Western Australian Auditor General’s Report

Opinion on Ministerial Notification

Report 19: November 2017
Opinion on Ministerial Notification
OPINION ON MINISTERIAL NOTIFICATION

This report has been prepared for submission to Parliament under the provisions of section 24 of the Auditor General Act 2006.

This report deals with a decision by the Minister for Tourism, Hon Paul Papalia MLA, not to provide information to Parliament about the State’s funding of the Drug Aware Margaret River Pro in the 2015, 2016 and 2017 calendar years.

I wish to acknowledge the cooperation of the staff at the Department of Jobs, Tourism, Science and Innovation.

COLIN MURPHY
AUDITOR GENERAL
1 November 2017
Contents

Ministerial decision not to provide information to Parliament ........................................ 4

Introduction ......................................................................................................................... 4
What did we do? .................................................................................................................... 4
Opinion................................................................................................................................... 5
Background .......................................................................................................................... 5
Key findings........................................................................................................................... 5
Ministerial decision not to provide information to Parliament

Introduction

This report deals with a decision by the Minister for Tourism, Hon Paul Papalia MLA, not to provide information to Parliament about the State’s funding of the Drug Aware Margaret River Pro in the 2015, 2016 and 2017 calendar years.

Section 82 of the Financial Management Act 2006 (the FM Act) requires a Minister who decides that it is reasonable and appropriate not to provide certain information to Parliament, to give written notice of the decision to both Houses of Parliament and the Auditor General within 14 days of the decision.

Section 24 of the Auditor General Act 2006 (AG Act) requires the Auditor General to provide an opinion to Parliament as to whether the Minister’s decision was reasonable and appropriate.

What did we do?

The Audit Practice Statement on our website (www.audit.wa.gov.au) sets out the process we follow to arrive at our section 82 opinions, including:

- a review of agency documents
- a review of any advice provided to the relevant Minister by agencies, the State Solicitor’s Office (SSO) or other legal advisers
- interviews with key agency persons including discussions about our draft findings and the Auditor General’s opinion.

Our procedures are designed to provide sufficient appropriate evidence to support an independent view to Parliament on the reasonableness and appropriateness of the Minister’s decision.

We have not performed an audit, however our procedures follow the key principles in the Australian Auditing and Assurance Standards.
Opinion

The decision by the Minister for Tourism not to provide Parliament with information on the State’s financial contributions to the Drug Aware Margaret River Pro in the 2015, 2016 and 2017 calendar years was reasonable and appropriate.

Background

In Parliament on 27 June 2017, Ms Elizabeth Mettam MLA asked the Minister for Tourism for the following information:

(1) How much did the State Government contribute financially to the Drug Aware Margaret River Pro in the 2015, 2016 and 2017 calendar years?

(2) What actions has the Minister personally taken to ensure that the Drug Aware Margaret River Pro is retained as part of the World Surf League – World Championship Tour?

On 8 August 2017, the Minister provided the information requested in (2). However, the Minister declined to provide the information requested in (1), replying:

(1) The Western Australian government commits an annual amount to a major events program managed through Tourism Western Australia. The major events industry is highly competitive and Western Australia competes with interstate and international destinations to secure major events. Confidentiality of negotiations is critical in order to maintain the government’s ability to negotiate the best outcome on future events. Accordingly, I will notify the Auditor General’s office and both houses of Parliament that part of this question will not be answered as per section 82 of the Financial Management Act 2006.

On 21 August 2017, we were notified of the Minister’s decision not to provide the requested information in accordance with section 82 of the FM Act.

Key findings

The decision by the Minister not to provide the requested information was reasonable and appropriate.

The Minister properly sought and followed advice from the Western Australian Tourism Commission (Tourism WA), now part of the Department of Jobs, Tourism, Science and Innovation, before responding to the request. Tourism WA recommended he decline to provide the information as it was commercially sensitive.

The recommendation was based on an assessment against its Release of Event Sponsorship Information and/or other Commercial Information policy and guidelines. As we have found previously, these provide suitable criteria for assessing if information is commercially sensitive.

Tourism WA considered if releasing the financial information would compromise its ability to successfully attract, develop, retain, or negotiate for this event in the future.
It concluded that the funding information has a commercial value and disclosure could cause commercial harm to the State. In our view, the conclusion was sound, based on the following points:

- the highly competitive nature of the global events market
- the event could become more expensive to secure and retain if other destinations knew how much the WA government was willing to pay
- other jurisdictions would gain an unfair advantage by using knowledge of the sponsorship amount to outbid WA for the event
- Tourism WA were still to finalise contractual arrangements for the event.
## Auditor General's Reports

<table>
<thead>
<tr>
<th>Report number</th>
<th>2017 reports</th>
<th>Date tabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Diverting Young People Away From Court</td>
<td>1 November 2017</td>
</tr>
<tr>
<td>17</td>
<td>Management of Pastoral Lands in Western Australia</td>
<td>11 October 2017</td>
</tr>
<tr>
<td>16</td>
<td>Rich and Rare: Conservation of Threatened Species Follow-up Audit</td>
<td>6 September 2017</td>
</tr>
<tr>
<td>15</td>
<td>Opinion on Ministerial Notification</td>
<td>6 September 2017</td>
</tr>
<tr>
<td>14</td>
<td>Non-Clinical Services at Fiona Stanley Hospital</td>
<td>16 August 2017</td>
</tr>
<tr>
<td>12</td>
<td>Information Systems Audit Report</td>
<td>29 June 2017</td>
</tr>
<tr>
<td>11</td>
<td>Opinion on Ministerial Notification</td>
<td>29 June 2017</td>
</tr>
<tr>
<td>10</td>
<td>Timely Payment of Suppliers</td>
<td>21 June 2017</td>
</tr>
<tr>
<td>9</td>
<td>Opinion on Ministerial Notification</td>
<td>8 June 2017</td>
</tr>
<tr>
<td>8</td>
<td>Management of Medical Equipment</td>
<td>25 May 2017</td>
</tr>
<tr>
<td>7</td>
<td>Audit Results Report – Annual 2016 Financial Audits – Universities and TAFEs – Other audits completed since 1 November 2016</td>
<td>11 May 2017</td>
</tr>
<tr>
<td>6</td>
<td>Opinions on Ministerial Notifications</td>
<td>13 April 2017</td>
</tr>
<tr>
<td>5</td>
<td>Accuracy of WA Health's Activity Based Funding Data</td>
<td>11 April 2017</td>
</tr>
<tr>
<td>4</td>
<td>Controls Over Purchasing Cards</td>
<td>11 April 2017</td>
</tr>
<tr>
<td>3</td>
<td>Tender Processes and Contract Extensions</td>
<td>11 April 2017</td>
</tr>
<tr>
<td>2</td>
<td>Opinion on Ministerial Notification</td>
<td>6 April 2017</td>
</tr>
<tr>
<td>1</td>
<td>Opinion on Ministerial Notification</td>
<td>30 March 2017</td>
</tr>
</tbody>
</table>