



THIRTY-NINTH PARLIAMENT

REPORT 70

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

ANNUAL REPORT HEARINGS 2015-16

Presented by Hon Rick Mazza MLC (Chair)

November 2016

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Date first appointed:

30 June 2005

Terms of Reference:

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

‘3. Standing Committee on Estimates and Financial Operations

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

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

3.3 The functions of the Committee are to —

(a) consider and report on —

(i) the estimates of expenditure laid before the Council each year;

(ii) any matter relating to the financial administration of the State; and

(iii) any bill or other matter relating to the foregoing functions referred by the Council;

and

(b) consult regularly with the Auditor General.’

Members as at the time of this inquiry:

Hon Rick Mazza MLC (Chair)

Hon Peter Katsambanis MLC (Deputy Chair)

Hon Helen Morton MLC

Hon Alanna Clohesy MLC

Hon Dr Sally Talbot MLC

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EXECUTIVE SUMMARY FOR THE
REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
IN RELATION TO THE
ANNUAL REPORT HEARINGS 2015-16

EXECUTIVE SUMMARY

- 1 The Standing Committee on Estimates and Financial Operations (Committee) conducted hearings with 26 agencies in relation to the 2015-16 Annual Reports on 25 and 27 October and 2, 3 and 7 November 2016.
- 2 The Committee was satisfied with the conduct of the hearings, with a fair cross-section of questions asked by Members and a large number of matters canvassed.
- 3 The Committee was, again, denied access to Strategic Asset Plans of agencies when these were requested during hearings. As noted in its Reports 65 and 68, the Committee looks forward to the provision of guidance to agencies by the Departments of the Premier and Cabinet and Treasury on options for releasing information contained in Strategic Asset Plans in the interests of transparency and accountability.
- 4 Due to the tabling of this report so shortly after the conclusion of the hearings (owing to the proximity of the March 2017 State Election), the Committee has been unable to take into account answers to questions on notice not received at the date of adopting this report.
- 5 The Committee takes this opportunity to thank Members and agencies for the assistance they have provided to the Committee during its Budget Estimates hearing and Annual Report hearing processes in this Parliament.
- 6 A central feature of our Westminster system of government is that the Executive Government is responsible to the Parliament. In undertaking these hearings, the Committee is of the view that it has played an important role in holding the executive to account.

REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

IN RELATION TO THE

ANNUAL REPORT HEARINGS 2015-16

1 INTRODUCTION

The Committee's function of expenditure

- 1.1 It is a function of the Estimates and Financial Operations Committee (Committee) to consider and report to the Legislative Council on the estimates of expenditure laid before the Legislative Council each year and any matter relating to the financial administration of the State.¹
- 1.2 Government revenue goes into the Consolidated Account,² which is the major source of funding for the State Public Sector.³ The 'estimates of expenditure' comprise the Appropriation (Consolidated Account) Bills and the supporting documentation (Budget Papers). These are presented to 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.⁴
- 1.3 This report relates to the Committee's investigation into State expenditure and financial administration of the 2015-16 budget cycle, focusing on the final stage of the process, the 2015-16 Annual Reports.⁵ Hearings in relation to these Annual Reports were conducted in October and November 2016.
- 1.4 Due to the tabling of this report so shortly after the conclusion of the hearings (owing to the proximity of the March 2017 State Election), the Committee has been unable to take into account answers to questions on notice not received at the date of adopting this report.

¹ Term of reference 3.3 (a).

² Subsequent to the assent of the *Financial Management Act 2006* on 21 December 2006, the Consolidated Fund is now called the Consolidated Account.

³ The major revenue sources for the Western Australian Government include taxes, imposts, rates, duties and royalties: *Constitution Act 1889*, s 64 and *Financial Management Act 2006*, s 8.

⁴ *Constitution Act 1889*, s 72.

⁵ The 2015-16 Budget Statements were tabled in the Legislative Council on 14 May 2015. The Appropriation (Capital 2015-16) Bill 2015 and the Appropriation (Recurrent 2015-16) Bill 2015 were assented to on 26 August 2015.

Annual Reports

1.5 Annual reports are an important tool in assisting the public's understanding of the operations of government agencies, as well as ensuring financial and performance accountability to Parliament.

1.6 Section 64(1) to (3) of the *Financial Management Act 2006* (FMA) states:

61. Annual reports, contents of etc.

(1) *After the end of each financial year the accountable authority of an agency is to prepare an annual report that contains —*

(a) *financial statements for the financial year; and*

(b) *key performance indicators; and*

(c) *a report on the operations of the agency during the financial year; and*

(d) *any information prescribed by the Treasurer's instructions; and*

(e) *if applicable, the reports referred to in subsections (2) and (3); and*

(f) *any other information required by a written direction given by the Minister*

(2) *The accountable authority of an agency is to include in the annual report for a financial year covered by a resource agreement a report on the extent to which the agency achieved any objectives described in the resource agreement.*

(3) *An agency that —*

(a) *is a department or statutory authority; and*

(b) *has an affiliated body or a related body, is to include in the annual report for a financial year a report on the affiliated body or related body that contains in respect of*

*the financial year the information prescribed by the Treasurer's instructions.*⁶

- 1.7 Annual reports are to be tabled in each House of Parliament within 90 days of the end of the financial year.⁷

The Committee's approach

- 1.8 The Committee conducted its inquiries relating to the Agency Annual Report hearings in accordance with the Committee's Procedure Policy by:
- examining selected annual reports
 - submitting questions to entities prior to hearings
 - conducting hearings with the agencies identified in the timetable tabled in the Legislative Council⁸
 - requesting answers to questions taken on notice during the hearings and submitting additional questions.

2 ANNUAL REPORT HEARINGS

Hearings

- 2.1 To assist the Committee in determining which agencies to examine, the Committee authorised Members to consult with their colleagues.
- 2.2 Details of the hearings were placed on the Committee's website (www.parliament.wa.gov.au/est). Hearings were held with 26 agencies on 25 and 27 October 2016 and 2, 3 and 7 November 2016.
- 2.3 A list of the agencies with whom the Committee held hearings and a summary of some of the subjects discussed is set out at Table 1.

⁶ *Financial Management Act 2006*, s 61(1)-(3). See also Treasurer's instruction 904: *Key Performance Indicators*, for further information about disclosure of performance information and Treasurer's instruction 808: *Resource Agreement*, for further information about disclosure against resource agreements.

⁷ *Financial Management Act 2006*, s 64.

⁸ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 69, *2015-16 Annual Report Hearings – Schedule of Hearings*, 6 October 2016.

Table 1

2015-16 Annual Report Hearings

Agency	Summary of subjects discussed
25 October 2016	
<p>Department of Fire and Emergency Services</p>	<ul style="list-style-type: none"> • the critical messaging system in the wake of the Yarloop–Waroona fires (now accessible for the general public via the internet) • crew protection systems and appliances (60 automated vehicle locators and 100 per cent burn-over blankets are in operation) • mapping of bush fire prone areas • increase in the Emergency Services Levy and the consequent decrease in Consolidated Account funding • collegiate relationships between partners developing through standardising of equipment, sharing of ICT systems and combined teams • volunteer agencies and the leadership views of, particularly, the Volunteer Bushfire Association • the Volunteer Sustainability Strategy • engaging juniors in fire and rescue service and SES service volunteering as an attempt to parallel social utility around volunteering • the ageing marine volunteer sector • cost of responding to false fire brigade alarms • the 20 per cent decrease in false alarms per month • the imposition of a charge of \$750 on the 4th and every subsequent false alarm and its consistency with ‘three strikes’ interstate policy • the permissibility of entering Crown land to fight a fire • Terms of Reference and objectives of the Department’s Equity and Diversity Committee • the Health and Safety Governance Committee for volunteers • volunteers not being covered by workers’ compensation • principles of fire fighter gender diversity • roles for people with a disability in the Department • ‘non-operational’ employment roles being under target • the mental health first aid initiative • act of grace payments • the Ferguson Review of the Waroona Fire and the establishment of a ‘rural fire service’ (as occurs in New South Wales) • Royalties for Regions funding for a digital radio network (as

	<p>opposed to analogue) for the regions abandoned because not feasible and \$6 816 000 unspent money returned to WA Police.</p>
Department of Water	<ul style="list-style-type: none"> • expenditure and locations of the Water for Food Program • the Department's Equity and Diversity Committee • gender diversity within the Department • drinking water quality in remote communities and the Department's watching brief on the responsibility of the Housing Authority, Water Corporation or the communities • the drafting of the proposed Water Resources Management bill by <i>The Parliamentary Counsel's Office</i> • establishment and membership of a water reform reference advisory group, as a support group of stakeholders for the Department to consult on drafts of the Water Resources Management Bill • the explanation as an '<i>accounting treatment</i>' of the variance between the actual and target per site for the '<i>average cost per water measurement site managed</i>' efficiency indicator • strategies to reduce average water costs (includes telemetry for surface water sites, not bores) • five, water-wise golf courses producing up to 50 per cent in water savings using recycling, storm-water harvesting and non-reliance on scheme water • completion of the three year, Gnangara Mound replenishment trial using waste water from the Beenyup treatment plant • de-proclamation of former public drinking water source areas for recreation • the Perth Region confined aquifer capacity study and installation of seven deep monitoring bores to 900 metres, which will inform the next Gnangara groundwater allocation plan.
Office of the Information Commissioner	<ul style="list-style-type: none"> • providing guidelines to agencies on freedom of information • agencies redacting documents in order to provide as much assess as possible • the breach of confidence exemption under clause 8 of the Schedule to the <i>Freedom of Information Act 1992</i> • criteria for what is in the public interest when assessing whether the disclosure of information should occur • legislative and administrative changes recommended by the Information Commissioner • protection of individual privacy • the number of applications considered by the Information

	<p>Commissioner in relation to the possible disclosure of personal information under clause 3 of schedule 1 of the <i>Freedom of Information Act 1992</i></p> <ul style="list-style-type: none"> • budget cuts to the Office • level of staffing in the Office • the Agency FOI Coordinators' Reference Group⁹ • involvement of the Office in the Integrity Coordinating Group.¹⁰
<p>Department of Planning/Western Australian Planning Commission</p>	<ul style="list-style-type: none"> • purchase of properties at Bush Forever¹¹ sites • membership of the Infrastructure Coordinating Committee¹² and Infrastructure Steering Group and projects and plans they have discussed • preparation of the Perth Convention Precinct Master Plan • lots transferred to Main Roads for the Perth Freight Link • draft strategy for Whiteman Park • process for assessing 'major', 'minor' or 'other' status for Metropolitan Region Scheme amendments • number of accredited bushfire attack level assessors • coastal zone management and a new high resolution survey from Hillarys to Horrocks to enable modelling of storm surge and sea level impacts • coastal hazard assessment undertaken by the City of Joondalup • Metropolitan Region Scheme Amendment PCA¹³ 118 with respect to South Bullsbrook Intermodal Terminal

⁹ The Agency FOI Coordinators Reference Group was formed in August 2015. The group meets quarterly and currently consists of officers from 10 agencies that are representative agencies subject to the *Freedom of Information Act 1992*. See <http://foi.wa.gov.au/Other>. Viewed 26 October 2016.

¹⁰ The Integrity Coordinating Group is a forum in which the independent officers of the Auditor General, the Public Sector Commissioner, the Corruption and Crime Commissioner, the Western Australian Ombudsman and the Information Commissioner:

- coordinate the exchange of information, consistent with legislation governing each office
- share perspectives on integrity issues in which they have a common interest
- collaborate to assist Western Australian public authorities effectively deal with integrity issues.

It is not established by any statute and is an informal administrative arrangement to enable member agencies to coordinate their activities, avoid duplication and overlap and better promote integrity to the public sector. See <https://icg.wa.gov.au/>. Viewed 26 October 2016.

¹¹ The aim of the Bush Forever policy is to provide a policy and implementation framework that will ensure bushland protection and management issues in the Perth Metropolitan Region are appropriately addressed and integrated with broader land use planning and decision-making. See: <https://www.planning.wa.gov.au/publications/5911.asp>. Viewed 26 October 2016.

¹² The Infrastructure Coordinating Committee is the primary infrastructure coordinating body in Western Australia. Comprising representatives from across key State government agencies, it was established through legislation to advise the Western Australian Planning Commission on planning for the provision of physical and community infrastructure throughout the State. See: <https://www.planning.wa.gov.au/Infrastructure-coordinating-committee.asp>. Viewed 26 October 2016.

	<ul style="list-style-type: none"> • the possibility of a coastal hazard assessment being notified on property certificates of title • notices on property certificates of title in fire-prone areas • Swan Valley Development Plan • Draft strategic land use planning frameworks under the <i>Perth and Peel@3.5 million</i> and feedback from local governments • impact on land values for properties where the Stirling Highway reserve has been lifted or reduced.
Metropolitan Redevelopment Authority	<ul style="list-style-type: none"> • opening date for the Elizabeth Quay Water Park and the submission of the hazard analysis critical control path document to the Director of Public Health • costs of the modifications to the filtration system to match the water park floor space and other costs to the taxpayer and the private contractor for the opening of the water park • regulation of the temperature of the water park • cost of assistance to commercial outlets in Elizabeth Quay • the difference in the sales prices for Adrian Fini and Victor Goh blocks at Elizabeth Quay • the cost of Pricewaterhouse Coopers as project manager for Elizabeth Quay • accumulated amortisation of the Authority's intangible assets • provision of government appropriations to the Authority in the 2015-16 budget papers • status of the lots adjacent to the Perth Arena as part of the Perth City Link • temporary closing down of some businesses in the Kings Square commercial precinct of Perth City Link • timeframe for when the public will be able to access the Perth City Link precinct from the north side • status of the planned Chevron office development (blocks seven and eight).
Forest Products Commission	<ul style="list-style-type: none"> • the Northcliffe fire and salvaging only 100 hectares of regrowth karri forest from 3 000 hectares • the Waroona fire where more than half the wood was immature (under 15 years of age) and the loss of future timber growth of approximately half a million cubic metres was \$29 million in value and \$67 million in value loss to south west communities • mitigation strategies such as fuel reduction and general fire protection (not always in the Commission's control or

	<p>responsibility)</p> <ul style="list-style-type: none"> • casual employment opportunities at Auswest’s Greenbushes sawmill • new Aboriginal traineeships in the Goldfields • recent tendering re-establishing the sandalwood industry for the next 10 years requiring tenderers to address Aboriginal engagement • transportation of very small, low-value products, haulage exceeding the overall value of the contents of the load • softwood power poles being a high value product • the effectiveness indicator for the quantity of native forest hardwood being well behind the 2013 forest management plan target and actual • onerous contracts (that is, ‘non-core share farms’ deemed to be uneconomic and written off in 2010) • current potential shortfall of pine plantation resources by value and volume.
27 October 2016	
<p>Department of Commerce/ Building Commission</p>	<ul style="list-style-type: none"> • Building Services Board disciplinary complaints processes • budgetary constraints and whether it has had an impact on the Department • Home Indemnity Insurance and options for Government following insurers QBE and Great Lakes Australia exiting the market • people affected by the collapse of Collier Homes • the division of resources between education and compliance in Worksafe • list kept by the Building Commission of builders at risk of insolvency and how consumers can be warned • roll out of an online licensing system for various occupational groups • determination of what legislation is to be repealed in the context of red tape reduction and consultation with industry • how business owners can give feedback on red tape reduction • the identification of a property being in a fire prone area for prospective buyers.
<p>WorkCover WA</p>	<ul style="list-style-type: none"> • new legislation for workers compensation and public consultation • clinical guidelines for mental health compensation • Return to Work Conference in 2017 • the role of WorkCover in the reduction of stigma in relation to mental illness

	<ul style="list-style-type: none"> • the calculation of insurance premiums by WorkCover for each industry • WorkCover Board remuneration • the proportion of disputes resolved within six months.
Department of the Attorney General	<ul style="list-style-type: none"> • income from Commonwealth grants and contributions for 2015-16 • number of program participants supervised through the Mental Health Court • measurement of billable hours at the State Solicitor's Office • expenditure by the Department over and above the budget (mainly driven by the increase in liability for judicial pensions) • the increase in the median time to criminal trial from 33 to 36 weeks and whether the budgeted target of 28 weeks is realistic • access to the Supreme Court library by practitioners • overview of decisions regarding the proposed location of those released on bail • operation of the Family Violence List¹⁴ • review of assessment processes followed by the family violence service • the increase in clients of the Public Trustee • complaints received by the Public Trustee in 2015-16.
Department of Health	<p><u>The Perth Children's Hospital</u></p> <ul style="list-style-type: none"> • expected completion date • early commissioning activities despite serial disappointment with the managing contractor's inability to define the date of practical completion • lead levels being higher than the Australian drinking water guidelines • timeline from control of the site to completing the commissioning plan being approximately 14 weeks • the expectation that by the first week of November 2016, all asbestos panels will have been removed and remediated • the approximately 10 000 defects yet to be remediated • chairs in the \$103 million furniture, fixtures and equipment budget found to be not fit for purpose • membership of the Department of Health and Treasury

¹⁴ A new model which, according to the Department of the Attorney General, greater leverages the knowledge and resources of domestic violence focused agencies in an effort to provide improved levels of victim support. See [http://intranet/publications/taledpapers.nsf/displaypaper/3914575a26a91160eda30b84482580350016e0c6/\\$file/4575.pdf](http://intranet/publications/taledpapers.nsf/displaypaper/3914575a26a91160eda30b84482580350016e0c6/$file/4575.pdf).

	<p>taskforce and the frequency of its meetings</p> <ul style="list-style-type: none">• Department of Fire and Emergency Services audit of the site. <p><u>The Quadriplegic Centre</u></p> <ul style="list-style-type: none">• declining numbers of residents• the Government's commissioning of a business case about the scope of redevelopment options for the Centre in response to the '<i>An Enhanced Service Model For People With Spinal Cord Injury In Western Australia</i>' report• two cohorts of patients: those for whom the Centre is home and future clients for whom a transitional model contemplates 'back to community'. <p><u>Fiona Stanley Hospital</u></p> <ul style="list-style-type: none">• surplus equipment and storage• unused medical fridges and paper scanners in storage• planned maintenance program through the facilities management contract with Serco• one dysfunctional water storage tank (of a total of three) used for washing, steam generators and power generation• whether a design flaw in hand-basins creates a potential infection risk• commissioning of a tri-generation plant to assist with energy efficiency. <p><u>Other</u></p> <ul style="list-style-type: none">• implementation of key national activity-based funding reform initiatives• the gap between Western Australia and the national efficient price, explained by (1) higher wages than in the eastern states, (2) WA-unique factors such as large remote areas and (3) length of stay in hospital• immunisation rates at 90 per cent and low national immunisation rates amongst metropolitan indigenous children• the system of annual reporting by designated officers of authorisations for the posthumous collection of gametes• country health services and specialist ear nose and throat surgeons performing tonsillectomies• construction of Broome and Albany mental health bed units• GPs operating out of child and parent centres on school sites• continuation of the Auditor General's qualification on controls to medical practitioners' treatment charges of private and overseas patients• school dental services and the proportion of school children actually receiving regular checks compared to just being
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	<p>enrolled in the program</p> <ul style="list-style-type: none"> • election commitments for school nurses and child health nurses • glue ear program funding removed from Telethon Speech and Hearing and since January 2016 run through the Child and Adolescent Health Service as part of a community and Aboriginal health strategy • the ‘<i>average costs per casemix adjusted separation for non-tertiary hospital</i>’ indicator variation of some \$1 900 explained by the commissioning of the Midland hospital • reduction in elective surgery times for metropolitan category one and two patients due to Fiona Stanley Hospital being commissioned; Royal Perth Hospital being recommissioned and Fremantle Hospital being changed • emergency department performance and the Australasian College for Emergency Medicine’s nationwide, 10am snapshot day of WA¹⁵ • nurse graduate placements received by way of registration on <i>GradConnect</i> in 2016 • the increase in the proportion of ageing people combined with increased levels of chronic disease and co-morbidities serviced by one geriatrician joining a team of general specialists in the great southern region • completion of the four remaining Stokes Review recommendations • expected completion date and scope of works for the stage two Kalamunda Hospital redevelopment • expected completion date and scope of works for the redevelopment for Armadale–Kelmscott hospital • measuring success of the <i>Fight the Bite</i> mosquito control program • the <i>Public Health Act 2016</i> and how it is more adaptive to global epidemics by providing powers to the Executive Director of Public Health.
Department of	<ul style="list-style-type: none"> • discussions regarding assistance to the State’s dairy industry

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Professor Drew Richardson and Professor Anthony Lawler, Australasian College for Emergency Medicine, *Situation critical: EDs under pressure, patients at risk*, 9 September 2016, p 2. Available at: <<https://www.acem.org.au/News/2016/September/Situation-critical-EDs-under-pressure,-patients-a.aspx>>. Viewed 1 November 2016. The Report commented that in Western Australia, where conditions had continued to worsen significantly; 47% of patients being treated in emergency departments spent more than four hours in the emergency department. The Department attributed the snapshot’s findings to a very late winter, the highest day of influenza patients and a very high day with aged care patients in tertiary beds.

<p>Agriculture and Food</p>	<ul style="list-style-type: none"> • operational status of Doppler radar sites • cuts to the Department’s budget and what services may be affected • terms of reference of the Department’s Stocktake and Future Directions Review • impact of the Buy West Eat Best program and measurement of consumer purchasing patterns • the ‘WA Worth Sharing’ brand • target set by the Department to enable the agrifood sector to double in value between 2013 and 2025 • difference between the price of lamb in Western Australia and the Eastern States • results of the wild dog bounty trial in the Gascoyne region • the Easton review into the <i>Animal Welfare Act 2002</i> • resources committed to biosecurity • work undertaken with local biosecurity groups in the south west on a compliance program for cotton bush.
<p>2 November 2016</p>	
<p>Main Roads Western Australia</p>	<ul style="list-style-type: none"> • the Roe 8 alliance contract and Stock Road interchange • community consultation in the Whiteman Yanchep Highway route definition study • planning, including concept design, preliminary design and reduction in cost estimates for stage 2 of the Albany ring-road project being dependent on a submission to Infrastructure Australia • consultation with industry groups and road users regarding the Northlink WA project which plans to reduce Tonkin Highway from three to two lanes around the Guildford Road Bridge • the number of extra vehicles Tonkin Highway will carry as a result of the NorthLink project • the NorthLink \$251 million allocation of three grade separations: Tonkin–Collier, Tonkin–Morley and Tonkin–Benara • the \$5 million budget for railway level-crossing upgrades and the split between regional and metropolitan locations • the \$324 million Great Northern Highway, stage two Bindoon bypass and Bindoon Hill routes currently at community consultation phase • project commencement for the construction of new bridges including the old Mandurah traffic bridge and Treendale bridge • absence of information in the Annual Report about the

	<p>Karratha–Tom Price road</p> <ul style="list-style-type: none"> • the Pilbara region maintenance projects and the Commonwealth’s election commitment for projects including Wyndham Spur and Maggie’s Jump Up as part of Great Northern Highway out to Wyndham port and Coongan Gorge on the Marble Bar Road • a heavy vehicle productivity program around Port Hedland Airport • the Marble Bar–Nullagine road and work done to the Ripon Hills turnoff • a nine-kilometre continuous connection for buses between Ellenbrook town centre and Marshall Road to include a dedicated cycleway • non provision of a capital works strategic asset plan because of a Cabinet-in-confidence status • delivery of 300 low-cost, high-impact initiatives as part of the congested intersections program • delays to work on the Toodyay Road particularly around Reen Road–Stoneville Road • the lack of modelling around adoption of electric cars and how a reduction in fuel excise will reduce federal money for road projects.
Department of Transport	<ul style="list-style-type: none"> • \$1.257 million spent on preparing the <i>Transport@3.5 Million</i> to 2050 plan and Treasury’s role in the executive coordination group • how the Department of Planning’s <i>Perth and Peel@3.5million</i> suite of documents produced a dataset used to model people-flows from origin to destination in Transport’s strategic transport evaluation model • the PATREC (Planning and Transport Research Centre) report • simulated oil spill emergency response exercises to test capability • reducing red tape in the drivers’ ‘fitness to drive’ system and moving to a declaration rather than stringent medical assessments for standard drivers, not heavy-vehicle or taxi-drivers • the State Aviation Strategy and short-listed sites for a second airport to service Perth is under the auspices of the WA Planning Commission • on-demand taxi changes and 16 applications for \$20 000 per plate, hardship assistance transition payment • vehicle examination and other licensing centres where

	<p>buildings are leased by Government but the service is transferred or outsourced</p> <ul style="list-style-type: none"> • reasons why the ‘lost time injury and/or disease severity’ rate in occupational safety, health and injury management performance has increased from 5.263 per cent in 2014–15 to 13.333 per cent in 2015–16 • assessors removed for improper conduct in the last five years over recreational skippers’ tickets and complaints against such assessors • multipurpose, licensed taxis drivers by gender and region • the absence of a business case for a single taxi dispatch service • reduction of the Twenty Foot Equivalent Unit sliding scale subsidy from \$35 to \$30 of freight on rail by \$5 per annum to the year 2021–22 and how it assists with the proportion of freight on rail • the Australian Maritime Safety Authority (the sole maritime safety regulator for the safe design construction and equipping of the domestic commercial vessel fleet) and its cost recovery model of fees and charges still the subject of ministerial forums and discussions.
<p>Public Transport Authority</p>	<ul style="list-style-type: none"> • the project development plan and business case for the Thornlie line extension • high-level indicative, concept work undertaken on a rail tunnel to Morley, absent geotechnical or engineering assessments • the Forrestfield–Airport Link project and planning for the Forrestfield station and 2 500 bay car park • how the overall footprint of the metropolitan bus and rail network has increased over the last three years yet the proportion of Perth homes that are within walking distance of Transperth remained the same (500 metres from a spot) • the global, 500 metres acceptable distance for access to public transport by the whole community, not necessarily those with disabilities, is ‘as the crow flies’ not walking distance • audit of train stations • 26 000 students collected from farm gates or other collection points and parents/carers receiving the conveyance allowance • the Authority’s \$16 million income from land leasing • the \$11.4 million bus security contract with Wilson Security providing approximately 90 FTEs and 18 mobile patrols • security cages and spit guards for bus drivers

	<ul style="list-style-type: none"> • gender disparity in senior leadership positions • the provision of a strategic asset management plan deemed inappropriate due to a cabinet-in-confidence status • the <i>Transport@3.5 Million</i> to 2050 plan and absence of plans for any public transport to Gidgegannup • the annual cost to run CATS (Central Area Transport Service) • the Authority contributing to Department of Transport analysis on options for more ferry services on the Swan River • an increase in category B notifiable occurrences from 156 to 197 predominantly from trips or fall incidents involving escalators and stairs.
Department of Education	<ul style="list-style-type: none"> • FTE numbers for education assistants and education support assistants • work done by the Department with schools in identifying students at risk of being attracted to organisations associated with terrorism • the relocation of the International School of Western Australia to the Doubleview Primary School site • the potential for a new inner city school • the site of the former City Beach High School being chosen as the site for a new secondary school for the western suburbs • school attendance rates for Aboriginal children and data for authorised and unauthorised absences • children whose whereabouts are no longer known by the Department • land adjacent to the Denmark College of Agriculture sold to the Shire of Denmark for an industrial site • the process undertaken by the Department to ensure compliance with working with children legislation in the case of a complaint made about a teacher • student graduation rates for 2016 • the KindiLink program for three-year-old Aboriginal children¹⁶ to provide early intervention for literacy, numeracy, speech therapy and parenting workshops • NAPLAN data for Indigenous students • services to assist schools teaching English to students with a non English speaking background • contracts up for renewal for child and parent centres • timeline for the completion of the new Lakeland High School

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See <http://det.wa.edu.au/curriculum-support/earlychildhood/detcms/school-support-programs/early-childhood-education/kindilink.en?cat-id=11463713>. Viewed 9 November 2016.

	<p>and primary schools at Wandi and Wellard South West.</p> <ul style="list-style-type: none"> • the conditions for re-registration of independent schools • applications to the Minister for advanced determinations of registrations of independent schools and approvals granted since 30 June 2016 • work done by the Department with schools in identifying students at risk of being attracted to organisations associated with terrorism • the types of incidents which fall within the three critical incident categories of ‘Behavioural’, ‘Disruption to school’ and ‘Accident or death’ • the decline in the number of audits as part of the Grants Auditing Program reflecting the end of the program • strategic industry audits undertaken of registered training organisations providing training for high risk work • monitoring of compliance of registered training organisations with national standards • the Compliance Recognition Program—an initiative to reduce the regulatory burden for registered training providers with a strong compliance history.
Department of Education Services	
Insurance Commission WA	<ul style="list-style-type: none"> • performance of the Catastrophic Injury Support Scheme; the number of claims made and the number of dedicated staff • reinvestment of the proceeds of the sale of Commission assets • the difference in the value of claims from industrial diseases between 2015 and 2016 • the reasons for the higher costs of mental stress claims dealt with by RiskCover • the Commission’s involvement in the Bell Group litigation.
3 November 2016	
Department for Child Protection and Family Support	<ul style="list-style-type: none"> • the Aboriginal Services and Practice Framework Kinship Connections program and its funding • 84 workforce vacant positions at 30 June 2016, with only 37 advertised due to a lengthy recruitment freeze • review of all FTE in the responsible parenting space, knowing there is a transition period to a lower number • a proposal for two new assistant directors general and working with the Public Sector Commission to review what the corporate executive structure should be for the next 5-10 years • Western Australian workforce outcomes for services compared with other jurisdictions reveals unique Western Australian factors such as sheer size, regional profile, 10 per cent retention rates per year, nine per cent Aboriginal and

	<p>Torres Strait Islander backgrounds employees and 15-18 caseloads</p> <ul style="list-style-type: none"> • homelessness services and 825 first and second-strikes eviction cases • the two year, intensive family support homes pilot for the actively homeless and its capacity for 10 families • expenditure on advertising, market research polling and direct mail and the value in using LinkedIn • staff misconduct allegations, proven actions and personal behaviour issues • the decline in the ‘average cost per child’ for child protection cases—the substantial change to the Outcomes Based Management structure (reporting against services is more of an accounting measure than an actual cost per child) • the 30 day time frame for safety and well-being assessments • the 884 of 100 000 contacts per year where ‘action taken as a result of safety and well-being assessment’ was not possible due to families leaving the jurisdiction, cases referred to WA Police to locate children • the interstate liaison protocol and cross-borders protocol (capturing Ngarrindjeri lands) to locate children • the rapid response protocol between all state government departments about children in care • the 38 children and young people in the CEO’s care remanded and sentenced to Banksia Hill detention centre • release of the early intervention and family support strategy and consultation at the second stage • implementation of the out-of-home-care reforms • land asset sales in Port Hedland.
Mental Health Commission	<ul style="list-style-type: none"> • statistics on persons committed to involuntary treatment under the <i>Mental Health Act 2014</i> • 98-100 per cent involuntary occupancy at Broome Hospital and its impact on Port Hedland Hospital occupancy • implementation of elements of the Mental Health, Alcohol and Other Drug Services Plan funded from existing resources, for example the eating disorder outreach service and methamphetamine strategy • 24 methamphetamine beds in the metropolitan area and 28 residential rehabilitation beds in regional areas, particularly the south west but not Esperance • the preference of individuals in residential rehabilitation facilities to leave their region to break their social connections

	<p>to drug use and harmful alcohol use</p> <ul style="list-style-type: none">• why the readmissions to acute mental health inpatient facilities within 28 days of discharge is 5.6 per cent higher than last financial year and above the nationally set target of less than or equal to 12 per cent—the Annual Report data is six months out of date and relies on calendar year data• Insurance Commission of Western Australia (ICWA) highest cost claims being mental stress and ICWA’s interaction with the Mental Health Commission• conversations with WorkCover, RiskCover, Chamber of Commerce, Chamber of Minerals and Energy and extension to ICWA for a set of mentally healthy workplace standards• the Drug and Alcohol Office merger and a noticeable increase in the level of anxiety within the new structure as people adapt to change• bed closures at Bentley Hospital, Rockingham Hospital, Princess Margaret Hospital and Selby Lodge• treatment locations for 16 and 17 year olds given that the Perth Children’s Hospital age limit is below 16 years• the \$9.9 million carry over expenditure for subacute facilities in Karratha and Bunbury and the commencement of consultation• community bed based services and funding to organisations such as Cyrenian House Rick Hammersley Centre, Cyrenian House Saranna, Hope Rosanna House, Hope Springs, Palmerston Farm and Fresh Start• annual funding for GROW¹⁷ and a current investigation about its management by an internal, contract management team• \$2 275 737.37 paid to the Brand Agency via Curtin University for predominantly, campaign content regarding methamphetamine prevention, Alcohol Think Again, and Strong Spirit Strong Mind• the cost of Hospital in the Home beds• special purpose accounts and whether area health services are participating or treating those accounts for their intended purpose.
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¹⁷ *‘GROW is Australia’s only national peer support organisation which provides a peer supported program for growth and personal development to people with a mental illness and those people experiencing difficulty in coping with life’s challenges. Grow also provides a free alternative to counselling through an interactive, caring, non-judgmental voluntary weekly support group with a follow-up plan to keep in touch with group members.’* See http://www.mentalhealth.wa.gov.au/getting_help/cc_support.aspx. Viewed 10 November 2016.

Water Corporation	<ul style="list-style-type: none"> • whether smart water meters for all farmlands customers can reduce water consumption • drinking water in dams being less than 17 per cent—the worst recorded run-off into dams • the continuing need for dams as a ‘balancing storage’ despite alternative water sources from desalination and wastewater injection • completion date for work on the Narembeen water main • the Corporation’s review of its <i>Conflict of Interest and Related Party Transactions Policy</i> • the decision to privatise engineering and construction services and the role played by particular board members in that process • unmet employment targets for people with disabilities and youth (15-24) compared with increases in other diversity measures such as the percentage of women in most roles and Aboriginal employment • significant rises in Board approved dividend payments to Government due to business efficiencies increasing tariffs and developer contributions • never used emergency portable desalination units at the Denmark pumping station • Denmark’s \$15 million recycling facility supplying water to the agricultural school • supply of drinking water (from rock aquifers high in silica, calcium and nitrates) to remote communities and Murchison being unsafe for bottle-fed infants under three months • declining apprenticeship numbers explained by outsourcing and delivered through private sector partners.
Western Australia Police	<ul style="list-style-type: none"> • interaction between the newly created crime investigation and family violence division and the co-located child protection and family services and non-government organisations • the mental health co-response trial and the number of interventions in the trial locations • methamphetamine testing levels in wastewater • whether Western Australia Police have charged anyone under the new synthetic drugs legislation (<i>Misuse of Drugs Amendment (Psychoactive Substances) Act</i>) • expenditure for Western Australia Police for work undertaken on the Waroona-Yarloop bushfires • staffing of the Ballajura Police Station • operational outcomes and efficiency measures for the new

	<p>crime investigation and family violence division and the creation of monthly report cards</p> <ul style="list-style-type: none"> • the increase in calls for assistance relating to family and domestic violence • the increase in police orders issued with respect to family and domestic violence • whether there has been an increase in sick leave due to stress • random and targeted drug testing of police officers • the reduction in the average cost of regional and remote policing services per person • the planned expansion of the Broome police station • the investigation of options for making workers' compensation available to police officers • explanation for the deficit of \$23.4 million for the financial year ending 30 June 2016 (that is, decrease in Government Regional Officers' Housing of \$25 million and decrease of \$6 million for depreciation) • the trial of body-worn video cameras by officers—Western Australia Police are about to evaluate the findings • point to point cameras on Forrest Highway—infringements will be issued after they have been operational for six months • analysis of the reasons for attrition of police officers • data on the number of children present during family and domestic violence incidents being captured at the incident report stage • Western Australia Police community forums—the number, location and costs.
<p>Department of Corrective Services</p>	<ul style="list-style-type: none"> • the Department moving to a more 'trauma-informed' and rehabilitation focus as part of its Youth Justice Framework • the recommendations of the Review into an Incident at Banksia Hill Detention Centre on 20 January 2013 • the increase in out of cell hours for young offenders • the use of various restraints (mechanical and chemical) on young offenders • drug and alcohol testing of staff with custodial functions • data on the strip searching of young offenders • the Department gaining full control over its financial and

	<p>human resource functions</p> <ul style="list-style-type: none"> • the use of ‘double bunking’¹⁸ at prison facilities • escapes from prison facilities • loss of confidence provisions for custodial officers¹⁹ • mental health stress claims and the 30 per cent drop in workers compensation premiums for the Department • levels of mental health training for custodial staff • involuntary treatment for mental health conditions outside of the custodial system • Department data on where prisoners resided prior to prison • data on those entering the custodial system convicted of family violence offences • the drop in the employment rate of Aboriginal people • the role of the Youth Justice Reference Group • the suggestion that the Department undertake recruitment presentations at tertiary institutions.
Department of Fisheries	<ul style="list-style-type: none"> • the significant increase in catches of yellowfin whiting and the development of a harvest strategy • the number of licenses in the Peel-Harvey system • the closure of the South West herring G trap fishery and compensation paid to commercial operators • stock assessments of demersal²⁰ fisheries • the Bunbury to Mandurah development fishery for crabs • the road testing of a new incident response protocol for fish kills • the priority list of fisheries to transition to the new fisheries legislation²¹ • Project Barracuda—the Department’s red tape reduction program.
7 November 2016	
Tourism WA	<ul style="list-style-type: none"> • the \$9.6 billion spend by international (\$2.273 billion) and domestic (\$7.4 billion) visitors

¹⁸ “Double-bunking” is a practice where bunk beds are used in a dormitory setting generally found in medium-security facilities. It is often criticized as it tends forcing two people to share a small cell that was designed for one inhabitant. See Western Australia, Legislative Council, Standing Committee on Public Administration, Report 15, *Omnibus Report-Activity During 38th Parliament*, 6 November 2012, p37.

¹⁹ These were introduced by amendments to various custodial legislation by the Custodial Legislation (Officers Discipline) Amendment Bill 2013. See Western Australia, Legislative Council, Standing Committee on Legislation, Report 25, *Custodial Legislation (Officers Discipline) Amendment Bill 2013*, 11 November 2014.

²⁰ Demersal fish live and feed on or near the bottom of the sea or lake.

²¹ Aquatic Resources Management Bill 2015 and Aquatic Resources Legislation Amendment Bill 2015.

	<ul style="list-style-type: none">• segmenting international visitor numbers into business, leisure, friends and family visitors, and education travellers• impact of the resource sector downturn on visitor spend• changes in early 2016 regarding the collection of visitor spend survey data by <i>Tourism Research Australia</i>, and, in particular, the use of mobile telephone numbers• long term education visitors only statistically captured if they leave within every 12 months• the 17 per cent employment spend downturn, especially FIFOs either within Western Australia, interstate or internationally• national visitors up 16.6 per cent (10.1 million overnight) and intrastate at 19.4 million• the new 60 000 seat Perth Stadium with Tourism WA tasked to attract and secure events through a three year, \$19 million allocation• generating regular, large-scale AFL visitation and the allocation of tickets for each event within the overall 60 000 seat allocation• changes to the Executive Management Team and the creation of a new marketing and partnerships division at no extra cost• the reduction of funding for the marketing and partnerships division (funded by a \$8.7 million <i>Royalties for Regions</i> allocation which ends on 30 June 2017)• statistics on unfilled and acting positions in Tourism WA• the potential for event tourism with Perth Racing carnivals and cooperative marketing with other Western Australian horse racing or the <i>Magic Millions</i> yearling sales• the challenge for racing organisers to attract a quality east coast or international field in sufficient numbers at a time outside the traditional, spring racing carnival periods• event funding requests and meeting the ‘increased State visitation’ or ‘significant national or international media exposure’, key criteria• program development officers working with event organisations to assist with securing funding• the concept of an ‘advertising equivalent value’ and using two different rates to calculate the ‘Direct media impact of major events sponsorship’ key performance indicator• removal of the profit-share arrangements for the Hopman Cup.
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- 2.4 The hearings were conducted in accordance with the Committee's Procedure Policy, a copy of which is available on the Committee's website. All Members were notified of the hearings and invited to participate.
- 2.5 All hearings were public and recorded by Hansard and broadcast over the internet. Transcripts of the hearings are posted on the Committee's website.

Questions by Members

- 2.6 The Committee continued with the practice of inviting Members to ask questions of all agencies prior to the hearings, regardless of whether that agency subsequently appeared. Six Members submitted questions to 23 agencies. The Committee gave all but two of the answers a public status.
- 2.7 During the hearings 232 questions were taken on notice.
- 2.8 Where a Member was unable to ask all their questions during the hearing they were provided with the opportunity to submit additional questions to the agency. Copies of the answers to questions provided prior to and after the hearings received by the Committee are on the Committee's website.

Provision of information requested by the Committee

- 2.9 There were a number of instances during the hearings where agencies refused to provide information requested by the Committee. For example, during the hearing with Main Roads, it refused to provide a copy of its Strategic Asset Plan on the basis '*it has been provided as part of cabinet deliberations, so it is cabinet-in-confidence.*'²²
- 2.10 Main Roads explained it had received a direction, '*communicated at officer level*',²³ from the Department of Treasury not to make its Strategic Asset Plan public.
- 2.11 The Committee has given an account in recent reports of the refusal by agencies to provide it with a copy of their Strategic Asset Plan.²⁴ It notes this has been a policy decision of Government. Without access to information forecasting long term demands on agency resources with respect to the management of existing assets and investment in new assets the Committee is unable to form a view on the adequacy of agency resources for this purpose.

²² Mr Peter Woronzow, Acting Managing Director, Main Roads Western Australia, *Transcript of Evidence*, 2 November 2016, p 12. See also Hon Jim Chown MLC, Parliamentary Secretary to the Minister for Transport, *Transcript of Evidence*, 2 November 2016, p 9 where he stated he did not think it appropriate for the Public Transport Authority's Strategic Asset Investment Plan to be submitted to the Committee.

²³ *Ibid*, p13.

²⁴ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 65, *Agency Annual Report Hearings 2014-15*, 25 August 2016, pp 24-31; Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, Report 67, *Budget Estimates Hearings 2016-17*, 15 September 2016, pp 21-24, 35.

- 2.12 In its Report 65, the Committee summarised the findings of the Auditor General in his Report 18, *Opinions on Ministerial Notifications*, which included a finding that the decision by the Minister for Education, the then Minister for Health and the Minister for Police not to provide Parliament with a copy of their respective departments Strategic Asset Plans was not reasonable and therefore not appropriate.²⁵
- 2.13 In Report 18, the Auditor General made two significant recommendations, one of which stated that by 30 November 2016, the Department of Treasury is to ‘*provide interim advice on agencies options for releasing information from strategic asset plans that would address the needs of Parliament while protecting Cabinet deliberations and decisions.*’²⁶ A second recommendation involves Treasury reviewing, by 31 December 2017, the ‘*model SAP it provides to agencies to clearly distinguish those parts of the plan that may contain Cabinet deliberations and decisions, and therefore are confidential.*’²⁷
- 2.14 The Department of the Premier and Cabinet, in its response to Report 18, stated it will work with the Department of Treasury to provide guidance to agencies regarding the issue of the Cabinet-in-confidence status of Strategic Asset Plans.²⁸ Additionally, the Department of Treasury indicated ‘*it may not be possible*’²⁹ to meet the Auditor General’s 30 November 2016 deadline with respect to the first recommendation.

Conclusion

- 2.15 The Committee was satisfied with the conduct of the hearings, the level of attendance and Member participation. A fair cross-section of questions were asked by both government and non-government Members and a large number of matters were canvassed in the course of the proceedings, as illustrated in Table 1.
- 2.16 The Committee extends its appreciation to all who participated in the hearings.



Hon Rick Mazza MLC

Chair

17 November 2016

²⁵ Western Australian Auditor General’s Report, *Opinions on Ministerial Notifications*, Report 18, 11 August 2016 (see <https://audit.wa.gov.au/reports-and-publications/reports/>). Viewed 8 November 2016.

²⁶ Ibid, p 16.

²⁷ Ibid.

²⁸ Ibid, pp 17-18.

²⁹ Ibid, p 17.