

40TH PARLIAMENT



Report 83

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

*2020-21 Budget Cycle – Part 1: Estimates Hearings and Related Matters
and 2019-20 Budget Cycle – Part 2: Annual Report Hearings*

Presented by
Hon Alanna Clohesy MLC (Chair)
November 2020

Standing Committee on Estimates and Financial Operations

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ISBN 978-1-925580-36-5



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EXECUTIVE SUMMARY

- 1 The Legislative Council Standing Committee on Estimates and Financial Operations (Committee) is required to 'consider and report on ... the estimates of expenditure laid before the Council each year ... [and] any matter relating to the financial administration of the State'.¹ This report concludes the Committee's consideration of the 2020-21 estimates of expenditure (estimates) and the 2019-20 annual reports, which the Committee's examined jointly, owing to the impact of the COVID-19 pandemic and the forthcoming prorogation of the 40th Parliament.
- 2 The Committee held hearings with 14 agencies and asked questions of a further 33 agencies. The number of subject matters raised in the hearings was 341. The Committee considers that the process provided an appropriate level of scrutiny of the 2020-21 estimates and 2019-20 annual reports, given time constraints.
- 3 Although the Committee did not adopt a theme for this inquiry, it sought further information from agencies on:
 - a. how they intend to remedy qualified audit opinions, 'matters of significance' or an 'emphasis of matter' in their audit reports
 - b. their separations under the Voluntary Targeted Separation Scheme
 - c. their progress to integrate key systems arising from Machinery of Government changes announced in April 2017.²
- 4 This report also reflects on matters relating to the provision of information to the Parliament. The Committee identified some occasions where a Minister decided not to provide certain information to the Committee, and was made aware of errors in two financial publications. However, the Committee considers that these occasions did not affect the Committee's capacity to scrutinise the estimates or annual reports.

Findings

Findings are grouped as they appear in the text at the page number indicated:

FINDING 1

Page 5

The Committee's consideration of the 2020-21 estimates of expenditure and 2019-20 annual reports was not adversely affected by Ministers' decisions not to provide certain information to this inquiry.

FINDING 2

Page 5

The Committee's consideration of the 2020-21 estimates of expenditure and 2019-20 annual reports was not adversely affected by the two known errors in relevant financial publications.

¹ Legislative Council Standing Orders Schedule 1 cl 3.3(a)(i)-(ii).

² Hon Mark McGowan, Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations, *Major changes introduced to create a more efficient public sector*, media statement, 28 April 2017.

FINDING 3

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The Departments of Communities; Jobs, Tourism, Science and Innovation; Primary Industries and Regional Development are yet to fully integrate key systems arising from machinery of government changes announced in April 2017.

1 Introduction

- 1.1 The Legislative Council Standing Committee on Estimates and Financial Operations (Committee) assists the Legislative Council perform its scrutiny function by examining the financial operations of Government and its agencies. The Committee structures its analysis around the budget cycle, which commenced with the tabling of the budget and accompanying appropriation bills for the year³ and concludes with the tabling of annual reports for that financial year.⁴
- 1.2 This report concludes the Committee's consideration of the estimates of expenditure (estimates) for the 2020-21 financial year and the annual reports for the 2019-20 financial year. This year, the Committee had a small window of opportunity to examine these matters, with the release of the 2020-21 Budget delayed until 8 October 2020 due to the COVID-19 pandemic and the forthcoming prorogation of the 40th Parliament. The Committee resolved to consider these matters jointly, with combined hearings.
- 1.3 As part of this consideration, the Committee:
- heard from 14 agencies and their responsible Minister or Minister representing in the Legislative Council.⁵ A list of agencies that appeared for a hearing and the topics raised at hearings are set out at Appendix 1
 - submitted questions to, and received answers from, a further 33 agencies
 - ranged over 341 subject matters in the hearings (see Appendix 1)
 - followed up on a number of matters of interest from previous estimates and annual report inquiries.
- 1.4 The Committee considers that the process provided an appropriate level of scrutiny of Government, despite the compressed timeframes and atypical arrangements. The Committee wishes to thank all Ministers,⁶ witnesses and participating Members for their assistance.

Scrutinising the estimates and annual reports

- 1.5 The Committee is required to consider and report on the 'estimates of expenditure laid before the Council each year ... [and] any matter relating to the financial administration of the State'.⁷ One of the ways the Committee undertakes this function is to hold hearings with agencies on the Budget and the annual reports.
- 1.6 The *Constitution Act 1889* requires government revenue⁸ to be credited to the Consolidated Account and expenditure from the Consolidated Account to be approved by the Parliament.⁹

³ The Budget is typically released in early May of each year. The Committee's Budget Estimates hearings are typically held the following month.

⁴ A Minister is to cause a copy of an agency's annual report to be laid before each House of Parliament within 90 days of that agency's financial year concluding (*Financial Management Act 2006* s 64).

⁵ The Committee held hearings between 17 and 19 November 2020. The hearings were public, recorded by Hansard and broadcast over the internet. Transcripts and videos of the hearings are available on the Committee's website at <http://www.parliament.wa.gov.au/est>.

⁶ Includes Minister Representing and Parliamentary Secretaries.

⁷ Legislative Council Standing Orders Schedule 1 cl 3.3(a)(i)-(ii).

⁸ The major sources of revenue for the government include taxes, imposts, fines, rates, duties, royalties and Commonwealth Government grants (*Constitution Act 1889* s 64 and *Financial Management Act 2006* s 8).

⁹ The Treasurer and the Governor, on the recommendation of the Treasurer, are authorised to 'make payments in respect of extraordinary or unforeseen matters' that were not factored into the Appropriation Acts. The Parliament approves this spending in future appropriation bills (*Financial Management Act 2006* s 27).

Parliamentary approval to spend from the Consolidated Account is made through the appropriation bills or has been previously authorised under other statutes.

- 1.7 Every year, the Government presents two appropriation bills to the Parliament,¹⁰ which authorise Government to ‘appropriate’ money from the Consolidated Account to fund expenditure for the relevant financial year. If the appropriation bills are not passed, the funds required for the operations of Government and its agencies cannot be provided.¹¹
- 1.8 The Government introduced the Appropriation (Recurrent 2020-21) Bill 2020 and the Appropriation (Capital 2020-21) Bill 2020 into the Legislative Assembly on 8 October 2020. The bills sought approval from the Parliament to appropriate \$27.3 billion from the Consolidated Account in 2020-21, spread across 149 items of expenditure. The bills passed through the Legislative Assembly on 3 November 2020 and the Legislative Council on 24 November 2020. They are currently awaiting Royal Assent.
- 1.9 Annual reports complete the budget cycle that commences with the appropriation bills and budget papers. Where the appropriation bills and budget papers show what the agency intends to achieve in a given year (both on financial and non-financial grounds), the annual reports show how the agency actually performed in that year. In addition to agency annual reports, the Government is required to produce an Annual Report on State Finances, which shows actual financial data on a whole-of-government basis.
- 1.10 The reporting framework for annual reports is set out in the *Financial Management Act 2006* (FMA), supplemented by Treasurer’s Instructions and an Illustrative Model Annual Report. Agencies may be required to produce an annual report of activities outside the FMA, under separate pieces of legislation. Agency reports prepared in accordance with the FMA for the 2019-20 financial year began being tabled in Parliament on 20 August 2020.

2 Summary of the procedure for the inquiry

- 2.1 The process and key dates were set out in a Procedure Policy that was distributed to Members of the Legislative Council on 24 September 2020. The procedure differed somewhat from previous estimates or annual report inquiries, with an additional round of questions prior to hearings and no questions to be asked after the hearings.

Agency selection

- 2.2 Members of the Legislative Council could nominate agencies to appear for hearings. Members nominated 22 agencies, of which the Committee selected 14.¹² The timetable was finalised and distributed to Members on 26 October 2020.

Questions prior to hearings

- 2.3 Members of the Legislative Council could submit a reasonable number of questions prior to hearings to any agency. The Committee had two rounds of questions, with the first round on

¹⁰ These bills are typically labelled Appropriation (Recurrent <financial year>) Bill and Appropriation (Capital <financial year>) Bill.

¹¹ The Treasurer has a limited ability to access the Consolidated Account at the start of the relevant financial year before the passing of the appropriations bills (*Financial Management Act 2006* s 24).

¹² The following agencies were nominated, but not invited to appear, for a hearing: Corruption and Crime Commission; Department of Finance; Department of Fire and Emergency Services; Department of Justice; Department of Mines, Industry Regulation and Safety; Department of Planning, Lands and Heritage; Forest Products Commission; and Insurance Commission of Western Australia.

annual reports and the second on the Budget and annual reports that were not tabled before the first round closed.¹³

- 2.4 Eight Members and the Committee submitted 306 questions to 47 agencies. Responses to questions were available on the Committee website from 5 November 2020.¹⁴

Questions during the hearings

- 2.5 The Committee held 16 separate hearings, across the 14 agencies, totalling 28 hours. The number of participating Members ranged from three (Department of the Premier and Cabinet) to eight (Department of Transport/Public Transport Authority of Western Australia).
- 2.6 Consistent with the practice in the 2017-18 Budget Estimates hearings, Members who attended a hearing were allocated an uninterrupted amount of time to ask questions. Party spokespersons were given additional time. The time allocated to Members depended on the number of Members attending and the time allocated to that hearing. In the event of extra time being available, Members were allocated further time to ask additional questions.
- 2.7 The Chair is responsible for the conduct of hearings and provided guidance on procedural matters as required. No questions were ruled out of order.
- 2.8 Ministers took 105 questions on notice. Responses to those questions will be available on the Committee webpage from December 2020.¹⁵

3 Provision of information to the Committee

- 3.1 The ability of the Parliament and its committees to scrutinise Government and its agencies is influenced by the quality and quantity of the information made available for that purpose. Consistent with previous reports, this section will detail occasions where:
- a Minister decided not to provide certain information during the inquiry
 - corrections may be required to financial publications.
- 3.2 Overall, the occasions identified in this section did not materially affect the Committee's ability to scrutinise the Government and its operations.

Ministerial decisions not to provide information

- 3.3 Table 1 lists those occasions where a Minister decided not to provide requested information to a question prior to hearing and the reasons for non-provision (usually commercial-in-confidence or due to statutory secrecy provisions).
- 3.4 The Committee notes one occasion where the Minister for Regional Development; Agriculture and Food did not provide an answer to a question asked during a hearing. These occasions are not typically disclosed in the table, because the Member asking the question has an opportunity to pursue the matter with the Minister at the time. However, the Minister indicated a preference for the question be 'put on notice'.¹⁶

¹³ Seventeen agencies advised that their annual reports would not be tabled before 24 September 2020.

¹⁴ The Committee website is at <http://www.parliament.wa.gov.au/est>.

¹⁵ *ibid.*

¹⁶ Hon Alannah MacTiernan, Minister for Regional Development; Agriculture and Food, Department of Primary Industries and Regional Development, uncorrected transcript of evidence, 17 November 2020, p 4.

Table 1. Occasions of non-provision of information

Minister	Agency	Issue	Basis for non-provision
Attorney General	Department of Justice	Number of investigations commenced and finalised other than by public inquest into the unnatural deaths of babies born alive after abortion ¹⁷	Statutory secrecy provisions
Attorney General	Office of the Information Commissioner	Number of applications for external review from local government councillors regarding their own local government records ¹⁸	Statutory secrecy provisions
Energy	Horizon Power	Renewable energy project information for the North West Interconnected System ¹⁹	Commercial-in-confidence
Environment	Department of Biodiversity, Conservation and Attractions Commission	Projections of native forest timber resources available under the Forest Management Plan ²⁰	Commercial-in-confidence for the Forest Products Commission
Health	WA Health	Service agreement between the State of Western Australia and St John Ambulance Western Australia Limited ²¹	Sensitive and /or commercial-in-confidence Information may have an impact on future tender processes
Mines and Petroleum	Department of Mines, Industry Regulation and Safety	Coal royalties ²²	Commercial-in-confidence
Planning	Western Australian Planning Commission	Metropolitan Region Improvement Account target acquisitions and purchase prices ²³	Not appropriate to identify

¹⁷ Answer to question prior to hearings 3(c)(i), (iv) (d) and (l) asked by Hon Nick Goiran MLC and answered by Hon John Quigley MLA, Attorney General, 3 November 2020, pp 5-6.

¹⁸ Answer to question prior to hearings 2(a) asked by Hon Alison Xamon MLC and answered by Hon John Quigley MLA, Attorney General, 27 October 2020, p 10.

¹⁹ Answer to question prior to hearings 1(a) asked by Hon Tim Clifford MLC and answered by Hon Bill Johnston MLA, Minister for Energy, 2 November 2020, unnumbered page.

²⁰ Answer to question prior to hearings 1(a) and (b) asked by Hon Diane Evers MLC and answered by Hon Stephen Dawson MLC, Minister for Environment, 20 October 2020, unnumbered page.

²¹ Answer to question prior to hearings 13(d) asked by Hon Martin Aldridge MLC and answered by Hon Roger Cook MLA, Minister for Health, 3 November 2020, p 23.

²² Answer to question prior to hearings 3(a) asked by Hon Tim Clifford MLC and answered by Hon Bill Johnston MLA, Minister for Mines and Petroleum, 2 November 2020, unnumbered page.

²³ Answer to question prior to hearings 2 asked by Hon Tjorn Sibma MLC and answered by Hon Rita Saffioti MLA, Minister for Planning, 2 November 2020, p 2.

Minister	Agency	Issue	Basis for non-provision
Water	Department of Water and Environmental Regulation	Land acquisitions – Land purchase priority 1 areas ²⁴	Commercial-in-confidence

3.5 Unlike other jurisdictions, Western Australia has a legislated provision for managing instances of Ministerial non-provision of information. Section 82 of the FMA provides that where a Minister decides it is 'reasonable and appropriate' not to provide 'certain information' to Parliament, the Minister is required to notify each House of Parliament and the Auditor General of this decision.²⁵

FINDING 1

The Committee's consideration of the 2020-21 estimates of expenditure and 2019-20 annual reports was not adversely affected by Ministers' decisions not to provide certain information to this inquiry.

Correction to financial publications

3.6 In the course of the inquiry, the Committee became aware of two errors in examined financial publications. These are:

- The Child and Adolescent Health Service incorrectly labelled infographics on vaccinations in the 2018-19 Annual Report.²⁶ The online Annual Report was updated and revised material was tabled in the Parliament on 3 November 2020.
- The Department of Primary Industries and Regional Development reported that Rural Farm Assistance (Rural Business Development Unit) would increase from \$111 000 in 2018-19 to \$1.7 million in 2019-20 and remain at that level in each year thereafter.²⁷ The Department advised there should only be \$170 000 per annum for the rural farm assistance scheme and that it would be corrected in the next budget.²⁸

FINDING 2

The Committee's consideration of the 2020-21 estimates of expenditure and 2019-20 annual reports was not adversely affected by the two known errors in relevant financial publications.

²⁴ Answer to question prior to hearings 11 asked by Hon Diane Evers MLC and answered by Hon Dave Kelly MLA, Minister for Water, 4 November 2020, p 1.

²⁵ There is a complementary obligation on the Auditor General to form an opinion on 'whether a decision by a Minister not to provide information to Parliament concerning any conduct or operation of an agency is reasonable and appropriate' and report that opinion to both Houses of Parliament (*Auditor General Act 2006* s 24).

²⁶ Answer to question prior to hearings 1 asked by Hon Colin Tincknell MLC and answered by Hon Roger Cook MLA, Minister for Health, 26 October 2020, p 4.

²⁷ Government of Western Australia, *2020-21 Budget Papers, Budget Statements, Budget Paper No. 2*, Vol. 1, 8 October 2020, p 241.

²⁸ Mandy Taylor, Chief Financial Officer, Department of Primary Industries and Regional Development, uncorrected transcript of evidence, 17 November 2020, pp 15-6.

4 Auditor General opinions

4.1 The Auditor General is required to audit the financial statements, controls and key performance indicators (KPIs) of agencies that prepare annual reports under the FMA. The Auditor General is to form an opinion on whether:

- (a) the financial statements are based on proper accounts and present fairly the operating results and cash flows for the period under review and the financial position at the end of that period; and
- (b) the controls exercised by the agency are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (c) the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and fairly represent indicated performance for the period under review.²⁹

The opinion forms part of the annual report and a copy of the opinion must be given to the relevant Minister.³⁰ An opinion is qualified if the Auditor General has identified substantive issues in the financial statements, controls and/or key performance indicators.

4.2 In the course of the audit for the 2019-20 financial year, the Auditor General:

- issued 143 audit opinions
- issued qualified audit opinions to seven agencies
- highlighted 'matters of significance'³¹ in 25 agencies
- highlighted an 'emphasis of matters'³² in the Annual Report on State Finances and four entities.³³

4.3 The Committee asked a number of agencies the following question (or an iteration thereof):

In 2019-20, did your agency receive a qualified audit or 'matter of significance' or an 'emphasis of matter' from the Auditor General:

- (a) If so, outline the reason and your plan to remedy the issue by 2020-21?

Qualified audits

4.4 The following table outlines the qualified opinions issued by the Auditor General and the reasons for the qualification.

²⁹ *Auditor General Act 2006* s 15(3).

³⁰ *Financial Management Act 2006* s 64(1)(b).

³¹ The Auditor General may include a matter of significance '[w]here a matter in relation to the financial statements or KPIs [key performance indicators] is undisclosed or not apparent in the financial statements or KPIs' (Western Australian Auditor General's Report, *Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities*, Report 7, 11 November 2020, pp 14-5).

³² The Auditor General may include an emphasis of matter if 'a matter is appropriately presented or disclosed in the financial report ... is of such importance that it should be drawn to the attention of Parliament (Western Australian Auditor General's Report, *Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities*, Report 7, 11 November 2020, p 16).

³³ Western Australian Auditor General's Report, *Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities*, Report 7, 11 November 2020, pp 12-6.

Table 2. *Qualified audits*

Agency	Type	Reason
Department of Communities	Controls	Significant weaknesses in payroll and procurement systems
Department of Local Government, Sport and Cultural Industries	Controls	Significant weaknesses in payroll, procurement and information systems
Department of Primary Industries and Regional Development	Controls	Significant weaknesses in information systems Prior to April 2020, the Department did not have an effective process to monitor restricted cash balances
Health Support Services	Controls	Significant weaknesses in information systems
Housing Authority	Controls	Significant weaknesses in procurement systems
Office of the Parliamentary Inspector of the Corruption and Crime Commission	KPIs	Insufficient evidence to determine the actual performance for the 'average cost per investigation/case' and 'cost of the audit function as a percentage of total cost of operations' indicators
Western Australian Greyhound Racing Association	Financial statements	Accounting treatment for grants received from Racing and Wagering Western Australia to fund construction costs not in accordance with Australian Accounting Standard AASB 1004 – <i>Contributions</i>

[Source: Western Australian Auditor General's Report, *Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities*, Report 7, 11 November 2020, pp 12-4.]

Department of Communities

- 4.5 The Minister for Child Protection; Women's Interest; Prevention of Family and Domestic Violence; Community Services provided the Committee with further information on the issues the Auditor General found with its payroll and procurement systems, and outlined the following plan to remedy:

Payroll – Communities implemented a range of preventative controls to mitigate the identified issues prior to transitioning to a single payroll environment on 18 September 2020. The EFT file is now password protected and access to the password and file has been limited and auditable processes have been put in place for full pay reconciliation. Additional automation of the process of certifying the fortnightly payroll certification reports, including reminders to managers for outstanding approvals, is expected to be completed by 31 December 2020.

Procurement – Communities has implemented third party verification software and is moving from the legacy Prophecy finance system to Microsoft AX2012 by 20 November 2020 enabling automated compliance. This could not be achieved within the existing Prophecy system and a manual three-way matching process was introduced. The implementation of updated procurement policies and workflows will address the issues raised by the OAG.³⁴

³⁴ Answer to question prior to hearings 1 asked by the Committee and answered by Hon Simone McGurk MLA, Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services, 2 November 2020, p 2.

Department of Local Government, Sport and Cultural Industries

4.6 The Minister for Local Government; Cultural and The Arts provided the Committee with further information on control weaknesses and advised:

The Department has undertaken significant work to address the new and existing findings and is working with the vendors of the respective systems to strengthen security controls and associated processes. The department has also fully addressed the procurement matter in line with the requirements of Treasurer's Instruction 304 Authorisation of Payments.

It is anticipated that all of the findings above will be addressed by 2020-21.³⁵

Department of Primary Industries and Regional Development

4.7 The Minister for Regional Development; Agriculture and Food elaborated on the nature of the qualified controls and advised:

Prior to April 2020, DPIRD [Department of Primary Industries and Regional Development] identified the risk of a shortfall in consolidated account cash and sought and received supplementary funding in May 2020 to rectify the shortfall. Consequently, in April 2020, DPIRD implemented a process to regularly monitor restricted and unrestricted cash balances. This model was used to calculate all end month cash balances for 2019-20 and DPIRD confirmed that no restricted funds had been used to fund operations throughout the year. The model will continue to be used to monitor cash balances going forward. This qualification has been resolved.

...

To address these [information systems] issues, DPIRD has prioritised ICT [information and communications technology] investment and implemented an internal program of work called Digital Foundations that will address some of the key cyber security issues and progressively increase the maturity of its ICT security over the next 12 to 24 months.

Other key priorities for 2020-21 are:

- implementation of Security Information Event Management and integration with DGov Security Operations Centre;
- improvement of user account management and password security;
- improvement of cyber security response training;
- performance of regular network penetration testing, and
- implementation of security tools and practices to better harden applications.

These items will also address increasing DPIRD's Cyber Security maturity and the current OAG findings.³⁶

³⁵ Answer to question prior to hearings 1 asked by the Committee and answered by Hon David Templeman MLA, Minister for Local Government; Culture and The Arts, 2 November 2020, p 1.

³⁶ Answer to question prior to hearings 1 asked by the Committee and answered by Hon Alannah MacTiernan MLA, Minister for Regional Development; Agriculture and Food, 2 November 2020, pp 1-2.

Health Support Services

- 4.8 The Auditor General identified 'significant weaknesses' in remote access and network security controls in Health Support Services (HSS) (an entity within the composite WA Health).³⁷ The Minister advised:

During COVID-19, HSS had to weigh the risk of an outbreak on a WA health system site against operational risks such as data loss, when making the decision to implement this solution as quickly as possible. HSS remains of the opinion that, during the COVID-19 period in WA, the risk to a front-line health service of an outbreak was far greater and therefore, warranted the quick implementation of WVD [Windows Virtual Desktop]. Once WVD was implemented, HSS was then able to restrict access to the existing SonicWall Virtual Private Network (VPN) working from home solution to less than 2,000 staff across the WA health system. The weaknesses with the WVD solution have already been addressed and mitigated.

HSS has established a program to govern and oversee the activities that will be undertaken to address the GCC Management Letter, with particular focus on the two Significant Findings. The program consists of 81 specific activities, of which 8 have been completed to date. The progress of this program is being tracked by the WA health system ICT Executive Board, the HSS governing Board and HSS Executive team to ensure all activities to address the control weaknesses are completed by March 2021.³⁸

Matters of significance

- 4.9 The Auditor General highlighted matters of significance in 25 agencies. Of note:
- Nineteen agencies did not report on selected KPIs, largely arising from the difficulties obtaining the necessary data during the COVID-19 pandemic.
 - The Under Treasurer continues to exempt the five health service providers³⁹ from disclosing audited data for the 'percentage of emergency department patients seen within recommended times' indicator. In the interim, these agencies are required to disclose unaudited data for this indicator. WA Health is required to reassess whether this indicator can be re-instated once an appropriate data collection system has been implemented.
 - The Department of Primary Industries and Regional Development does not separately account for or disclose transactions of the Western Australian Agricultural Authority, established by the *Biosecurity and Agricultural Management Act 2007*.⁴⁰
- 4.10 The Committee notes that many of these matters are likely to be temporary, owing to the COVID-19 pandemic. In addition, the Minister for Regional Development; Agriculture and Food advised that the Department of Primary Industries and Regional Development is currently working with the State Solicitor's Office and the Office of the Auditor General to

³⁷ Western Australian Auditor General's Report, *Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities*, Report 7, 11 November 2020, p 13.

³⁸ Answer to question prior to hearings 1 asked by the Committee and answered by Hon Roger Cook MLA, Minister for Health, 3 November 2020, p 2.

³⁹ Child and Adolescent Health Service; East Metropolitan Health Service; North Metropolitan Health Service; South Metropolitan Health Service; and WA Country Health Service.

⁴⁰ Western Australian Auditor General's Report, *Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities*, Report 7, 11 November 2020, pp 14-5.

resolve the matter relating to the transactions and disclosures of the Western Australian Agricultural Authority.⁴¹

5 Other matters

- 5.1 In this inquiry, the Committee followed-up the Voluntary Targeted Separation Scheme (VTSS) and the integration of departments' key systems following machinery of government (MoG) changes announced in April 2017.

Voluntary Targeted Separation Scheme

- 5.2 The VTSS was announced as part of the 2017-18 Budget to 'drive public sector reform and assist with Budget repair'.⁴²
- 5.3 The Committee asked agencies whether their separations had been completed and if not, when this is expected to occur.⁴³ Of the 24 agencies asked, only the Department of Communities advised its separations have not yet been completed, but this is expected 'by 30 June 2021'.⁴⁴
- 5.4 The Treasurer provided the following general update of the VTSS:

Separations to date total 2,645.

As detailed in the 2017-18 *Annual Report on State Finances*, a total of 2,311 separations were finalised by 30 June 2018 when the Scheme closed to most agencies (see pp. 13-14).

A further 163 police officer separations and 82 education sector separations were finalised in 2018-19 as part of targeted programs in these areas.

An additional 390 separations are expected to be achieved in the Department of Communities via the machinery of government (MoG) changes and as the State completes its transition to the Commonwealth-run National Disability Insurance Scheme (NDIS), with a total of 89 of these separations finalised in the last half of 2019-20.⁴⁵

- 5.5 The Committee notes the progress made to date for the VTSS.

⁴¹ Answer to question prior to hearings 1 asked by the Committee and answered by Hon Alannah MacTiernan MLA, Minister for Regional Development; Agriculture and Food, 2 November 2020, p 2.

⁴² Hon Ben Wyatt MLA, Treasurer, *Progress continues with the Voluntary Targeted Separation Scheme*, media statement, 10 May 2018.

⁴³ Aside from Government departments and the Western Australia Police Force, the Committee also requested this information from the four TAFEs and Lotterywest. The four TAFEs and Lotterywest advised their separations have been completed.

⁴⁴ Answer to question prior to hearings 2 asked by the Committee and answered by Hon Simone McGurk MLA, Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services, 2 November 2020, unnumbered page.

⁴⁵ Answer to question prior to hearings 3 asked by the Committee and answered by Hon Ben Wyatt MLA, Treasurer; Minister for Finance; Aboriginal Affairs; Lands, 2 November 2020, unnumbered page.

Machinery of Government changes

5.6 In April 2017, the Government announced MoG changes that would reduce the number of departments from 41 to 25 by 1 July 2017.⁴⁶ The Auditor General later observed that:

[p]rogress with amalgamating systems of various constituent entities is slow, with most departments continuing to operate on several financial, human resources and administrative systems. This is impacting the realisation of cost savings that can be achieved by rationalising systems.⁴⁷

5.7 The Committee examined the progress to integrate systems in its Reports 77 and 80 and sought an update from affected agencies as part of this inquiry.⁴⁸ The Committee asked the Departments of Biodiversity, Conservation and Attractions; Communities; Jobs, Tourism, Science and Innovation; and Primary Industries and Regional Development the following question:

With respect to machinery of government changes in 2017, does your agency have fully integrated financial, HR, administrative and IT systems:

- a) If not, what changes remain to be implemented; and
- b) If changes remain outstanding, what is the timeframe for completion?

The Minister's answers are summarised in paragraphs 5.8 to 5.11.

Department of Biodiversity, Conservation and Attractions

5.8 The Department of Biodiversity, Conservation and Attractions has integrated its human resources (HR) and information technology (IT) systems'.⁴⁹

Department of Communities

5.9 The Department of Communities has 'transitioned all staff onto one human resource management information system and all employees are on the same email platform and ICT managed operating system'. Timeframes for transitioning to one financial management information system and one electronic document record management system range from 23 April to 30 June 2021.⁵⁰

Department of Jobs, Tourism, Science and Innovation

5.10 The Department of Jobs, Tourism, Science and Innovation has not achieved full integration. Its finance system is expected to 'go live' in December 2020 whilst other corporate systems,

⁴⁶ Hon Mark McGowan MLA, Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations, *Major changes introduced to create a more efficient public sector*, media statement, 28 April 2017.

⁴⁷ Western Australian Auditor General's Report, *Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities*, Report 7, November 2018, p 23.

⁴⁸ Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, report 77, *2017-18 Budget Cycle – Part 2: Annual Report Hearings*, 4 April 2019, pp 17-20 & Western Australia, Legislative Council, Standing Committee on Estimates and Financial Operations, report 80, *2018-19 Budget Cycle – Part 2: Annual Report Hearings*, 19 March 2020, pp 17-8.

⁴⁹ Answer to question prior to hearings 3 asked by the Committee and answered by Hon Stephen Dawson MLC, Minister for Environment, 2 November 2020, pp 1-2.

⁵⁰ Answer to question prior to hearings 3 asked by the Committee and answered by Hon Simone McGurk MLA, Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services, 2 November 2020, unnumbered page.

such as HR, payroll, records management and the IT network remain at planning stage. The timeframe for completion of these systems is 'approximately two years'.⁵¹

Department of Primary Industries and Regional Development

5.11 The Department of Primary Industries and Regional Development has 'some integrated systems within former agency networked environments' and 'has made progress in connecting former agency IT assets to facilitate data sharing and collaboration'. Completion of its general IT systems, network consolidation and core business system ranges from the second quarter of 2021 to third quarter of 2021.⁵²

FINDING 3

The Departments of Communities; Jobs, Tourism, Science and Innovation; Primary Industries and Regional Development are yet to fully integrate key systems arising from machinery of government changes announced in April 2017.

6 Conclusion

- 6.1 The Committee adapted its processes to scrutinise the Government and its operations, as result of the impact of the COVID-19 pandemic and the forthcoming prorogation of the 40th Parliament. The Committee examined the budget papers and the annual reports concurrently, with Members participating in the inquiry able to ask questions across both financial publications.
- 6.2 Although the Committee did not adopt a theme for this inquiry, as in previous budget estimates and annual reports inquiries, it sought further information from agencies:
- how they intend to remedy qualified audit opinions, 'matters of significance' or an 'emphasis of matter' in their audit reports
 - their separations under the VTSS
 - on progress to integrate key systems arising from MoG changes.
- 6.3 The Committee is satisfied that this inquiry has positively contributed to the scrutiny of Government and its operations.



Hon Alanna Clohesy MLC
Chair

⁵¹ Answer to question prior to hearings 3 asked by the Committee and answered by Hon Mark McGowan MLA, Minister for State Development, Jobs and Trade, 4 November 2020, unnumbered page.

⁵² Answer to question prior to hearings 3 asked by the Committee and answered by Hon Alannah MacTiernan MLC, Minister for Regional Development; Agriculture and Food, 2 November 2020, p 2.

APPENDIX 1

SUMMARY OF AGENCY HEARINGS

The agency summaries are based on the uncorrected transcripts for the hearing. Corrected transcripts will be made available on the Committee's website (www.parliament.wa.gov.au/est) once finalised.

17 November 2020: Water Corporation

- Breakdown of the \$431 million subsidy for the provision of non-profitable services received in 2019–20.
- Basis for deferring the 2019–20 dividend to 2020–21 in response to COVID-19.
- The Vasse diversion drain upgrade to widen and deepen the drain.
- Converting biosolids to methane at the Woodman Point wastewater treatment plant to run generators for onsite power and a similar project for the Beenyup wastewater treatment plant.
- Drainage system asset performance is based on land being free of surface water within three days of a significant storm event.
- Calculating wastewater charges based on gross rental valuations reassessed every three years.
- Sampling wastewater for COVID-19 at the inlet of major metropolitan wastewater facilities commenced in April 2020. Five metropolitan plants sampled and collected weekly for transfer to PathWest.
- \$4.2 million to deliver more reliable and improved water and wastewater services to four remote Aboriginal communities, selected on advice from the Department of Communities.
- Measures to address water deficient areas include upgrading community dams and trialling on-farm desalination.
- Interim dividends to Government from government trading enterprises deferred in response to COVID-19.
- No ministerial direction to model variations to the tariff structure.
- The farmlands renewal project including replacement and banding of pipes by external contractors.
- Improving strategic water capacity in regional areas includes upgrading community dams, research projects on-farm desalination, an Albany/Denmark pipeline, upgrading pipelines between the Wickiepin area towards Lake Grace, upgrading pump stations and boosters from Katanning towards Nyabing, and topping up local storages over winter.
- The unsuitability of some community dams for drinking water due to pathogens.
- Water sources connected to the great southern towns water supply scheme pipe infrastructure. More cost effective to transport potable water than treat it locally.
- How the Corporation works with the Department of Water and Environmental Regulation; and local governments regarding local water sources and safety risks before handing over management.
- Measures taken to address financial hardship in response to COVID-19.

17 November 2020: Department of Primary Industries and Regional Development

- Royalties for Regions expenditure of \$56 million per annum from 2019–20 on Remote and Essential Services commenced to account for removal of federal government funding.
- Separate Royalties for Regions expenditure line item *Remote Aboriginal Communities* includes housing services, town-based accommodation, essential municipal service delivery, and maintenance and operation of existing swimming pools.
- Status of the Albany motor complex development.
- The *Administration* line item in Royalties for Regions expenditure is for the operating and administrative costs associated with the regional development component of the Department and the Regional Development Commissions (RDC).
- Payment of RDC staff through the department. The CEOs and boards receive an amount for rental accommodation and discretionary spending. RCDs administer expenditure allocated to them, and assess and make recommendations to the Minister for Regional Development regarding regional economic development grants.
- The role and composition of the Local Content Advisor Network.
- New Modern Biosecurity and Product Integrity.
- Biosecurity challenges in 2019–20 and measures undertaken to address Queensland fruit fly, fall armyworm, and potato and tomato psyllid.
- The 'percentage change in the spatial extent of the southwest cropping region that maintains sufficient year-round ground cover for protecting and improving soil health' KPI.
- Status of the Greenbushes lithium supply chain feasibility study.
- The regional school bus service and Royalties for Regions distribution.
- The 'Wander Out Yonder' grant scheme and measures to increase seasonal workers.
- Scientific licence requirements when using native fauna for surveys, and environmental scientist access to animal ethics committee approval.
- An error in relation to the *Rural Farm Assistance (Rural Business Development Unit)* line item in the table of Details of Controlled Grants and Subsidies. The correct amount is \$170 000 per annum for the rural farm assistance scheme.
- Around \$9 million will be allocated to agricultural and fisheries natural resource management grants in metropolitan and regional areas.
- State Solicitor's Office's legal services regarding animal welfare incursions into cattle stations. No external legal costs.
- Projects within the Royalties for Regions Regional Reform Fund include the Kimberley schools program and the north west housing projects.
- 'Supercharging' of the dividend from Water Corporation relates to the government's decision to defer the provisional dividend in response to the COVID-19 pandemic.
- A total investment of \$7.3 billion in infrastructure over the next four years in regional Western Australia.
- The Regional Development Trust as an independent entity with its own reporting process. The Department provides secretarial services to the Trust and manages payments to the Trust's board.

- \$121 million across the forward estimates for administered items relates to projects that reached a certain point but have not had their business cases approved, including the Transforming Bunbury's Waterfront project.
- The Moonamang Road project brought forward and under construction in 2021 to facilitate development of the next part of Ord stage 2 (Knox Plain).
- The \$60 million Collie Industry Attraction and Development Fund with 10 projects approved to date with a value of \$38.262 million.
- The Australian Export Grains Innovation Centre developing alternative overseas markets for barley, oats and wheat, and bringing overseas wholesaler and large retailer delegations to Western Australia.

17 November 2020: WA Health

- Frequency of communication between the Premier and the Chief Health Officer throughout 2019–20.
- Impact of the border closure on the Ord Valley Aboriginal Health services and the inability of Aboriginal patients to access health services including palliative care services.
- Western Australians seeking cross border health services from the Northern Territory.
- The *End of Life Choices - Palliative Care Services and Project Implementation* line item in the Spending Changes table includes \$5 million in capital funding for two palliative care beds and associated amenities at a 38-bed aged care and palliative care facility in Carnarvon. \$9 million for 10 palliative care inpatient beds with in the northern metropolitan region. A \$9 million expansion of metropolitan community services. \$6.3 million for community services in rural and remote regions. \$2.5 million to enhance palliative care service governance.
- Consultation with St John Ambulance prior to providing a redacted services agreement to the Committee.
- Removal of mental health patient transport and medium to low planned acuity services from the Department's contract with St John Ambulance signed on 22 September 2020 for the period to 30 June 2022.
- Changes to health services funding and the pricing mechanism in the Department's contract with St John Ambulance.
- \$10 million over two years in new funding for the WA Country Health Service negotiated with St John Ambulance to support the recommendations of the Country Ambulance Strategy.
- Progress of establishing urgent care clinics in Albany, Bunbury, Kalgoorlie, Geraldton, the Kimberley, the Pilbara and Collie-Preston.
- The Department's review, and the current status of health networks.
- Work undertaken in response to concerns raised in the Auditor General's *Information Systems Audit Report 2018*, including electronic records management. \$8 million allocated to Electronic Medical Record System – Planning to cover a business case, clinical engagement, and engagement at sites.
- Mental health patient transport funding and the mental health patient transport services agreement.
- Breakdown of the additional \$80 million for non-hospital health services under-delivering services to the community.
- Expansion of the school dental service.

- Identification and nature of priority community services contracts.
- Redevelopment of the emergency department at Sir Charles Gairdner Hospital and the behavioural assessment urgent care clinic.
- Communication and advice regarding the recent COVID-19 community outbreak in South Australia.
- Collaboration between the Department, PathWest, and the Water Corporation regarding wastewater testing for COVID-19 from State-run hotel quarantine and metropolitan wastewater treatment plants.
- Supply of personal protective equipment (PPE) in response to COVID-19.
- Fit testing of PPE as a component of the respiratory protection program.
- Small Hospital and Nursing Post Refurbishment Program, the \$300 million plus broader Southern Inland Health Initiative program of capital works, and the Australasian Health Facility Guidelines standards.
- Grants and subsidies expenses in the annual report compared to items in the budget papers.
- Stockpiling of PPE and work underway to minimise waste.
- PPE provided to quarantine hotel staff, and PPE fit testing and training provided to hotel staff.
- The public health system's capacity prior to COVID-19 and currently; and how capacity is assessed and monitored.
- Communications in October 2020 between the Chief Health Officer and the Premier's Office.
- \$6.1 million in recurrent internal funding and \$5.1 million in additional capital appropriation on the 'Stop to Violence' campaign. Staffing, capital investment, initiatives and training to address violence and aggression against frontline staff.
- Timing of Auditor General audit opinions and health service provider annual reports.
- Reconfiguration of mental health services including options for the Graylands site.
- Redevelopment works at Osborne Park Hospital and progress of redevelopment of the Joondalup Health Campus.
- Different types of COVID-19 testing, different testing platforms built around the polymerase chain reaction test methodology, and factors determining which test is used including cost and speed.
- Availability of reports produced by, and information available to, the Perinatal and Infant Mortality Committee.
- Impact of COVID-19 on reform projects including voluntary assisted dying.
- The Country Ambulance Strategy and demand for community paramedics in regional Western Australia.
- \$9.2 million to bring the Kimberley ambulance service in line with industry standards and support implementation of the centralised patient transport coordination service within the WA Country Health Service command centre.
- Waiting list and funding for the Perth Children's Hospital's gender diversity service.
- Potential relocation of the Frankland Centre.

17 November 2020: Mental Health Commission

- Contract management of Lifeline and Beyond Blue.
- Information provided to quarantine hotels regarding mental health while in isolation.
- Advice to the Department of Justice regarding the mental health of incarcerated prisoners.
- Status and measurement of 12 commitments to improve lived experiences for young Aboriginal people in Western Australia, particularly the Kimberley region.
- Revisions to step up/step down mental health facilities in Geraldton and Kalgoorlie following tender results. Estimated construction cost for Geraldton is \$5.6 million and Kalgoorlie is \$6.6 million.
- An additional \$0.2 million in 2020–21 for the Children & Young People Responsive Suicide Support program.
- Information from providers regarding demand for post-vention services.
- Status of report on evaluation of the mental health emergency response line.
- Examples of the impact of COVID-19 on mental health.
- Additional funding to suicide prevention counselling services and Perth Inner City Youth Services.
- The structure of mental health advice to the State Health Incident Coordination Centre, the State Emergency Coordinator, and the Commission's input across the public mental health sector including in response to COVID-19 issues.
- Creation of the Chief Medical Officer, Mental Health position.
- \$146 000 from the Department of Health for increased client testing, vaccination and treatment of blood-borne viruses and sexually transmitted infections, and to increase the accessibility and uptake of hepatitis B and hepatitis C treatments.
- \$829 000 under the National Housing and Homelessness Agreement through the Department of Communities for the mobile clinical outreach team, which in 2019–20 provided support to 120 clients on Fremantle and Perth streets, managing approximately 48 individuals every six months.
- \$50 million over the forward estimates to reduce demand for acute beds including by funding the community care unit and the youth homelessness service.
- The Commission's work to assess community support gaps across the State.
- Rationale behind the placement of safe haven cafes in the east metropolitan area and in Kununurra, and the status, estimated operational dates, funding split, and hours of operation of those cafes.
- Opening dates or estimated operational dates for the Bunbury, Karratha, Kalgoorlie, Geraldton, Broome, and Albany mental health step up/step down facilities.
- Outline of the Commission's achievements outside of COVID-19.
- \$3 million provided through the Department of Health over two years for forensic mental health planning.
- The court diversion model of service for adult offenders as a reconfiguration of the current program.
- No current plans for an Aboriginal-specific mental health network.

18 November 2020: Department of Transport/Public Transport Authority of Western Australia

- Tier 3 rail including background to Tier 3 rail, engineering review report by Agonis Group, estimated cost of restoring sections, status of submission to Infrastructure Australia, and investment planning.
- Australind train service upgrades estimated to be complete in late 2023.
- Status of investigation into the Bunbury faster rail project.
- Public transport fare structure.
- Departmental information call centres to Western Australia Police Force from 27 March 2020 in response to COVID-19.
- \$1.8 million in 2020–21 to purchase and install solar panels on 60 bus and rail stations.
- Design of and amenities expected to be included in Metronet railcars and the Australind train.
- \$26.7 million radio systems replacement project. Actual expenditure to date includes \$14.8 million on the Huawei-UGL contract (now terminated), and Public Transport Authority internal costs, project management, and development of the project. Costs related to termination of the Huawei-UGL contract not yet finalised. The revised tender for a new contract to be evaluated in the second quarter of 2021 at the earliest.
- The Metronet project at Bayswater station and service scheduling.
- Transfer of funds from the taxi industry development account to the consolidated account.
- The Perth parking licensing account.
- Technology upgrades for the SmartRider ticketing system to allow tag on and tag off with credit cards and mobile phones.
- Replacement of 'A series' rail cars including the assembling and commissioning facility at Midland.
- Road congestion and collaboration between the Department of Transport, Main Roads and the Public Transport Authority.
- School bus services including surveys of bus routes, the process for terminating contracts, and the tendered rate model.
- Driver licence testing backlog and waiting times as a result of COVID-19.
- Westport: Port and Environs Strategy and business case.
- Closure of Robinson Road as part of the Bellevue assembly and maintenance facility.
- Status of the proposed removal of the Caledonian Avenue level crossing.
- Passenger numbers on the metropolitan passenger rail service.
- Metronet and the \$5.7 billion spend over the forward estimates includes the Forrestfield-Airport Link with \$1.5 billion from Commonwealth funds.
- Spending changes on the Carnarvon fascine entrance.
- Financial support for regional air services.
- Infrastructure for cycling including \$200 million for new and upgraded projects across the State.
- Status of the removal of the Denny Avenue level crossing.

- Proposed multilevel car park at Mandurah train station to provide an additional 700 bays.
- Inspection of the rail freight corridor required under the lease with Arc Infrastructure.
- Consolidation of the Regional Town Bus Services inter-town services with Transwa.
- Public Transport Authority's work with Tourism WA.

18 November 2020: Commissioner of Main Roads

- Main Roads practice of delivering principal shared paths as part of major road infrastructure, and integration with existing cycling networks.
- Regional State Road Safety improvement program including converting unsealed shoulders to sealed shoulders, and installing audible centre and shoulder lines. 17 400 kilometres of regional or rural roads identified for treatment with this approach.
- Status of stages 1 and 2 of the Bussell Highway duplication. Stage 1 works commenced in October 2020 and completion anticipated in June 2021.
- Planning studies for options regarding the Albany ring-road and using Down Road.
- Underpasses and school crossings as part of the Leach Highway – Carrington Street to Stirling Highway project. Dimensions of trucks moving through the roundabout.
- Extension of Stephenson Avenue between Scarborough Beach Road and the Mitchell Freeway including an exit and entry to the freeway.
- Initiatives to address the death rate on roads in the Wheatbelt.
- Main Roads focus on Aboriginal procurement, including 39 contracts valued at \$26.1 being awarded to Aboriginal business, and a total Aboriginal business spend of about \$62.3 million.
- Aboriginal involvement in Main Roads projects, and Aboriginal employees and trainees.
- Outline and status of roadworks to be delivered over the next two years as part of the Metronet program of works.
- Status of the Thomas Road bridge works including land acquisition and approvals.
- Status of traffic modelling regarding the impact of the closure of Robinson Road.
- Safety improvements as part of the Hale Road upgrade project, and timing of proposed intersection upgrades at Welshpool and Kelvin Road including the need for Environmental Protection Authority approval.
- Main Roads no longer administering the 'Disaster Recovery Funding Arrangements Western Australia' process (previously the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) process). The Department of Fire and Emergency Services now administers for all disasters after 1 November 2018, and takes advice from Main Roads. Two outstanding WANDRRA claims from past disaster for Main Roads assessment.
- Status of Main Roads investigation and public consultation regarding the regional road network requirements between Dongara and Northampton, including a bypass of Geraldton.
- Freight strategies for exporting grain from the Wheatbelt area, including the status of work with CBH and Arc Infrastructure to inform a business case and options assessment.
- Status of estimates regarding Tier 3 rail.
- Status of the Spoilbank marina haulage route works.
- Impact of the Smart Freeway between Roe Highway and Narrows Bridge, and allocation for the Mitchell Freeway smart freeway project.

- Progress of the stage 3 extension of Tonkin Highway from Thomas Road to South Western Highway.
- Location of metropolitan amenity walls to provide privacy screening and mitigate traffic noise.
- Community meetings regarding noise impacts of the NorthLink project.
- Traffic modelling of local road impacts from the Bayswater Metronet train station project, and other areas that require further consideration.
- Proposal to demolish the Queen Victoria Street bridge. Maintenance of the Canning wooden traffic bridge.
- Works to mark and re-asphalt Mitchell Freeway from Hutton Street to Cedric Street northbound.

18 November 2020: Department of Water and Environmental Regulation (Environment)

- Annual volumes of waste diverted from landfill from 2016-17 to present day.
- Record keeping and reporting of waste and recycling data from local governments.
- Review of the waste levy to assess whether it meets the Waste Strategy 2030 objectives.
- Stockpiling of tyres in Western Australia.
- The waste export ban and the \$35 million fund to assist local processing of recyclable materials.
- The Auditor General's report into the need for a waste recycling infrastructure strategy.
- Roll-out of the three-bin policy.
- Delivery of the State's climate policy.
- Western Australia's carbon emissions.
- The size of the State's vehicle fleet and the number of hybrid or electrically powered vehicles.
- The increase in full-time equivalent (FTE) staff for environmental impact assessment services to the Environmental Protection Authority (EPA).
- Retention of Departmental staff.
- EPA public environmental reviews, including factors affecting the number of reviews undertaken; the appeals process; changes to legislation to reduce the length of the process and the process cost.
- Reasons why the Department has not met some KPIs.
- Payroll tax liability.
- Resourcing of the Port Hedland dust program.
- Westport: Port and Environs Strategy.
- The Department's green jobs plan.
- Streamline WA simplifying and standardising water and environmental assessment approaches across the Department, creating a one stop shop.
- The 'Containers for Change' scheme and enforcement of the labelling requirements for containers; social enterprises; roles of the Department and WA Return Recycle Renew Ltd in monitoring the success of the scheme; and the need to register all scheme products.

- Initiatives to reduce single-use plastics under the Waste Avoidance and Resource Recovery Strategy 2030.
- Purpose of the Clean Energy Future Fund.
- Finalisation of the native vegetation policy.
- Delivery of the Environment Online platform, State and Commonwealth funding, along with the project rollout plan.

18 November 2020: Department of Treasury

- Spending on COVID-19, including state emergency response initiatives as well as the recovery plan.
- Deferred dividend payments from public corporations.
- Measurable outcomes from Streamline WA.
- Status of the TAB (Disposal) and the Government Trading Enterprise bills.
- Determining value for money where one tenderer in a tender process.
- Outcomes from the Social Investment Data Resource project.
- Modelling on iron ore pricing.
- Election commitment costings by political parties and subsequent decision by Government for how they are paid.
- Metronet capital expenditure and cashflow.
- Treasury modelling for the creation of jobs by projects and guidelines for the multiplier effects of projects.
- Forecasting of operational subsidies for the three Metronet projects: Forrestfield Airport Link, Yanchep extension and Thornlie-Cockburn Link.
- Youth unemployment rates across the forward estimates.
- The forecasted decrease of 17 per cent in dwelling investment in 2023-24.
- Economic activity arising out of steps taken in Western Australia to manage COVID-19.
- Assessment by global credit rating agencies in the response to the budget.
- Increase in FTEs in Government.
- The direction of debt recovery amounts – through the Treasury Corporation or into the Consolidated Account.
- Location for accessing consultation regulatory impact statements and decision regulatory impact statements.
- Exemption categories for the regulatory impact assessment process.
- Cost of infrastructure to support the full-cycle docking of submarines in Western Australia.
- Business cases currently being funded out of the Business Case Development Fund.
- Expected revenue from the foreign investor surcharge.

18 November 2020: Department of Education

- The 'COVID-19 WA Recovery Plan' line item for additional cleaning in State schools but no funding allocated in the forward estimates. Commonwealth funding the Catholic education and non-government sector.
- The 'School Education Act Employees' (Teachers and Administrators) General Agreement 2019' spending and funding to fulfil the general agreement.
- The 10-point action plan on addressing school violence and four alternative learning centres.
- Additional schools delivering the KindiLink program.
- Western Australian Certificate of Education achievement rates. In 2019, Year 12 students achieved 76 per cent vocational education and training certificate II or higher. For Australian Tertiary Admission Rank, 34.1 per cent.
- Level 3 classroom teachers and the qualification undertaken to be curriculum leaders in a school.
- Aboriginal and Torres Strait Islander education officers. How, over the last three years, 52 are in teaching programs and 69 into education assistant qualifications.
- The provision of \$8.4 million for a rolling program of administration upgrades, library resource centres and toilet upgrades and replacements; and covered assembly areas.
- Continuing the development of a kindergarten to year 12 student records management system in 2020–21 and 2021–22 at a total cost of \$2.8 million.
- Aboriginal students' retention rates in public schools: years 8 to 12 from 43.9 per cent in 2015 to 47.6 per cent in 2019.
- Procurement of 1 500 computer devices for vulnerable students via a central pool.
- The 'student re-engagement plan' when schools reopened after the May 2020 holidays. Some 36 FTEs spread across each of the eight education regions for those students not attending (unrelated to a medical condition) for other reasons.
- Additional funding for 13 FTE allocated to the School of Special Educational Needs: Medical and Mental Health for individualised behaviour and engagement (691 cases of intensive support for students with extreme, complex and challenging behaviours in 2019).
- Parents delaying entry into compulsory-age schooling.
- The DETECT survey partnership with TKI as part of the COVID-19 arrangements to undertake a wellbeing survey across 80 schools, measuring wellbeing.
- Autism spectrum disorder. In 2019: 7 067 and 2020: 8 072 identified students.
- The use of therapy dogs in schools.
- Future planning for acquisition of land for agricultural colleges.
- Connectivity and bandwidth in regional schools. More than 97 per cent of public schools across Western Australia have a fibre-optic connection. 23 out of 800 schools rely on satellite connections.
- Students affected with mental health issues evidenced in the 2019 school psychologists' service records management unit. Registered and created 11 319 new student psychology files; 27 988 requests for service opened in the online database, and provision of services to 24 590 individual students.
- The investment of \$456 million in school infrastructure.

- The 'Investing in Science' line item and \$12 million for science, technology, engineering and mathematics in schools.
- \$489.3 million for capital projects across Western Australian schools with the south west area receiving \$13 million (\$3.2 million to schools in Collie–Preston).
- Bushfire mitigation strategies at 164 schools and the installation of ember screens on evaporative air coolers.
- The Respectful Relationships program.
- Granularity of 'Other' grants and subsidies in Budget Paper No. 2 given it is at least \$9 million this year and close to \$9 million over the estimates.
- The process for determining which new works will occur in any financial year given that more than 50 per cent of schools are more than 50 years old.
- Revisions to the 'Royalties for Regions Program' and significant increases in the forward estimates for regional workers' incentive allowances, the Kimberley schools project, Pilbara partnerships, and accounting and cash flow adjustments.
- The School Curriculum and Standards Authority examination of better resourcing for district high schools given multi-age classrooms.
- The review of special examination arrangements for Australian Tertiary Admission Rank students. In 2020, 747 approved candidates sat 2 918 examinations.
- The agricultural farm provisions trust fund with additional funding of \$432 000 in 2019–20 and an estimate of \$387 000 in 2020–21.
- Science, technology, engineering and mathematics teachers recruited through Teach for Australia.
- 12 pre-service specialist school hubs each granted \$15 000 offering pre-service teachers a practicum in a range of additional support and mentoring programs.
- Current 'attraction and retention strategies'.
- Student enrolment projections at Bob Hawke College.
- The Kimberley juvenile justice strategy and alternative education program as a partnership between Education, Police and Justice.
- The absence of funding into the forward estimates for the universal access program explained by the fact it is Commonwealth commitment on a year-on-year basis.
- The Coroner's findings of the suicide investigation in the Kimberley. In particular, Halls Creek District High School and addressing attendance in response to those findings.
- Two years funding for the Hedland school strategy bus service with 50 students at risk showing improved attendance and in South Hedland, youth crime rates dropped significantly.

19 November 2020: Western Australia Police Force

- COVID-19 response and the process undertaken to reintroduce border controls with South Australia.
- Roles, responsibilities and functions of various persons under the *Emergency Management Act 2005*.
- 30 meetings of the 'cabinet-in-confidence' State Disaster Council.
- Approximately \$18 million in regulatory fees and fines revenue with under 300 COVID-19 infringements issued since 16 March 2020.

- An additional 150 police officers under the COVID-19 'WA recovery plan' Budget Papers line item and 800 additional police officers under the 'New initiatives' line item.
- Approximately 15 per cent of the workforce on annual leave or long service leave but an abeyance for acquitting long service leave due to the state of emergency.
- Compressing academy training and delivery of recruits during the COVID-19 period from 28 weeks into 25 weeks.
- Of the 800 additional police officers, 200 per year for the next four years.
- COVID-19 entry into the State via the 'G2G PASS' not directed at data collection and systems operations.
- Tracking and tracing capabilities costing \$1.4 million last year increasing to over \$4 million in capital expenditure and continuing at \$3 million a year.
- How electronic monitoring and Automatic Number Plate Recognition technology has multiple uses beyond COVID-19 such as bracelets on family and domestic violence offenders; and home detention sentencing under the *Bail Act 1982*. Equipment operating expenses for each of the years going forward is approximately \$2.5 million.
- Road Safety Commission funding.
- Approximately 180 different legal instruments signed since the beginning of COVID-19 and 20 amendments to the Quarantine (Closing the Border) Directions.
- Operation Tide. Approximately 400 police officers dedicated to the G2G PASS system and assisting the hazard management agency.
- Some police in a permanent arrangement at one of the Perth hotels for those considered at higher risk of breaching quarantine.
- Strategic digitisation of police systems and 4 000 to 4 500 iPhone 11s issued.
- Developing a mutually beneficial system of workers' compensation for medically retired officers (Mark McGowan's 'fresh idea 156' election commitment) with \$8 million preserved in an account.
- An initial 15 regional police stations for upgrading or refurbishing at a cost of \$13 million out of an available \$23.5 million.
- The Police Headquarters Planning project relocation and sale of the East Perth crown reserve site on the Department of Lands' accounts.
- Staffing levels and availability of police at the new Capel Police Station.
- Funding for the 'Run-off-road crashes' program aiming to apply low-cost treatments on the 17 400 kilometres, regional road network with 1 400 kilometres treated to date.
- The road trauma trust account and applying lower cost treatments to a greater number of our 50 000 intersections.
- Membership of the State Disaster Council.
- 6 203 officers measured for multi-threat body armour pieces and an increased appropriation of \$19.2 million for body armour storage.

19 November 2020: Department of Communities (Disability Services, Child Protection, Family and Domestic Violence)

Disability Services

- ACIL Allen Consulting as independent consultant for the phase 2 functional review into the Department of Communities, particularly disability services.
- A \$1.137 billion spend on disability services over the forward estimates with 36 900 people now part of the national scheme and just under 1 300 still to transition.
- \$14 million this year in the 'sector transition fund' and \$9 million budgeted next year to complete transition by 30 June 2023.
- Future service provision for individuals with a disability not captured by the National Disability Insurance Scheme (NDIS).
- Approximately \$237.5 million for both the ongoing and transitional costs to continue the delivery of non-NDIS services over the period of 2021–22 to 2023–24.
- The approximately 130 New Zealand citizens and others cohort not currently captured by the NDIS because not Australian citizens or originate from elsewhere.
- Data on 'critical unmet need'.
- Delivering the \$319 million social housing economic recovery package.
- The National Disability Insurance Agency's 'specialist disability accommodation' (SDA) scheme. Approximately six per cent or 2 000 persons with significant disabilities and eligible for an NDIS plan or package, will be eligible to have SDA in their plans.
- The spinal cord association service provider to deliver 12 homes as part of the SDA.
- Supporting people with psychosocial disability, particularly those in hostels with the Mental Health Commission the lead agency.
- Approximately \$4.8 million in the forward estimates for a disability justice centre and its service premises on 10 residents.
- The Sexuality Education Counselling and Consulting Agency (which sits outside the NDIS) allocated \$368 642.
- The future creation of an Office of Disability.
- \$10 million for the 'Community Aids and Equipment Program' proposing future assistive technology scheme.
- Service area 10: 'Supporting People with Disability to Access Services and Participate in Their Community'.
- \$2.5 million in funding for advocacy groups on behalf of multicultural groups and the Aboriginal communities in the north west with \$5 million annual spending across the forward estimates.
- Pathways to employment for people with a disability. For example, 'CROWNability' (Crown Resorts) across two Melbourne and Perth sites, employs about 250 people with disability in every area of their business.
- 'Containers for Change' (the container deposit scheme) employing as a priority, people with disability, the long-term unemployed and Aboriginal people. On day one, 44 per cent of 680 people working constituted that cohort.

- Emergency situations for people with disability (carer hospitalised or incapacitated, provider market failure) and accessing the State welfare incident coordinating committee for assistance.

Child Protection

- 375 children in 22 residential care (group homes) and another 40 plus funded and run by external organisations.
- The Casework Practice Manual.
- The ministerial review by the Commissioner for Children and Young People, into the placement of children with harmful sexual behaviours in residential care.
- Caseworkers and their caseloads: 15 recommended by the 2007 Industrial Relations Commission's order. When beyond the maximum of 18, this is due to the complexity of cases and reprioritisation of workload.
- 'Working with children' checks (WWCC) with 294 negative notices and 175 interim negative notices issued. Cardholders in the system is 230 000.
- Foster carer placements during the COVID-19 pandemic. All carers required to hold a current WWCC or have a pending application before placement.
- The 'Home Stretch' trial in the Fremantle district supporting 18 young people and its evaluation.
- The Aboriginal Community Controlled Organisations strategy still to be finalised and building their capacity as strongly signalled in new Closing the Gap targets.
- 1 935 referrals to the intensive in-home 'safe at home stream service'.
- Funding for 48 community service organisations and local governments to deliver services for at-risk youth under the services for young people stream, valued at \$10.4 million in 2020–21.
- The Department's reform agenda. How procurement is used to deliver critical services through data analytics; and requirements and obligations placed on organisations. Measuring the right things and collecting the right data gives confidence about the public value that is being delivered through procurement processes.
- Approximately 200 children in exceptionally complex needs care arrangements as at 30 June 2020.
- 'Child Protection Demand Growth' as an ongoing initiatives and changes to the cost and demand model.
- Three centres of excellence, one being the child protection unit for establishing best practice.
- Children coming into care did not spike during COVID-19 but a spike in family and domestic violence.
- The 'Social Investment Data Resource' for collecting data to identify those families where there is intergenerational trauma, intergenerational dysfunction and mapping at what point the Department intervenes early enough to send the next generation onto a safer path than the dangerous path and better aligning policies.
- Longitudinal assessment about what happens to children after they leave the Department of Communities CEO's care reveals poorer outcomes in education, employment and income.

Family and Domestic Violence (FDV)

- Service delivery of the 'one-stop hubs' election commitment to commence in December 2020 with a procurement process for the monitoring and evaluation framework.

- Partner visa issues and women with vulnerable visas captured and funded in grants made available to multicultural groups dealing with FDV.
- The 'Path to Safety: Western Australia's strategy to reduce FDV' with Isha Multicultural Women's Health Services one successful recipient of \$800 000 over four years.
- Cultural appropriateness training delivered to 58 service providers including women's refuges and a range of outreach services.
- The FDV central triage model in the Kimberley.
- The 'facilitated five joint-agency perpetrator behaviour mappings' pilot involving the Department of Communities, Western Australia Police Force and the Department of Justice.
- A 47 per cent increase in calls in March 2020 compared to March 2019 to the Women's Domestic Violence Helpline. In October 2020, 780 calls up from 622 in October 2019.
- Commenced referrals to the 'Breathing Space', Maylands facility provided by Communicare.
- Allocation of money for FDV research, especially coercive control.
- Percentage breakdown of the \$76 million for the 'Preventing and Responding to FDV' line item, in particular prevention activities.
- Funding for responding to FDV in LGBTIQ communities.
- \$415 000 of funding over four years for the 'Pets in Crisis' program.
- Funding allocated for FDV victims court-based services.
- All FDV counselling, advocacy and support service providers' contracts varied and extended for two years with a 12-month extension option costing \$20.1 million over three years.
- The FDV election commitment 'refuges' including building two new women's refuges in Kwinana and Peel.
- The men's behavioural change program.

19 November 2020: Lotterywest

- Board criteria in deciding grants using the community investment framework as the guiding document.
- Assessment process for a grant proposal involves checking eligibility criteria and governance, seeking additional information and clarification from the applicant where required, providing referee reports; and a risk assessment of the proposal.
- Board policy updates made to only acknowledge country and using sustainable practices, not in the area of equality, diversity and inclusion.
- COVID-19 grants. Of the \$159 million allocated, \$70.5 million has been paid out and \$121.5 million yet to be awarded.
- Preventing gambling harms and the absence of key performance indicators.
- LotteryWest's dependence on the size and frequency of prize jackpots.

19 November 2020: Department of the Premier and Cabinet

- Communication and advice regarding the Police Commissioner's decision to reintroduce border controls with South Australia from 15 November 2020.
- Structure and processes of state emergency coordination under the *Emergency Management Act 2005*. Timing and nature of emergency management meetings between the Police Commissioner, the Premier, and other key people.
- Communication and advice received by the Commissioner for Police from the Chief Medical Officer, Mental Health.
- Number of fines and infringements issued for breach of COVID-19 directions.
- The Aboriginal cultural centre and \$2 million for planning with the Commonwealth contributing \$2 million as part of the 'Perth City Deal'.
- Resolving office accommodation issues at Parliament House.
- The income statement's 'supplies and services' line item up \$8.8 million in the current year but not in preceding or succeeding years. Explained by: the COVID-19 emergency relief fund, State recovery plan, Aboriginal cultural centre planning project, Wellington Dam mural, Collie art trail et al.
- Projects in Collie through the Collie delivery unit such \$60 million in the Collie industry development and attraction fund. \$20 million in the Collie Futures fund. \$2.5 million for the Collie emergency services vehicle manufacturing facility.
- Addressing gender imbalance in the Department (39.2 per cent of employees are male and 60.8 per cent are female).
- The \$29 billion cost relating to cybercrime in Australian businesses.
- Invigoration of the Aboriginal Advisory Council of WA, advising Government on issues such as the new National Agreement on Closing the Gap; and a 10-year commitment by parties to improve the outcomes for Aboriginals and Torres Strait Islanders.
- Freedom of Information requests received by the Department.
- The Government's air fleet.
- COVID-19 and the Government's support of a suppression strategy with the goal of no community transmission.
- Moving to Office 365 (a cloud-based Microsoft product) having security features, is generally cost effective, easier to provision mobility to access email from any device at any time.
- Radio and print advertising since 2017-18.
- Reduction in community grants. From \$7 million in 2019-20 to under \$4 million in 2022-23 is due to completed work at Brockman House in Beechboro.
- The High Court ruling on Western Australia's proportionate response to closing the border during COVID-19.
- Update on 'Executive Government and Members of Parliament receives appropriate support' outcome and the absence of additional targets reflecting services for Members.

GLOSSARY

Term	Definition
CEO	Chief Executive Officer
Committee	Legislative Council Standing Committee on Estimates and Financial Operations
EPA	Environmental Protection Authority
Estimates	The estimates of expenditure comprise the annual appropriation bills and the accompanying budget papers
FDV	Family and domestic violence
FMA	<i>Financial Management Act 2006</i>
FTE	Full-time equivalents
HR	Human resources
HSS	Health Support Services
IT	Information technology
KPIs	Key performance indicators
MoG	Machinery of Government
NDIS	National Disability Insurance Scheme
PPE	Personal protective equipment
RDC	Regional Development Commissions
SDA	Specialist disability accommodation
VTSS	Voluntary Targeted Separation Scheme
WANDRRA	Western Australia Natural Disaster Relief and Recovery Arrangements
WWCC	Working with Children Check



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. Estimates and Financial Operations Committee
 - 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.



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