



1996

**PUBLIC ACCOUNTS AND EXPENDITURE
REVIEW COMMITTEE**

REPORT OF ACTIVITIES

FEBRUARY 1, 1995 - OCTOBER 31, 1996

REPORT NO. 34

Presented by:

Mr M W Trenorden, MLA

Laid on the Table of the Legislative Assembly
on Thursday, 31 October 1996

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COMMITTEE'S FUNCTIONS AND POWERS

The Committee obtains its powers and functions from the Standing Orders of the Legislative Assembly. Standing Order 412(1) states that the functions of the Committee are:

to inquire into, consider and report to the Parliament on any proposal, matter or thing connected with the receipt and expenditure of public moneys, including moneys allocated under the Annual Appropriation Bills and the Loan Fund.

Moreover, the Committee is empowered to inquire into and report to the Assembly on any question which it deems necessary to investigate and consider whether the objectives of public expenditure are being achieved or may be achieved more economically.

MEMBERS OF THE COMMITTEE

| | |
|------------------------|------------------------|
| Chairman | Mr M.W. Trenorden, MLA |
| Deputy Chairman | Mr L. Graham, MLA |
| Members | Mr B.R. Blaikie, MLA |
| | Mr M.F. Board, MLA |
| | Mr C.M. Brown, MLA |

COMMITTEE STAFF

| | |
|---|--------------------|
| Acting Secretary /Research Officer | Mr Andrew Young |
| Research Officer | Ms Amanda Millsom |
| Secretary/Stenographer | Mrs Patricia Roach |

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CHAIRMAN'S PREFACE

Mr Speaker

I have the honour to present the Public Accounts and Expenditure Review Committee's (PAERC) Report No. 34 entitled, *Report of Activities February 1, 1995 - October 31, 1996*.

In tabling this Report, I would like to acknowledge the substantial contribution made by the Committee's Research Officers, Andrew Young and Amanda Millsom in the drafting of this Report and of their professionalism and dedication during the reporting period.

The Committee's achievements during the period included the tabling of three reports. The Committee's Report No.31, *Western Australian Government Financial Assistance to Industry* was the most lengthy and complex inquiry ever undertaken by the Committee, taking the best part of 18 months and included investigative travel to Ireland and the United States of America. The Committee also conducted a large number of local hearings, briefings and meetings and received several written submissions. To reiterate previous comments made in my Chairman's Preface for Report No.31, I believe that the Report resulted in the most comprehensive investigation of financial assistance to industry ever undertaken within any state jurisdiction and will have long standing benefit to the Parliament.

Report No. 32, *Statement of Understanding between the Auditor General and the PAERC*, aimed to enhance the accountability mechanisms of the Parliament by improving communication and coordination between the Auditor General and the Committee. Importantly, the Statement recognised that it was critical for both parties to remain independent whilst still supporting each other.

Report No. 33, *Minimum Independence Requirements for the Auditor General*, was based on a response by the Committee to a submission by the Australasian Council of Auditors General to the Australasian Council of Public Accounts Committees. The issue of the independence of the Auditor General is one that has received enormous attention over the past 4-5 years and was canvassed by the Committee in its Report No. 23 tabled in 1992. I believe the Report is an important step in furthering debate on the independence of the Auditor General especially in an era of increasing emphasis on public accountability.

In addition, the Committee undertook a number of other activities which included attendance at: three interstate conferences and one interstate seminar; and two seminars and one briefing, canvassing issues raised in Report No. 31. The Committee also considered a number of other issues which were not developed as inquiries.

The Committee's achievements and activities could not have been possible without the commitment of Members and I thank them for their contribution.

Further, I would like to extend the Committee's gratitude and appreciation to Michael Baker (Senior Research Officer and Secretary from November 1988- March 1996) for his valuable contribution to the Committee.

MAX TRENORDEN, MLA
CHAIRMAN

CHAPTER ONE

INTRODUCTION

1.1. Establishment of the Committee

On 29 July 1986, the Governor approved the amended Standing Orders of the Legislative Assembly adopted by the Assembly on 24 July 1986 (see Appendix 5). The Orders replaced the former Public Accounts Committee with the Public Accounts and Expenditure Review Committee and provided the latter with more powers of inquiry and recourse. The inaugural Committee was appointed on 30 July 1986.

The original Public Accounts Committee was appointed in 1971. While it produced some 27 Reports which were substantially smaller and less detailed than those currently being produced. This was largely due to the limited resources of the Committee. Until the early 1980's, the Committee had no research resources at all, and it was only in the late 1980's that the full-time research staff was expanded to two officers. This was substantially increased to three full-time research staff in 1992.

On the establishment of the 34th Parliament in June 1993, the Committee was constituted with the following membership -

Mr M.W. Trenorden, MLA (Chairman)
Mr F. Riebling, MLA (Deputy Chairman)
Hon P.G. Pandal, MLA
Mr M.F. Board, MLA
Mr W. Thomas, MLA

The **present** Committee members are -

Mr M.W. Trenorden, MLA (Chairman)
Mr L. Graham, MLA, (Deputy Chairman)
Mr B.R. Blaikie, MLA
Mr M.F. Board, MLA
Mr C.M. Brown, MLA

During the reporting period, Mr Brown resigned as Deputy Chairman and was replaced by Mr Larry Graham in late 1995.

1.2. PROFILE OF MEMBERS

Maxwell W Trenorden (Max), MLA, National Party (Chairman) Member for Avon

Born 1 August 1948, in Wyalkatchem, educated at Wyalkatchem Primary School and Scotch College, Perth.

Prior to entering political office Max was involved in the insurance industry for 18 years. He was a member of AMP's Representative Association for many years and Vice President for a term. He was also an agricultural producer for 6 years.

Max was elected as the Member for Avon in 1986. Most recently he was a Member of the Joint Standing Committee on The Commission on Government and the Select Committee on Procedure. He was also Chairman of the Avon Citylink Ministerial Committee from 1993-1994 and the Select Committee on Parole 1989-1991.

He has served on the Public Accounts and Expenditure Review Committee since 1989, currently as the Chairman.

Larry Graham, MLA, Australian Labor Party (Deputy Chairman) Member for Pilbara

Born December 1950, in Brisbane arriving in WA in 1956. Educated at Cyril Jackson High School.

Larry served in the Australian Army for six years before moving to Port Hedland in 1975. He worked as an electrical fitter with Mt Newman Mining and later became President of the Mining Unions Association. He was involved in the formulation of the WA Iron Ore Industry Consultative Council in 1984 and was delegate to the Council until 1988. He also represented the Council on overseas Trade Missions.

Larry was elected to his seat in 1989 and has served on several Parliamentary Committees namely as Deputy Chairman of the Select Committee on Land Conservation (1989-90) and Select Committee on Energy and the Processing of Resources (1989-90) and as a member of the Select Committee on Heritage Laws and was Chairman of the Select Committee on Wittenoom (1993-94). Most recently he was a Member of the Joint Standing Committee on The Commission on Government and the Select Committee on Procedure. Larry is currently the Shadow Minister for Regional Development; North West; and Works and Services.

He has served on the Public Accounts and Expenditure Review Committee since 1994 and is currently Deputy Chairman.

**Barry R. Blaikie, MLA, Liberal Party
Member for Vasse**

Born 1 April 1935, educated at Bunbury Senior High School.

Barry was first elected to State Parliament in 1971 as the Member for Vasse and has been re-elected seven times. He has served on numerous Committees and has been Shadow Minister for Forests, Fisheries and Wildlife; Lands, Surveys, South West Development and Forests; Environment, Lands and Aboriginal Affairs; Conservation, Wildlife, Forests and National Parks. He was also Opposition Whip (1989-1992). Most recently he chaired the Ministerial Task Force on Illegal Camping and Related Issues. He is also currently a Member of the Select Committee into Child Migration.

Barry has been a Member of the Public Accounts and Expenditure Review Committee since 1993.

**Mike F. Board, MLA, Liberal Party
Member for Jandakot**

Born 15 June 1952, in Paddington NSW, educated at Marcellin College, Randwick and R.A.N. College Jervis Bay.

Mike's employment history has been varied prior to being elected as the Member for Jandakot in 1993. He initially trained as an Officer in the Royal Australian Navy for three years. This was followed by a ten year association with the Department of Employment, Education and Training, primarily involved with the C.E.S. He was also involved in small business (self employed), in the manufacturing and wholesaling of fashion sportswear.

He has served on many different Committees since 1978, including a period as Deputy Mayor of the City of Melville. Most recently Mike chaired the Select Committee on Metropolitan Development and Groundwater Supplies which tabled its final report in December 1994. He was also a Member of the Select Committee on Heritage Laws.

He has been a member of the Public Accounts and Expenditure Review Committee since 1993.

**Clive M. Brown, MLA, Australian Labor Party
Member for Morley**

Born 31 December 1946, Surrey, United Kingdom. Arrived in Australia in 1956 and attended Scarborough Senior High School.

Clive originally began his working career as an apprentice in the optics industry. This was followed by an active career in the union movement and industrial relations, originally in 1970 as an official of the Federated Miscellaneous Worker's Union in South Australia. This was followed by a period with the WA Prison Officers Union and the WA branch of the Federated Miscellaneous Worker's Union. He was appointed as Honorary President of the Trades and Labor Council in 1982 and later served as Secretary to the Council in 1987.

He was elected to the seat of Morley in February 1993. Clive is currently the Shadow Minister for Community Development; Youth; and Public Sector Management.

He has served on the Public Accounts and Expenditure Review Committee since August 1993.

1.3. Staff and Support Services

The Committee is currently staffed by two full-term research staff -

| | |
|--------------------------|--|
| Mr Andrew Young | Acting Secretary and Research Officer |
| Ms Amanda Millsom | Research Officer |

Former Senior Research Officer and Secretary, Mr Michael Baker worked for the Committee from 2 November 1988 - 2 March 1996 before being appointed as Principal Performance Analyst, Office of the Auditor General. The Committee is extremely grateful for Michael's contribution, dedication and professionalism.

Mrs Pat Roach and Mrs Gerda Slany provided secretarial support to the Committee.

Parliamentary reporting staff recorded the transcripts when evidence was taken by the Committee.

CHAPTER TWO

COMMITTEE OPERATIONS

2.1 Inquiry Management

The Committee does not have a formal criterion for the selection of issues for review, although Legislative Assembly Standing Order 412 (2) provides the Committee with wide ranging powers of investigation. The Committee is empowered to examine any aspect of the State's financial records and expenditure and to report to the Assembly on any question which it deems necessary (in relation to the State's finances).

Reviews have previously been based on comments made by the Auditor General, matters referred by the House and Ministers of the Crown and other matters that have come to the attention of members of the Committee.

If the decision is to undertake an inquiry, the Committee's first task is to identify a set of overall objectives, to establish and formally adopt Terms of Reference and to outline the steps to be taken. The Committee is not constrained by this action and a revision can be made at any stage of the inquiry in order to incorporate changed circumstances and more recent information. If the Committee is undertaking more than one inquiry, sectional or sub-Committees of two or more members can be formed.

On commencement of an inquiry, the Committee may wish to move that all press enquiries be directed to the Chairman and that the Chairman act as the sole spokesperson.

2.2 Submissions

Once Terms of Reference have been adopted, the inquiry is usually then advertised in newspapers and other relevant publications, to enable interested parties to make submissions. The advertisement will include the Terms of Reference, a reporting date and submission deadline, along with any other relevant information.

In addition, the Committee will provide a Submission Guide to help people provide their submissions in the most useful format.

Submissions are usually not tabled, although there have been occasions when the Committee considered that certain submissions should be tabled to give context to particular elements of the Report.

2.3 Witness Management

Evidence is taken from people whom the Committee feels will best be able to clarify issues or contribute to the inquiry.

Hearings are deemed open to the press and the public at the discretion of the Chairman, providing that there is no objection from any member. However, evidence given in the hearing may not be divulged by anyone nor reported by the press unless so resolved by the Committee or the House.

The current Committee considers that the concept of closed hearings is contrary to Parliamentary principles and has resolved that, unless there are exceptional circumstances, all hearings should be open.

It has also become routine for the Committee to enable the media to report its proceedings.

With respect to evidence given, witnesses are at all times provided the protection of the House.

Transcripts of hearings are taken by *Hansard* and these transcripts are tabled with the Final Report, unless the evidence was taken *in camera*.

In Camera Evidence

In camera evidence is taken to provide a productive examination of a witness and/or to protect a witness. The information taken *in camera* may be useful in clarifying an issue, but, it can neither appear in the report nor may it be sourced and any record of the *in camera* evidence is distributed only to members. There may or may not be a Hansard record of evidence.

A resolution of the House has ordered that *in camera* evidence be kept confidential in the custody of the Clerk of the House for thirty years. There is, however, no way of guaranteeing that a further resolution of the House may not alter that ruling and that such a resolution may reduce or remove the time limitations.

2.4 The Report

The evidence presented is then evaluated and the task of drafting a report is commenced.

The report is adopted by the Committee and tabled in Parliament by the Chairman.

Copies are sent to all responsible Ministers who may have a stake in the report's findings; all witnesses and submitters; and the Leaders of the political parties.

Formal Dissent

A protest or dissent may be added to the report. Minority reports are used to express serious dissent and are usually added to the end of the main report. Members can express minor dissent within the final report in the following forms: by reservations to findings; disagreements over points of detail; alternative recommendations; or by a memoranda or footnote. This allows the reader to easily identify diverging points of view of members.

2.5 Follow-Up of Reports

Much of the Committee's effectiveness is derived from the Standing Order 414(5) which states that the respective Ministers must report to the House within three months as to the action (if any) proposed by the Government in response to Committee recommendations.

Ministers have not always been prompt in following up on their obligation in this regard and the Committee developed a follow-up procedure so as to ensure that Ministers respond to the recommendations within the designated time frame.

Under this procedure, a letter is sent to the relevant Minister immediately after the Tabling of a Report drawing attention to the various recommendations, advising the Minister of his/her responsibilities under Standing Order 414(5) and of the final date for reporting to the House on the findings of the Report.

The Committee then sends each appropriate Minister a questionnaire after the three month deadline and obtains details about intended action on the recommendations. This will form the basis of the Part Two report, to be tabled approximately twelve months after the original report.

The Committee has found this procedure too time and resource intensive to be effective.

It is intended, instead, to incorporate the formal response of the relevant Ministers to Committee recommendations in future Annual Reports. It is hoped this will provide at least an indication of the Government's response to the Committee's work. In addition, selected reports will be followed up in more detail periodically.

CHAPTER THREE

COMMITTEE ACTIVITIES

3.1 WESTERN AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE TO INDUSTRY INQUIRY, REPORT NO. 31.

3.1.1 Public Hearings

Under Standing Order 415(2) the Committee has the power to send for persons or papers in the course of its investigations. During the period of this Report of Activities the Committee conducted several hearings which have been listed below.

As reported in Chapter 2.3., under the Committee's Standing Orders hearings are deemed open and reportable unless a member objects and the proceedings are only reportable when the Committee resolves to do so.

| | <u>Open/Reportable</u> | <u>Open/Not Reportable</u> | <u>Closed</u> | TOTAL |
|---------------------------|------------------------|----------------------------|---------------|--------------|
| No. of Hearings | 27 | | | 27 |
| No. of Witnesses | 36 | | | 36 |
| Informal Briefings | | | | |

WITNESSES APPEARING BEFORE THE COMMITTEE

| DATE | WITNESS | ORGANISATION |
|---------------|----------------------|---|
| 29 March 1995 | Mr Dudley Kingsnorth | Project Manager, Mt Weld Rare Earth Project |
| 12 April 1995 | Mr Des Pearson | Auditor General |
| 12 April 1995 | Dr Gordon Robertson | Assistant Auditor General, Office of the Auditor General |
| 24 April 1995 | Dr Des Kelly | Chief Executive Officer, Department of Resources Development |
| 24 April 1995 | Mr Allan Teede | Principal Policy Officer, Department of Minerals and Energy |
| 10 May 1995 | Mr Neil Brown | Acting Assistant Under Treasurer, Treasury |
| 10 May 1995 | Mr Graham Rolfe | Director, General Finance, Treasury |
| 10 May 1995 | Mr Bruce Sutherland | Chief Executive Officer Department of Commerce and Trade |
| 10 May 1995 | Mr Ross Weaver | Manager, Department of Commerce and Trade |
| 10 May 1995 | Mr Peter Herlithy | Manager, Administration and Finance, Department of Commerce and Trade |
| 17 May 1995 | Mr Michael Nahan | Director, States Policy Unit, Institute of Public Affairs |
| 18 May 1995 | Mr Frank Harman | Academic, Murdoch University |
| 25 May 1995 | Mr James Gill | Managing Director, Water Authority of Western Australia |
| 25 May 1995 | Mr Lloyd Werner | Manager- Financial Planning, Water Authority of Western Australia |
| 25 May 1995 | Mr Phillip Harvey | Manager - Alinta Gas |
| 7 June 1995 | Mr David Morrison | Acting Executive Director, Department of Agriculture |
| 7 June 1995 | Mr Ross Donald | Board Chairman, Rural Adjustment and Finance Corporation |

| DATE | WITNESS | ORGANISATION |
|--|---|---|
| 7 June 1995 | Mr John Nicholls | Acting Chief Executive Officer, Rural Adjustment and Finance Corporation |
| 14 June 1995 | Mr David Eizele | Managing Director, Western Power Corporation |
| 14 June 1995 | Mr Nenad Ninkov | General Manager, Corporate Strategy, Western Power Corporation |
| 15 June 1995 | Mr Ken Michael | Commissioner of Main Roads |
| 15 June 1995 | Mr Des Warner | Director, Corporate Services, Main Roads |
| 21 June 1995 | Sir Donald Eckersley | Chairman, South West Development Commission |
| 21 June 1995 | Mr Chris Fitzhardinge | Director, South West Development Commission |
| 22 June 1995 | Ms Nicola Cusworth | Chief Economist, Chamber of Commerce and Industry |
| 28 June 1995 | Mr Allan Skinner | Chief Executive Officer, Department of Land Administration |
| 28 June 1995 | Mr Christopher Williams | Director, Land Operations Division, Department of Land Administration |
| 9 August 1995 <i>Second Hearing Department of Commerce and Trade</i> | Mr Bruce Sutherland Mr Ross Weaver Mr Peter Herlihy | Chief Executive Officer Manager, Investment Attraction Manager, Finance and Administration |
| 23 August 1995 | Dr Syd Shea | Executive Director, Department of Conservation and Land Management |
| 23 August 1995 | Mr Keiran McNamara | Director of Nature Conservation, Department of Conservation and Land Management |
| 23 August 1995 | Mr Ross Drabble | Acting Commissioner of Railways |
| 30 August 1995 | Mr Ross Holt | Chief Executive Officer LandCorp |
| 21 September 1995 <i>Second Hearing Department of Resources Development</i> | Dr Des Kelly | Chief Executive Officer |

| DATE | WITNESS | ORGANISATION |
|------------------|---------------------|--|
| 15 November 1995 | Mr Geoff Hawke | Director of Industry Analysis and Advice, Department of Training |
| 29 November 1995 | Mr Graeme Stephens | Director, Pilbara Development Commission |
| 29 November 1995 | Ms Jennifer Moore | Senior Project Officer, Pilbara Development Commission |
| 30 November 1995 | Mr George Etrelezis | Managing Director, Small Business Development Corporation |
| 5 December 1995 | Dr Bryan Jenkins | Chief Executive Officer, Department of Environmental Protection |

3.1.2 Investigative Tour Briefings

The utilisation of informal briefings in the inquiry process is an effective tool of the Committee as it provides an alternative means of seeking information without the rigid structure of a hearings format. Briefings are also a required substitute for hearing evidence when the Committee is outside its jurisdiction of Western Australia.

The Committee travelled to Ireland, and the United States to examine the issue of financial assistance to industry in those jurisdictions in October, 1995. A rigorous schedule of briefings with key public and private sector players was undertaken by the Committee (see below). The Committee is most grateful to all those who assisted the Committee on this informative tour.

BRIEFINGS OUTSIDE WESTERN AUSTRALIA

INVESTIGATIVE TOUR BRIEFINGS

REPUBLIC OF IRELAND

| Briefing | Date |
|---|----------------|
| Mr Paddy Quane, Senior Consultant, Shannon Development | 3 October 1995 |
| Mr John Quinlivan, Regional Manager - Clare, Shannon Development | 3 October 1995 |
| Ms Patricia Byrne, Chief Executive, National Technological Park, Plassey, Limerick City | 3 October 1995 |
| Mr John Dillon, Investment Manager, Shannon Development | 3 October 1995 |
| Ms Eileen Quin, Public Relations Executive, Shannon Development | 3 October 1995 |

UNITED STATES OF AMERICA

Washington DC

| Briefing | Date |
|---|----------------|
| Mr Michael Cain, Program Officer, Office of International Visitors, United States Information Agency(USIA) | 5 October 1995 |
| Mr William Brown, Program Officer and Ms Stacey Richardson, Program Assistant, International Programs, USDA Graduate School | 5 October 1995 |
| Mr Denis Lieberman, Communications Team Director, National School-to-work Office, Department of Education | 5 October 1995 |
| Dr Alan Ginsburg, Director, Planning and Evaluation Service, Department of Education | 5 October 1995 |
| Mr Abe Frank, Director, Council of State Governments | 5 October 1995 |
| Mr Phillip Dearborn, Director of Government Finance Research Advisory Commission on Intergovernmental Relations | 5 October 1995 |
| Ms Chandra Western, Program Associate, Council of State Community Development Agencies | 5 October 1995 |

Montgomery, Alabama

| Briefing | Date |
|---|----------------|
| Mr Gary Faulkner, International Development Representative Alabama Development Office, Alabama Centre for Commerce | 5 October 1995 |
| Mr Ed Castile, Director, Alabama Industrial Training Institute | 5 October 1995 |
| Mr Ed Martin, Communications, Alabama Department of Economic and Community Affairs | 5 October 1995 |

Tuscaloosa and Birmingham, Alabama

| Briefing | Date |
|--|----------------|
| Mr Phillip Anderson, President, PW Anderson and Partners | 6 October 1995 |

Chicago, Illinois

| Briefing | Date |
|---|-----------------|
| Mr Robert Bruce, Foreign Direct Investment Manager, Illinois, Department of Commerce and Community Affairs | 10 October 1995 |
| Mr Bob Skurla, Executive Director, Chicago Southland Development, Inc | 11 October 1995 |

Denver, Colorado

| Briefing | Date |
|--|-----------------|
| Mr John Dill, Executive Director, Office of Business Development | 12 October 1995 |
| Mr Evan Metcalf, Mr Kim Schmidt and Mr Jimmy Van Nelson, Senior Officers, Office of Business Development | 12 October 1995 |
| Mr Russ Berry, Deputy Director and Mr Don Fortivo, Senior Officer, Small Business Administration | 12 October 1995 |
| Ms Colleen Schwartz, Director of Commercial Programs and Mr Dave Herlinger, Executive Director, Colorado Housing and Finance Authority | 12 October 1995 |

Sacramento, California

| Briefing | Date |
|---|-----------------|
| Mr Wayne Schell, President, California Association for Local Economic Development | 13 October 1995 |
| Mr Bill Carlsson, Director, California Redevelopment Commission | 13 October 1995 |
| Mr Glenn Stober, Office of Business Development | 13 October 1995 |
| Mr Jeffrey Lin, California Association for Local Economic Development | 13 October 1995 |
| Ms Jennifer Stanley and Ms Shamini Atha, Foreign Investment Specialists, California Trade and Commerce Agency | 13 October 1995 |

3.1.3 Other Briefings

The Committee and / or staff attended a number of informal meetings, conferences and events related to the Inquiry topic. These were all very useful to the Committee's considerations. Particular credit is warranted for the Wheatbelt Development Commission, the Meenar Advisory Board and Mr Dudley Kingsnorth for their staging of the *Regional Development in Western Australia Seminar*, in September, 1995.

The seminar brought together the vast number of agencies involved in financial assistance to industry and development of regions and infrastructure in Western Australia. Many of the impediments to regional development and infrastructure were highlighted at the seminar and agreement in principle was reached by all participants on the need for better coordination between agencies.

SUMMARY OF BRIEFINGS AND CONFERENCES AND OTHER RELATED EVENTS ATTENDED BY THE COMMITTEE IN WESTERN AUSTRALIA

| DATE | BRIEFING / CONFERENCE | IN ATTENDANCE |
|--------------------|---|--|
| 14 September 1995 | <i>Regional Development in Western Australia Seminar.</i> Presentations and contributions were made by officers of Regional Development Commissions and Government agencies <u>Venue:</u> Muresk Agricultural College, Northam. | Mr Max Trenorden, MLA, Mr Michael Baker Ms Amanda Millsom Mr Andrew Young |
| 15 September 1995 | Presentation and briefing on the Project Financial Benefits Model (BENE) from Mr Des Kelly, Chief Executive Officer, Department of Resources Development and other Officers. <u>Venue:</u> Department of Resources Development, Perth. | Mr Larry Graham, MLA Mr Michael Baker Mr Andrew Young |
| 9-10 November 1995 | <i>Directions for Industry Seminar</i> Speakers included Government Agencies and Industry representatives. <u>Venue:</u> Hyatt Hotel, Perth | Mr Michael Baker Ms Amanda Millsom Mr Andrew Young |
| 22 November 1995 | Briefing and presentation on infrastructure planning, funding and priorities from Dr Ken Michael, Commissioner of Main Roads, Mr G Hackett, Mr B Clarke and Mr P Waugh. <u>Venue:</u> Department of Main Roads, East Perth. | Mr Max Trenorden, MLA Mr Larry Graham, MLA Mr Mike Board, MLA Mr Barry Blaikie, MLA Mr Michael Baker Ms Amanda Millsom Mr Andrew Young |
| 20 February 1996 | Industry Commission Public Hearing. <i>Witnesses:</i> Mr Bruce Sutherland, Chief Executive Officer, Mr Ross Weaver, Manager Investment Attraction, Department of Commerce and Trade. <u>Venue:</u> Novotel Langley Hotel, Perth | Ms Amanda Millsom Mr Andrew Young |

3.2 STATEMENT OF UNDERSTANDING BETWEEN THE AUDITOR GENERAL AND THE PUBLIC ACCOUNTS AND EXPENDITURE REVIEW COMMITTEE, REPORT NO.32

The Committee met with the Auditor General, Mr Des Pearson, Deputy Auditors-General, Mssrs Mike Blake and Dr Gordon Robertson and Assistant Auditor General, Mr Andy Yukich on the 13 June, 1996.

The Auditor General's First General Report for 1996 was the main agenda item, however the relationship of the Auditor General and Committee was also discussed. The concept of a Statement of Understanding between the Auditor General and the Committee was developed at this meeting.

A number of informal meetings then took place between Assistant Auditor General, Mr Andy Yukich and Committee staff to develop appropriate wording for the Statement.

In October, 1996 the Chairman and staff member, Andrew Young, met with the Auditor General and Assistant Auditor General at the Office of the Auditor General to finalise the Statement.

The Committee considered the issue at five deliberative meetings between August and October, 1996 (see Appendix Two).

3.3 MINIMUM INDEPENDENCE REQUIREMENTS FOR THE AUDITOR GENERAL, REPORT, NO. 33

At the June 13 meeting of the Committee and the Auditor General (see above) the issue of the Independence of the Auditor General was discussed. The Committee was also developing a submission to the Australian Council of Public Accounts Committees on the Minimum Requirements for the Auditor General during 1996.

The Report was further developed in informal briefings between Staff member, Amanda Millsom and Assistant Auditor General, Andy Yukich.

The Committee considered the issue at four deliberative meetings in September and October, 1996 (see Appendix Two).

3.4 PAPERS FOR THE BIENNIAL CONFERENCE OF THE AUSTRALASIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES (ACPAC), FEBRUARY 1997

Following the ACPAC mid term meeting (see below), all Committees were asked to prepare preliminary papers for the forthcoming Biennial Conference to be held in February 1997. To date, the Committee has sent two papers, responding to the following issues:

- Accountability Principles as they operate in Western Australia
- Australasian Council of Auditors General paper on, *Minimum Independence Requirements for the Auditor General*.

At the time of writing, the Committee was preparing a response related to the issue of a *Public Accounts Committee Information Kit*. The Committee was also in the process of sending a copy of its recent report on Western Australian Government Financial Assistance to Industry, which included reference to “bidding wars” and “accountability of grants”, two issues scheduled to be discussed at the next Biennial Conference.

3.5 MEETINGS AND CONFERENCES ATTENDED BY COMMITTEE MEMBERS

3.5.1 Australasian Council of Public Accounts Committees (ACPAC) Mid Term Meeting

On 15 February 1996, the Committee attended the Mid-Term Meeting of the Council in Sydney, hosted by the New South Wales Public Accounts Committee. The Western Australian delegation was represented by the Chairman, Max Trenorden, MLA, Barry Blaikie, MLA (observer) and Research Officer, Amanda Millsom.

The meeting included discussion on a variety of issues:

- Accountability of Grants
- Independence of the Auditor General (a submission by the Australasian Council of Auditors General to ACPAC)
- Bidding Wars among States
- Government Action on PAC Recommendations
- PAC Information Kit
- Parliamentary Privilege
- Structure of Biennial Conference and Content of Conference

Major decisions and action resulting from the Meeting included the following¹:

(a) Accountability of Grants

Agreed to continued cooperation on the matter. Committees to provide material as each sees fit.

(b) Independence of Auditor General

Goal of ACPAC is to agree on joint position (on the Minimum Independence Requirements for the Auditor General) at the 1997 Biennial Conference. NSW PAC to prepare a draft paper for further discussion.

(c) Government Accountability

Each committee to prepare a paper on accountability principles as they operate in each jurisdiction.

(d) Bidding Wars

Each committee to respond as they see fit.

(e) PAC Information Kit

NSW PAC to draft reference or best practice manual for circulation.

(f) Parliamentary Privilege

Each Committee to write to the respective Premier or Attorney General on privilege issue.

The Committee received advice from the Clerk of the Legislative Assembly on 20 February 1995 on the issue of privilege and its jurisdictional limits. However, the ACPAC decided to postpone discussion on the issue until the Biennial Conference.

3.5.2 NSW Public Accounts Committee Seminar on *Asset Valuation in the Public Sector: Issues in Controversy*.

¹ Source: New South Wales Public Accounts Committee

The Committee attended the seminar on the 16 February 1996 immediately following the mid-term meeting. The seminar was held as part of the NSW PAC's inquiry into the Implementation of Accrual Accounting the Public Sector. The seminar attracted a wide range of speakers and attendees from a number of States. Some of the key issues to emerge from the seminar included:

- The wide range of assets controlled by public sector agencies has resulted in new problems;
- Effects of buildings with historical or cultural significance;
- Lack of a specific accounting standard for private public sector joint infrastructure projects; and
- The controversial issue of the valuation of roads and land under roads and within road corridors.²

The Committee has assumed an on-going role in monitoring the implementation of accrual accounting by Western Australian Government departments and benefitted from attending the seminar.

3.5.3 National Conference of Public Works Committees

The Committee was invited to attend the National Conference of Public Works Committees by the South Australian Public Works Committee. The Committee resolved at its meeting on the 1 November 1995, to request approval by the Speaker, that one Member, Mr Blaikie and one staff member represent the Committee.

As a result, Mr Blaikie represented the Committee at the National Conference held in Adelaide between the 6 & 7 November. The object of the Conference was to exchange information between Members and staff around the country about how the respective Committees function and how to make improvements.

Topic for discussion included: private and public development; conservation issues; and planning for Public Works.

3.5.4 Meeting with the Auditor General

The Committee resolved on the 21 May 1996 to arrange a meeting with the Auditor General to discuss matters arising from the Auditor General's First General Report 1996 and other issues.

On the 13 June 1996, the Auditor General Mr Des Pearson, his Deputy Auditors General, Mr Mike Blake and Dr Gordon Robertson and Assistant Auditor General, Mr Andy Yukich appeared before the Committee and discussed the following matters:

- Matters arising from the Auditor General's First General Report for 1996;
- Concerns about the duplication and overlapping of the roles of the Auditor General and the Committee (this was the catalyst for developments with respect to the Statement of Understanding);
- Minimum Independence Requirements for the Auditor General; and
- Conduct of Public Seminars.

² NSW Public Accounts Committee, Proceedings of the Seminar on Asset Valuation in the Public Sector: Issues in Controversy, Report No 6/51, April 1996.

3.5.5 NSW Public Accounts Committee Conference, *Public/Private Sector Infrastructure Financing: Still Feasible?*

On the 31 July 1996, Chairman, Max Trenorden, MLA attended the New South Wales Conference on *Public/Private Sector Infrastructure Financing: Still Feasible?*

The Conference canvassed a variety of issues including:

- public/private cooperation: advantages and pitfalls;
- infrastructure bonds;
- role of the private finance panel in Britain; and
- new developments in public/private infrastructure financing.

3.6 OTHER ISSUES

3.6.1 Inquiries

A number of other issues were considered by the Committee, but not developed as inquiries.

Sir Charles Gardiner Hospital

The Committee made initial inquiries into a qualified audit opinion of the Auditor General in the first General Report for 1994, concerning Sir Charles Gardiner Hospital's payments in advance for goods and services.

Payments in advance are contrary to Treasurer's Instructions. After following up the matter by correspondence with the Hospital, the Committee resolved in February, 1995 not to pursue the matter further.

Competitive Contracting and Tendering

On 12 April, 1995, the Committee resolved that the Staff would develop a draft methodology for a Tendering inquiry. On 15 June the Committee resolved that the matter be held over. At this time the Committee was conducting hearings into Financial Assistance to Industry.

On 1 November, 1995 a motion for staff to prepare draft terms of reference for a Telecommuting inquiry and a Tendering inquiry for the next meeting of the Committee was carried. Mr Brown and Mr Graham voted against the motion. Mr Brown wished to place on record his very strong objection to undertaking an inquiry into telecommuting before one on tendering.

On 30 November 1995 a motion to undertake an inquiry into tendering by government agencies was defeated by a majority of 3-2. Mr Brown and Mr Graham voted for the motion.

Telecommuting in the Western Australian Public Sector

The Committee considered background research and draft terms of reference for an inquiry into Telecommuting in the public sector. The Committee considers that the impact of information technology on public administration and public sector work is very important in terms of the effectiveness, efficiency and security of public monies.

It was resolved that an inquiry into telecommuting could not be undertaken by the Committee whilst the Financial Assistance to Industry inquiry was still in progress and likely to dominate the Committee's time and resources.

Patients Assisted Travel Scheme (PATs)

The Committee was made aware of allegations of 'rorting' of the PATs, made by the then Minister of Health in November, 1995. The issue was discussed on several occasions in early 1996, following the resumption of Parliament, and in May, 1996 it was resolved that the Auditor General be contacted to ascertain if he had carried out a thorough and in-depth inquiry into the allegations.

The Auditor General replied that -

While this office has now carried out any in-depth review into the allegations made by the former Minister for Health concerning rorts within the PAT Scheme, limited enquiries into these allegations have now been made. These enquiries have not disclosed any documentary evidence to support these allegations, nor any Health Service General Managers that have knowledge of any alleged rorts within the PAT Scheme.³

3.6.2 Committee System

During the reporting period the Committee monitored the activities and reports of both the Commission on Government and the Select Committee on Procedure.

The Committee staff and Members monitored the findings and recommendations of both the Commission on Government and the Legislative Assembly Select Committee on Procedure, where these related to the role of the PAERC and the Committee system. No formal position on these Reports has been adopted by the Committee.

The Commission on Government has recommended a major overhaul and strengthening of the Committee system in both the Legislative Assembly and Council. Part of this overhaul includes the abolition of the PAERC in the Assembly and its establishment in the Council.

In its Final Report to the Legislative Assembly in June, 1996, the Select Committee on Procedure recommended the retention of the PAERC in the Assembly. This was part of a series of recommendations supporting the establishment of a coordinated system of standing committees.

Whilst the Committee has not taken a formal position on these issues, aspects of the role of the PAERC have been addressed by the Committee in recent Reports. These include:

- an identified role in the oversight of financial assistance to industry, as recommended in the Committee's Report 31, *Western Australian Government Financial Assistance to Industry*;
- the importance of coordination between the PAERC and the Auditor General, in their independent roles to enhance accountability mechanisms of the Parliament, recognised in the Committee's Report 32 on *Statement of Understanding Between the Auditor General and the Public Accounts and Expenditure Review Committee*; and
- an increased role for Parliament, and in some cases the PAERC, in supporting the independence of the Auditor General, in areas such as the selection of the Auditor General, the resourcing of the Office, the appointment of an independent auditor and the conduct of periodic external reviews of the Office. The Committee considered these issues in its Report 33, *Report on Minimum Independence Requirements for the Auditor General*.

³ Footnote - Letter, 21/5/96

CHAPTER FOUR

COMMITTEE'S ACHIEVEMENTS

4.1 REPORTS TABLED

4.1.1 Report No. 31, *Western Australian Government Financial Assistance to Industry*

The genesis of this inquiry was a letter from the now Leader of the Opposition, Dr Geoff Gallop, on 16 December, 1993. In this correspondence, Dr Gallop raised concerns about the transparency of Government decisions in relation to assistance packages to industry.

The tabling of the Report on October 17, 1996 was the culmination of the most lengthy and complex inquiry ever undertaken by the Public Accounts and Expenditure Review Committee. When the Committee commenced its hearings in March, 1995 it became clear that government financial assistance to industry was a large, sometimes contentious and often misunderstood issue.

The Committee therefore took the best part of 18 months to not only identify the level of accountability and effectiveness of this financial assistance, but to also define and put in context financial assistance as a tool used by government.

Through a large number of hearings, submissions, briefings and meetings with those involved in government financial assistance to industry in Ireland and the United States of America, the Committee was able to identify:

- the pressures that influence the degree to which a government does and should utilise financial assistance to attract and stimulate economic activity;
- the degree to which important concepts of financial assistance are understood by the public sector and the wider community;
- the clarity with which the objectives of financial assistance are formulated and stated;
- the level of accountability of financial assistance; and
- the efficiency and effectiveness with which financial assistance is administered by government agencies.

This resulted in the most comprehensive investigation of financial assistance to industry undertaken within any state jurisdiction and it is the Committee's belief that the Report will be of long standing benefit to the Parliament and those with an interest or stake in the issue.

4.1.2 Report No. 32, *Statement of Understanding Between the Auditor General and the Public Accounts and Expenditure Review Committee.*

The Statement is included in this Report as Appendix 3.

The Statement of Understanding between the Auditor General and the Public Accounts and Expenditure Review Committee (PAERC) was tabled on October 24, 1996. The Committee believes that it will enhance the accountability mechanisms of the Parliament by improving communication and coordination between the Auditor General and the Committee.

The Statement is a strong signal that both parties recognise the commonality that has developed between their objectives, to ensure that public moneys have been spent lawfully, effectively and efficiently.

It is also a signal from this Committee to future Public Accounts and Expenditure Review Committees, that they should recognise the benefits of maintaining a cooperative and supportive relationship with the Auditor General.

Importantly, the Statement recognises that it is critical for both parties to remain independent, whilst still supporting each other.

This objective can be met by following the four major components of the Statement:

- the PAERC's support for the true independence of the Auditor General;
- the sharing of information and referral of matters that will assist in both parties meeting their objectives;
- the PAERC follow up of Auditor General's Reports; and
- each party respecting the independent rights and obligations of the other.

The Committee believes that such a Statement is timely, given the growing complexity of Government and the recent debates about the roles of the Auditor General and Parliamentary Committees, highlighted in the Reports of the Commission on Government. In an era of expectations of increased accountability and where the flow of information is crucial to such oversight, the Statement will be of great value.

4.1.3 Report No. 33, *Report on Minimum Independence Requirements for the Auditor General*

This Report was a response to a submission by: the Australasian Council of Auditors General to the Australasian Council of Public Accounts Committees.

The tabling of the Report was timely, given the recent tabling of the Committee's Report No.32 on: *Statement of Understanding between the Auditor General and the Public Accounts and Expenditure Review Committee* (PAERC). The particular issue of the Independence of the Auditor General is one that has received enormous attention over the past 4-5 years. The Committee's Report No. 23 tabled in 1992, made several recommendations on improving the independence of the Auditor General highlighting broad principles for improving public auditing in Western Australia.

Now in 1996, the Committee has made further comment on the Independence of the Auditor General, in its response to *Minimum Independence Requirements for the Auditor General*- a submission by the Australasian Council of Auditors-General to the Australasian Council of Public Accounts Committees. Responses to the submission by the other Public Accounts Committees (including the PAERC) will be collated by the New South Wales Public Accounts Committee in readiness for discussion at the 1997 Biennial Conference of the Australasian Council of Public Accounts Committees. The Committee has made some minor adjustments to the initial response for reporting purposes, in particular the inclusion of comments on the Committee's Reports 31 & 32.

The Committee in its response recognises that there has been a change in attitude towards the role and function of the Auditor General and that it is imperative that the Parliament has an increased role in examining these suggested changes relating to the Auditor General and the Office of the Auditor General.

The general thrust of the Committee's response advocates increased personal and operational independence of the Auditor General and the Office of the Auditor General. It also endorses an

increased role for Parliament, and in some cases the PAERC in areas such as: the selection of the Auditor General; the resourcing of the Office; the appointment of an independent auditor; and the conduct of periodic external reviews of the Office.

The response by the Committee is an important step in furthering the debate on the independence of the Auditor General especially in an era of increasing emphasis on public accountability.

4.2. RESPONSE TO COMMITTEE REPORTS

4.2.1 Report No. 28, *Report on the Totalisator Agency Board (TAB)*

Summary of the Report

The TAB inquiry was initiated by the Committee itself and dominated the major part of 1994.

In February 1994 the Committee held its first public hearings. These hearings were followed in March and April by further public hearings, including evidence from representatives from the three racing codes' principal clubs or controlling bodies, the TAB, a representative of the Racecourse Development Trust and various parties who provided submissions to the inquiry.

In April the Committee undertook a ten day investigative tour in order to understand the changes that taken place in other jurisdictions. The Committee visited Queensland, Victoria and New Zealand. This represented the Committee's first ever investigative tour outside Australia.

The Committee also took into consideration in the course of its deliberations the emerging challenges that faced the TAB and whether the current structures in place would be able to meet these challenges. The impact of principal clubs on the TAB and concerns raised by the TAB agencies were also addressed in the body of the report.

The inquiry was not an inquiry into the racing industry as a whole and the Committee limited its findings to matter related to the raising and distribution of TAB funds, as per its terms of reference. However, subsequent events in WA in relation to both the TAB and the racing industry in general, suggest that the Committee's report has had an impact beyond the TAB.

Ministerial Response

In accordance with the Standing Order 414(5), the respective Ministers must report to the House within three months as to the action (if any) proposed by the Government in response to Committee recommendations.

Following the tabling of the Committee's Report No. 30, the Minister for Racing and Gaming, the Hon.G.M Evans, MLC tabled three responses in the Parliament on the:

- 27 September 1994, Legislative Assembly;
- 31 January 1995, Legislative Council; and
- 16 May 1995, Legislative Assembly.

The Hon Minister also informed the Chairman of proposed changes to the, *Totalisator Agency Board Betting Act 1960, Betting Control Act 1954* and Other Matters.

A summary of the responses has been provided as Appendix 4.

Of the Committee's eight recommendations, two were supported in principle:

- (1) Recommendation One, relating to the reconstitution of the TAB Board, resulted in legislative changes during 1995. This change resulted in the Board assuming a more commercially orientated focus.
- (2) Recommendation Seven relating to increased accountability to Parliament, however, did not result in legislative changes. Instead the Hon. Minister reached agreement with the three racing codes to present audited reports to Parliament on the distribution and use of Totalisator Agency Board (TAB) funds for metropolitan and country racing and trotting.

On the issue of distribution of TAB funds, the Committee did not make recommendations regarding this issue, however raised some significant arguments for improvements in the distribution mechanisms. The Committee noted that an amendment was made to fix the distribution of profit on horse racing at the 65:35 ratio between the thoroughbred and harness racing by way of the *Act Amendment (Racing and Betting Legislation) Act 1995, No. 63 of 1995*.

The Committee was pleased that significant legislative changes resulted from its report and that the recommendations in general were thoroughly examined and subsequently responded to by the responsible Minister.

4.3 WORK IN PROGRESS

4.3.1 Western Australian Government Corporate Card (WAGCC)

Results of a performance audit conducted in November 1993 by the Auditor General, confirmed that the use of the card was not widespread and that savings could be made if the card was utilised for low value transactions.

A follow up Report by the Auditor General in September 1995 (Report No 7) reported greater use of the card, but that further savings were possible from greater utilisation. The Report also found that there were diverse perceptions of the advantages and disadvantages of the card amongst Agencies.

In April, 1995 the Committee decided that it would undertake an inquiry into the use of the WAGCC, pending the completion of the financial assistance to industry inquiry. In January 1996, as part of the background research into the issue, a questionnaire was sent to all public sector agencies requesting details of card numbers, expenditure, and transaction levels. Of the 104 agencies who responded, 35 stated that they did not use the WAGCC. Some of the comments that accompanied responses suggested that there were very diverse opinions of the cards' efficiency, effectiveness and accountability. There were indications that the size of the organisation influenced the likely effectiveness of the card.

In 1996, the background research focus changed to include the concept of 'electronic purchasing' (also known as Electronic trading or commerce). Given the rapid development of this concept at the Commonwealth government administration level, it was considered that examination of newer purchasing systems, such as the WAGCC, had to include the most current systems and technologies.

In October 1996, a further questionnaire was sent to the 104 agencies who responded to the previous questionnaire. This most recent questionnaire forms part of a Committee field study on CEO opinions towards modern purchasing systems and their benefits, relative to the established system of LPOs and cheque payments.

CHAPTER FIVE

STAFF PROFESSIONAL DEVELOPMENT AND ACTIVITIES

For professional development purposes, staff are encouraged to attend training courses or seminars held by peak industry bodies and organisations. Staff are also required to attend, on occasions workshops and briefings on behalf of management.

The table below, outlines activities of the staff during the reporting period.

| Course/Activity | Duration | Attended by |
|--|----------------------------|---------------------------------|
| Secondment, New South Wales Public Accounts Committee | 1 day 16 February 1996 | Amanda Millsom |
| Excel Introduction, Perfect Training and Support | 1 day 17 July 1996 | Amanda Millsom and Andrew Young |
| Output Based Management (OBM) Workshop, Treasury | half day 14 August 1996 | Amanda Millsom and Andrew Young |
| Western Australian Technology and Industry Advisory Council, 2020 Breakfast Seminar. | Morning 27 August 1996 | Amanda Millsom |

Meetings with Graduate Intake from the Office of the Auditor General

During the reporting period, the Committee's staff on two occasions addressed the Office of the Auditor General's graduate intake on the Committee's powers, functions and operational aspects.

At the most recent meeting, held on 19 April 1996, the staff were assisted by Mr Vick Kristoff, Advisory Research Officer, Standing Committee on Estimates and Financial Operations, Legislative Council. Mr Kristoff has been on secondment to the Committee from the Office of the Auditor General.

Information Bulletin

A recent initiative by staff during the reporting period, has been the production of an Information Bulletin every two to three months. The inaugural bulletin, produced in-house provided summaries of a wide variety of information including: reports received by other Committees; summaries of information and correspondence received; and updates of information sourced from bulletins, other reports and journals.

Two information bulletins have been produced in the Committee's reporting period.

CHAPTER SIX

COST OF COMMITTEE OPERATIONS

The Public Accounts and Expenditure Review Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. The Committee has routinely provided a budget estimate to the Assembly and this has formed the basis of the Committee's operating budget. However, approval for major expenditures is still required on a case by case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure from February 1995 until October 1996 is detailed below¹ -

| | |
|--|------------------------------|
| Postal, Courier, Facsimile | 495.50 |
| Photocopying | 179.91 |
| Stationery | 2347.99 |
| Printing | 1548.00 |
| Conferences/Training Fees | 1985.00 |
| Reference Material | 449.06 |
| Refreshments, Catering | 818.70 |
| Travel - Members' Fares | 31035.60 |
| Travel - Members' Allowances | 30048.76 |
| Travel - Staff Fares | 8562.90 |
| Travel - Staff Allowances | 7710.00 |
| Travel - Incidental expenses | 9971.05 |
| Miscellaneous | 150.11 |
| <u>Total</u> to 28/10/96 | 95302.58 |
| Plus Prov. Staffing | 205436.26² |
| <u>Total Including Staffing</u> | 300738.84 |

1. Expenditure is calculated from 1 February 1995 - 28 October 1996
2. The staff of the Public Accounts and Expenditure Review Committee are parliamentary officers and are not considered to be costs to the Committee and therefore it is difficult to precisely quantify the Committee's staffing costs. Staff may work for other Committee's or undertake tasks not related to the work of the PAERC. However, to provide a breakdown of the Committee's costs without the staffing element would be misleading.

Therefore, the Committee has provided the staffing costs allocated to the Committee as a guide, with the provision that a small percentage of the costs may not be attributable to the Committee.

APPENDIX ONE

PUBLIC ACCOUNTS & EXPENDITURE REVIEW COMMITTEE REPORTS

| Date Tabled | Report No. | Title |
|-------------|------------|--|
| 15 Dec 1987 | 1 | Annual Report for the period from inception on 30 July 1986 to 30 June 1987. |
| 15 Dec 1987 | 2 | Report on Workers' Compensation Costs to Government |
| 25 May 1988 | 3 | Waste Watch Report |
| 21 Jun 1988 | 4 | Interim Report on the Competitive Neutrality of the State government Insurance Corporation |
| 25 Aug 1988 | 5 | Annual Report 1987/88 |
| 30 Aug 1988 | 6 | Report on the Auditor General's 1986-87 Reports |
| 1 Sep 1988 | 7 | Year-end Spending |
| 20 Oct 1988 | 8 | Interim Report on Government Motor Vehicles |
| 24 Nov 1988 | 9 | Report on the Competitive Neutrality of State Government Insurance Corporation |
| 10 Nov 1988 | 10 | Report on the Department of Sport and Recreation Camps |
| 15 Dec 1988 | 11 | Ambulance Services Follow Up Report |
| 15 Dec 1988 | 12 | Final Report to the Thirty-Second Parliament by the public Accounts & Expenditure Review Committee |
| 27 Sep 1989 | 13 | Annual Report 1988/89 |
| 7 Jun 1990 | 14 | Competitive Neutrality of the State Government Insurance Corporation 1989-90 Report |
| 11 Sep 1990 | 15 | Computing in Government |
| 18 Oct 1990 | 16 | State Government Insurance Corporation Inquiry |
| 25 Oct 1990 | 17 | Annual Report 1989/90 |

| Date Tabled | Report No. | Title |
|-----------------|------------|--|
| 27 Mar 1991 | 18 | Funding and Reporting of the State's Superannuation Liability |
| 12 Sep 1991 | 19 | Follow-up Procedures for Committee Reports |
| 17 Sep 1991 | 20 | Annual Report 1990/91 |
| 4 Dec 1991 | 21 | Report on the Competitive Neutrality of the State Government Insurance Corporation |
| 5 Dec 1991 | 22 | Report on the First Report of the Auditor General for 1991 |
| 7 May 1992 | 23 | Report on the Recommendations of the Independence of the Auditor General and the Officer of the Auditor General |
| 16 Sep 1992 | 24 | Inquiry into the Proposed Grant of Land to the University of Notre Dame |
| 3 Dec 1992 | 25 | Report on State Debt |
| 25 Nov 1993 | 26 | Report on the First General Report of the Auditor General for 1993 |
| 10 Dec 1993 | 27 | Report on the Port Hedland Port Authority |
| 18 Jun 1994 | 28 | Report on the Totalisator Agency Board |
| 24 Nov 1994 | 29 | Report on the Payment to the Chairman of the Heritage Council |
| 13 April 1995 | 30 | Annual Report of Activities 1993/1994 |
| 17 October 1996 | 31 | Report on Western Australian Government Financial Assistance to Industry |
| 24 October 1996 | 32 | Report on Statement of Understanding between the Auditor General and the Public Accounts and Expenditure Review Committee. |
| 31 October 1996 | 33 | Minimum Independence Requirements for the Auditor General. |

APPENDIX TWO

Deliberative Meetings

During the Reporting period, the Committee covered a wide range of issues and inquiries. This range is reflected in the table below which identifies the topics of discussion in the 47 meetings in the period under review.

| Mtg Date | Ctee Ops | Financial Assistance | WAGCC | ACPAC | CTC | PATS | SCGH | SGIC Levy | Statement of Und. | Min. Ind. For AG | Other |
|----------|----------|----------------------|-------|-------|-----|------|------|-----------|-------------------|------------------|-------|
| 15/2/95 | • | • | • | • | | | • | | | | • |
| 29/3/95 | • | • | | | | | | | | | |
| 5/4/95 | | | • | • | | | | • | | • | • |
| 12/4/95 | | • | | | • | | | | | | |
| 24/4/95 | | • | | | | | | | | | |
| 3/5/95 | • | • | | | | | | | | | • |
| 10/5/95 | | • | | | | | | | | | |
| 17/5/95 | | • | | | | | | • | | | |
| 18/5/95 | | • | | | | | | | | | |
| 24/5/95 | | • | | | | | | | | | • |
| 25/5/95 | | • | | | | | | | | | |
| 7/6/95 | | • | | | | | | | | | |
| 14/6/95 | | • | | | | | | | | | |
| 15/6/95 | | • | | | | | | | | | |
| 21/6/95 | | • | | | | | | | | | |
| 22/6/95 | | • | | | | | | | | | • |
| 28/6/95 | | • | | | | | | | | | |
| 9/8/95 | • | • | | | | | | | | | |
| 23/8/95 | | • | | | | | | | | | |

| Mtg Date | Ctee Ops | Financial Assistance | WAGCC | ACPAC | CTC | PATS | SCGH | SGIC Levy | Statement of Und. | Min. Ind. For AG | Other |
|----------|----------|----------------------|-------|-------|-----|------|------|-----------|-------------------|------------------|-------|
| 30/8/95 | | • | | | | | | | | | |
| 21/9/95 | • | • | | | | | | | | | |
| 1/11/95 | | • | | | • | | | | | | • |
| 15/11/95 | | • | | | | | | | | | |
| 29/11/95 | | • | | | | | | | | | |
| 30/11/95 | • | • | | | • | • | | | | | • |
| 5/12/95 | | • | | | | | | | | | |
| 20/3/96 | • | | • | • | | • | | | | | • |
| 27/3/96 | | • | • | | | • | | | | | • |
| 3/4/96 | | | • | | | • | | | | | |
| 23/4/96 | • | • | | | | • | | | | | |
| 1/5/96 | • | • | • | | | • | | | | | |
| 2/5/96 | | • | | | | • | | | | | |
| 15/5/96 | • | • | | | | | | | | | |
| 16/5/96 | • | • | | | | | | | | | |
| 21/5/96 | • | | • | • | | | | | | • | |
| 13/6/96 | | | | | | | | | • | • | • |
| 19/6/96 | | • | | | | | | | | | |
| 26/6/96 | | | | | | | | | | | |
| 27/6/96 | | • | | | | | | | | | |
| 28/8/96 | | • | • | • | | | | | • | | |
| 4/9/96 | | • | | | | | | | | | |
| 12/9/96 | | • | | | | | | | | | |

| Mtg Date | Ctee Ops | Financial Assistance | WAGCC | ACPAC | CTC | PATS | SCGH | SGIC Levy | Statement of Und. | Min. Ind. For AG | Other |
|----------|----------|----------------------|-------|-------|-----|------|------|-----------|-------------------|------------------|-------|
| 18/9/96 | | | | • | | | | | • | | |
| 19/9/96 | | • | | | | | | | | | |
| 25/9/96 | | • | | | | | | | • | • | • |
| 16/10/96 | | • | | | | | | | | | |
| 23/10/96 | • | | | | | | | | • | • | |

Legend (for Deliberative Meeting Table)

| <u>Abbreviation</u> | <u>Issue</u> |
|----------------------|--|
| Ctee Ops | : Committee Operations |
| Financial Assistance | : Western Australian Government Financial Assistance to Industry Inquiry |
| WAGCC : | Western Australian Government Corporate Card |
| ACPAC | : Australian Council of Public Accounts Committees |
| CTC | : Competitive Tendering and Contracting in the public sector |
| PATS | : Patients Assisted Travel Scheme, allegations of 'roting' |
| SCGH | : Sir Charles Gairdner Hospital prepayment of goods and services |
| SGCI Levy | : State Government Insurance Commission, \$50.00 levy |
| Statement of Und | : Statement of Understanding Between the Auditor General and the PAERC |
| Min. Ind for AG | : Independence of the Auditor General |

Sub Committee

A Sub Committee was established by resolution on 27 June 1996 to further progress drafting of the *Western Australian Government Financial Assistance to Industry Report*. The Sub Committee comprised - the Chairman, Mr Max Trenorden, MLA and Deputy Chairman, Mr Larry Graham, MLA. Sub Committee meetings were held on 24 July and 14 August 1996.

APPENDIX THREE

STATEMENT OF UNDERSTANDING

A Statement of Understanding Between the Auditor General and the Public Accounts and Expenditure Review Committee of the Legislative Assembly of Western Australia.

Aim

The aim of this statement of understanding is to enhance the accountability mechanisms of the Parliament by improving communication and coordination between the Auditor General and the Public Accounts and Expenditure Review Committee.

A Common Mission

The Auditor General and the Public Accounts and Expenditure Review Committee (PAERC) share a common mission to enhance public sector accountability and performance. The Auditor General and the PAERC will cooperate as independent bodies to achieve this mission, promoting probity, efficiency and effectiveness in the management of public resources.

Supporting the Independence of the Auditor General

The PAERC supports the true independence of the Auditor General and will work to ensure that this independence is not compromised.

The Auditor General is an Officer responsible to the Parliament for reporting on public sector accountability. The PAERC will encourage and support the independence of the Auditor General so that reports to Parliament are objective and allow the Parliament to make informed judgements.

Sharing Information, Referral of Matters

The PAERC and the Auditor General will meet on a periodic, needs basis, initiated by either party.

The Auditor General will refer matters to the PAERC that he determines warrant consideration by the Committee in addition to or in place of investigation by his Office.

The Auditor General will brief the PAERC on the key themes of a given report prior to the report's tabling in Parliament.

PAERC Response to Tabled Reports of The Auditor General

The PAERC will respond to the Auditor General's reports in a timely manner in the House, during the designated Committee time.

At this time the Committee will also make known its intention, if any, to follow up a matter raised by the Auditor General, by way of a hearing, broader inquiry or some other means of follow up.

Obligations to Protect Information

In reaching this agreement each party respects the rights and obligations of the other concerning matters of privilege, confidentiality, legislative and procedural requirements.

**MAX TRENORDEN, MLA
CHAIRMAN**

**DES PEARSON
AUDITOR GENERAL**

23 October 1996

TAB REPORT NO. 28 - SUMMARY OF RECOMMENDATIONS, MINISTERIAL RESPONSE
AND SUBSEQUENT LEGISLATIVE CHANGES

| Public Accounts and Expenditure Review Committee <u>Recommendations</u> | MINISTERIAL RESPONSE Hon G.M. Evans, MLC, Minister for Racing and Gaming | LEGISLATIVE CHANGES |
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| <p><u>Recommendation One</u></p> <p>The Committee recommends that the TAB Betting Act 1960 be amended and the Board be reconstituted. The new Board should be appointed by the Governor and comprise no more than seven members selected on the basis of business/commercial expertise and industry experience, but excluding current officials of any principal club.</p> | <p><u>Tabled in the Legislative Assembly, 27 September 1994</u></p> <p>Supported the recommendation in principle.</p> <p>“..the change will assist the TAB to become more commercially orientated” (p.1)</p> | <p>Section 6 of the principal act, <i>Totalisator Board Betting Act 1960</i>, was amended by No.63 of 1995, s5. Major amendments included:</p> <ul style="list-style-type: none"> • Board comprising of 7 members • Appointed by the Minister • Members required to have expertise relevant to the functions of the TAB & commercial experience or knowledge and experience in the racing industry. <p>The long title of the Act was amended by No.63 of 1995, s.16. This reflected the adoption of corporatisation principles for the TAB. In theory all regulatory provisions relating to off-course betting were transferred to the Betting Control Act. The TAB, however is required to meet cost incurred by the Betting Control Board in regulating off-course betting.</p> |

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| <p><u>Recommendation Two</u></p> <p>The Committee further recommends that there should only be one dual appointment, that being Chairman of the industry body (see Chapter Four) to be the deputy chairman of the TAB.</p> | <p><u>Tabled in the Legislative Assembly, 27 September 1994</u></p> <p>Recommendation not supported.</p> <p>“The dual appointment would provide a link between the operations of the two agencies and the recommendation should be supported <u>if the three racing codes combine to establish a single body representing the total industry</u>” (p.2)</p> | |
| <p><u>Recommendation Three</u></p> <p>The Committee recommends that</p> <p>In the interests of the equitable distribution of TAB funds, the industry establish a Racing Industry Board which:</p> <ul style="list-style-type: none"> - represents all codes and includes metropolitan, country and provincial clubs - includes one TAB representative - allocates all race dates for race clubs - to allocate and issue totalisator licenses - distributes TAB funds | <p><u>Tabled in the Legislative Assembly, 27 September 1994</u></p> <p>Did not support the recommendation that the Government establish an industry body should the industry fail to do so.</p> <p>“ The establishment of an industry body must be an industry initiative and industry driven, not a Government initiative and Government driven”(p.2)</p> | |

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| <p><u>Recommendation Four</u></p> <p>The Committee further recommends that the industry initiate a forum to discuss all recommendations contained in this report and advise the Minister by 31 December 1994 of the outcomes of the forum.</p> | <p><u>Tabled in the Legislative Assembly, 16 May 1995</u></p> <p>Recommendation not supported. (p.1)</p> <p>Recommendation Four was also briefly referred to in the response tabled on 27 September 1994.</p> | |
| <p><u>Recommendation Five</u></p> <p>The Committee further recommends that the Minister report to Parliament by 1 March 1995 on the capacity of the industry to establish a Board which equitably represents the industry, having regard for the fundamental importance of the TAB to the racing codes and the significant financial contribution it makes to State Treasury.</p> | <p><u>Tabled in the Legislative Assembly, 16 May 1996.</u></p> <p>Recommendation not supported.</p> <p>Recommendation Five was also briefly referred to in response tabled on 27 September 1994.</p> | |
| <p><u>Recommendation Six</u></p> <p>The Committee also recommends that should the industry fail to adequately address the concerns in relation to the proposed industry body by 1 March 1995, then the Minister introduce amendments to the legislation to create the industry body at the earliest opportunity.</p> | <p><u>Tabled in the Legislative Assembly, 16 May 1995.</u></p> <p>Recommendation not supported.</p> <p>“The WATC, WATA and the Western Australian Greyhound Racing Association do not support the establishment of a racing industry board as proposed in the PAERC Report. The three racing codes maintain that the industry should retain responsibility for the operation of racing in Western Australia. As there is no support from the industry for the establishment of a Racing Industry Board, no legislation will be introduced to create this body” (pp 1-2)</p> <p>Recommendation Six was also briefly referred to in the response tabled on 27 September 1994.</p> | |

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| <p><u>Recommendation Seven</u></p> <p>The Committee recommends that legislation be introduced requiring accountability to the Parliament for all TAB monies.</p> | <p><u>Tabled in the Legislative Assembly, 27 September 1994.</u></p> <p>Recommendation supported in principle, without the requirement for legislative changes.</p> <p>“After reviewing the existing accountability arrangements, the Committee has commented that the funds raised and distributed to the WATC and the WATA are public funds and should be subject to the scrutiny of the public in the form of the Auditor General.</p> <p>The WA Greyhound Racing Association operates under the Financial Administration and Audit Act and is audited by the Office of the Auditor General.</p> <p>The accountability matter has been raised with the WA Turf Club(WATC) and the WA Trotting Association (WATA). The WATC and the WATA have accepted the challenge to develop an appropriate means of providing an accountability statement to Parliament through the Office of the Minister for Racing and Gaming. Both codes are working with officers from the Office of Racing and Gaming to prepare a proposal for my consideration. This proposal will be in the form of a formal agreement between the codes and me.</p> <p>I am satisfied that these procedures will result in a satisfactory arrangements with respect to ensuring accountability for the use of TAB funds by the WATC and the WATA without the necessity for legislative change”. (p.3)</p> | |

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| <u>Recommendation Seven</u> cont'd.. | <p><u>Tabled in the Legislative Council, 31 January 1995.</u></p> <p>“ Rather than amending legislation, I have reached agreement with the Western Australian Turf Club and the Western Australian Trotting Association regarding procedures to present audited reports to Parliament on the distribution and use of Totalisator Agency Board (TAB) funds for metropolitan and country racing and trotting.</p> <p>To comply with the recommendation for the distribution of 1993/94 TAB funds, the following information is supplied for tabling in Parliament:</p> <ul style="list-style-type: none"> • a copy of the WA Turf Club annual report, together with a statement of the distribution of TAB finds to country clubs for 1993/94; • a copy of the WA Trotting Association annual report, together with a statement of the distribution of TAB funds to country clubs. <p>Also attached for tabling, are procedures for the presentation of the required information to Parliament for 1994/95 and beyond. In summary this information will consist of:</p> <ul style="list-style-type: none"> • annual reports containing audited financial statements from the WA Turf Club and the WA Trotting Association; • audited statements of the distribution to and use of TAB funds by country clubs; • a certification statement by the chairman and chief executive officer of each of the two racing clubs (copy attached)”. (p.p 1-2) | |

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| <u>Recommendation Seven</u> cont'd. | Reference to Recommendation Seven was included in the Minister's response, tabled in the Legislative Assembly on 16 May 1995. | |
| <u>Recommendation Eight</u> The Committee recommends that an upgrade of the security of its agencies be made an immediate priority by the TAB. | <u>Tabled in the Legislative Assembly, 27 September 1994.</u> Recommendation not supported. “..the board considers that the present and proposed level of security in agencies is appropriate and adequately satisfies its commercial needs....I am satisfied that the TAB Board's action has addressed the recommendation from the PAERC report in an appropriate manner and that, other than the on-going action proposed by the Board, no further action is required”. (p.3) | |

OTHER ISSUES

The Committee in its Report No. 28, included a Chapter on the distribution of funds by the TAB. Although no recommendations were made on the issue, the Committee acknowledged that Cabinet approval had been granted in April 1994 to fix the TAB profit distribution between the Western Australian Turf Club (WATC) and the Western Australian Trotting Association (WATA) at a ratio of 65:35 of the profit earned on horse racing. This change was implemented on the 1 August 1994, through the rebate of the one per cent of TAB profit. (source : Correspondence received from the Minister on 29/12/94).

The Committee also notes that the *Totalisator Agency Board Betting Act 1960*, was amended by No.63 of 1995 to reflect the above change.

APPENDIX FIVE

**STANDING ORDERS RELATING TO THE
PUBLIC ACCOUNTS AND EXPENDITURE REVIEW COMMITTEE**

410. (1) At the commencement of every Parliament, a Public Accounts and Expenditure Review Committee, shall be appointed. The Committee's power to act shall continue until the Assembly is next dissolved or expires by effluxion of time, notwithstanding any prorogation which may occur prior to dissolution or expiry of the Assembly.

(2) The Committee shall consist of five Members of whom three shall be nominated by the Leader of the Government.

(3) No Minister of the Crown shall be eligible to be a Member of the Committee.

(4) Each Member, while otherwise qualified, shall continue in office until the Assembly expires by the effluxion of time or is dissolved, or until he is discharged from his office by motion in the Assembly.

(5) The Assembly may appoint one of its Members to fill a vacancy in the office of a Member of the Committee.

(6) When the House is not in session and a vacancy occurs on the Committee, the Speaker or, in his absence, the Deputy Speaker, may, in consultation with the Leader of the Government or Leader of the Opposition as the case may require, appoint a Member to fill the vacancy until an appointment can be made or confirmed by the House.

411. (1) The Committee may appoint a Sectional Committee or Sectional Committees of two or more of its Members to inquire into and report to the Committee upon such matters with which the Committee is concerned as the Committee directs.

(2) At a meeting of a Sectional Committee, two Members constitutes a quorum.

(3) The provisions of these Standing Orders apply to a Sectional Committee in like manner as they apply to the Committee.

(4) A Sectional Committee shall report in writing to the Committee as soon as practicable on each matter referred to that Sectional Committee by the Committee.

(5) Where the Committee as constituted at any time, or a Sectional Committee of the Committee as constituted at any time, has taken evidence in relation to a matter, but the Committee as so constituted has ceased to exist before reporting on the matter, the Committee as next constituted may consider that evidence as if it had been given before it

412. (1) The functions of the Committee shall be to inquire into, consider and report to the Parliament on any proposal, matter or thing connected with the receipt and expenditure of public moneys, including moneys allocated under the Annual Appropriation Bills and the Loan Fund.

Appointment, membership and term of life of Public Accounts and Expenditure Review Committee. Chapter 31 deleted and substituted V and P (1986) P. 104, 24 July.

Sectional Committees

- (2) The Committee shall be empowered -
- (a) to examine the public accounts transmitted to the Assembly by the Auditor-General;
 - (b) to examine the financial affairs and accounts of Government Agencies of the State whether or not such accounts have been audited by the Auditor-General;
 - (c) to examine all reports of the Auditor-General, copies of which have been laid before the Assembly;
 - (d) to inquire into, and report to the Assembly on any question which -
 - (i) it deems necessary to investigate;
 - (ii) is referred to it by a resolution of the Assembly;
 - (iii) is referred to it by a Minister of the Crown, or
 - (iv) is referred to it by the Auditor-General;
 - (e) to report to the Assembly from time to time, any alteration which the Committee thinks desirable on any matter relating to the form of those accounts or in the method of keeping them or in the mode of receipt, control, issue or payment of public moneys;
 - (f) to inquire into expenditure by a Minister of the Crown made without Parliamentary sanction or appropriation and report to the Assembly from time to time, upon any matter connected with that expenditure which the Committee considers ought to be brought to the notice of the Assembly;
 - (g) to consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine; and
 - (h) to consider whether the objectives of public expenditure are being achieved or may be achieved more economically.

Functions and Powers of the Committee.

(3) "Government Agencies" for the purpose of this Standing Order includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, Order in Council, proclamation, ministerial direction or any other like means.

413. (1) There shall be a Chairman and a Deputy Chairman of the Committee, who shall be elected by the Members from time to time and shall hold office as Chairman and Deputy Chairman during the pleasure of the Committee.

Chairman, quorum, and voting.

(2) The Clerk of the Assembly shall call the first meeting of the Committee as soon as practicable, following the opening of the first session of each Parliament.

(3) At a meeting of the Committee three Members constitute a quorum, of whom one shall be either the Chairman or Deputy Chairman.

(4) All questions to be decided by the Committee shall be decided by a majority of the votes of the Members present.

(5) The person for the time-being chairing a meeting of the Committee shall have a deliberative vote only.

414. (1) The Speaker may, on the recommendation of the Committee, approve the appointment of other officers of the Committee as are required for the performance of its functions.

Appointment of officers.

(2) With the approval of the Speaker, the Committee may commission any person or organisation to investigate and report to the Committee on any aspect of a proposal, matter or thing being inquired into or being considered by the Committee.

Commissioning of enquiries.

(3) The reports of the Committee shall be presented to the Assembly by the Chairman or the Deputy Chairman but, if for any reason, the Assembly is not sitting for a period in excess of two weeks, the reports of the Committee may be forwarded to the Speaker.

Reports.

(4) Should the Speaker cause any report to be published in any way the report is deemed to be laid upon the Table of the House in accordance with the Standing Orders and shall attract all of the privileges and protection accorded to papers which have to be laid on the Table of the House.

(5) Where a report of the Committee recommends that a particular action be taken by the Government with respect to a matter, the appropriate responsible Minister of the Crown, shall, as soon as practicable, but within not more than three months, or at the earliest opportunity after that time if Parliament is in adjournment or recess, report to the House as to the action (if any) proposed to be taken by the Government with respect to the recommendation of the Committee.

(6) Where the Members present do not vote unanimously, the manner in which each Member votes, shall, if any Member requires, be recorded in the minutes.

415. (1) The Committee may sit and transact business notwithstanding any prorogation or adjournment of the Assembly, but the Committee shall not sit or transact business on a sitting day of the Assembly during the time of the sitting, except by leave of the House.

Sittings during prorogation or adjournment.

(2) The Committee shall have power to send for persons, papers and records and to move from place to place.

Power to send for persons, etc.

(3) Without limiting the effect of anything contained in Standing Orders 410 to 415 the provisions of Standing Orders Nos. 354, 357, 365, 367, 368 and 370 to 382 inclusive shall apply *mutatis mutandis* to the Public Accounts and Expenditure Review Committee as if set out *in extenso* in this Chapter and as if each of such Standing Orders referred to the Public Accounts and Expenditure Review Committee instead of a Select Committee or Select Committees. Provided nothing in Standing Orders 380 shall be construed to prevent the Committee from presenting any of its reports in printed form.

Certain Select Committee Standing Orders to apply.

(4) The Public Accounts and Expenditure Review Committee shall be deemed a Committee of the House within the meaning of Chapter 29 and the provisions thereof shall be applicable to witnesses desired by or appearing before the Committee.

Witnesses - Chapter 29 to apply.

**STANDING ORDERS APPLYING 'MUTATIS MUTANDIS' TO THE PUBLIC
ACCOUNTS AND EXPENDITURE REVIEW COMMITTEE**

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| 354. | The Speaker shall not be liable to be elected on any Select Committee unless he thinks fit and the House so desires. | Speaker Member of certain Committees only. |
| 357. | No Member shall sit on a Select Committee who shall have a pecuniary interest in the matters to be investigated by such Committee. | No interested Member to be on a Committee. |
| 365. | If, after the lapse of a quarter of an hour from the time appointed for a meeting of a Select Committee, there shall not be a quorum, the Members present may retire, after entering their names on the minutes; and the Clerk shall convene a meeting for the next day the Committee is authorised to sit. | When no meeting takes place. |
| 367. | All Committees sitting at the time the Speaker is about to take the Chair shall be informed by the Sergeant-at-Arms that the Speaker is about to take the Chair; and all proceedings after such notice shall be null and void, unless leave has been granted by the House under Standing Order 366. | Committee to suspend business on Speaker taking the Chair. |
| 368. | By leave of the House, a Committee may report its opinions or observations from time to time or report the minutes of evidence only, or proceedings from time to time. | Report from time to time. |
| 370. | (1) If a Select Committee so desires the Committee may invite any person to attend a meeting of the Committee for the purpose of giving evidence. (2) Should the Committee so resolve, the Chairman of a Select Committee shall direct the Clerk of the House to summon a witness to be examined before that Committee. | Clerk of the House to summon witnesses. |
| 371. | If a Select Committee desires the attendance of a Member as a witness, the Chairman shall, in writing, request him to attend; but should he refuse, the Select Committee shall take no further action, except to report the matter to the House. | Member can refuse to attend as witness. |
| 372. | The examination of witnesses before every Committee shall be conducted as follows: The Chairman shall first put to the witness, in an uninterrupted series, all such questions as he may deem essential, according to the mode of procedure agreed on by the Committee. | Examination of witnesses. |

The Chairman shall then call on the other Members severally by name to put any other questions; and the name of every Member so interrogating a witness shall be noted and prefixed to the questions asked. All replies to questions put shall be taken down in writing; but, if the Committee be attended by a shorthand writer, the notes of such shorthand writer shall be sufficient. Provided — That a Select Committee may, if it thinks fit, take evidence *in camera* with or without a record being kept thereof.

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| 373. | When a Committee is examining witnesses, strangers may be admitted, but shall be excluded at the request of any Member, or at the discretion of the Chairman of the Committee, and shall always be excluded when the Committee is deliberating. | Admission of strangers. |
| 374. | Members of the House may be present when a Committee is examining witnesses, but withdraw by courtesy when the Committee is deliberating. | Admission of other Members. |
| 375. | Unless the House or the Committee otherwise orders, no Member of a Select Committee of the House shall, nor shall any other person, publish or disclose the evidence (including documentary evidence) received by such Committee until such evidence shall have been reported to the House. | Evidence not to be disclosed unless ordered V & P (1977) p 497, 3 November. |
| 376. | It shall be the duty of the Chairman of every Select Committee to prepare the report. | Chairman to prepare report. |
| 377. | The Chairman shall read to the Committee convened for the purpose the whole of his draft report, which may at once be considered, but if desired by the Committee, it shall be printed and circulated amongst the Committee and a subsequent day fixed for its consideration; and in considering the report the Chairman shall read it paragraph by paragraph, putting the question to the Committee at the end of each paragraph, "That it do stand part of the report." A Member objecting to any portion of the report shall propose his amendment at the time the paragraph he wishes to amend shall be under consideration. A protest or dissent may be added to the report. | Consideration of draft report. Minority report |

378. Every report of a Committee --
- (a) shall be signed by the Chairman thereof;
 - (b) shall include a statement showing the actual (or estimated) costs of the operation of the Select Committee, and
 - (c) may include a direction that a particular Minister is requires within not more than three months, or at the earliest opportunity after that time if Parliament is in adjournment or recess, to report to the House as to the action, if any, proposed to be taken by the Government with respect to the recommendation of the Committee.
379. The report of a Committee shall be brought up by the Chairman, or by some other Member of and appointed by the Committee for the purpose, and may be ordered to lie upon the Table, or otherwise dealt with, as the House may direct. Report brought up.
380. Upon the presentation of a report no discussion shall take place; but the report may be ordered to be printed with any documents accompanying it. No discussion on presentation of report.
381. If any measures or proceeding be necessary upon a report of a Committee, such measure or proceeding shall be brought under the consideration of the House by a specific motion, of which notice must be given in the usual manner. Motion for subsequent proceedings.
382. Every Select Committee shall have power to award reasonable payment to any professional or other witness they may deem it necessary to employ or call in furtherance of the inquiry with which the Committee is charged; and the Chairman's certificate on the face of an account shall be sufficient authority for its payment by the Clerk of the House or at the Public Treasury; and every such award, with the sum awarded, the particulars of the services rendered, and the name of the party in whose favour made, shall be entered in the minutes of the proceedings of the Committee. Payment of certain witnesses before Committees.