



**THIRTY-EIGHTH PARLIAMENT**

**REPORT 29**

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**BUDGET ESTIMATES 2009/10**

Presented by Hon Giz Watson MLC (Chair)

August 2010

## **STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

### **Date first appointed:**

30 June 2005

### **Terms of Reference:**

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

#### **“2. Standing Committee on Estimates and Financial Operations**

2.1 *An Estimates and Financial Operations Committee* is established.

2.2 The Committee consists of 5 Members, 3 of whom shall be non-government Members.

2.3 The functions of the Committee are to consider and report on -

- (a) the estimates of expenditure laid before the Council each year;
- (b) any matter relating to the financial administration of the State;
- (c) any bill or other matter relating to the foregoing functions referred by the House;
- (d) to consult regularly with the Auditor General and any person holding an office of a like character.”

### **Members as at the time of this inquiry:**

Hon Giz Watson MLC (Chair)

Hon Ljiljana Ravlich MLC

Hon Philip Gardiner MLC (Deputy Chair)

Hon Ken Travers MLC

Hon Liz Behjat MLC

### **Staff as at the time of this inquiry:**

Lisa Peterson, Advisory Officer (General)

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# REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

## IN RELATION TO THE

### BUDGET ESTIMATES 2009/10

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#### 1 REFERENCE AND PROCEDURE

##### The estimates of expenditure

- 1.1 Government revenue goes into the Consolidated Account<sup>1</sup>, which is the major source of funding for the State public sector.<sup>2</sup> The ‘estimates of expenditure’ comprise the Appropriation (Consolidated Account) Bills and the supporting documentation (**Budget Papers**). These are presented to the Parliament on an annual basis in order that Government may access or ‘appropriate’ money from the Consolidated Account to fund expenditure by the Government over a given financial year.<sup>3</sup>
- 1.2 It is a function of the Estimates and Financial Operations Committee (**Committee**) to consider and report to the Legislative Council (**Council**) on the estimates of expenditure laid before the Council each year.<sup>4</sup>
- 1.3 This report relates to the Committee’s Ongoing Hearings held in relation to the Budget Estimates for 2009/10.<sup>5</sup>

##### The Committee’s approach

- 1.4 The Committee adopted a Budget Estimates Hearings approach for this task as follows:
  - i) hearings held throughout the year (**Ongoing Hearings**); and
  - ii) hearings held soon after the Budget Papers are tabled in the Council, over one to three consecutive days (**Annual Hearings**).

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<sup>1</sup> Subsequent to the assent of the *Financial Management Act 2006* on 21 December 2006, the Consolidated Fund is now called the Consolidated Account.

<sup>2</sup> The major revenue sources for the Western Australian Government include taxes, imposts, fines, rates, duties, royalties and Commonwealth Government grants: section 64, *Constitution Act 1889*, and section 8 of the *Financial Management Act 2006*.

<sup>3</sup> Section 72, *Constitution Act 1889*.

<sup>4</sup> Term of reference 2.3(a).

<sup>5</sup> The 2009/10 Budget Statements were tabled in the Legislative Council on 14 May 2009. The Appropriation (Consolidated Account) Capital 2009-10 Bill 2009 and the Appropriation (Consolidated Account) Recurrent 2009-10 Bill 2009 were assented to on 29 June 2009.

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- 1.5 The Committee in 2005 commenced a program of ongoing estimates hearings throughout the year which is supplemented by a one day session of ‘traditional’ annual estimates hearings (concentrating solely on the contents of the Budget Papers) immediately following the tabling of the Budget Papers in the Council.
- 1.6 The hearings are intended to provide all Members of the Council (**Members**) with the opportunity to question a range of government departments and agencies invited to attend for the purpose of examining the estimates of expenditure for a given year.
- 1.7 The Committee’s approach is aimed at ensuring that the estimates process is effective and worthwhile and that Members have adequate time and opportunity to question government departments and agencies.

## **2 ONGOING HEARINGS**

- 2.1 The Committee conducted Ongoing Hearings in relation to the 2009/10 Budget from June to December 2009.
- 2.2 To assist the Committee in determining which agencies to examine, the Committee corresponded with all Members. Forms were distributed to Members asking them to nominate the agencies they would like to appear.
- 2.3 The Committee received four responses nominating 37 different agencies to appear. Of these, 17 agencies were included in the Committee’s program. Seven of the agencies nominated had been included in the Committee’s Annual Hearings in relation to the 2009/10 Budget.
- 2.4 The Committee held Ongoing Hearings with 38 agencies. The agencies which the Committee heard from are listed in Table 1 below.

**Table 1**

### **2009/10 Budget Estimates Ongoing Hearings**

<b>Date</b>	<b>Agency</b>
29 June 2009	Waste Authority
	Office of the Auditor General
	Department of the Legislative Council
	Parliamentary Services Department
27 July 2009	Western Australia Police
	Heritage Council of Western Australia

Date	Agency
	Department of Local Government (incl. Office of Multicultural Interests, Citizenship)
28 July 2009	Public Transport Authority
	Department of Corrective Services
	Department for Communities
29 July 2009	Department of Commerce (incl. Aboriginal Economic Development Unit and Science, Innovation and Business Division)
	Small Business Development Corporation
	Housing Authority
	Building Management and Works
17 August 2009	Tourism Western Australia
3 September 2009	Fremantle Port Authority
	Broome Port Authority
	Bunbury Port Authority
	Dampier Port Authority
	Esperance Port Authority
	Albany Port Authority
	Geraldton Port Authority
	Port Hedland Port Authority
7 September 2009	Office of the Information Commissioner
	Rottnest Island Authority
	Department of Sport and Recreation
	Department of State Development

Date	Agency
	Department of Indigenous Affairs
21 September 2009	Department of Premier and Cabinet
12 October 2009	Peel Development Commission
	South West Development Commission
9 November 2009	Public Sector Commission
2 December 2009	Gascoyne Development Commission
	Goldfields Esperance Development Commission
	Great Southern Development Commission
	Kimberley Development Commission
4 December 2009	Pilbara Development Commission
	Mid West Development Commission

2.5 The Committee observed a Procedure Policy for the conduct of the hearings. The Procedure Policy is attached at **Appendix 1**.

2.6 All Members were notified of the hearings and invited to participate.

2.7 All of the hearings were public and the proceedings were recorded by *Hansard*. Full transcripts of the evidence taken at the hearings can be found at the Committee's web page.<sup>6</sup>

#### **Questions on notice**

2.8 In accordance with the Procedure Policy, the Committee invited Members to submit questions on notice two weeks prior to a hearing. Responses to the questions were requested from the relevant Minister three days prior to the hearings. The answers were provided to the Members prior to the hearings.

2.9 During the Ongoing Hearings a number of questions were taken on notice.

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<sup>6</sup> <http://www.parliament.wa.gov.au/web/newwebparl.nsf/iframewebpages/Committees+++Current> (current at 17 August 2010).



2.10 Where any Member was unable to ask all their questions in the scheduled period, they were provided with the opportunity to submit those questions in writing at the end of the hearing.

2.11 Copies of the questions and answers can be found on the Committee's web page.<sup>7</sup>

**Issues raised at the hearings**

2.12 This section provides a point form summary of some of the subjects that were raised during the hearings. Refer to the transcripts of the evidence and supplementary information for a complete record of the hearings.<sup>8</sup>

*Waste Authority*

- staffing numbers
- landfill levy increase
- State Waste Strategy
- building and construction waste

*Office of the Auditor General*

- impact of the three per cent efficiency dividend
- current issues and risk factors of government
- audit and examination of the 'Royalties for Regions' program
- funding increased audit activity

*Department of the Legislative Council*

- implementation of the electronic records document management system
- waste reduction (paper and electronics) and recycling

*Parliamentary Services Department*

- additional cost pressures
- occupational safety and health audit, framework and policy development

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<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

- efficiency indicators
- cost of the two Houses of the Parliament sitting at the same time
- implementation of new phone system

*Western Australia Police*

- vehicle fleet number reduction
- motor cycle fleet number reduction
- use of auxiliary officers
- operational savings
- media and marketing budget
- expenditure in regional areas
- review of the Office of Crime Prevention
- youth anti-social behaviour
- cost of operation of hoon legislation
- police training for empty hand control and use of force
- use of taser guns
- compliance reporting
- impact of mandatory reporting of child sexual abuse
- review of the forensics unit
- district allowances
- cost recovery from police presence at special events
- use of closed-circuit television (CCTV) in the community crime prevention program

*Heritage Council of Western Australia*

- allocation of grants scheme funding

- 
- jurisdictional overlap of heritage matters
  - wait list on the heritage register
  - heritage tourism strategy
  - funding for the town site at Cossack
  - cost of assessments
  - cost of assessments undertaken on The Cliffe

*Department of Local Government (incl. Office of Multicultural Interests, Citizenship)*

- Country Local Government Fund
- initiatives to promote good governance in local government
- progress of the implementation of the local government reform strategy
- savings to achieve the three per cent efficiency dividend
- costs associated with the promotion and support of multiculturalism in Western Australia
- strategies to overcome barriers to equity experienced by culturally and linguistically diverse communities
- data collection in relation to racial vilification
- amalgamation of local governments
- regional groupings of local governments
- measurement of acceptance of multiculturalism in Western Australia
- investigations of local governments and councillors

*Public Transport Authority*

- bus driver safety
- security staff numbers and hours per week
- Nightrider bus service
- safety on the Armadale and Midland train lines

- security incidents on buses
- cost of repairs due to vandalism
- CCTV on buses
- level of subsidy of public transport
- new and replacement buses
- extension of the railway line to Butler and Brighton
- deferment of the South Perth railway station
- seat belts on school buses in regional areas

*Department of Corrective Services*

- changes with the creation of new hubs for juvenile justice offenders
- rationale for the location of the youth justice hub in Belmont
- absconding and escapee rates and recapture times
- recidivism rates
- completion of community service order rate
- secure vehicle replacement
- prisoner transport
- prisoner gratuity payments
- training of staff
- overcrowding in prisons
- implementation of the recommendations of the Price report 'A review of Structure and Service Delivery for the Community and Juvenile Justice Division'
- cost of imprisonment

*Department for Communities*

- Redress WA scheme adjustment

- 
- timeline for ConnectGroups newsletter and counselling project
  - seniors cost of living rebate
  - seniors security rebate funding
  - savings to achieve the three per cent efficiency dividend
  - rationalisation of structure and resources
  - changes to advisory committees since September 2008
  - vehicle fleet number reduction
  - childcare regulations and the compliance with regulations
  - review of the *Carers Recognition Act 2004*
  - use of childcare licensing fees collected
  - implementation of the recommendations of the review of the childcare regulations

*Department of Commerce (incl. Aboriginal Economic Development Unit and Science, Innovation and Business Division)*

- discontinuation of the Aboriginal Economic Development Unit
- Indigenous arts commercialisation strategy
- Bentley Technology Park precinct project
- timeline for completion of the science review
- provision of broadband to the Kimberley and other remote regions
- provision of mobile network in regional areas
- provision of broadband in metropolitan areas
- impact of the three per cent efficiency dividend on the labour relations division
- impact of the three per cent efficiency dividend on the pay equity unit
- contribution of the Department to the Square Kilometre Array bid

- vehicle fleet number reduction
- funding for the International Centre for Radio Astronomy Research
- rationalisation of the WorkSafe division
- allocation of revenue generated from interest on the rental accommodation fund
- funding allocation for the Employment Law Centre

*Small Business Development Corporation*

- withdrawal of funding from the small business centre in Belmont
- BizFit program
- measurement of client contact costs
- services provided by the Small Business Development Corporation to migrants
- cost and activities of the policy unit
- strategies to reduce the regulatory burden on the private sector
- role of the Small Business Development Corporation in the red-tape reduction group
- development of a specific Indigenous small business development program
- small business resilience program
- business migrant state sponsorship program
- support provided to small businesses after the closure of the Ravensthorpe nickel mine

*Housing Authority*

- waiting list for public housing
- Homeswest housing vacancy rate
- remote aboriginal housing audit
- cost of repair of damage to public housing

- 
- social housing density in a suburb/region
  - types of social housing being built
  - new government regional officer housing in rural and remote areas
  - status of the building program for social dwellings
  - Commonwealth-State housing agreement
  - house and land sales by the Department
  - location of social housing in the metropolitan area
  - provision of crisis accommodation
  - national rent affordability scheme

*Building Management and Works*

- changes made to Ministers' office accommodation
- relocation of government agencies' offices out of the central business district
- projects managed by the Strategic Projects Division
- strategic projects business case completion schedule
- strategies to prevent cost blowouts on capital works projects
- school building and maintenance program
- use of public-private partnerships for capital works projects
- strategic works management framework

*Tourism Western Australia*

- number of tourists in Western Australia
- effectiveness of the "holiday at home" campaign
- downward trend in intrastate travel
- tourism industry roundtable
- training programs for the tourism and hospitality industry

- events hosted by Tourism WA
- measurement of the success of an event
- environmental impacts of the Red Bull Air Race
- offsetting events that have high carbon emissions
- anticipated impact on tourism in Broome and the Kimberley from the proposed Woodside gas hub
- number of ecotourism operators in the Kimberley
- events to be held in 2009/10, 2010/11, 2011/12 and 2012/13
- 'Royalties for Regions' fund spending on regional tourism
- funding allocation process for an event
- issues surrounding tourism accommodation development
- key efficiency indicators
- cost of internal operations/administrative costs
- monitoring of the environmental impacts of ecotourism
- impact of reduction in the destination marketing budget
- funding of regional tourism operators
- regional events scheme funding allocation

*Fremantle Port Authority*

- strategic development plan
- statement of corporate intent
- environment management plan
- method of determining dividend payable
- expected rate of return on investment
- allocation of \$250 million upgrade to the harbour



- impact of deferral of the Kwinana bulk jetty extension
- impact of the delay in the road and rail projects for the Fremantle outer harbour
- Fremantle Ports Optimum Planning Group
- funding of the asset investment program
- number of apprentices and trainees

*Broome Port Authority*

- strategic development plan
- statement of corporate intent
- proposed Browse Basin development
- proposed James Price Point development
- activities of the Broome Port Authority
- adequacy of infrastructure to support future demand
- plans for land acquisition for the port
- impact of the projected increase in throughput at the port arising from the increase in oil and gas activity
- required hinterland projects for the port expansion

*Bunbury Port Authority*

- strategic development plan
- statement of corporate intent
- proposed Perdaman project use of the port
- safety issues in relation to exports going through the port
- impact of proposed projects on the port

*Dampier Port Authority*

- strategic development plan

- statement of corporate intent
- development issues and the pressures on the port
- hinterland projects required
- capital works
- cost of housing leased by the port
- dividend payable to the State
- asset investment in the port by the State
- rate of return on assets

*Esperance Port Authority*

- strategic development plan
- statement of corporate intent
- increase in payments in lieu of local government rates
- capital works program
- upgrades to the port
- monitoring of dust emissions from nickel sulphide
- rate of return on investment
- trial of shipping containerised nickel

*Albany Port Authority*

- strategic development plan
- statement of corporate intent
- overview of the operations of the port
- woodchip throughput
- storage capacity for woodchip
- risk and opportunities for the port

- rate of return on assets
- rail enhancement rail access project
- proposed Grange iron ore project
- dredging

*Geraldton Port Authority*

- strategic development plan
- statement of corporate intent
- cap on iron ore exports through the port
- Oakajee Port development
- wheat shipment
- rate of return on assets
- dividend payable to the State

*Port Hedland Port Authority*

- strategic development plan
- statement of corporate intent
- shipping capacity of the port
- works to the Utah Point berth
- funding arrangement for South West Creek
- dredging at the port
- upgrade and rerouting of Great Northern Highway
- works on the outer harbour
- rate of return on assets

*Office of the Information Commissioner*

- operation of the *Freedom of Information Act 1992*

- adequacy of the budget of the Office
- increase in the workload of the Office in the past year
- training programs run by the Office
- nature of Freedom of Information (FOI) requests referred to the Commissioner
- criteria considered by the Commissioner in making an assessment
- Department of Premier and Cabinet review of how agencies are dealing with FOI
- retention of documents by agencies
- length of time taken by the Office to process an application
- number of complaints by agency type
- requests for Ministers' credit card statements and diaries
- allocation of funding for 'advice and awareness'
- FOI coordinators workshops
- agency statistics published in the annual report
- adequacy of searches undertaken by an agency
- outcomes and effectiveness indicators

*Rottnest Island Authority*

- allocation of funding for holiday and tourism facilities
- allocation of funding for maintenance of accommodation
- monitoring of the impact of increased visitor numbers on the natural environment
- fee increases
- ballot system for allocation of accommodation
- how the authority prioritises expenditure

- status of planned hotel
- the extent that the management of the built and natural environment is feasible to be financially self-sustainable
- amount in the budget allocated for the protection of natural and cultural heritage
- Rottnest Island management plan
- marketing and advertising
- grant funding from Treasury
- Indigenous and ecotourism products
- cash flows and costs
- visitor capacity survey
- issues related to Rottnest Island Facebook site
- implications of financial difficulties being experienced by a boat operator
- progress towards a carbon neutral status
- value of the work undertaken by volunteers
- risks to the island
- approach to climate change

*Department of Sport and Recreation*

- three percent efficiency dividend savings
- allocation of moneys provided under the *Lotteries Commission Act 1990*
- breakdown of allocation of funds under ‘grants and subsidies’
- Members Equity Stadium redevelopment
- operation of the new State basketball centre
- allocation of funding from the sport and recreation fund
- Subiaco oval

*Department of State Development*

- Oakajee port and rail project
- infrastructure requirements of the Oakajee industrial estate
- cap on iron ore shipments through the Geraldton port
- funding requirements and allocation for the proposed James Price Point Liquefied Natural Gas (LNG) facility
- status of the development of the proposed James Price Point LNG facility
- funding allocation to industry development and investment facilitation
- the role of the Department of State Development
- criteria to assess a projects viability
- mining companies interested in exporting through Oakajee port
- source of funding allocation to the Ord River project
- rate of return on the Ord River investment
- agreement with Ansteel to establish a steel mill
- measures to achieve the three percent efficiency dividend
- support for small business
- underwriting of the Gorgon project by the state and federal governments in relation to carbon sequestration
- status of, and funding allocation to, the Dampier Archipelago bilateral negotiations

*Department of Indigenous Affairs*

- Aboriginal Lands Trust
- status of report into stolen wages
- review of *Aboriginal Heritage Act 1972*
- 'Closing the Gap' reform agenda

- 
- Aboriginal Cultural Material Committee
  - remote Aboriginal communities framework
  - Indigenous Implementation Board
  - Aboriginal Affairs Coordinating Committee
  - employment of Aboriginal and Torres Strait Islander people in the Department of Indigenous Affairs

*Department of Premier and Cabinet*

- relationship between the Department and the Public Sector Commission
- Council of Australian Governments (COAG) reform agenda
- policy activities of the Department
- government action regarding antisocial behaviour
- services provided by the Department to cabinet
- lobbyists
- cost of establishing the Public Sector Commission
- budget for the government garage
- service provision to Members of Parliament
- the Department's role in cleaning up the West Atlas oil spill
- the Department's role in managing incidents, hazards and emergencies
- staffing cap across Ministerial offices

*Peel Development Commission*

- amount of Royalties for Regions funding
- allocation of Royalties for Regions funding
- economic development strategy
- allocation of Royalties for Regions funding to government agencies

- development of Nambeelup estate
- ministerial involvement in the allocation of Royalties for Regions funding
- funding towards infrastructure projects around the Boddington goldmine
- catchment management plan for the Peel-Harvey region
- reconciliation of financial statements in the budget with those contained in the annual report
- projects for the migrant population
- Royalties for Regions spending on environmental outcomes

*South West Development Commission*

- amount of Royalties for Regions funding
- allocation of Royalties for Regions funding to government agencies
- reconciliation of financial statements in the budget with those contained in the annual report
- funding to social infrastructure projects
- allocation of Royalties for Regions funding
- ministerial involvement in the allocation of Royalties for Regions funding
- assistance for migrants
- seminar on population change in the region
- seminar on climate change
- Bunbury-Zhujiang Business Relations Office
- interaction between development commissions on performance indicators
- staffing levels
- operating costs
- urban renewal plans for the town of Manjimup
- detail of the asset investment program



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*Public Sector Commission*

- staff numbers
- organisation structure
- costs associated with the agency's establishment
- appointment process of directors general
- managing poor performance of a director general
- assessment of the independence of the public sector
- reform of the public sector
- leadership programs
- restructure of government departments
- legislation to regulate the conduct of lobbyists
- investigation of evidence received by the Corruption and Crime Commission in relation to lobbyists
- mentoring program for women senior executives
- recruitment of Aboriginal and Torres Strait Islander people
- reporting to the community
- cost of training courses in accountable and ethical decision making for ministerial staff
- review of the Heritage Council of Western Australia
- assessment and reclassification of positions within the Senior Executive Service
- average length of time an employee is on the redeployment list
- accountability training
- complaint handling and management

*Gascoyne Development Commission*

- minor grants scheme funding allocation
- regional development scheme funding allocation
- priorities of the Gascoyne Development Commission
- Royalties for Regions grant funding allocation
- funding for the Shark Bay marine rescue boat
- funding for the Mt Augustus and Gascoyne Development Task Force
- grants to government agencies
- consultation on the Gascoyne food bowl initiative
- strategies to address skills shortages in the fishing industry
- Gascoyne telecommunications working group
- population projections

*Goldfields Esperance Development Commission*

- impact of the global financial crisis on the Goldfields and Esperance region
- status of BHP Billiton's Ravensthorpe Nickel operation
- current status of operations in Ravensthorpe
- Royalties for Regions grant funding allocation
- Goldfields Esperance Regional Development Scheme funding allocation to the miners hall of fame
- Goldfields Esperance transport upgrade program
- tourist road between Bremer Bay and Hopetoun
- population projections for the region
- setting infrastructure priorities
- Western Australian School of Mines

- Great Western Woodlands project
- Gormley statues at Lake Ballard
- infrastructure upgrade support for the town of Menzies
- proposed biomass plant at Ravensthorpe
- attraction and retention of police officers, doctors, nurses and teachers to the region

*Great Southern Development Commission*

- Albany waterfront development
- Albany Entertainment Centre project
- management of the requirement for a 10 percent saving in expenditure on motor vehicles
- strategic priorities for power
- cost of administering Royalties for Regions grants
- outcome of the survey of Indigenous employment and training opportunities
- plantation timber industry development
- status of the light-rail infrastructure
- community, business and industry sector input into infrastructure requirements within the region
- involvement of the Commission in aged care issues and facilities
- variance between cash flow statements in the budget compared with the Annual Report

*Kimberley Development Commission*

- Ord-east Kimberley expansion project
- native title settlement with the Miriuwung Gajerrong people
- Kimberley Regional Development Scheme funding allocation to the Wyndham Turf Club for racecourse stabling

- Kimberley Development Commission involvement in the Browse Basin and James Price Point development
- Argyle diamond mine underground project
- Indigenous employment and training

*Pilbara Development Commission*

- residential land shortages in the Pilbara region
- increasing demand for housing
- population growth projections
- cost of housing rental in the Pilbara region
- utility capacity of towns in the Pilbara region
- survey of fly- in-fly-out workers
- Pilbara Cities plan
- qualified audit opinion from the Auditor General
- inappropriate use of restricted funds
- issues relating to staff retention
- financial controls of the Pilbara Development Commission
- funding for maintenance of infrastructure
- company involvement in Pilbara communities
- allocation of Royalties for Regions grant funding
- provision of health services

*Mid West Development Commission*

- role in supporting and implementing programs for Indigenous communities
- Bididi Bididi project
- Square Kilometre Array project

- creation of new business opportunities in the region
- power line from Pinjar to Moonyoonooka
- Geraldton foreshore redevelopment

**Committee Comment**

- 2.13 The Committee was pleased with how the fifth series of Ongoing Hearings have been conducted, the breadth of agencies, the range of questions asked and the quality of the responses provided by agencies.
- 2.14 The Committee noted that there is a growing number of non-Committee Members attending the hearings. The Committee has established the Ongoing Hearings in order to provide Members with adequate time and opportunity to question government agencies in detail. The Committee encourages all Members of the Council to participate in order to ensure that an effective and worthwhile estimates process is conducted.
- 2.15 The Committee noted the growing public interest in the Ongoing Hearings as was reflected by media attendance at the hearings.



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**Hon Giz Watson MLC**  
**Chair**

**Date: 19 August 2010**



# APPENDIX 1

## PROCEDURE POLICY

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### STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

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#### 2009/10 ONGOING ESTIMATES HEARINGS PROCEDURE POLICY

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#### 1. CONDUCT OF THE 2009/10 ESTIMATES HEARINGS

- 1.1 The Estimates and Financial Operations Committee (Committee) functions are to consider and report on the estimates of expenditure laid before the Council each year and on any matter relating to the financial administration of the State. The conduct of the estimates hearings is determined by the Committee in accordance with the Standing Orders of the Legislative Council.
- 1.2 The Committee has adopted the following procedure for examining the annual estimates of expenditure:
  - intensive hearings after the budget papers are tabled in the House (annual hearings); and
  - ongoing hearings throughout the year (ongoing hearings).
- 1.3 A Member of the Committee will preside over the estimates hearings and has those powers necessary or incidental to the maintenance of the orderly conduct of its proceedings.

#### 2. SELECTION OF AGENCIES TO BE REVIEWED

- 2.1 The Committee will determine which departments/agencies are to be reviewed at annual hearings and ongoing hearings. To assist the Committee in making its determination, a survey will be distributed amongst all Members of the Legislative Council inviting suggestions. Members will be requested to advise the Committee of any specific area of interest with the department/agency, to ensure the attendance at the hearings of the relevant departmental/agency staff.

#### 3. CIRCULATION OF NOTICES, INVITATIONS AND PROCEDURAL GUIDELINES PRIOR TO THE HEARINGS

- 3.1 At the earliest possible opportunity, the Committee will issue notices, invitations and procedural guidelines as follows:
  - a) an invitation to the Chief Executive Officer (CEO) and the responsible Minister/Parliamentary Secretary for each department/agency to be examined by the Committee to attend the estimates hearings, including the date and time of the hearing and this Procedure Policy; and

- b) a notice to all members of the Legislative Council advising of the estimates hearings including the departments/agencies that will attend, the date and time of the hearings and this Procedure Policy.
- 3.2 Ministerial staff cannot be a substitute for a Minister /Parliamentary Secretary at a hearing.
- 4. WITNESS INFORMATION SHEET**
- 4.1 Departmental/agency staff appearing before the Committee will be requested to complete a 'Witness Information Sheet' (a copy is attached at Appendix A). All the information sought is necessary to allow Hansard to meet various requirements involved in producing a final and correct document.
- 5. ASKING OF QUESTIONS**
- 5.1 The Chair will facilitate the asking of questions by all Members present at a particular hearing (subject to time constraints).
- 5.2 The calling of questions is at the Chair's discretion. During the hearings, questions should be directed through, and be acknowledged by, the Chair.
- 5.3 Questions must relate to the 2009/10 Budget Papers, the content of the particular department's/agency's most recent annual report and matters relating to the financial administration of the State.
- 5.4 The Chair has the discretion to rule a question out of order in accordance with the Standing Orders of the Legislative Council.
- 5.5 At the Chair's discretion, if there is a reasonable number of questions outstanding at the close of a particular hearing these questions may be directed to the relevant department/agency in writing through the Chair. Outstanding questions should be handed to the Committee Clerk immediately after the close of each hearing for forwarding to the department/agency via the responsible Minister. Responses to such questions will be requested by the relevant department/agency within ten working days of receipt of the question. Should the agency be unable to meet this due date, the Committee is to be advised, in writing, as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met.
- 5.6 Responses to questions should be in accordance with the procedure set out in Appendix B.
- 5.7 Upon receipt of the department/agency's written response, the Chair will distribute the response to the Member who asked the question.
- 6. QUESTIONS TAKEN ON NOTICE**
- 6.1 Questions that are asked during the hearings which the departmental/agency representatives then present are unable to answer prior to the end of the hearing will be taken on notice. Each



- question taken on notice during the hearing will be allocated a number by the Chair to facilitate identification of the question in Hansard.
- 6.2 Following each hearing, the Committee Clerk will forward a copy of all questions taken on notice, as they appear in the uncorrected Hansard, to the office of the Minister responsible for the relevant department/agency, copied to the relevant department/agency CEO. Departments/agencies responding to questions taken on notice should do so through their responsible Minister.
- 6.3 Responses to questions should be in accordance with the procedure set out in Appendix B. The department/agency's response to the questions on notice, and other supplementary information, should be provided in both hard copy and electronic e-mail, in Word format.
- 6.4 Responses are required within ten working days of the Committee Clerk's initial forwarding date of questions to the responsible Minister. Should the agency be unable to meet this due date, the Committee is to be advised, in writing, as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met.
- 6.5 Upon receipt of the department/agency's written response, the Chair will distribute the response to the Member who asked the question.

## APPENDIX A

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### Committee Hearings Information for Witnesses

*Important: Please read the following notes before giving evidence.*

**Full Name:** (Title) (First Name) (Last Name)

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**Title of Position Held:**

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**Business Name and Address:**

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**Telephone:**

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**Fax:**

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**Signature:**

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**Date:**

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#### Introduction

1. A committee hearing is a proceeding in Parliament. As such, you must not deliberately mislead the committee and you must respect the members of the committee and the committee's orders and procedures. If you do not comply with these requirements, you may be subject to legal penalties.

#### What happens at a hearing?

2. Committees are made up of members of Parliament. Usually there are 5 - 8 members on a committee.
3. You will be escorted to the committee's meeting room by one of the committee's staff. After you are seated, the chairperson of the committee will ask you:
  - a. to take the oath or affirmation;
  - b. to state your full name, address and the capacity in which you appear before the committee; and
  - c. if you have read and understood these notes.
4. The chairperson may invite you to make an opening statement to the committee.
5. The chairperson will then ask you a series of questions, following which other members of the committee may ask you more questions. If other members of the Legislative Council are present, they may also ask you questions. With limited exceptions (discussed below) you

must answer questions you are asked.

6. The chairperson may invite you to make any additional comments you consider necessary.

**Parliamentary privilege**

7. Parliamentary privilege provides protection for what is said in parliamentary proceedings, so that what is said in such proceedings may not be the basis of a suit in defamation. However, it is only the authorised Hansard report, or that of an accredited media reporter, which is protected when what is said in the proceeding is related outside the confines of Parliament. Similarly, parliamentary privilege means that what you have said to a committee cannot be used against you in a subsequent related proceeding in a court or tribunal. The purpose of parliamentary privilege is to enable parliamentarians and witnesses to speak candidly without fear of legal repercussions.

**Your entitlements**

8. In giving your evidence you are entitled to:
  - (a) access to relevant documents;
  - (b) raise any matter of concern to you relating to evidence to be given or documents produced;
  - (c) benefit of counsel<sup>1</sup>;
  - (d) request that all or part of your evidence to be given in private session and for an order restricting publication of, or access to, that private evidence;
  - (e) decline to answer a question or produce a document on the grounds that the question is unlawful or outside the scope of the matters in issue or under inquiry;
  - (f) be informed before your evidence is given that if part of it might incriminate you or another person, that fact should be made known to the committee before that part is actually given;
  - (g) know of and, if desired, rebut any allegations made against you whether or not those allegations amount to criminal conduct or dealing;
  - (h) a reasonable opportunity to correct errors in a transcript of evidence; and
  - (i) provide supplementary or new evidence.

**Is your evidence public or private?**

9. Most hearings of standing committees are public. In other words, members of the public and

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<sup>1</sup> This means that you are entitled to have counsel (a legal advisor) present with you to advise you. It does not mean that you are entitled to be represented by counsel who responds to the committee on your behalf.

the media may attend the hearings and the proceedings may be reported. In contrast, most hearings of select committees are private, which means that members of the public and the media may not attend them. If you are uncertain as to whether your hearing is private or public, ask the committee's staff before the hearing or the chairman of the committee before you start giving evidence.

10. It is important that any request for the committee to prohibit publication of all or part of your evidence, or your identity, be made *prior* to giving the relevant evidence. You should be prepared to state why you want it confidential. If the committee grants your request, the public and media will be excluded from the hearing.
11. The committee may also decide that all, or part, of the hearing should be in private, particularly if the evidence adversely reflects on a third person or the matter being investigated is subject to legal proceedings.
12. You should note that the committee retains the power to publish any private evidence. The Legislative Council may also authorise publication. This means that even your private evidence may become public.

**If you are a public servant**

13. Public servants appearing before a committee in that capacity are entitled to refuse to answer questions on matters of policy. The committee must direct all such questions to the responsible Minister.

**You must not disclose evidence given in private session**

14. You must not publish or disclose any evidence given to a committee in private session unless that evidence has been reported to the Legislative Council in a public document. Premature publication or disclosure may:
  - a. constitute a contempt of the Legislative Council; and
  - b. mean that the publication or disclosure of the relevant material is not subject to parliamentary privilege.

**Transcript of your evidence**

15. A transcript of your evidence will be made and sent to you for correction of typographical and transcription errors. You should not discuss your evidence until the Hansard report is finalised. Please see the letter that will accompany the uncorrected transcript in this regard.

**Threats or intimidation**

16. If you have been threatened or intimidated by any person in respect of giving your evidence to the committee, you should immediately inform the committee or one of its staff.

## APPENDIX B

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### ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

#### QUESTIONS ON NOTICE AND SUPPLEMENTARY INFORMATION

Ministerial officers should follow the format shown below when supplying questions on notice and supplementary information.

**Date**

**Ministry of Whatever**

*Question No 170: Hon A. Brown (not 'the member for West Metropolitan') asked for a list officers and their positions ...*

Answer: Subprogram 1.2 does not include staffing and running costs for the latest version of the ministry's operational ....

**Or -**

**Date**

**Ministry of Whatever**

*Question No. 171: Hon A Brown (not 'the member for West Metropolitan') asked -*

- (1) How many officers work on subprogram 1.2?*
- (2) In which areas of the State are officers located?*
- (3) When will the work that is expected to cost \$24,000 be completed?*

Answer:

- (1)-(2) Subprogram 1.2 has 14 officers in total, of which three are located in Derby, five are located in Broome, two are ... It does not include staffing the new offices in the more northern areas of ... and so on.
- (3) It is expected that ...