



Ninth Report
of the
Standing Committee
on
Estimates and Financial Operations
in relation to
The Consolidated Fund Estimates 1994/95
Presented by the Hon Murray Montgomery (Chairman)

9
December 1994

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The Standing Committee was established on December 21 1989 with the following terms of reference:

1. There is hereby appointed a Standing Committee to be known as the *Estimates and Financial Operations Committee*.
2. The committee consists of 5 members.
3. The functions of the Committee are to consider and report on:
 - (a) the estimates of expenditure laid before the Council each year; and
 - (b) any matter relating to the financial administration of the State.
4. The Committee shall report on the estimates referred under clause 3 by or within one sitting day of the day on which the second reading of the *Appropriation (Consolidated Revenue Fund) Bill* is moved.
5. For the purposes of clause 3(a), the House may appoint not more than 6 members at any stage of its examination.
6. A reference in clause 3 to "estimates of expenditure" includes continuing appropriations, however expressed, that do not require annual appropriations.
7. The Committee may initiate investigations under clause 3(b) without prejudice to the right of the Council to refer any such matter.

Members of the Committee:

Hon Murray Montgomery (Chairman)
Hon Bob Thomas
Hon Muriel Patterson
Hon Mark Nevill
Hon Bruce Donaldson

Staff of the Committee:

Ms Karen Schmidt (Advisory/Research Officer)
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See Attachment D

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ACKNOWLEDGMENT

The Committee records its appreciation for the professionalism of the three committee staff who organised the 1994/95 Consolidated Fund hearings and assisted the Committee in the preparation of this report.

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REVIEW OF THE CONSOLIDATED FUND ESTIMATES 1994/95

1. OVERVIEW

Over the past four years, the Committee's annual review of the estimates of expenditure has played a central role in the Legislative Council's consideration of the Government's annual appropriation bills. A traditional feature of the review process is the annual Estimates hearings, which afford the Committee and other Members of the Legislative Council the opportunity to question agency representatives and responsible Ministers regarding agency expenditure. This report, the ninth report since the Committee was established, describes the procedure adopted by the Committee for the review of 1994/95 Consolidated Fund Estimates and the major issues arising from the review. The Committee's recommendations are presented in the relevant sections of the report and are reproduced in full below.

A number of amendments to the State's financial administration legislation have had significant impact on the annual budget since the Committee's establishment. Not the least of these is the creation of the Consolidated Fund out of the Consolidated Revenue Fund and the General Loan and Capital Works Fund. Debate regarding the presentation of Consolidated Fund expenditure in the two appropriation bills dominated the 1994/95 Estimates hearings. The Committee has addressed this debate in Section 2.2.

The establishment of the Consolidated Fund has an additional impact on the operations of the Standing Committee on Estimates and Financial Operations. The Committee is required to report on the estimates of expenditure laid before the Council by or within one sitting day on which the second reading of the Appropriation (Consolidated Revenue Fund) Bill is moved. The Committee notes that, further to the proclamation of the Financial Administration Amendment Act 1993, this reporting requirement is no longer valid. The Committee has recommended, therefore, that Schedule Two of the Legislative Council Standing Orders be amended to the effect that clause 4 refers to the Appropriation (Consolidated Fund) (N^o1) Bill.

The contracting out of Government services to the private sector features in the estimates of expenditure for many agencies in 1994/95. Appropriately, this initiative was also a subject of some debate during the Estimates hearings. The Committee has addressed a number of concerns regarding the competitive tendering process under Section 2.2.

During the Estimates hearings, members noted difficulties reconciling information (a) presented across the current Budget Papers, (b) with the 1993/94 Budget Papers, and (c) with information presented in the annual reports. These concerns are discussed in Sections 2.2 and 2.3.

Issues specific to particular agencies are discussed in Section 2.3. A list of agency-specific points of interest raised by Members during the Estimates hearings is included at Attachment C.

Recommendations.

1. **The Committee recommends that Schedule Two of the Legislative Council Standing Orders be amended such that clause 4 reads**

"The committee shall report on the estimates referred under clause 3 by or within one sitting day of the day on which the second reading of the *Appropriation (Consolidated Fund) (Nº1) Bill* is moved." page 5
2. **The Committee will endeavour to include consideration of clusters of related agencies during future hearings** page 7
3. **The Committee will extend the required response time to five days for questions placed on notice during future hearings.** page 7
4. **The Committee recommends, therefore, that the Legislative Council seek a determination on the definition of "ordinary annual services of the Government" as it applies to s46 of the Constitution Acts Amendment Act 1899, and the consequential impact on the Appropriation (Consolidated Fund) Bills 1994.** page 9
5. **During 1994/95, the Committee will review the Treasurer's Advance with regard to the presentation of pre-emptive funding in the annual Estimates of Expenditure.** page 10
6. **The Committee recommends that the Programme Statements detail the progress of all Major Planned Achievements for the previous financial year.** page 11
7. **The Committee recommends that future Programme Statements present, where necessary, adjusted and unadjusted estimated and actual figures for the previous financial year.** page 12
8. **The Committee intends to review the development of agencies' performance indicators in 1994/95.** page 12
9. **The Committee recommends that, when considering services for provision by the private sector, agencies conduct an analysis of the existing industry structure and the impact of a contracting out decision on that structure.** page 14
10. **The Committee recommends that all contracts for the private provision of government services clearly state the outputs and outcomes required of the service, and the criteria by which performance will be evaluated.** page 14
11. **The Committee recommends that the current review of the Primary Industry Portfolio address the cost structures of each agency with a view to ensuring that the true costs of services are clearly reflected in the financial statements and performance indicators.** page 16
12. **The Committee recommends that differences in reporting periods be footnoted in future budget papers.** page 17

2. THE CONSOLIDATED FUND ESTIMATES 1994/95

2.1 PROCEDURE

In the Eighth Report of the Standing Committee on Estimates and Financial Operations (1985), it was noted that the Committee has previously adopted an approach of examining a large number of agencies during the review of the annual budget estimates. While this approach has enabled the Committee to become familiar with the core functions of many Government agencies, time constraints have precluded the Committee from examining the estimates of any one agency in depth. The Committee resolved, therefore, to refine the focus of the 1994/95 review to those agencies or programmes of particular interest to the Committee. In selecting agencies to be reviewed in 1994/95, the Committee considered:

- the proportion of total expenditure allocated to the agency (*eg.* those agencies allocated \geq \$100m);
- significant policy changes to be introduced in 1994/95;
- significant administrative or operational reforms to be introduced in 1994/95;
- comments by the Auditor General; and
- agencies which attracted significant public comment during 1993/94.

This approach enabled the Committee to allocate more time to each agency both in preparatory research and during the hearings. During the course of the hearings, however, the Committee noted comments from Members regarding consideration of related agencies. In particular, it was requested that Divisions 48 and 50 regarding the Recreation Camps and Reserves Board and the WA Sports Centre Trust be considered in conjunction with Division 49 (Sport and Recreation). While the Committee notes that a list of agencies to be reviewed was circulated to Members for comment prior to the hearing, the desirability of reviewing similar agencies is acknowledged.

The Committee will endeavour to include consideration of clusters of related agencies during future hearings.

This year, the Committee also introduced the opportunity for Members to forward generic questions to agencies prior to the hearings. This enabled written agency responses to be tabled at the beginning of each hearing, effectively allowing more time for Members to address agencies during the hearings. The Committee intends to continue this practice in 1995/96.

Some 80 questions of 22 agencies were placed on notice during the hearings. Few responses were received within the required three days of each hearing. With the exception of a small number of agencies, most responses were received by the end of the week after the close of the hearings. In view of the comprehensive nature of many of the questions placed on notice during the hearings, the Committee considers it reasonable to introduce a longer response time for future hearings.

The Committee will extend the required response time to five days for questions placed on notice during future hearings.

2.2 GENERAL ISSUES

2.2.1 Appropriations from the Consolidated Fund.

During the course of the hearings, evidence arose that suggested that the two bills through which the budget expenditure is appropriated may be unconstitutional. The concern lies with the presentation of new initiatives within the appropriation.

Expenditure under the annual budget is appropriated from the Consolidated Fund through two appropriation bills. The first Bill, the Appropriation (Consolidated Fund) Bill (N^o1), traditionally appropriates moneys for recurrent services of Government. The second Bill, the Appropriation (Consolidated Fund) Bill (N^o2), funds the expenditure programme for capital works. Prior to the creation of the Consolidated Fund in 1993, these two appropriation bills drew moneys from the Consolidated Revenue Fund and the General Loan and Capital Works Fund respectively.

Some debate exists as to whether expenditure for new initiatives should be appropriated through the N^o1 Bill or N^o2 Bill. The question is central to the role of the Legislative Council in the Parliament's consideration of the annual budget. Section 46(6) of the Constitution Acts Amendment Act 1899 states

A bill which appropriates revenue or moneys for the ordinary annual services of the Government shall deal only with such appropriation.

Further,

The Legislative Council may not amend Loan Bills, or Bills imposing taxation, or Bills imposing revenue or moneys for the ordinary annual services of the Government.

Section 46(2)

If new initiatives are deemed to lie within the definition of "ordinary annual services of the Government", the Legislative Council is precluded from effectively scrutinising any aspect of the current budget other than the capital works programme. If new initiatives are not ordinary annual services, the current N^o1 Bill may be held to be unconstitutional. It should be noted, however, that s46(9) renders s46 non-justiciable, with the effect a Bill enacted in contravention of s46(6) is not invalid.

The interpretation of "ordinary annual service of the Government" has been debated in other forums. Hanks (1985) notes that the first federal appropriation bills distinguished between new initiatives and matters of settled policy where no new development or capital expenditure was involved. Described once as a "virtually meaningless expression", "ordinary annual services" have also been interpreted as including all government expenditure, whether recurrent or capital, on any government service which the Government might reasonably be expected to provide (Pearce, 1977).

Solicitor-General Bailey reiterated the latter view in his advice to the federal Joint Public Accounts Committee in 1961. The Federal Government redrafted its 1964 Supply Bills to this effect, but abandoned the procedure 12 months later subsequent to considerable Senate pressure (Hanks, 1985). Pearce (1977) observes:

Henceforth, expenditure was to be divided into two Bills. The second of these was to be available for Senate amendment and was to include appropriations for expenditure of a capital nature - works, buildings, sites, *etc.*; for grants to the States; and for new policies not authorised by special legislation.

The Senate had thus won the day; the intention of the makers of the Constitution would seem to have prevailed over the legal meaning of the words that they had used.

The Committee notes that the then Western Australian Government received advice from the Solicitor General in this regard as recently as 1989. While the Committee has not had access to the Solicitor General's report, it is understood from evidence provided during the hearings that the current budget has been constructed on the basis of this advice to the effect that both recurrent and capital services represent ordinary annual services of the Government.

Further to consideration of the budget papers and evidence presented during the 1994/95 Consolidated Fund Estimates hearings, the Committee believes that funding for a mix of new and recurrent initiatives is presented for appropriation in the N^o1 Bill. The Committee has identified a number of planned achievements appearing in the Programme Statements that may represent new initiatives. These are listed at Attachment B. The Committee notes, however, that its Terms of Reference do not encompass consideration of this issue unless specific referral is made by the House.

The Committee recommends, therefore, that the Legislative Council seek a determination on the definition of "ordinary annual services of the Government" as it applies to s46 of the Constitution Acts Amendment Act 1899, and the consequential impact on the Appropriation (Consolidated Fund) Bill 1994.

2.2.2 Pre-emptive funding.

The Programme Statements include initiatives that are anticipated to arise from current reviews. The Education division, for example, provides \$1m to fund initiatives arising from the current Schooling in Rural Western Australia review and a review into schooling for gifted and talented students. The Police division also includes the civilianisation of 100 unspecified police positions, subject to current review. During the course of the Estimates hearings, concerns were raised to the effect that funding for such non-specific activities frustrates Parliamentary scrutiny of the annual appropriation bills, and that these initiatives are more appropriately funded through the Treasurer's Advance.

The Appropriation (Consolidated Fund) Bill (N^o1) 1994 binds the appropriation to the "recurrent services and purposes expressed in Schedule 1 and detailed in the Estimates for the year" (cl.4). The provision for one line appropriations under the Financial Administration and Audit Act 1985 however, affords agencies discretion in allocating the appropriation across those services and purposes. Further, agency activities which are extraordinary or unforeseen at the time that the annual budget is formulated and approved by Parliament may be funded through the Treasurer's Advance later in the financial year. The question arises, therefore, as to whether the initiatives raised above sufficiently constitute a purpose within the meaning of clause 4 or would more appropriately be funded through the Treasurer's Advance when the specific activities to be undertaken are known.

In considering this issue, the Committee is mindful of the level of detail that Parliament requires to be presented in the Budget Papers and of the flexibility that should be afforded to agencies in the implementation of agency objectives. The Programme Statements specify agency objectives at a programme and sub-programme level. The Programme Statements also include statements of Major Planned Achievements that, while not exhaustive, indicate how agencies intend to implement agency objectives. It is in the context of the Major Planned Achievements that the above initiatives are presented. During the course of the Estimates hearings, the Committee observed that agencies do not appear to consider themselves bound to the detail provided in the Major Planned Achievements.

When dealing with the subject of pre-emptive funding, agency activities should advance the programme and sub-programme objectives stated in the Programme Statements. It is desirable, particularly from a Parliamentary oversight perspective, that agencies present and maintain a strategic approach to the expenditure of public funds. The Committee believes, however, that tying programmes and sub-programmes to specific activities stated at the commencement of each financial year can place unnecessary restrictions on the implementation of programme objectives. In this respect, the Committee is of the opinion that the purpose of an appropriation can be sufficiently presented at the level of programme and sub-programme objectives, the Major Planned Achievements merely being an indication of the major activities which will implement these objectives.

The Committee emphasises that acknowledgment of managerial flexibility is not intended to preclude the presentation and reporting of the Major Planned Achievements within the Programme Statements. These statements of activities provide a valuable, if not exhaustive, indication of how agencies implement stated objectives, and are discussed further in this report at Section 2.2.4.

The Committee acknowledges that the Treasurer's Advance provides an alternative means of funding such initiatives. The Committee is not convinced, however, that this mechanism is necessary, or even desirable, for relatively small amounts of expenditure similar to those currently under consideration. The Committee also notes that the Treasurer's Advance is itself limited in terms of Parliamentary scrutiny, providing for appropriation only at the end of each financial year, sometimes months after expenditure has been approved. Certainly, whether the current initiatives are funded through the Appropriation (Consolidated Fund) Act (N°1) 1994 or the Appropriation (Consolidated Fund) Act (N°3) 1995 via the Treasurer's Advance, Parliament will be informed of the details of the initiatives by Ministerial Statement.

The Committee is of the opinion that, for the purposes of Parliamentary oversight, the Treasurer's Advance, in its present form, is not a favourable alternative to funding the activities in question. Given the materiality of the funds required, this alternative may not even be desirable in the interests of operational flexibility. Further, the Committee believes that the detail provided in the Programme Statements is sufficient to enable Parliament to ascertain the purpose of the initiatives. Accordingly, the Committee believes that the initiatives are appropriately presented in the Appropriation (Consolidated Fund) Bill (N°1) 1994. The Committee intends, however, to examine the Treasurer's Advance with regard to this issue during 1994/95.

During 1994/95, the Committee will review the Treasurer's Advance with regard to the presentation of pre-emptive funding in the annual Estimates of Expenditure.

2.2.3 Presentation of the budget papers.

During the course of the Committee's consideration of the 1994/95 Consolidated Fund Estimates, a number of issues arose regarding the presentation of the budget papers. These concerns largely relate to the correspondence between the current budget papers and other Parliamentary reports.

(a) Planned Achievements.

The Programme Statements include statements of agencies' Major Achievements for the previous financial year and Major Planned Achievements for the forthcoming year. These statements are usually included on a programme level and provide some indication of an agency's progress in implementing programme objectives and in addressing significant issues and trends.

While the Major Planned Achievements are valuable in assisting the Parliament to scrutinise the estimates of expenditure for the forthcoming year, the value of the achievement statements for the previous year are limited in that no ready comparison is provided against that year's planned achievements. Readers interested in the extent to which an agency realised the 1993/94 Major Planned Achievements, for example, are required to cross-reference the current Programme Statements against the 1993/94 Programme Statements.

The absence of a ready comparison can frustrate scrutiny of projects that failed to progress as planned during the previous year. The Committee observed, however, that it can also cause an agency some disservice. In at least two instances in the current Programme Statements, agencies failed to report the success of significant projects that had been forwarded as Major Planned Achievements in the 1993/94 Programme Statements.

The Committee believes that the value of the Programme Statements to Parliament would be significantly enhanced if agencies were to use the previous year's Major Planned Achievements as the basis for reporting achievements in the current Programme Statements. This should include statements regarding incomplete progress. Further, limiting the achievement statements to those nominated in the previous Programme Statements would avoid an undue increase in the size of the budget papers. Indeed, such a limitation would encourage a more strategic approach to providing information through the Programme Statements. Major achievements that were not planned when the previous Programme Statements were published would be reported in the annual report.

The Committee recommends that the Programme Statements detail the progress of all Major Planned Achievements for the previous financial year.

(b) Adjusted and Unadjusted Actuals.

Two features of the 1994/95 Programme Statements impact on comparisons with the estimated and actual figures for 1993/94. First, many agencies will alter their programme structure in 1994/95. For some agencies, this includes adopting and/or forfeiting some functions from and to other agencies. Second, agencies have, where possible, allocated corporate services costs to individual programmes and sub-programmes. Variations between the 1994/95 estimates and the estimated and actual figures for 1993/94, therefore, reflect changes in programme structure as well as real changes in funding levels.

In order to facilitate comparison between the 1994/95 and 1993/94 figures, 1993/94 estimates and actuals reported in the 1994/95 Programme Statements are adjusted to reflect an agency's 1994/95 programme structure and the allocation of corporate

services costs to programmes and sub-programmes. Variations between the 1993/94 adjusted figures and the 1994/95 estimates, therefore, reflect changes in the level of funding only.

The use of adjusted figures for 1993/94 certainly simplifies comparison with the 1994/95 estimates. Adjusted figures can, however, frustrate scrutiny of an agency's estimated vs. actual expenditure for 1993/94. For example, the Ministry of Education's sub-programme Other Educational Institutions, will be amalgamated with the School System Framework sub-programme in 1994/95. While the Programme Statements provide adjusted 1993/94 estimated and actual figures for the School System Framework sub-programme, no discrete figures for 1993/94 are provided for the Other Educational Institutions sub-programme. Members of Parliament interested in the actual performance of the sub-programme, which comprises payment of grants to institutions such as the Australian Education Council and organisations which provide educational support to school-level education, will need to obtain other information, such as the Ministry's financial statements for 1993/94. Such information may or may not be available at the time of the budget debates.

The Committee acknowledges that the Programme Statements must present information for a large number of government agencies and that the depth of information that can be presented in such a document is limited. The Committee is mindful, however, that the Programme Statements are a major source of information provided by the Government to assist Members of Parliament in their consideration of the annual appropriation bills. It is essential, therefore, that this document include a clear indication of actual agency expenditure against 1993/94 estimates.

The Committee recommends that future Programme Statements present, where necessary, adjusted and unadjusted estimated and actual figures for the previous financial year.

(c) Performance Indicators.

The Committee noted, for some agencies, a lack of correspondence between the programme structure and objectives appearing in the Programme Statements and the performance indicators which are presented in the annual reports. The relationship between an agency's objectives and the means by which their achievement is measured should be readily apparent. Indeed, the performance indicator model developed by the Public Sector Management Office in February 1994 provides for a clear, direct relationship between programme objectives, outputs, and efficiency and effectiveness indicators.

It is of concern to the Committee that some consistency exists between the various tools used by agencies to report to Parliament. The Committee acknowledges, however, the comments by a number of agencies that the performance indicators are still in a developmental stage. Indeed, the Committee noted that performance indicators are yet to be developed at the programme and sub-programme level for some agencies. The Committee intends, therefore, to address this issue as part of a more thorough examination of the performance indicators than is possible in the context of this report.

The Committee intends to review the development of agencies' performance indicators in 1994/95.

2.2.4 Competitive Tendering.

The provision of services under contract by the private sector was a dominant theme of the 1994/95 Estimates hearings. Members canvassed the topic primarily through the process of forwarding and tabling generic questions and responses prior to each hearing, and during the hearing for the Ministry of Premier and Cabinet. During the Premier and Cabinet hearing, the Committee noted that competitive tendering and contracting out are major public sector management initiatives that impact on the 1994/95 budget. These initiatives seek to achieve increased competition in the public sector to ensure that the Government achieves value for money in the provision of goods and services.

The Ministry of Premier and Cabinet has provided the following criteria to be applied when identifying activities suitable for outsourcing:

1. A real and measurable potential exists for improved value for money. This includes reduced recurrent and capital costs and improved quality for the current cost.
2. The activity consumes large resources in running costs or capital investment.
3. A competitive, alternative supplier base exists and will continue to exist when current in-house services cease.
4. Contractors can be replaced readily without significant interruption to the service.
5. The activity is subject to fluctuation in workload and workflow.
6. The activity is part of a quickly changing market and where it is costly to recruit, train, and retrain staff.
7. It is reasonably straight forward to specify what service is needed. Consideration should be given to the up-front cost of specifying activities and/or re-organising areas involved in multiple service delivery.
8. It is not important to specify how the service is to be delivered.
9. Performance can be accurately evaluated and quality assured.
10. It is possible to separate the area under consideration from any other interrelated activities.
11. There is potential for agencies with similar service requirements to group together in order to attract the most favourable bids from potential suppliers.
12. The risks and consequences of service failure are not significant.
13. There are no legal impediments, *eg.*, legal requirements that activities be carried out by a particular agency or by government employees. In some cases, amendments to legislation may be required to facilitate the tender process.

The Committee notes from information tabled by agencies that at least eleven of the agencies reviewed will contract out agency functions during 1994/95. These will largely be undertaken as formal tenders and in compliance with State Supply Commission guidelines. In most cases, the contractor will be responsible for workers' compensation and insurance, and will not be indemnified by the agency against losses. Agencies will retain responsibility for the delivery of services, including responding to public complaints. Most of the agencies do not intend to subsidise service delivery.

The services targeted for private provision are largely non-core or support activities such as fleet management, maintenance of plant and equipment, communications and information technology services, courier services, cleaning, and gardening. In 1994/95, some core activities will also be contracted out. These include quarantine checkpoint services, administration of apprenticeship and traineeship training agreements, pre-vocational and industry training, and a number of land information activities. The decision to contract out services was typically made at the departmental level. For agencies proposing to contract out non-core activities, these decisions tended to be made at the government level.

Agencies mostly took internal factors into account when making a decision to contract out activities. These included the cost of internal service provision, particularly the imminent replacement of plant and equipment; lack of internal expertise; the cost of retraining appropriate staff; and the opportunity to redeploy staff to core functions. Two agencies cited a need for the functions under consideration (employee counselling and programme evaluation) to be undertaken by an objective third party. The Committee notes, however, that only one agency indicated that the contracting decision took into account the potential for the private sector to effectively provide the service. This is of some concern to the Committee. The Committee has noted that the stated intention of private provision of government services is to achieve increased competition with a view to ensuring that the Government achieves value for money. A critical factor in achieving this objective is the existence of a competitively structured private industry that can bid for the service in question. Indeed, this is acknowledged by the Ministry of Premier and Cabinet in the decisionmaking criteria reproduced above.

The Committee recommends that, when considering services for provision by the private sector, agencies conduct an analysis of the existing industry structure and the impact of a contracting out decision on that structure.

The agencies reviewed intend to address performance monitoring and evaluation of contracted functions through a range of methods. These include spot checks by technical officers, reporting to an oversight committee or contract management unit, bi-annual audit, client feedback, and payment-linked progress reports. Only half of the agencies, however, indicated that they intended to include performance criteria in the contract. The Committee considers the inclusion of clear, measurable performance criteria to be an essential component of such contracts for the provision of services. The Committee notes that the Department of Community Development, an agency which was not reviewed during the 1994/95 Estimates hearings, intends to introduce in 1994/95 new funding agreements which:

- contain clear links between outputs (the amount of service) and outcomes (benefits for customers); and
- include performance indicators with an emphasis on outcome measures.

Clearly stated outputs, outcomes, and performance indicators facilitates awareness by both parties of their respective roles and requirements, and informs the contractor of the criteria by which performance will be evaluated. Further, linking performance indicators to progressive payments provides a mechanism for the agency to ensure that the service is being provided effectively.

The Committee recommends that all contracts for the private provision of government services clearly state the outputs and outcomes required of the service, and the criteria by which performance will be evaluated.

2.3 SPECIFIC AGENCIES

Members addressed a number of issues specific to each agency during the course of the 1994/95 Estimates hearings. A list of these is included at Attachment C.

2.3.1 Premier and Cabinet (Division 4).

New Initiatives.

During the course of the Premier and Cabinet hearing, the Committee noted the following activities planned for 1994/95 that may represent new initiatives that lie outside of the definition of "ordinary annual services of the Government" for the purposes of s46 of the Constitution Acts Amendment Act 1899:

- leasing of all Ministry vehicles from outside Government;
- telecommunications coordination.

Nine of the planned achievements detailed in the Programme Statements may represent new initiatives. These are listed at Attachment B.

2.3.2 Governor's Establishment (Division 6).

New Initiatives.

No new initiatives have been identified.

2.3.3 Treasury (Division 9).

New Initiatives.

Two of the planned achievements detailed in the Programme Statements may represent new initiatives. These are listed at Attachment B.

2.3.4 WA Tourism Commission (Division 11).

New Initiatives.

The Committee notes from the Commission's tabled responses to Member's questions that no new policies will be introduced in 1994/95. Examination of the Programme Statements, however, indicates that at least two of these may represent new initiatives. These are listed at Attachment B.

2.3.5 Agriculture (Division 25).

The Committee notes that a major review of the Primary Industry portfolio was commissioned by the responsible Minister in November 1993 and is due to report in September 1994. The review will examine the strategic direction and market development of the Western Australian agricultural industries and the implications for the portfolio structure and management. The Committee notes that the portfolio structure has been addressed a number of times during recent years, including an extensive functional review of the Agriculture Department and the Agriculture Protection Board in 1987 and as part of the 1993 McCarrey Review.

The Agriculture Department will enter into four net appropriation agreements for 1994/95. These are:

AGWEST Animal Health Services	\$66,000
AGWEST Direct Mail Services	\$125,000
AGWEST Land Management Services	\$135,000
AGWEST Seed Quality Services	<u>\$203,000</u>
	<u>\$529,000</u>

Moneys received and retained from each of these services can be applied to the Department's programmes and activities that are specified in the 1994/95 Consolidated Fund Estimates and Programme Statements.

New Initiatives.

The department has indicated that no new major policy areas will be introduced in 1994/95. During the course of the Agriculture hearing, however, it was noted that the Programme Statement include the introduction of a new National Animal Health Information System to facilitate international and interstate trade in livestock and animal health products. A further five planned achievements may also represent new initiatives. These are listed at Attachment B.

2.3.6 Agriculture Protection Board (Division 26).

The Committee notes a significant degree of cooperation between the Agriculture Protection Board (APB) and the Agriculture Department in implementing eradication and control activities. The two agencies often share offices and equipment in regional areas and, in some areas, a single appointment is made to carry out the responsibilities of both agencies. The 1993/94 unaudited financial statements for the APB include an estimate of the cost of Agriculture Department facilities that are provided free of charge to the APB. These are reproduced below:

Financial Services	\$160,600
Office Accommodation	\$31,500
District Offices	\$162,800
Personnel Records	<u>\$3,600</u>
	<u>\$358,500</u>

These costs are not incorporated into the performance indicators. The efficiency indicators do not, therefore, reflect the true unit cost of delivering services.

The Committee recommends that the current review of the Primary Industry Portfolio address the cost structures of each agency with a view to ensuring that the true costs of services are clearly reflected in the financial statements and performance indicators.

New Initiatives.

No new initiatives have been identified.

2.3.7 Fisheries (Division 28).

New Initiatives.

During the Fisheries hearing, the Committee noted that the Board's aquaculture strategy is the only new initiative to be introduced in 1994/95. Examination of the Programme Statements indicates three additional planned achievements that may represent new initiatives. These are listed at Attachment B.

2.3.8 Land Administration (Division 32).

New Initiatives.

During the course of the Land Administration hearing, the Committee noted that the department will be introducing new policies in the land sales area. This will involve the use of private real estate agents to sell developed residential Crown land in country areas. The total cost of the initiative is \$370,000. Examination of the Programme Statements indicates that seven of the planned achievements may also represent new initiatives. These are listed at Attachment B.

2.3.9 Transport (Division 33).

The Committee noted that figures representing the 1993/94 actual disbursements for the Transport Trust Fund vary between Budget Papers Six and Seven. The figure of \$141,341,818 given in the Supplementary Budget Information (Budget Paper N°7) represents the disbursements from the Fund for a full year of operations. On 27 August 1993, the Fund was brought within the administration of the Department of Transport. Appropriately, the lower amount of \$128,641 reported in the Programme Statements (Budget Paper N°6) for the Department of Transport represents disbursements made during the ten months from this date.

The Committee acknowledges that it is appropriate that the Programme Statements only report actual expenditure that falls within the auspices of the agency in question. However, the current presentation of Transport Trust Fund expenditure is misleading in the sense that actual and estimated figures representing different timeframes are presented for comparison within the one table. A footnote to the table highlighting the period to which the figure relates would avoid misinterpretation.

The Committee recommends that differences in reporting periods be footnoted in future budget papers.

New Initiatives.

Four of the planned achievements detailed in the Programme Statements may represent new initiatives. These are listed at Attachment B.

2.3.10 Main Roads (Division 34).

New Initiatives.

No new initiatives have been identified.

2.3.11 Western Australian Coastal Shipping Commission (Division 35).

New Initiatives.

In 1994/95 the Commission will commence procedures to privatise the operations of Stateships. The costs involved in the privatisation process for 1994/95 are currently presented for appropriation through the N°1 Bill. Planned achievements that may represent new initiatives are listed at Attachment B.

2.3.12 Western Australian Government Railways Commission (Division 36).

New Initiatives.

Planned achievements that may represent new initiatives are listed at Attachment B.

2.3.13 Education (Division 37).

New Initiatives.

New initiatives to be introduced in 1994/95 include a change in the provision of education for five year olds from five days per week to four days per week. The recommendations of the following reviews conducted in 1993/94 will also be implemented:

Allocation for 1994/95

Students with Disabilities	1,540,000
Gifted and Talented Programme	500,000
Physical Education Programme	750,000
Rural Education Programme	960,000
Country Incentives	<u>1,000,000</u>
	<u>4,750,000</u>

The first four of the reviews listed above will result in the provision of additional resources to schools, development of new curricula, and professional development. Of these four reviews, two have been completed and the recommendations considered by the Minister for Education. The Gifted and Talented Programme review has yet to be completed. The implementation programme for 1994/95 has, therefore, yet to be determined. Similarly, the details of the Rural Education Programme will be finalised following the release of the Schooling in Rural Western Australia report. The details of the Country Incentives programme will also follow from the Schooling in Western Australia report.

The unfinished status of these reviews highlights the treatment of the appropriation of funds for initiatives that have yet to be determined. The desirability, from a Parliamentary perspective, of appropriating funds for unspecified initiatives is discussed in Section 2.2.2 above.

A list of planned achievements that may represent new initiatives is included at Attachment B.

2.3.14 Training (Division 43).

The Committee notes that the apparent 8% decrease in funding for the Department of Training from 1993/94 actual expenditure is largely a result of a change in the treatment of funding under the Australian National Training Authority (ANTA). In previous years, including 1993/94, the State forwarded \$38.5m to ANTA, which was then returned to the department on the basis that the funds would be allocated to training. The Committee understands that this arrangement was intended to ensure that States did not reduce their own training expenditure. The transfers were accounted for as expenditure and income to and from the Commonwealth, effectively double-counting the funds. In 1994/95, although the funds will continue to be expended on training, the transfer has not taken place, resulting in an apparent decrease in total department expenditure.

New Initiatives.

The department will introduce a number of new initiatives in 1994/95. These largely involve restructuring of agency functions, focussing on the devolution of responsibility and service provision. The initiatives include:

- devolved operating arrangements for the WA Department of Training;
- amalgamation of community based programmes under the State Employment Assistance Strategy;
- devolution of equity and access programme co-ordination;
- merger of the TAFE External Studies College and the College of Customised Training to form the Curriculum and Customised Training Network, resulting in changes to curriculum management, pricing of curriculum for franchising purposes, and devolution of TAFE External Studies College functions;
- competitive tendering for training places;
- development and piloting of a quality assurance framework;
- review and development of the course accreditation and provider registration arrangements, as well as student assessment processes including recognition of prior learning and overseas qualifications;
- devolved administration of apprenticeship and traineeship training agreements;
- coordination of off-the-job training funding; and
- industrial relations reforms.

Planned achievements appearing in the Programme Statements that may represent new initiatives are listed at Attachment B.

2.3.15 Sport and Recreation (Division 49).*New Initiatives.*

In 1994/95, the Ministry plans to pilot a new approach to funding State sport associations. Funding will be sourced from the existing Sports Lottery Fund.

2.3.16 Justice (Division 51).

The Committee examined six of the nine programmes administered by the Ministry of Justice. In particular, the Committee noted that no performance indicators have been developed to measure the stated objective of sub-programme 1.1 regarding the "safe and secure detention of offenders". While the Committee appreciates that performance indicators can be and are often considered to be in an evolutionary stage, the Committee notes that sub-programme objectives are clearly reported in the Programme Statements and considers that some measure should be available.

Programme 5: Crown Solicitor.

The Committee noted that the recommendations of the McCarrey Review regarding market equity in determining the salaries of legal officers have been addressed in a general review of the operations of the Office of the Crown Solicitor. The review report has yet to be considered by Government and may require some budgetary changes.

New Initiatives.

Planned achievements detailed in the 1994/95 Programme Statements that may represent new initiatives are listed at Attachment B.

2.3.17 Legal Aid Commission (Division 54).*New Initiatives.*

Planned achievements detailed in the 1994/95 Programme Statements that may represent new initiatives are listed at Attachment B.

2.3.18 Office of the Director of Public Prosecutions (Division 55).

The Committee noted that DPP initiated police investigations are debited to the Police Department. The cost of such investigations is not assessed.

New Initiatives.

No new initiatives have been identified.

2.3.19 Miscellaneous Services (Division 59).

The Committee noted the comments of the Minister for Finance that Miscellaneous Services should deal only with extraordinary items. To this end, items of a recurring nature will be allocated to the appropriate division in future years.

Members discussed nine of the items funded under Miscellaneous Services. These are listed at Attachment C.

New Initiatives.

Non-capital items that were not funded in 1993/94 are listed at Attachment B.

2.3.20 Health (Division 64).

The Committee notes that the health care system in Western Australia is currently undergoing reform based on a Funder/Owner, Purchaser, Provider model. The model, which is consistent with international and national trends in health system management, is intended to provide transparency in the provision of health care services to government through negotiated contracts between health service providers and regional purchasing agencies.

New Initiatives.

Planned achievements detailed in the Programme Statements that may represent new initiatives are listed at Attachment B.

2.3.21 Conservation and Land Management (Division 72).

The Committee notes that 1994/95 will be the first year in which CALM addresses its accumulated debt. The department's loan liability as of 30 June 1994 was \$127.7m, primarily incurred through WA Treasury loans and softwood forestry agreements. The department anticipates eliminating at least 75% of the debt by the year 2000.

In 1994/95, the department will enter into a net appropriation agreement with the Treasurer in 1994/95. The moneys to be retained are:

Proceeds from the sale of forest products under s88(1)(b) and s92(2) of the
Conservation and Land Management Act \$96.6m
Proceeds from the disposal of property and equipment \$1.2m

These funds, with the exception of proceeds from the disposal of real property, will be applied to purposes and functions authorised by the Conservation and Land Management Act. Proceeds from the disposal of real property will be applied to reducing loan liabilities. The resulting net draw on the Consolidated Fund for 1994/95 will be \$34.2m.

New Initiatives.

The Committee notes from the responses tabled at the commencement of the hearing, that all Major Planned Achievements appearing in the budget papers for CALM are considered by the department to be new initiatives in the 1994/95 financial year.

2.3.22 Environmental Protection (Division 73).

New Initiatives.

The department has indicated that the following activities planned for 1994/95 represent new initiatives:

- a separate allocation for the Environmental Protection Authority as a distinct operating entity from the Department of Environmental Protection;
- integration of the State's waste management function into the department;
- introduction of a Spatial Information System; and
- preparation of a State of the Environment report.

The specific planned achievements that relate to these initiatives are listed at Attachment B.

2.3.23 Police (Division 89).

The Police Department hearing focussed on human resource management issues including recruitment costs and strategies, civilianisation of positions within the Police Department, in-service training, accumulation of annual and long service leave, and the establishment of a police reserve, including retired police officers, to conduct training and specified sedentary duties.

New Initiatives.

No new initiatives have been identified.

2.3.24 Bush Fires Board (Division 91).

The Committee noted that, further to observations by the Office of the Auditor General in the First General Report for 1994, the Bush Fires Board has installed a computerised database package and has performed a complete stocktake of all regional offices and headquarters. The Board is also in receipt of Treasury funding to in order to take out insurance policies for high risk areas.

New Initiatives.

The Board has listed the following items as new initiatives 1994/95:

• Fire Appliance and Equipment Subsidy Scheme	1,000,000
• Radio Subsidy Scheme	600,000
• Board's Command Radio Network System	<u>778,000</u>
	<u>\$2,378,000</u>

The specific planned achievements that relate to these initiatives are listed at Attachment B.

2.3.25 Office of Traditional Land Use (Division 98).

New Initiatives.

Four of the planned achievements detailed in the Programme Statements may represent new initiatives for 1994/95. These are listed at Attachment B.

3. CONCLUSION

The 1994/95 review of the Consolidated Fund Estimates by the Standing Committee on Estimates and Financial Operations has encompassed 24 agencies. During the course of the review, the Committee has considered the 1994/95 Programme Statements, the 1994/95 unaudited financial statements and performance indicators, and various other agency reports and reviews, and conducted a public hearing for each of the agencies under consideration. Eleven recommendations have arisen from the review. These include matters regarding the operations of the Committee, the presentation of the Programme Statements, and competitive tendering processes.

ATTACHMENT A

REFERENCES

- HANKS PJ, 1985. *Australian Constitutional Law*. (3rd ed.) Butterworths, Sydney.
- PEARCE, 1977. "The Legislative Power of the Senate". In Zines (ed), *Commentaries on the Australian Constitution*. Butterworths, Sydney.
- STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS, 1994a. *The Review of the Consolidated Fund Estimates 1994/95*.
- STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS, 1994b. *Transcripts of Evidence*. 19 September 1994 - 22 September 1994.
- WESTERN AUSTRALIAN GOVERNMENT, 1994. *1994/95 Budget Papers*.

ATTACHMENT B**NEW INITIATIVES**

The following 1994/95 Planned Achievements, as detailed in the 1994/95 Programme Statements, appear to the Committee to be new initiatives, that is, they are projects or programmes of activity that are commencing in the 1994/95 financial year. This list is intended only as indicative of the extent to which the Programme Statements can be interpreted as including a mix of different types of activities in terms of s46 of the Constitution Acts Amendment Act 1899. It is not intended as a conclusive presentation of all such initiatives included in the 1994/95 budget, indeed the Committee acknowledges that such a presentation would require a determination as to the definition of "ordinary annual services of the Government".

Premier and Cabinet.

- Fresh emphasis on an Indian Ocean focus for Western Australia, which will enhance our relationships with the State's northern neighbours in Asia, the rapidly growing market opportunities in India, our established links with the Middle East, and the emerging potential of East and Southern Africa.
- The Ministry will undertake a programme to upgrade and replace Electorate Office computing systems.
- The Public Sector Reform process will involve key new initiatives such as the introduction of accrual accounting on behalf of the Ministry and its clients, and the implementation of workplace reform initiatives.
- The implementation of the Public Sector Management Act and Regulations will be monitored and advice provided to government and agencies on issues arising from the legislation. Consideration will be given to identifying public sector organisations which carry out functions commensurate with those of the public service, with a view to promoting consistency of employment conditions within the public sector.
- Implementation of competitive tendering and contracting by agencies will be monitored and coordination of initiatives will be undertaken.
- A tender will be developed and let for a Facilities Manager for telecommunications to cover the whole Western Australian public sector.
- The introduction of an incentives programme to facilitate and encourage agencies to dispose of or rationalise surplus property assets.
- Development of an improved leased private properties database and payments system, including integration with planning information systems.
- Adoption of portfolio management strategies for office accommodation with a view to improving planning and management, thereby promoting government-wide efficiencies.

Governor's Establishment

No new initiatives identified.

Treasury

- New sub-programme "Information Systems Management".
- Development of comprehensive performance monitoring arrangements for major government trading enterprises.

WA Tourism Commission

- Undertake a statewide tourism strategy.
- Undertake a "positioning" advertising campaign.

Agriculture

- Develop a strategy to attract early stage wool processing to Western Australia.
- Establish representative Programme Committees for each of the department's operational programmes.
- Develop remote sensing techniques to map and monitor rangeland vegetation changes, dryland salinity, wind eroded areas, and the decline in remnant vegetation.
- Establish "focus farms" in the agricultural regions.
- Implement policies developed for improved management of trust funds.
- Introduce a new National Animal Health Information System.

Agriculture Protection Board

No new policies have been identified, however the Committee notes that a major portfolio review may affect planned achievements for 1994/95.

Fisheries

- New sub-programme "Aquaculture Development"
- Introduction of a new Fisheries Resource management Act to support better management of fisheries and aquaculture.
- Establishment of a Licensing Registrar to register interest in licences and a public register for licences.
- Refocussing of the Fisheries Department's role that will arise from the Primary Industry Portfolio review.

Land Administration

- Develop new procedures and organisational structure to accommodate the Land Administration Act and Public Sector reform programme.
- Introduce an automated system to replace the manual recording of changes to ownership details and encumbrances on Certificates of Title.
- Transfer responsibility for cadastral survey examination to accredited private sector surveyors, including the publication of a Survey Practice Manual.
- Implement quality assurance principles in the production and management of Land Information.
Implement custodianship policy.
- Enactment of the Strata Titles Amendment Act, supported by an extensive educational programme for members of the public and industry groups.
- Present proposal to Cabinet for amendments to the Strata Titles Act.
- Submission to Cabinet of proposals for a Surveyors Bill.

Transport

- New sub-programme "Urban Public Transport".
- Introduction of a variety of initiatives to reduce public transport costs to taxpayers.
- Establish a strategy for new administrative arrangements for the ports of Broome and Wyndham.
- Implement a strategy aimed at increasing the shipping capacity available to local exporters of containerised cargoes at acceptable rates.

Main Roads

A number of road upgrade projects will be conducted in 1994/95.

Western Australian Coastal Shipping Commission

- Re-negotiation of the Fremantle stevedoring contract to reduce stevedoring expenditure by 10%.
- Re-evaluation and assessment of the North West service with a view to improving vessel utilisation by 15%.

Western Australian Government Railways Commission

- An autonomous Country Passenger Business Unit will be created to significantly improve the marketing and operation of the country passenger services.

Education

- New programme "International Education".
- Implementation of the report of the Ministerial taskforce on preprimary education.
- The recommendations of the Ministerial review of the special needs of rural and remote students will be considered and provisions for gifted and talented students will be examined and programme proposals developed.
- The endorsed recommendations of the 1993 Ministerial taskforce inquiring into provisions for students with disabilities or specific learning difficulties will be progressively implemented.
- The computerised attendance package, MAZE, will be introduced and a truancy prevention initiative developed.
- A new Education Act will be drafted.

Training

- New sub-programme "Support to the State Training Board".
- Implement "Quality Assurance" systems, in fee for service training and accreditation, registration areas, to ensure that quality is built into every stage of the course development process.
- Undertake a comprehensive review of the Industry Employment Training Council (IETC) network.
- Implement the new competency based vocational qualifications framework through the accreditation of courses process.
- Establish a School of Visual Arts commencing in Semester 2 1994, to be located at the Aberdeen Street and Fremantle Prison sites.
- Develop a state-wide policy on Recognition of Prior Learning (RPL) and establish an RPL Centre at the Central Metropolitan College.

Sport and Recreation

No further new initiatives have been identified.

Justice

- Commence the development of a pilot Risk Assessment Model of offender management.
- Develop strategies and management procedures in response to Sentencing Act requirements.
- Implement and consolidate the package of salary reforms applicable to WA Prison Officers Union members.
- Establish a pilot Work Camp style facility as a court based alternative to imprisonment for young offenders.
- Develop a State wide coordinated approach to the prevention of juvenile crime using major Local Government organisations to coordinate the relevant government and non government bodies.
- Develop a new management philosophy around the theme of responsible citizenship and integrate it with detention centres and community based service management practices.

- Commence implementation of the recommendations of the independent review of court accommodation requirements for the Supreme Court, District Court, Magistrate's Courts in the CBD and at Fremantle.
- A counselling service is to be established to inform and assist next of kin throughout the coronial process.
- A review of the Crown Solicitor's office is to be conducted.
- Introduce an automated system to record the receipt of drafting tasks and track their progress in the office.
- Relocation of the Public Guardian's office and the Guardianship and Administration Board.
- Implement the computerisation of the Public Guardian's Office.
- Develop an information and support programme pertaining to adult sterilisation.
- Seek recognition through legislation of ethnic naming procedures.
- Release of a consolidated 1841-1905 birth, death, and marriage index for sale to the public.
- Microfilming of birth, death, and marriage registers from the Christmas and Cocos Islands.

Legal Aid Commission

- A Domestic Liaison Service will be developed to provide advice, assistance, and representation to victims of domestic violence.

Office of the Director of Public Prosecutions

No new initiatives have been identified.

Miscellaneous Services

The following non-capital items were not funded in 1993/94:

- Refund of taxes to trotting and racing clubs for donations to charitable organisations.
- Regional Aerodromes - Assistance.
- Shire of Shark Bay - Denham Foreshore Development.
- Western Australian Water Authority - Farm Water Strategy.
- Commission on Government.
- Rural Housing (Assistance) Act - Loss on Indemnity.
- Special Investigation - Coal Contract.

Health

- New strategies to improve the control of sexually transmitted diseases in rural areas will be implemented.
- Support services for post natal depression and parenting skills will be established in the northern suburbs and will target non-English speaking women and women who are socially or financially disadvantaged.
- The prevention and health education activities currently provided through the Alcohol and Drug Authority will be realigned to integrate more closely with those activities of the Health Department.
- Recommendations related to child health screening practices, outlined in the "Review of Child health Surveillance and Screening 1993", will be implemented.
- Following recent consultation with Aboriginal people, the Health and Police Departments will jointly develop a programme to reduce road trauma among Aboriginal people in the Kimberley.
- Hospital services in the metropolitan area will be improved by:
 - establishing a liver transplantation unit for patients with end stage liver disease at Sir Charles Gairdiner Hospital;
 - establishing a screening clinic for physiotherapy outpatients at Wanneroo Hospital.
- Slow stream rehabilitation services will be developed for frail aged people who need a

medium to long term programme of restorative care prior to admission to a non-government nursing home.

- In country areas, support will be provided for establishing small purpose-built nursing homes on existing hospital sites as part of multipurpose health services for people living in country towns.
- Health policies for Aged Care are being developed and when finalised will provide a framework for the funding, planning, and provision of a comprehensive range of services to meet the needs of aged people in Western Australia.
- Severely psychiatrically disturbed adolescents will receive more appropriate treatment through the development of a facility at Bentley Hospital which will include four secure beds not previously available within the State.
- The level of fees being charged by private practitioners within the Country Patients' Dental Subsidy Scheme will be reduced to match the Department of Veterans' Affairs Schedule of Fees.
- The development of a joint admission clinic at the Perth Dental Hospital will enable better integration of student training into first line primary care.
- The Commonwealth Dental Health Programme General Dental Scheme was implemented from 1 July 1994.
- In accordance with the National Health and Medical Research Council recommendations, autoclaving of all public dental service provider handpeices will be standard practice.

Conservation and Land Management

CALM has indicated to the Committee that all planned achievements detailed in the Programme Statements are considered to be new initiatives for 1994/95.

Environmental Protection

- Implement changes to the environmental impact assessment process arising from the review of the Environmental Protection Act.
- Establish strong local markets for waste materials and recycled products through a "buy recycled" campaign and strategic government purchasing.
- Develop and introduce legislation to give the State a more effective framework for the registration and control of contaminated sites and for waste management.

Police

No new initiatives have been identified.

Bush Fires Board

- Commence conversion and upgrading of the Board's Radio Command Network System.
- Provision of subsidised grants to local authorities to assist with the conversion of radio networks.
- Implementation of the Government's initiative for fire appliance and equipment grant scheme.

Office of Traditional Land Use

- Development and installation of a modern records management system.
- Develop sub-registers as required which will enable objections to development proposals to be assessed and determined in an efficient and timely manner.
- Develop an integrated mapping system to cater for the needs of client groups.
- Develop policy and procedures on claims and compensation for loss of Rights of Traditional Land Use.

ATTACHMENT C**POINTS RAISED DURING THE 1994/95 ESTIMATES COMMITTEE HEARINGS****Premier and Cabinet (Division 4).**

- breakdown of Minister's staff costs incorporated into Premier and Cabinet appropriation;
- overseas representation sub-programme;
- community attitude polling;
- coordination of telecommunications network;
- office accommodation: excess square metres, cost per metre, strategies to reduce costs;
- signing of Premier's letters;
- hospitality functions: hosting, planned number for 1994/95; budget;
- impact of government aircraft charter contract on FTE costs;
- report regarding the administration of Members' entitlements;
- costs and legal advice associated with the Policy Coordination Programme;
- consultants employed within the public sector management office;
- register of government boards and committees;
- review of payments to members of government boards; and
- outfitting of electorate offices with computing equipment.

Governor's Establishment (Division 6).

- new capital works;
- breakdown of staff;
- unbudgeted capital expenditure for 1993/94;
- Governor's salary;
- allocation of costs to the Ministry of Premier and Cabinet and provision of services by Premier and Cabinet;
- speech writing services; and
- revenue from the ballroom credited to the Office of State Administration.

Treasury (Division 9).

- devolution of responsibility to government agencies to enable separate operation from the government accounting system. Guidelines regarding minimum requirements. Integration with the Government Finance Statistic and the Government Purpose Statistic. Influence of credit ratings agencies;
- size of the Treasurer's Instructions;
- policy advice on the tax implications of corporatisation of GTEs and business units;
- approach to performance indicators;
- progress of accrual accounting;
- BankWest float; and
- basis for calculating forward estimates.

WA Tourism Commission (Division 11).

- consolidation of traditional South East Asian markets;
- 1993/94 EventsCorp events;
- management of the Hopman Cup;
- major conventions 1993/94 and planned in 1994/95;
- origins of visitors, destinations within Western Australia, and preferred mode of travel;
- share of Australian tourist market;
- McCarrey Review recommendations regarding coordination with other agencies;
- FTE allocation and use for 1993/94 and 1994/95;
- vacant leased office space in Melbourne;
- 1993/94 staff redundancies;
- identification of need for Busselton airport;
- allocations under the tourism investment programme, including the allocation to the Hotham Valley Tourist Railway Society;
- funding for local authorities;
- measurement of outcomes of funded projects;
- funding for overseas markets apart from South East Asia;
- public infrastructure and facilities grants criteria with respect to disabled access;
- development and printing of promotional material;
- after hours inquiries;
- assistance with bidding for conventions;
- adventure workshops; and
- regional communication.

Agriculture (Division 25).

- funding provision for retirements;
- exclusion of external funding sources from the budget papers;
- plant variety rights;
- management of trust funds;
- the cooperative CSIRO wool research programme;
- the establishment of industry programme committees;
- wool industry export marketing structure;
- the status and impact of international trade tariffs;
- the department's ability to attract and retain research scientists;
- improper conduct of officers with regard to the Asterisk footrot outbreak;
- horticulture export marketing strategy; and
- the administrative structure of the wheat industry.

Agriculture Protection Board (Division 26).

- funding trends for the codling moth eradication programme;
- reduction in "other operating costs" for Corporate Services;
- eradication programmes for feral pigs, goats, and donkeys;
- the impact of quarantine programme competitive tendering on tourism;
- control of Patterson's Curse.

Fisheries (Division 28).

- budgetary implications of the Fisheries Resource Management Bill;
- funding from the Fisheries Research and Development Corporation not represented in the budget papers;
- placement of additional FTEs within the agriculture development sub-

programme;

- conduct of yabbie research outside of permitted yabbie farming areas;
- buy-back schemes;
- management of the rock lobster industry; and
- the research basis for fisheries management decisions.

Land Administration (Division 32).

- capital works conducted in 1993/94;
- the relative cost of contracting out services;
- the development of superlots;
- the 1994/95 revenue estimate;
- funding for the management of fire hazards on DOLA-managed land;
- international land administration activities; and
- the treatment of revenue from the sale of Exmouth houses.

Transport (Division 33).

- phasing out of the allocation to the MTT from the Transport Trust Fund and the subsequent allocation from the Transport Trust Fund to roads;
- the subsidy for off-road use of fuel; and
- the allocation for the road funding campaign.

Main Roads (Division 34).

- source of funding for the Australian Land Transport Development Programme;
- Kwinana Freeway extension: subsequent use of surrounding roads, and liability for maintenance;
- planning time frames and the impact of long term petroleum availability on planning decisions;
- the cost of bringing the state road network to a minimum standard.
- the allocation to local government from surplus funds in the Transport Trust Fund and the reduced total allocation to local government roads; and
- the decreased budget allocation to freight/resource development.

Western Australian Coastal Shipping Commission (Division 35).

- the reduction in net expenditure;
- superannuation pension funding;
- the financial impact of the current rationalisation strategy;
- the decrease in the number of voyages undertaken in 1993/94;
- the planned reduction of stevedoring expenditure through renegotiation of the stevedoring contract
- competitive tendering for the operation of the four state ships;
- implementation of stated objectives for the provision of services to isolated regions
- privatisation issues, including the allocation of profit, treatment of the current Bankwest lease, the costs and source of funding for the privatisation process; and
- the feasibility of servicing overseas destinations, particularly with reference to the lease commitment for the current fleet.

Western Australian Government Railways Commission (Division 36).

- 1992/93 actual expenditure for workshop services and supply;
- rail services for the mineral sands industry;
- the cost of the workshops severance scheme;
- the impact of the National Rail Corporation on staff relocation;
- the privatisation of the East Perth terminal catering facilities
- the restructure of fertiliser transport services;
- revenue from Portland Mining iron ore haulage;
- changes in pricing policy to facilitate comparison and competition with road costs;
- the metropolitan rail service, including disabled access and parking availability, cost, and security;
- the impact of the NRC cost structure on transcontinental freight rates;
- the use of former workshop employees as consultants; and
- capital funding trends.

Education (Division 37).

- assistance with attention deficit disorder;
- encouragement of female participation in sciences and vocational studies;
- allocation to rural education;
- Hoffman Report into devolution;
- truancy and discipline strategies;
- use of UN convention on rights of the child within the primary school curriculum;
- four and five year old enrolments;
- Wiluna High School;
- Aboriginal education strategies;
- appointment of police officers to high schools;
- impact of voluntary student unionism on Commonwealth education grants;
- departmental fleet;
- cost of kit for gifted and talented students;
- federal allocations for equity programmes;
- school counselling sub-programme;
- funding for school chaplains;
- funding for programmes for gifted and talented students;
- approach to youth suicide;
- funding for remote schools to district high school status;
- international education risk management;
- flexibility in schools project;
- education research;
- impact of schools rationalisation project on total teacher numbers; and
- location of vacant classrooms.

Training (Division 43).

- health care cards as a fee exemption category;
- funding and review of State Government employment programmes;
- funding and review of the new enterprise scheme;
- unit cost measures of organisational efficiency;
- treatment of infrastructure costs;
- TAFE enrolment trends;
- funding for volunteer tutors scheme;
- decreasing trend in total apprentice training hours provided and initiatives to increase apprentice numbers, including group training schemes and live work projects;

- competency based training and multiskilling;
- overseas qualifications unit: costs and level of work;
- review of Industry Training Councils;
- revenue from the College of Customised Training;
- women's advisory committee;
- female course participation;
- costs and FTE allocation for sub-programme 2.3;
- funding for Aboriginal training;
- use and monitoring of the telecentre network;
- proportion of federal funding; and
- accrual accounting and comparison of outsourcing and internal costs.

Sport and Recreation (Division 49).

- triennial funding of the community sport and recreational facilities programme;
- 2000 Olympics;
- funding for maintenance of local government swimming pools;
- State administrative grants to the Commonwealth Games Association;
- Athletics West allocation and management;
- 1993/94 review of development plan funding and sports lottery fund grants reforms;
- swimming related expenditure;
- allocation to football codes;
- management of development grants, particularly in relation to the Soccer Administration of Western Australia;
- support for disabled competitors at interstate and international events;
- required capital works for the 1988 world swimming championships;
- WAIS funding;
- regional elite enrichment programmes;
- differentiation between sub-programmes 1.1 and 1.2;
- Asian Sporting Relations Council; and
- Aboriginal sport.

Justice (Division 51).

Programme 1: Adult Offender Management.

- safety of incarcerated offenders;
- assessment of risk of offender management strategies to the community;
- culturally sensitive management of Aboriginal offenders;
- rehabilitation strategies; and
- police investigation of prison officers.

Programme 2: Juvenile Justice.

- assessment of juvenile justice teams;
- the Laverton work camp;
- a 30% increase in the average daily muster over the previous year; and
- local government involvement in the prevention of juvenile crime.

Programme 5: Crown Solicitor.

The Committee noted that the recommendations of the McCarrey Review regarding market equity in determining the salaries of legal officers have been addressed in a general review of the operations of the Office of the Crown Solicitor. The review report has yet to be considered by Government and may require some budgetary changes.

Programme 6: Legislation.
The Sentencing Bill 1994.

Programme 8: Public Trust Administration.

- adequacy of computing facilities;
- consideration of capital gains tax in the disposal of assets; and
- strategies to prevent corruption in asset sales management.

Legal Aid Commission (Division 54).

- budgetary treatment of the separate representation of children;
- the Commission's accountability structure;
- appeal mechanisms and strategies for people ineligible for legal aid, including referral of unsuccessful Aboriginal applicants to the Aboriginal Legal Service;
- the ceiling on legal aid assistance;
- granting of aid to one partner in custody cases;
- operation of the asbestos fund;
- sufficiency and allocation of resources with respect to District and Supreme Court criminal cases; and
- Commonwealth funding.

Office of the Director of Public Prosecutions (Division 55).

- security of documents, in particular the treatment of the recent DPP report on the operations of the Royal Commission Prosecutions Division;
- the \$600,000 funding cut in the 1994/95 budget;
- payment to lawyers in foreign jurisdictions;
- implementation of the office corporate information technology plan;
- powers of Attorney General to initiate prosecutions and associated requirements for the release of relevant documents held by the DPP; and
- sufficiency of staff numbers.

Miscellaneous Services (Division 59).

- Refund of taxes to trotting and racing clubs for donations to charitable organisations.
- Regional aerodromes assistance.
- Swimming pools, subsidies for operating costs.
- BankWest privatisation.
- Fremantle Port Authority, rebate of statutory contribution.
- Metropolitan Cemeteries Board.
- Official Corruption Commission, contribution to trust fund.
- Western Australian Land Authority.
- Western Australian Water Authority, farm water strategy.
- Housing Loan Guarantee Act, losses on indemnities.
- Interest on public moneys held in participating trust fund accounts.
- Special Investigation, coal contract.
- Telephone and telex charges, central government buildings.

Health (Division 64).

- low level of spending on community health.
- waiting lists for elective surgery;
- employment of medical practitioners as advisers and the level consultation with

professional associations;

- case mix funding and diagnostic related grouping;
- removal of human organs;
- effectiveness of health screening;
- risk management procedures;
- support gap in the supply of prostheses between health care card holders and people with private medical insurance, and inconsistency across hospitals;
- metropolitan regional funding for child and adolescent mental health;
- public health and the transfer of waste management to the Department of Environmental Protection;
- metropolitan sewerage policy;
- mental health: funding; management of patient release;
- underutilised operating theatre capacity;
- licensing for overnight stay at surgical centres;
- structure of outreach services;
- immunisation and speech pathology services for children;
- assessment of services provided by private groups and funded publicly;
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Conservation and Land Management (Division 72).

- the Foxglove operation;
- management of boronia production;
- relative funding across programmes;
- user pays system for national parks;
- funding for dieback treatment programmes; and
- funding for pre- and post-logging surveys of flora and fauna.

Environmental Protection (Division 73).

- 1993/94 grants to conservation groups;
- Perth air quality study;
- wood burning stoves;
- vehicle emissions;
- McCarrey Review recommendations;
- landfill rubbish disposal;
- waste management advisory committee;
- breakdown of types and costs of appeals against compliance decisions;
- sufficiency of funding;
- metropolitan south west corridor;
- legislative authority to assess planning and rezoning;
- unreported 1993/94 planned achievement regarding reduction of complaint response times;
- Commonwealth funds for environmental protection declined;
- non-participation in the national coastal strategy;
- cost of the south metropolitan coastal water study;
- EPA authority with respect to controlled burn-offs;
- Wandalup Farm piggery;
- self-regulation based compliance certification;
- departmental legal unit;
- impact of the planning legislation amendment bill;
- result of 1993/94 audit;
- housing development in the Kwinana industrial strip buffer zone;

- State greenhouse strategy;
- recycling initiatives;
- activities in rural areas;
- reduction in product assessment time; and
- Jandakot and Gnangara protection policies.

Police (Division 89).

- reporting of various types of crime and associated detection and clearance rates;
- funding for Police and Citizens' Youth Clubs;
- remote and country police accommodation costs;
- sponsorship of the police helicopter;
- the feasibility of a third tier of law enforcement at local government level;
- the operations of the road trauma trust fund;
- sponsorship guidelines and conflict of interest; and
- funding and outsourcing of operations of the forensic services division.

Bush Fires Board (Division 91).

- liaison between the Bush Fires Board and other agencies with respect to fire prevention;
- funding for plant and equipment held by volunteer fire brigades;
- management of volunteers;
- Kimberley fire management strategy; and
- funding increase for the country operations and coordination sub-programme.

Office of Traditional Land Use (Division 98).

- criteria for determining native title;
- status of pastoral leasehold land;
- impact of pending High Court decision on current determinations and role of the office;
- liaison with federal Native Title Tribunal;
- activity arising from approved applications;
- allocation for compensation;
- impact of the Land (Titles and Traditional Usage) Act;
- tenfold budgetary increase;
- integration with Department of Aboriginal Affairs;
- representation of Aboriginal sites on public maps;
- information requirements for development objections and the availability of that information;
- granting of rights to specific Aboriginal groups; and
- impact of new fisheries legislation on traditional fishing rights.

ATTACHMENT D

PREVIOUS REPORTS OF THE COMMITTEE

First Report: 1990/91 Budget Estimates - November 1990.

Second Report: 1991/92 Budget Estimates - November 1991.

Third Report: Leasing of Computer Equipment for the Legislative Council - February 1992.

Fourth Report: 1992/93 Budget Estimates - November 1992.

Fifth Report: Programme Undertaken During 1992.

Sixth Report: 1993/94 Budget Estimates - December 1993.

Seventh Report: Public Submissions 1993/94 - April 1994.

Eighth Report: The Review of the Consolidated Fund Estimates 1994/95.