on the announcement and based on what we do not know for the future forest management plan—to model what the volumes will be. They will be different to this and the Treasury's guidance to the department was just to leave the numbers in the budget from the 2021-22 budget, and to leave them in the out years, acknowledging that they will not be accurate. They will vary

⁵⁹ Answer to additional question 2 asked by the Committee and answered by Hon Alannah MacTiernan MLC, 20 July 2022, p 11.

⁶⁰ Answer to additional question 2 asked by the Committee and answered by Hon Simone McGurk MLA, 22 July 2022, p 1.

⁶¹ Hon Mark McGowan MLA, Premier; Hon Amber-Jade Sanderson MLA, Minister for Environment and Climate Action and Hon Dave Kelly MLA, Minister for Forestry, *McGowan Government's historic move to protect native forests*, media statement, Government of Western Australia, Department of the Premier and Cabinet, Perth, 8 September 2021.

once we know what the new forest management plan determines as available volume and subsequent revenue, and then expenses.

They will be updated ... so when the 2024 forest management plan is released, just prior to 2024, in the 2023-24 budget process will then have that information to be able to model what the revenues will be and what the expenses are. Whilst they are indicative, they are just numbers from the last approved budget, and I appreciate they are probably unhelpful. Without using those you would have to have made a guess about the forest management plan and we are just unable to do that.⁶²

- 4.28 The Committee notes that the values in the Statement of Cashflows for 2023-24 and 2024-25 in the 2022-23 Budget are also generally unchanged from the 2021-22 Budget.⁶³
- 4.29 The Committee is not aware of another example of the Department of Treasury directing an agency to re-use its financial estimates from one budget in the next budget. The Committee considers that this direction warranted an upfront notice and explanation to readers.

FINDING 1

The 2022-23 Budget Papers would have benefitted from an explicit notice that some of the Forest Products Commission's financial estimates for 2023-24 and 2024-25 were sourced from the 2021-22 Budget.

Special purpose accounts

- 4.30 The *Appropriation (Capital 2021-22) Act 2021* authorised the Government to place \$5.7 billion into specified special purpose accounts.⁶⁴ In 2022-23, the Government is seeking Parliament's approval to provide a further \$1.3 billion to specified special purpose accounts.⁶⁵
- 4.31 Appendix 5 of *Economic and Fiscal Outlook* contains information on major special purpose accounts. For listed special purpose accounts, the tables show the:
- balance at 1 July
 - receipts
 - payments
 - closing balance at 30 June,
- for the budget year and the year prior.
- 4.32 In last year's and this year's questions prior, the Committee sought receipts and payments for each year of the outyears for each special purpose account. On each occasion, the Department of Treasury advised that it could only provide unpublished forecasts for the Treasurer's Special Purpose Accounts. This year, it meant the Committee could see the budget's assumptions for the outyears for ten of the 19 special purpose accounts listed.⁶⁶

⁶² Stuart West, General Manager, Forest Products Commission, transcript of evidence, 23 June 2022, pp 3–4.

⁶³ The cash assets at the beginning and end of the reporting period lines differ between the two budgets.

⁶⁴ The \$5.7 billion comprised \$168 million to the Climate Action Fund, \$500 million to the Digital Capability Fund, \$2.1 billion to the Debt Reduction Account, \$750 million to the Social Housing Investment Fund, \$350 million to the Softwood Plantation Expansion Fund; and \$1.8 billion to the New Women and Babies Hospital Account.

⁶⁵ The \$1.3 billion comprises \$500 million to the Climate Action Fund, \$400 million to the Digital Capability Fund and \$350 million to the Remote Communities Fund.

⁶⁶ Answer to questions prior to hearing 2 asked by the Committee and answered by Hon Mark McGowan MLA, Treasurer, 10 June 2022, pp 15-17.

- 4.33 The Committee considers being able to see the intended receipts and payments in the outyears for major special purpose accounts would increase the Budget Papers' transparency. The information is already embedded in agency and whole-of-government financial estimates.

RECOMMENDATION 1

The Treasurer direct the Department of Treasury to include the outyears for each special purpose account listed in the relevant Appendix in the *Economic and Fiscal Outlook*.

- 4.34 Special purpose accounts provide a source of funding for agency activities. This funding source is disclosed in several ways:
- The asset investment table for each agency shows the amounts funded by the Royalties for Regions Fund or the Digital Capability Fund (where relevant).⁶⁷
 - The income statement for each agency shows recurrent amounts from the Royalties for Regions Fund (by sub-fund).⁶⁸
 - The statement of cashflows shows total amounts from the Royalties for Regions Fund (by sub-fund).
- 4.35 The Department of Treasury advised that 'recurrent funding from TSPAs [Treasurer's Special Purpose Accounts] is mapped to 'Other revenues' under Income from Government on the Income Statement and 'Other' under Cashflows from Government on the Statement of Cashflows'.⁶⁹
- 4.36 The Committee considers agency budget statements would be more transparent if the asset investment program and the financial statements disclosed funds received from individual special purpose accounts.

RECOMMENDATION 2

The Treasurer direct the Department of Treasury to explicitly identify funding from major special purposes accounts in an agency's asset investment program 'funded by' section and the financial statements.

5 Provision of information

- 5.1 The ability of the Parliament and its committees to scrutinise Government and its agencies is influenced by the quality and quantity of information made for that purpose. This section details occasions where a Minister decided not to provide certain information during the inquiry.

⁶⁷ The equity injections from the Softwood Plantation Expansion Fund to the Forest Products Commission was disclosed in the Forest Products Commission's asset investment program as 'Funding Included in Department of Treasury Administered Item' (Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 298).

⁶⁸ The Royalties for Regions Fund consists of the Country Local Government Fund; the Regional Community Services Fund; the Regional Infrastructure and Headworks Fund; and 'any other account determined by the Treasurer, on the recommendation of the Minister, to be a subsidiary account' (*Royalties for Regions Act 2009* s 5(1)). The Department of Education will receive funds from the Regional Reform Fund (Government of Western Australia, *2022-23 Budget, Budget Statements, Budget Paper No. 2*, 12 May 2022, p 378). No agency received funding from the Country Local Government Fund.

⁶⁹ Answer to additional question 4 asked by the Committee and answered by Hon Mark McGowan MLA, Premier, 20 July 2022, p 4.

5.2 Table 6 lists occasions where a Minister decided not to provide requested information to a question prior to hearing, question on notice or additional questions and the reason for non-provision. It does not include occasions:

- of non-provision in hearings, which Members are able to pursue at the time
- where the Minister advised that the information requested does not exist or is not kept by the Department
- where the Minister advised that the information requested does not yet exist because it is contingent upon an event(s) which is yet to occur.

This table differs from equivalent tables in previous reports in that it includes occasions of non-provision arising from questions on notice and additional questions.

Table 6. *Occasions of non-provision of information (as at 28 August 2022)*

No.	Minister	Agency	Issue	Basis for non-provision
1.	Agriculture and Food	Department of Primary Industries and Regional Development	Business case for the 'Backing North Wanneroo Agriculture' initiative ⁷⁰	Cabinet confidentiality
2.	Emergency Services	Department of Fire and Emergency Services	Detailed breakdown of the Voluntary Fire and Rescue Service/Voluntary Fire and Emergency Service upgrade and replacement program ⁷¹	Cabinet confidentiality
3.	Emergency Services	Department of Fire and Emergency Services	Cost of hire and operation of the large air tanker during the 2022-23 fire season ⁷²	Commercial confidentiality
4.	Emergency Services	Department of Fire and Emergency Services	Results of analysis of cost/effectiveness of the Large Air Tanker during the 2022-23 fire season ⁷³	Commercial confidentiality
5.	Attorney General	Department of Justice	How the COVID-19 pandemic contributed to the reduction in the number of inquests finalised in 2020-21 by the Coroner's Court ⁷⁴	State Coroner's independence from the Department of Justice

⁷⁰ Answer to question prior to hearing 12(a) asked by Hon Martin Aldridge MLC and answered by Hon Alannah MacTiernan MLC, Minister for Agriculture and Food, 13 June 2022, p 50.

⁷¹ Answer to question prior to hearing 2 asked by Hon Martin Aldridge MLC and answered by Hon Stephen Dawson MLC, Minister for Emergency Services, 20 June 2022, p 3.

⁷² Answer to questions prior to hearing 17(a) and (b) asked by Hon Martin Aldridge MLC and answered by Hon Stephen Dawson MLC, Minister for Emergency Services, 20 June 2022, p 44.

⁷³ Answer to question prior to hearing 17(h) asked by Hon Martin Aldridge MLC and answered by Hon Stephen Dawson MLC, Minister for Emergency Services, 20 June 2022, p 45.

⁷⁴ Answer to question prior to hearing 2 asked by the Committee and answered by Hon John Quigley MLA, Attorney General, 14 June 2022, p 1.

No.	Minister	Agency	Issue	Basis for non-provision
6.	Attorney General	Department of Justice	Backlog of cases in the Coroner's Court as at 30 June 2021 due to delays in reporting by external entities ⁷⁵	State Coroner's independence from the Department of Justice
7.	Attorney General	Department of Justice	The number of times the Coroner's Court prioritised investigation of a reportable death due to a concern for public health or safety ⁷⁶	State Coroner's independence from the Department of Justice
8.	Attorney General	Department of Justice	Involvement of local Aboriginal community members in Coroner's Court investigations affecting Aboriginal people ⁷⁷	State Coroner's independence from the Department of Justice
9.	Attorney General	Department of Justice	The number of reportable of deaths that may have been associated with the use of COVID-19 vaccines in 2020-21 ⁷⁸	State Coroner's independence from the Department of Justice
10.	Attorney General	Department of Justice	The statuses of Coroner's Court cases in 2020-21 involving babies born showing signs of life after abortion procedures ⁷⁹	State Coroner's independence from the Department of Justice
11.	Treasurer	Department of Treasury	Reconciliation of major financial changes since the 2021-22 Budget for the estimates for recurrent and capital expenditure ⁸⁰	Would require a substantial resource allocation
12.	Forestry	Forest Products Commission	Average cost per hectare of land already purchased under the Softwood Plantation Expansion Program ⁸¹	Commercial confidentiality

⁷⁵ Answer to question prior to hearing 3 asked by the Committee and answered by Hon John Quigley MLA, Attorney General, 14 June 2022, p 1.

⁷⁶ Answer to question prior to hearing 5 asked by the Committee and answered by Hon John Quigley MLA, Attorney General, 14 June 2022, p 1.

⁷⁷ Answer to question prior to hearing 7 asked by the Committee and answered by Hon John Quigley MLA, Attorney General, 14 June 2022, p 2.

⁷⁸ Answer to question prior to hearing 11 asked by the Committee and answered by Hon John Quigley MLA, Attorney General, 14 June 2022, p 2.

⁷⁹ Answer to question prior to hearing 3 asked by Hon Nick Goiran MLC and answered by Hon John Quigley MLA, Attorney General, 14 June 2022, p 5.

⁸⁰ Answer to question prior to hearing 1 asked by the Committee and answered by Hon Mark McGowan MLA, Premier and Treasurer, 10 June 2022, p 1.

⁸¹ Answer to question prior to hearing 6(b) asked by Hon Steve Martin MLC and answered by Hon Dave Kelly MLA, Minister for Forestry, 16 June 2022, pp 2–3.

No.	Minister	Agency	Issue	Basis for non-provision
13.	Housing	Department of Communities	Explanation for why individual Government Regional Officer Housing properties in the Kimberley, Pilbara, Midwest/Gascoyne and the Goldfields regions have been unallocated or vacant for more than six months ⁸²	Would require a substantial resource allocation
14.	Child Protection	Department of Communities	Number of children in the Chief Executive Officer's care who are currently living with a person convicted of child sex offences ⁸³	Would require a substantial resource allocation—manually reviewing individual case files
15.	Child Protection	Department of Communities	Number of children being monitored by, but not currently in the care of, the department who have a parent, guardian or live-in adult who has been charged with or convicted of a child sex offence ⁸⁴	Would require a substantial resource allocation—manually reviewing individual case files
16.	Health	WA Health	The first of two briefing notes dated 2 August 2021 on the Voluntary Assisted Dying Scheme ⁸⁵	Prepared for Parliament
17.	Health	WA Health	Data on vacancies in the regions ⁸⁶	Data unable to be provided accurately and within timeframe
18.	Premier	Department of the Premier and Cabinet	Costs associated with defending one proceeding commenced by a former electorate officer before the Public Service Appeal Board ⁸⁷	Proceedings are still underway

⁸² Answer to question prior to hearing 1(b) asked by Hon Wilson Tucker MLC and answered by Hon John Carey MLA, Minister for Housing, 14 June 2022, p 6.

⁸³ Answer to question prior to hearing 8(d) asked by Hon Nick Goiran MLC and answered by Hon Simone McGurk MLA, Minister for Child Protection, 15 June 2022, p 10.

⁸⁴ Answer to question prior to hearing 8(e) asked by Hon Nick Goiran MLC and answered by Hon Simone McGurk MLA, Minister for Child Protection, 15 June 2022, p 10.

⁸⁵ Answer to additional question 4(b)(a) asked by Hon Nick Goiran MLC and answered by Hon Amber-Jade Sanderson MLA, Minister for Health, 27 July 2022, p 3.

⁸⁶ Answer to additional questions 3(a)(iv), 3(b), 3(c)(iv), 3(d), 3(e)(iv), 3(f), 3(g)(iv), 3(h) and 15 asked by Hon Martin Aldridge MLC and answered by Hon Amber-Jade Sanderson MLA. Minister for Health, 27 July 2022, pp 11-13 & 32.

⁸⁷ Answer to question on notice C1 asked by Hon Nick Goiran MLC and answered by Hon Mark McGowan MLA, Premier, 20 July 2022, p 3.

No.	Minister	Agency	Issue	Basis for non-provision
19.	Health	WA Health	Review into community-based neurological services ⁸⁸	Contains potentially sensitive information and contracted parties have not been made aware or approved the sharing of their information
20.	Emergency Services	Department of Fire and Emergency Services	Briefing notes relating to the consolidation of Emergency Services Acts ⁸⁹	Cabinet confidentiality
21.	Attorney General	Department of Justice	Invoices for legal services issued to the defendant in the <i>Crawford v Quail</i> ⁹⁰	Legal professional privilege
22.	Child Protection	Department of Communities	Number of 'signs of safety' meetings conducted in the last two years ⁹¹	Would require a substantial resource allocation—manually reviewing individual case files
23.	Road Safety	Road Safety Commission	Schedule 2 of the funding agreement for the Western Australia Centre for Road Safety Research ⁹²	Commercial confidentiality

5.3 Unlike other jurisdictions, Western Australia has a legislated provision for managing instances of Ministerial non-provision of information. Section 82 of the *Financial Management Act 2006* provides that where a Minister decides it is 'reasonable and appropriate' not to provide 'certain information' to Parliament, the Minister is required to notify each House of Parliament and the Auditor General of this decision.⁹³ The relevant Minister may wish to consider issuing a notice under section 82 for occasions 1–4, 11–17 and 20–23.

5.4 Ideally, for occasions 16 and 19, the relevant information should have been supplied to the Committee with a request that the Committee keep the information private. In future, the

⁸⁸ Answer to question on notice C23 asked by Hon Martin Aldridge MLC and answered by Hon Amber-Jade Sanderson MLA, Minister for Health, 20 July 2022, p 11.

⁸⁹ Answer to question on notice D1 asked by Hon Nick Goiran MLC and answered by Hon Stephen Dawson MLC, Minister for Emergency Services, 21 July 2022, p 1.

⁹⁰ Answer to question on notice A4 asked by Hon Nick Goiran MLC and answered by Hon John Quigley MLA, Attorney General, 3 August 2022, p 3 and 15 August 2022, p 1.

⁹¹ Answer to additional questions 2(b)(ii) and (iii) asked by Hon Nick Goiran MLC and answered by Hon Simone McGurk MLA, Minister for Child Protection, 9 August 2022, p 1.

⁹² Answer to additional question 6(a) asked by Hon Martin Aldridge MLC and answered by Hon Paul Papalia MLA, Minister for Police; Road Safety, 27 July 2022, p 1.

⁹³ There is a complementary obligation on the Auditor General to form an opinion on 'whether a decision by a Minister not to provide information to Parliamentary concerning any conduct or operation of an agency is reasonable and appropriate' and report that opinion to both Houses of Parliament (*Auditor General Act 2006* s 24).

Committee may insist on the provision of similar information on the basis that the Committee will keep the information private.

FINDING 2

The Committee's consideration of the 2022-23 estimates of expenditure was not adversely affected by Ministers' decisions not to provide certain information.

RECOMMENDATION 3

Relevant Ministers listed in Table 6 consider issuing a notice under section 82 of the *Financial Management Act 2006* for those occasions of non-provision of information due to claims of Cabinet confidentiality, commercial confidentiality, agency resourcing issues and preparation for Parliament.

Office of the State Coroner

5.5 As foreshadowed in June 2022, the Committee sought to follow-up on unanswered questions from the Office of the State Coroner (Office) at these hearings. The Committee asked questions prior to hearings and requested the Department of Justice bring someone to the hearing that could answer questions in relation to the Office. The answers to questions prior were framed from the position of the Department of Justice, rather than the Office, and Table 6 identifies six occasions of non-provision (5-10).

5.6 At the hearing, the Parliamentary Secretary made the following opening statement:

Hon MATTHEW SWINBOURN: I think there is an issue that I have to address at the outset, chair, if you do not mind. The committee asked for the office of the State Coroner to be present at today's hearing. Although we do have a representative from the State Coroner in Mr Amidzic ... the coroner herself is not attending. Perhaps if I can take the committee to the reasons for the coroner's non-attendance today.

As we all know, under the Westminster system, which embraces the doctrine of the separation of powers between the three branches of government—the judiciary, the executive and the legislature, which is made up of the executive government, of course. Sorry; did I say the executive, the judiciary and the legislature—otherwise known as the Parliament to the rest of us? The executive being made up of the Governor, the Premier and ministers, and also on the very, very extreme, parliamentary secretaries. The role of Parliament is to make the laws. The executive government carries out and enforces the law, and the judiciary applies the laws in individual cases.

It is a central pillar of our constitutional system in Australia, and Western Australia, that the judiciary is independent of the other arms of government. The operation of the courts and tribunals in Western Australia is free from executive interference. The executive branch, via the administrative support role that the Department of Justice performs, cannot control how a chief judicial officer or head of jurisdiction oversees the day-to-day operations of a court or tribunal in Western Australia.

Under the doctrine of the separation of powers, the judiciary must remain independent from the other two branches of government. This independence is seen as a vital safeguard and continues to be seen as a cornerstone of democracy. While the functions of the Parliament and the executive overlap by necessity, the judicial branch remains independent of both the Parliament and the executive.

It is important for the committee to recognise that the office of the State Coroner is not responsible for reporting on estimates of expenditure or financial operations and this is consistent with all heads of jurisdiction. The Coroner's Court of Western Australia and the office supporting the court does not receive a separate appropriation. Its funding is incorporated into the Department of Justice appropriation and the Coroner's Court key performance indicator is contained in the Department of Justice annual report. The State Coroner is, however, responsible under section 27(1) of the *Coroners Act 1996* to provide the Attorney General with an annual report on the deaths that have been investigated in each year, including a specific report on the death of each person held in care.

Having said that, we do have a representative, who I identified previously, who can report on the financial aspects of the Coroner's Court and we also have Ms Jo Stampalia who is the head of court and tribunal services, who can also talk to the appropriations that are relevant to the Coroner's Court.

The CHAIR: Thanks for that, parliamentary secretary; I appreciate the explanation. I will say in response to that that I appreciate the comments that you have made and those of the coroner. The committee has expressed its disappointment with the fact that the coroner did not appear before the committee previously and I have tabled a report to that effect, as you would be aware. There is precedence of a previous coroner appearing before the estimates committee. Having said that, the coroner has made her position quite clear, so we will just have to accept that.

Hon MATTHEW SWINBOURN: If I can just add to that, chair, and I am aware of the report that the committee has tabled in relation to that. The issue here is that we are not saying that the coroner cannot come before the committee; what we are saying is that it is completely up to the coroner to decide and both the department and the Attorney General have no capacity to either direct or compel the coroner to attend before the committee.

The CHAIR: Thanks for that. We are very conscious of that and we retain our disappointment.⁹⁴

- 5.7 At the hearings, the Committee was able to have some questions answered by attending officials, but, unfortunately, some remained unanswered. The Committee notes that the State Coroner did not attend the hearings, asserting their right to judicial independence.

A claim of Cabinet-in-confidence

- 5.8 During the hearing with the Department of Fire and Emergency Services, Hon Martin Aldridge MLC explored the Cabinet-in-confidence response to his request for a breakdown of spending for the Voluntary Fire and Rescue Service/Voluntary Fire and Emergency Services upgrade and replacement program (that is, occasion 2 in Table 6 of this report), as the following exchange highlights:

Hon MARTIN ALDRIDGE: If the witnesses could turn to pre-estimates question 2, it relates to budget paper No 2, page 467, and the line item "VFRS/VFES Upgrade and Replacement Program", which has an estimated total cost of \$22.1 million. I have asked a number of questions around what this money is going to be used for and a breakdown of this funding. The answer the minister has provided to the committee is that this information is cabinet-in-confidence. Surely it cannot be the

⁹⁴ Hon Matthew Swinbourn MLC, Parliamentary Secretary to the Attorney General, and Hon Peter Collier MLC, Chair, Standing Committee on Estimates and Financial Operations, transcript of evidence, 20 June 2022, pp 2-3.

case that you are not able to tell the estimates committee how it is you are spending \$6.5 million of taxpayers' money next financial year?

Hon STEPHEN DAWSON: What I can tell you is that the state government invested \$2.33 million in 2020–21 and \$4.67 million in 2021–22 for the department to undertake shovel-ready volunteer service facility works as part of the recovery plan. The identified projects were to be completed across these two years and distributed throughout the state, providing local job creation and benefits to regional emergency service volunteer groups. The investment is allowing DFES to expedite urgent essential facility replacements and upgrades to ageing facilities that no longer meet operational requirements and lack basic amenities throughout the state for VFRS brigades and VFES units. Upgrades and improvements include the provision of suitable toilet and change room facilities, provision of suitable decontamination areas for clothing and equipment, breathing apparatus management upgrades, appliance bay modifications, and tunic storage room provision and upgrades. Projects under that recovery plan experienced an initial five-month interruption due to the delayed appointment of Department of Finance project managers. As a result, some of that money was carried forward and re-profiled to outer years.

I will clarify one other point. That information would likely be listed on a strategic asset plan which has been provided to the Expenditure Review Committee of cabinet, so I cannot provide you a list. I will get the commissioner to talk to this. There are a range of regionally located fire stations, including in places like Margaret River, Northampton and Halls Creek, that are being upgraded as part of this program. I cannot give you a list like this. I am happy, honourable member, to provide a briefing, if that is to any benefit, once you are back on deck.

Hon MARTIN ALDRIDGE: Briefings are always welcome, minister, but I think this is something that I am going to ask the committee to examine. I think this answer is not acceptable. For example, we had a three-hour hearing yesterday with Health. They will provide full detail on the infrastructure and the assets they are improving and the scope of their works and the completion dates and the likely commencement dates. To have this sort of information protected by cabinet-in-confidence is not acceptable and certainly is not the standard across government either.⁹⁵

- 5.9 The Committee notes that the Member asked the same question as part of the 2021-22 Budget estimates, and received the following answer:

The total funding for the Volunteer Fire and Rescue Service and Volunteer Fire and Emergency Services Replacement Program contained in the Budget Papers includes funding for the Northampton Volunteer Fire and Rescue Services Station, Halls Creek Volunteer Fire and Emergency Services Station and the Margaret River Volunteer Fire and Rescue Station Contractual negotiations are ongoing in relation to these projects.⁹⁶

- 5.10 The Committee notes the Member's concern that the Minister would not provide additional information on the 'VFRS/VFES Upgrade and Replacement Program' for Cabinet-in-confidence reasons.

⁹⁵ Hon Martin Aldridge MLC and Hon Stephen Dawson MLC, Minister for Emergency Services, transcript of evidence, 22 June 2022, pp 12-13.

⁹⁶ Answer to additional question 8 asked by Hon Martin Aldridge MLC and answered by Hon Reece Whitby MLA, Minister for Emergency Services, 17 November 2021, p 9.

Late delivery of answers to questions prior to hearings

- 5.11 A number of answers to questions submitted prior to hearings were received beyond the Committee's deadline. This increases pressure on the Committee to consider, process and disseminate the answers for the benefit of all Legislative Council Members in time for the hearings.
- 5.12 However, this year, the Committee encountered an unusually long delay in the provision of answers from WA Health and the Mental Health Commission. The Committee did not receive the answers until 21 June 2022, just before the hearing scheduled with WA Health. The following exchange occurred at the beginning of that hearing:

Hon SUE ELLERY: I will, thanks, chair. I was made aware this morning by my office that answers to questions which had been lodged prior to today's hearing had not been provided to the committee, so I communicated to the Minister for Health about that. On her behalf, I offer an apology to the committee, and I think you will find that the director general has something to say about that as well.

Dr RUSSELL-WEISZ: Through the minister, yes, chair, we also apologise for this oversight. We pride ourselves on getting in questions on time. These questions were much later than expected and I can only offer an apology on behalf of the Department of Health and that we will make sure that it does not happen again.

The CHAIR: Thanks for that. I will just comment on that because, quite frankly, it is unsatisfactory as far as the committee is concerned. This is the first time it has happened. The officers did contact the department on a number of occasions, and calls and emails were not returned. The issue with regard to questions prior to hearing is that it provides members an opportunity to prepare for the hearing. We are in a situation now where the members opposite will not have had access to those responses, because we only received them at 11.00 am this morning. They then had to go to our staff, who had to go through them and then provide them to the members who are sitting here now. The minister sent me an apology this morning, and I appreciate that, and I appreciate your apology, director general. But, as I said, it does make it very, very difficult for members to scrutinise agencies when we do not get questions really before it is too late. Thank you.⁹⁷

- 5.13 The Committee supports and re-iterates the Chair's observations on the impact of late answers at the hearing.

6 Observations on the hearings

Questioning and answering

- 6.1 Although the Committee is generally satisfied with its processes for considering the 2022-23 estimates, and having reflected on the impact of late answers from WA Health in the previous section, it would like to make a number of further observations on the hearings.
- 6.2 The Committee considers the most productive hearings are those where attending Members can ask questions and receive answers directly from the witnesses. To this end, the Committee amended its procedure policy for this consideration to state as follows:

[2. Information for Members]

⁹⁷ Hon Sue Ellery MLC, Minister for Education and Training representing the Minister for Health, Dr David Russell-Weisz, Director General, Department of Health, and Hon Peter Collier MLC, Chair, Standing Committee on Estimates and Financial Operations, transcript of evidence, 21 June 2022, pp 2-3.

- 2.8 Members may direct questions to the Minister or to individual witnesses. Questions that seek an opinion on government policy must be directed to the Minister.⁹⁸

...

- [3. Information for Ministers and public officials]

- 3.11 Members may direct questions to the Minister or to individual witnesses. Witnesses may refer the question to another witness or the Minister. The Minister may direct a witness not to answer a given question.⁹⁹

- 6.3 The Committee is concerned by the occasional inference that it is the Minister who determines whether a question is taken on notice. The procedure policy states:

- 3.12 Questions that are unable to be answered prior to the end of the hearing will be taken on notice. These questions are identified as 'Supplementary Information' in the Hansard transcript and allocated a Supplementary Information Number (ie A1, B3, etc).¹⁰⁰

- 6.4 The Committee's practice is to assign a Supplementary Information Number to questions which cannot be answered immediately, as they arise. A practice evolved in certain hearings whereby a number would not be assigned to a question until the end of the hearing, once it became clear that the question could not be answered at the hearing. This may result in certain questions being forgotten and remaining unanswered. The Committee will review the text in the next procedure policy to make its preferred practice clearer.

RECOMMENDATION 4

Attending Ministers and Parliamentary Secretaries re-familiarise themselves with the Committee's procedure policy for conducting budget estimates hearings.

Participation by electronic communication

- 6.5 The Committee facilitated two Members to attend the hearings remotely, using a web conferencing service. The Members appeared via a large screen in the Legislative Council Chamber, where the hearings were being held. They were able to listen to the evidence provided, view the chamber and ask questions of Ministers and witnesses contemporaneously.

7 Conclusion

- 7.1 The Committee is satisfied that its consideration of the 2022-23 estimates positively contributed to the scrutiny of Government and its operations. The Committee continued its practice of examining changes to the Appropriation Bills and the performance management framework, and identifying spending changes that are subject to a sunset clause or program evaluation. It expanded on this approach by reflecting on agency resourcing and seeking an update on sunset clause or program evaluation from the 2021-22 Budget.

⁹⁸ Standing Committee on Estimates and Financial Operations, *2022-23 Budget Estimates—Procedure Policy*, 11 May 2022, p 2.

⁹⁹ *ibid.*, p 3.

¹⁰⁰ *ibid.*

- 7.2 This year's report provides an in-depth examination of the determinants of general government net debt and makes a number of recommendations about the Budget Papers' contents.
- 7.3 The Committee thanks all Ministers and Parliamentary Secretaries, witnesses and participating Members for their assistance.

A handwritten signature in black ink, appearing to read 'P. Collier', with a small dot above the 'i'.

Hon Peter Collier MLC
Chair

APPENDIX 1

PROCEDURE FOR THE INQUIRY AND KEY STATISTICS

- 1.1 The process and key dates were set out in the Procedure Policy that was distributed to Members and Ministers on 11 May 2021.

Agency selection

- 1.2 Members of the Legislative Council could nominate agencies to appear for hearings. Members nominated 22 agencies, of which the Committee selected 16.¹⁰¹ The timetable was finalised and distributed to Members on 9 June 2022.

Questions prior to hearings

- 1.3 Members of the Legislative Council could submit a reasonable number of questions prior to hearings to any agency. Nine Members and the Committee submitted 334 questions to 33 agencies. Responses were made available on the Committee's website from 15 June 2022.

Questions during the hearings

- 1.4 The Committee held 13 separate hearings, across 16 agencies, totalling 25.5 hours. The hearings were well attended by Members.
- 1.5 Attending Members were able to ask questions to a Minister or Parliamentary Secretary, and agency witnesses.
- 1.6 The Committee facilitated remote participation for Hon Martin Aldridge MLC, who participated in the WA Health and the Department of Fire and Emergency Services hearings, and Hon Colin de Grussa MLC, who participated in the Department of Primary Industries and Regional Development and the Forest Products Commission hearings.
- 1.7 The Chair was responsible for the conduct of hearings and provided guidance on procedural matters as required. No questions were ruled out of order.
- 1.8 Ministers took 162 questions on notice. Responses to those questions were made available on the Committee's website from 29 July 2022.

Questions asked after the hearing

- 1.9 Members could submit additional questions to any agency. Six Members and the Committee submitted 267 questions across 27 agencies. Responses to those questions were made available from 29 July 2022.

Key statistics

Table 7. *Number of questions prior to hearings, questions on notice and additional questions by agency*

Agency	Questions prior	Questions on notice	Additional questions	Total
Botanic Gardens and Parks Authority	1	n/a	n/a	1

¹⁰¹ The following agencies were nominated, but not invited to appear, for a hearing: Department of Jobs, Tourism, Science and Innovation; Department of Mines, Industry Regulation and Safety; Department of Planning, Lands and Heritage; Office of the Inspector of Custodial Services; Small Business Development Corporation; and Southern Ports Authority.

Agency	Questions prior	Questions on notice	Additional questions	Total
Commissioner of Main Roads	7	*	7	14
Department of Biodiversity, Conservation and Attractions	10	4	16	30
Department of Communities	66	35	48	149
Department of Education	13	24	10	47
Department of Finance	1	n/a	3	4
Department of Fire and Emergency Services	28	2	21	51
Department of Jobs, Tourism, Science and Innovation	11	n/a	3	14
Department of Justice	33	13 ¹⁰²	11	57
Department of Local Government, Sport and Cultural Industries	1	n/a	0	1
Department of Mines, Industry Regulation and Safety	1	n/a	5	6
Department of Planning, Lands and Heritage	5	n/a	1	6
Department of Primary Industries and Regional Development	23	9	10	42
Department of the Premier and Cabinet	6	6	8	20
Department of Training and Workforce Development	1	n/a	n/a	1
Department of Transport	8	31 ¹⁰³	8	47
Department of Treasury	17	2	11	30
Department of Water and Environmental Regulation	12	1	9	22
DevelopmentWA	1	n/a	1	2
Forest Products Commission	17	3	21	41
Horizon Power	1	n/a	3	4
Insurance Commission of Western Australia	1	n/a	0	1
Kimberley Ports Authority	1	n/a	0	1
Mental Health Commission	2	n/a	2	4

¹⁰² May also include questions to the State Solicitor's Office.

¹⁰³ May also include questions to the Commissioner of Main Roads and the Public Transport Authority of Western Australia.

Agency	Questions prior	Questions on notice	Additional questions	Total
Public Transport Authority of Western Australia	17	*	9	26
Small Business Development Corporation	1	n/a	0	1
Southern Ports Authority	0	n/a	2	2
State Solicitor's Office	0	*	0	0
Synergy	1	n/a	3	4
The Western Australian Museum	0	n/a	1	1
WA Health	30	26	32	88
Water Corporation	2	n/a	0	2
Western Australia Police Force	12	6	18	36
Western Australian Planning Commission	0	n/a	1	1
Western Power	2	n/a	3	5
WorkCover Western Australia Authority	1	n/a	0	1
TOTAL	334	162	267	763

[Source: Committee statistics.]

* Indicates that the agency appeared with another agency. For the purposes of this table, the questions have been attributed to the Department that attended.

APPENDIX 2

TOPICS DISCUSSED AT HEARINGS

Table 8. *Topics discussed at hearings*

20 June 2022: Department of Justice (including the Office of the State Coroner for Western Australia) and State Solicitor's Office
<ul style="list-style-type: none"> • Independent operation of the Office of the State Coroner for Western Australia (Coroner's Court) • COVID-19 pandemic-related complaints received by the Equal Opportunity Commission • Completion of Equal Opportunity Commission's transition from a stand-alone agency to being part of the Department of Justice • Initiatives to mitigate the impact of COVID-19 on justice and corrective services • Aboriginal Justice Advisory Committee • The Department's second 'innovate'-level Reconciliation Action Plan • Air-conditioning at Roebourne Regional prison • Number of cells out of operation at the Banksia Hill Detention Centre • Crisis care unit at the Banksia Hill Detention Centre • Legal costs incurred on behalf of the State in the <i>Crawford v Quail</i> case (additional costs; approval process; and taxation of costs) • The State Solicitor's Office's (SSO) provision of legal advice in relation to COVID-19 and related matters • The agency responsible for the cost of the Attorney General's airfare for attending the trial in the <i>Palmer v McGowan</i> case • Legal costs incurred on behalf of the State in a Public Service Appeals Board matter • Broome Regional Prison and the site of a new Broome prison • Lower rates of young people completing community-based orders • Additional funding for the Office of the Public Advocate (increasing demand for services; and transition to the Commonwealth National Disability Insurance Scheme) • Increased demand for legal assistance services due to COVID-19 pandemic • Kimberley Juvenile Justice Strategy and the projects operating under that strategy • Criminal law reform (mentally impaired accused) • Increased demand for court rooms (sharing of rooms; and construction of new Armadale Magistrates Court) • Projected full-time equivalent employees in the SSO • Expenditure on employee benefits • Increasing time to trial in all courts (increasing complexity; lack of court rooms; and justice pipeline model) • Criminal injuries compensation scheme—addressing a backlog of claims

- Prison alcohol and drug rehabilitation facilities (Wandoo Rehabilitation Prison; Mallee Rehabilitation Centre in Casuarina Prison; and future unit in Bunbury Regional Prison)
- Cost per day of keeping a young person in detention—age of criminal responsibility
- Rate of youth returning to detention
- Region of origin of Banksia Hill Detention Centre detainees
- Current backlog at the Coroner's Court
- Line of staff reporting at the Coroner's Court
- The State Coroner's salary
- Categorisation of cases involving the deaths of babies born with signs of life after an abortion procedure—whether included in backlog at the Coroner's Court
- Remand and sentencing options in the Kimberley
- Evaluation of grant programs under the Kimberley Juvenile Justice Strategy
- Office of the Commissioner for Victims of Crime (National Redress Scheme administration; and other services)
- Legal Aid Commission of Western Australia (increasing demand; and eligibility for aid)
- State Administrative Tribunal—fee for assessment of costs
- Replacement of retiring judges in the Family Court of Western Australia

20 June 2022: Department of Education

- Premier's reading challenge
- Expansion of educational adjustment to support students with additional learning needs
- Energy initiatives in schools
- National School Chaplaincy Program
- School Camps Assistance Package and school camps
- National Preschool Reform Agreement
- Exclusion panels
- Students with autism (numbers; expansion of special learning programs)
- Capital spending (Small asset capital purchases; Brabham Primary School; Clifton Hills Primary School; new works; playground and shade structures)
- Staffing (investigations; seconding staff from the metropolitan area to regional areas; recruitment campaigns; employment by gender; impact of vaccination requirements; early childhood; decline in Category 2 teachers)
- Year 1 phonics initiative
- Science, technology, engineering and maths (facilities; teaching and study)
- Collegiate principals (numbers; evaluation of program)
- Enrolment policies in schools and community kindergartens
- Accommodation support for students from rural and remote areas who have to board away from home to attend a public school/review of the boarding away from home allowance

- Reprioritisation of existing agency spending to meet some or all of the costs of certain programs
- Country Week
- Age of regional schools
- Alternative learning settings
- Risk Assessment Management Plans
- Demountables
- Correspondence with Speech Pathology Australia
- Commonwealth and State education reform initiatives

20 June 2022: Department of the Premier and Cabinet

- Perth City Deal
- Collie Just Transition Plan (initiatives covered; and jobs created)
- Government response to the Perth Casino Royal Commission
- Electric vehicles (usage; and shift to a distance-based road user charge)
- Travel by the Premier and Ministers
- Costs for unfair dismissals cases
- Complaints against Ministers
- COVID-19 coordination and communications
- Staffing increases since 2016-17
- Native title agreements (update on numbers; and funding arrangements are administered transactions)
- Administration of parliamentary support (resources for the crossbench; digital connectivity in electorate offices; status of offices; and labelling of political parties on offices)
- Intergovernmental relations
- Free Rapid Antigen Test program
- Kimberley Youth and Community Justice Response
- Creation of new offices since March 2021
- Quarantine Project—Multi-Agency Project Team
- Reconnect WA—Building a Life Campaign
- State of emergency

21 June 2022: Department of Transport; Department of Planning, Lands and Heritage (transport-related); Public Transport Authority of Western Australia; and Commissioner of Main Roads

Department of Transport

- Financial incentives for new electric and hydrogen fuel cell vehicles
- On-demand Transport Levy—completion of voluntary buy-back scheme for leased taxi plates
- Driving Access and Equity Program—extension of program

- Sectoral Emissions Reduction Strategy for transport—consultation
- Spending on bicycle and shared paths
- TRELIS database (cost of maintaining database; and unlawful access to database)
- Westport (channel depth; special purpose account expenditure; indicative timeframe for transition; improvements to freight networks; and completion of business case)
- Country Age Pension Fuel Card Scheme—effect of increased fuel prices
- Western Australian Agricultural Supply Chain Improvements Program
- Green Hydrogen Feasibility Study
- Expansion of the Inter-Regional Flight Network
- Annual on-demand vehicle licence
- Regional Airfare Zone Cap—Perth to Esperance and Perth to Albany routes
- Student Travel Subsidy Scheme—complaints from the Isolated Children’s Parents’ Association
- Broome Boating Facility

Public Transport Authority of Western Australia

- Purple central area transit (CAT) service
- The Public Transport Authority’s expected revenue from advertising
- Transitioning Transperth buses to electric buses
- Anticipated increase in use of metropolitan train services
- Railcar manufacturing and assembly facility—contractors
- High capacity signalling—program of works (signing; and termination of contracts)
- Public train services between Bunbury and Perth
- Regional school bus services—average cost per contracted kilometre
- Trial Trans-branded bus service in Esperance
- Trial electric CAT buses in Joondalup
- Metronet (replacement services for Armadale rail line shutdown; and benefit-cost ratios)
- Installation of solar panels at bus and train stations

Commissioner of Main Roads

- Morrison Road level crossing removal
- Caledonian Avenue level crossing closure
- Road improvements around Mount Lawley train station
- The Albany ring-road and Bunbury outer ring-road (safety measures; and compensation for affected landowners)
- Regional Road Maintenance In-House Delivery Model
- Principal shared paths—repairs and maintenance
- Motor vehicle licence fees—allocated to Commissioner of Main Roads
- Regional road safety program—acceleration

- Key effectiveness indicator—return on construction expenditure
- Great Eastern Highway—construction of Covalent Lithium Mine access
- Great Eastern Highway—Eastlink project (planning; and environmental impact assessment)
- Fremantle Road and Rail Bridge—concept design phase
- East Perth power station footbridge—location

21 June 2022: WA Health¹⁰⁴

- Late provision of answers to questions prior to hearing
- Initiatives to encourage the efficient turnover of public hospital beds
- The Albany General Dental Clinic expansion
- Urgent staff accommodation needs in regional and rural areas
- Mental health services
- Expected decrease in full-time equivalent employees in the area of public and community health services in 2022-23
- Staff and skills shortages—areas most affected (for example, midwives, theatre nurses and junior doctors)
- COVID-19 restrictions and requirements—effect on staff and staffing levels (for example, vaccine mandates; and preliminary access restriction periods for unvaccinated employees)
- Graylands Hospital—reconfiguration
- COVID-19 vaccines (effectiveness; and link to myocarditis and pericarditis)
- Future pandemic strategies
- Albany Health Campus—future expansion plans
- Margaret River Hospital—future expansion plans
- The maternity services bypass process
- Strategies to reduce the elective surgery waitlist
- Child health checks (pilot project on engagement strategies; differences in metropolitan and regional targets; and waitlists)
- Face-to-face public and community health services, particularly child health and development services
- Rapid antigen tests for COVID-19 (procurement and receipt of tests; distribution of tests; ratio of nasal-swab to saliva tests; effectiveness; agencies responsible for procuring tests; and suppliers of tests)
- Strategies to increase public hospital bed capacity
- Strategies to reduce pressures on public emergency departments
- The State Health Operations Centre
- Increased recurrent funding for voluntary assisted dying support services

¹⁰⁴ WA Health is a composite entity that comprises the Department of Health; Child and Adolescent Health Service; North Metropolitan Health Services; South Metropolitan Health Service; East Metropolitan Health Services; WA Country Health Service; Health Support Services; PathWest and the Quadriplegic Centre.

- The Bunbury Regional Hospital redevelopment
- The Geraldton Health Campus redevelopment
- Public health state of emergency declarations
- Expenditure on the Beverley District Hospital
- Additional staff for child development services
- School health nurses
- Child allied health services—median and average waiting times
- Funding for additional regional paramedics
- The Newborn Emergency Transport Service
- The new children's hospice
- Wyndham District Hospital—staff shortages
- COVID-19-related myocarditis, pericarditis and death
- Funding for state-based epilepsy organisations
- St John Ambulance (status of contract; and resourcing assistance from state agencies)
- The number of 'code blacks' and 'code yellows' in metropolitan and regional hospitals in the last month

22 June 2022: Western Australia Police Force

- Staffing (recruitment of an additional 950 police officers; resignations/attritions; district level; incentives to officers in regional Western Australia; and graduates)
- Operation Regional Shield (staffing; spending; activity; prevention and diversion; damage to police vehicles, and injuries to police)
- COVID-19 emergency management
- Police compensation scheme
- Post-traumatic Stress Disorder and mental health of police (programs; and the increase in the number of officers accessing services)
- Criminal Law (Mental Impairment) Bill
- Operation Heat Shield
- State of emergency (declarations; extensions; and advice to the Minister)
- Efforts made to improve police officer engagement with people suffering from a mental health crisis
- Culturally appropriate policing with Aboriginal people
- Organised crime operations (value of seizures; wastewater testing; and the criminal property proceeds funding agreement)
- G2G application (changes to systems; and data retention policies)
- Information security
- Priority 1 and 2 (definition; and performance)
- Road Safety Commission (data integration; and cohort-appropriate messaging on road safety)

<ul style="list-style-type: none"> • Complaints about the unlawful use of the Department of Transports TRELIS database • Police monitoring of high-risk serious offenders and dangerous sex offenders • Police investigation reports impacting on the operations of the Office of the State Coroner
22 June 2022: Department of Water and Environmental Regulation
<ul style="list-style-type: none"> • Sectoral Emissions Reduction Strategies (implementation; using 2005 as the baseline year; spending after 2023-24; modelling and analysis; consultation with stakeholders; and scope of individual strategies) • Streamlining the approvals process • Native vegetation policy (implementation; and spending) • Key effectiveness indicator on the number of ministerial statements audited compared to target (statements not audited; and number of statements) • Environmental approvals for road clearing from local governments • Murujuga rock art strategy (spending; and monitoring studies) • Pumped hydroelectricity at Walpole • Clean Energy Future Fund • Backlog of applications and referrals • Cost recovery for Part IV, Environmental Assessments • Climate projections
22 June 2022: Department of Biodiversity, Conservation and Attractions
<ul style="list-style-type: none"> • The Perth Zoo master plan (conservation; and infrastructure projects) • Bushfire suppression activities as at April 2022 • Prescribed burning and fire management (activities as at April 2022; and effect of climate change on activities) • Carbon farming on Department-managed land • The Penguin Island Discovery Centre upgrade and refurbishment • Devaluation of native forest and sandalwood biological assets in 2020-21 • John Forrest National Park improvements—consultation on designs • Perup sanctuary—update on woylie conservation • Removal of jarrah and karri sawlogs—key effectiveness indicator not met in 2021-22 • The upcoming, replacement Forest Management Plan (consultation; and clearing for mine sites) • Regional biosecurity groups (funding; and baiting activities on State-owned land) • The Biodiversity Information Office (expenditure on establishment of the office; commencement; and functionality) • Expenditure on the control of invasive species on State-managed land
22 June 2022: Department of Fire and Emergency Services
<ul style="list-style-type: none"> • Aerial bushfire surveillance large air tanker

- New aviation and maintenance facility at Jandakot
- Climate change (impact on events; and Unified Natural Hazard Risk Mitigation Exploratory Decision)
- Staffing (shortages of appropriately skilled staff; remuneration; recruitment; and in the regions)
- Consolidated Emergency Services Acts
- Overseas travel
- State of emergency (declarations and extensions; advice to the Minister; State Disaster Council; and public health state of emergency)
- Emergency Service Levy (growth compared to inflation; and as a source of funds relative to the Consolidated Account)
- Recovery and resilience grants for insured residents for Cyclone Seroja (grants paid; applications; and estimates underpinning the costing)
- Upgrading the Emergency WA platform
- Spending on the emergency services fleet
- Hempcrete as building product in fire-prone areas
- Volunteer Fire and Rescue Service/Volunteer Fire and Emergency Services upgrade and replacement program
- Local Government Emergency Services Grants

22 June 2022: Department of Treasury

- Stamp duty and land tax changes
- Cost of living measures
- Digital Capability Fund
- Public sector wages policy (compared to inflation; policy development; impact on the broader economy; and update on Enterprise Bargaining Agreements)
- Climate Action Fund (timing of initiatives; and sufficiency of current allocation)
- Debt management (repayment of \$1.2 billion of Consolidated Account debt; components of gross debt liabilities; impact of Special Purpose Accounts; comparison over time and to other governments; and impact of the interest rate differential)
- Diversifying the Western Australian economy
- COVID-19 measures
- Operating subsidies to the Public Transport Authority
- Economic forecasts (inflation; interest rates for the Consolidated Account borrowings; and impact of the building stimulus program)
- Treasurer's special purpose accounts (total funding; expectations for drawdowns; and cost of holding funds in accounts rather than repaying borrowings)
- Local Government rates equivalent scheme
- Government trading enterprises retained dividends
- Modelling on the cannabis industry
- *Unclaimed Money Act 1990*

- Asset investment program (value for money assessments; contribution from the Commonwealth; and expected increases in spending)
- Debt Reduction Account

23 June 2022: Department of Primary Industries and Regional Development

- Western Australian Research Collaboration
- Carbon farming and land restoration
- Biosecurity and regional biosecurity groups (impact of property valuation on funding; review of the *Biosecurity and Agriculture Management Act 2007*; restricted chemical product permits; infringement notices; and management of government-controlled lands)
- Kimberley Youth and Community Justice Response (separate facilities; and diversion from the criminal justice system)
- Katanning Research Station
- *Criminal Investigations (Covert Powers) Act 2012* (staffing; controlled operations undertaken by the serious offences unit; and criminal charges for controlled operations)
- Energy transition package
- Collie Futures Fund/Industry and Attraction Fund (spending commitments; jobs created; and measuring economic benefits)
- Total Solar Eclipse
- Regional digital connectivity (Digital Farm Grants Scheme; and percentage of regional Western Australia that does not have access to fixed internet or mobile coverage)
- Shark deterrent rebate scheme
- Reconnect WA
- Fisheries (herring stock recovery; compensation for fishers impacted by Ngari Capes Marine Park and more broadly; support to find alternate markets; and freshwater fishing tourism)
- Key performance indicator on the percentage of exotic terrestrial weed, pest and disease threats resolved appropriately
- North West Aboriginal Housing initiative (funded from multiple sources; and numbers expected to be housed)
- Southern Forests Irrigation Scheme (water availability; funding; and water security)
- Regional data (availability; and impact of lawlessness and rental affordability on regional resident populations)
- Initiatives to improve the liveability for residents in Port Hedland
- Regional Economic Development Grant Scheme
- Update to the financial management and human resource information systems
- Qualified audit opinions from the Auditor General
- Wild Dog Action Plan
- Veterinary practice regulations
- Wander Out Yonder
- Programs funded by Royalties for Region and the Consolidated Account

- Spending on regional social amenity development (difference between the 2021-22 Budget and estimated actual; and 2022-23)
- Residence of Chief Executive Officers for the nine Regional Development Commissions
- Myalup-Wellington Water for Growth Project (project update; and funding)

23 June 2022: Forest Products Commission

- Impact of climate change on native forests
- Expansion of the softwood plantation (impact on agricultural land; data on harvests and burnt; feasibility of planting 35 000 over 10 years within current funding envelop; and carbon credits)
- Estimates in the financial statements (sales of goods and services; supplies and services; and the impact of the 2024 Forest Management Plan)
- Difficulties experienced harvesting additional hectares as a response to declining yields
- Wesbeam and WESFI agreements
- Ecological thinning (softwood plantations; state forests; and definition)
- Thinning and harvesting for improved mining operations (volumes; and the 2024 Financial Management Plan)
- Carbon capture
- Impact of hardwood timber on financial performance
- Supply of firewood

23 June 2022: Department of Communities (Community Services; Child Protection; Prevention of Family and Domestic Violence; Housing; and Homelessness)

- Aboriginal short stay accommodation (update in projects; and delays in the Geraldton facility)
- Prevention of family and domestic violence
- Child protection and early intervention services
- Working with children check reforms
- Education and Care Regulatory Unit (staffing; activities; and breaches issued to childcare and day care centres)
- Homelessness (transitional and emergency accommodation; Entrypoint Perth; Local Government Homelessness Fund; Safe Perth City initiative; Boorloo Bidee Mia; and Housing First)
- Housing (spot purchasing; changes to Keystart eligibility criteria; modular build program; Social Housing Economic Recovery Package; Regional Renewal Fund; shared equity program; public housing waitlist; and North West Aboriginal Housing Fund)
- Report prepared by Indigenous Psychological Services (cost of report; implementation of recommendations; and legal proceedings)
- Children in Department's care (charged with or convicted of child sex offences; released to carer who may be homelessness; residential-based care arrangements; case workers; Aboriginal children;
- Projects ceasing in community services service
- Review of the *Carers Recognition Act 2004* (implementation of recommendations; and stakeholders)

- Development of the Child Wellbeing Strategy
- Parenting Community Funding grant and subsidy
- Perth Children’s Court—Therapeutic Pilot
- COVID-19 response
- Expansion of Target 120
- Grandcarer support grants
- Impact of the asset transfers from the Housing Authority to DevelopmentWA
- Children found on the street after hours for which no responsible adult or guardian can be found.
- Government Regional Officers’ Housing (assessment of the allocation process; and periods of vacancy)
- Investigations into departmental officers
- Esther Foundation
- Regional renewal program
- Capital spending on the land acquisition program and State owed vacant lands
- Supporting Communities forum
- Extension of service contracts
- Bullsbook centre
- State Commissioning Strategy
- Men’s Sheds and sector support
- Small Business Financial Counselling and Advisory Services
- Social Support Coordinator

[Source: Various transcripts]

Standing Committee on Estimates and Financial Operations

Date first appointed:

30 June 2005

Terms of Reference:

The following is an extract from Schedule 1 of the Legislative Council Standing Orders:

- 3. Estimates and Financial Operations Committee
 - 3.1 An Estimates and Financial Operations Committee is established.
 - 3.2 The Committee consists of 5 Members, 3 of whom shall be non-Government Members.
 - 3.3 The functions of the Committee are to -
 - (a) consider and report on -
 - (i) the estimates of expenditure laid before the Council each year;
 - (ii) any matter relating to the financial administration of the State; and
 - (iii) any Bill or other matter relating to the foregoing functions referred by the Council;
 - and
 - (b) consult regularly with the Auditor General.



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