

REPORT ON ACTIVITY FOR THE AUSTRALASIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES
APRIL 2024 CONFERENCE

1 Background

1.1 The Committee was first appointed on 30 June 2005. The current membership of the Committee is:

- Hon Peter Collier MLC (Chair)
- Hon Samantha Rowe MLC (Deputy Chair)
- Hon Nick Goiran MLC
- Hon Dan Caddy MLC
- Hon Brad Pettitt MLC

1.2 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.¹

2 Summary of activity

2.1 The Committee's activity is structured around a relevant year budget cycle. This commences with the tabling of the budget² and accompanying appropriation bills for the year. It concludes with the tabling of annual reports for that financial year, approximately 16 months later.³ Each component of the budget cycle – the budget estimates and the annual reports – includes multiple days of hearings with selected Ministers and agencies, and questions prior to and after those hearings. Each of these examinations has included a focus on a particular theme or subject matter.

2.2 This report covers the Committee's activity since the November 2019 Conference. This covers the final year of the 40th Parliament and 3 years of the current, 41st Parliament. In that time, in addition to annual budget estimates and annual report inquiries, the Committee completed two inquiries. These were:

- the Government's Local Projects Local Jobs program
- the funding of homelessness services in Western Australia.

¹ Term of reference 3.3 (Parliament of Western Australia, *The standing orders of the Legislative Council*, March 2024, p 127).

² The budget is typically released in early May of each year.

³ 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).

- 2.3 The Committee has also met regularly with the Auditor General as part of its function to regularly consult with that office.
- 2.4 A summary of the Local Projects Local Jobs, homelessness and budget and annual report inquiries is given below.

3 Summary of inquiries

Local Projects Local Jobs

- 3.1 In November 2018, the Legislative Council referred to the Committee an inquiry into the Government's Local Projects Local Jobs program. This program was a series of community-based election commitments made during the 2017 State election. The inquiry also included an examination of whether to establish a Parliamentary Budget Office (PBO) for independent costing of election promises.
- 3.2 The purpose of the Local Projects, Local Jobs program was to implement election commitments. The program involved 849 projects at a cost of \$39.1 million. The Committee found:
- that government departments implemented the program in a professional and accountable manner, supported by established governance arrangements
 - the program was not a grants program.
- 3.3 The Committee recommended the Government inquire into and consider a formal state policy for the administration of election commitments to assist future governments.
- 3.4 The Committee also recommended that a PBO be established to cost announced election policies and to improve the Parliament's capacity to conduct financial scrutiny.

Funding of homelessness services

- 3.5 On 17 November 2021 the Committee established an inquiry into the financial administration of homelessness services in Western Australia. As part of the inquiry, the Committee considered:
- (1) the current funding and delivery of services
 - (2) 'All Paths Lead to a Home', Western Australia's 10-Year Strategy on Homelessness 2020–30
 - (3) existing data systems and how data informs service delivery
 - (4) any other related matter.
- 3.6 The Inquiry consulted widely, including:
- 48 submissions from service providers, local governments, government agencies and research bodies
 - 27 public hearings as well as private and public hearings with people with lived experience of homelessness
 - 18 site visits to homelessness services in Perth, Kalgoorlie and Bunbury.
- 3.7 Tabled on 22 June 2020, the Committee's report includes 29 findings and 57 recommendations aimed at improving the funding and delivery of homelessness services in Western Australia. The report considered the 10-year (2020–2030) State Strategy on homelessness, *All Paths lead to a Home*, and how effectively services were funded and delivered to achieve the Strategy's aims.

4 Budget estimates and annual reports inquiries

- 4.1 Statistics on questions in this section include questions submitted on behalf of the Committee and other Members, and questions submitted prior to hearings and after hearings.

Report 80: 2018-19 Budget Cycle – Part 2: Annual Report hearings

- 4.2 The Committee examined 10 agencies and overall submitted 218 questions to 15 agencies. The focus of the Committee's inquiry was agencies' and Treasurer's special purpose accounts.

Report 83: 2020-21 Budget Cycle – Part 1: Estimates Hearings and Related Matters and 2019-20 Budget Cycle – Part 2: Annual Report Hearings

- 4.3 Unusually, this report jointly examined the Committee's consideration of the 2020-21 estimates of expenditure with the 2019-20 annual reports. The impact of the COVID-19 pandemic and the forthcoming prorogation of the 40th Parliament necessitated this change in procedure.
- 4.4 The Committee held 16 hearings examining 14 agencies and asked questions of a further 33 agencies. The number of subject matters raised in hearings was 341. Topics of interest or concern included:
- Various matters of significance the Auditor General had reported.
 - A follow-up of the Voluntary Targeted Separation Scheme; and the integration of departments' key systems following machinery of government announced in April 2017.

Report 85: Consideration of the 2021-22 Budget Estimates

- 4.5 The Committee conducted a thorough examination of 15 agencies and a less detailed examination of a further 12. Overall, 471 questions were asked. Topics of interest or concern included:
- Evaluation plans. How from 1 January 2014, all new programs (or the extension of existing programs) that impact the State's net operating balance by \$5 million or more in any one year are subject to a sunset clause and some form of program evaluation.

Report 86: Consideration of the 2020-21 Annual Reports

- 4.6 Owing to the release of the 2021-22 Budget in September 2021 and the release of the 2022-23 Budget on 12 May 2022, the Committee had a limited opportunity to examine as many annual reports as it desired. The Committee met with only five agencies and corresponded with one other. Overall, agencies took 51 questions on notice and the Committee asked an additional 22. Topics of interest or concern included:
- Errors in annual reports impacting the quality of information.
 - A judicial officer deciding not to provide information. The State Coroner declined to attend a hearing about the Office's separate annual report under the *Coroners Act 1996*. The Coroner cited a desire to preserve judicial independence.
 - Overdrawn special purpose accounts requiring Treasurer approval.

Report 87: Consideration of the 2022-23 Budget Estimates

- 4.7 The Committee conducted a thorough examination of 16 agencies, and a less detailed examination of a further 21. Overall, 763 questions were asked. Topics of interest or concern included:
- An update on evaluation plans as part of the 2021-22 Budget estimates.

- The Department of Treasury's discourse on net debt and its components. (Movements in general government net debt; and the carrying costs of holding debt).
- Agencies' further progress integrating systems arising from machinery of government changes in April 2017.

Report 89: Consideration of the 2021-22 Annual Reports

- 4.8 The Committee examined overall spending from the Consolidated Account, and the operations of 10 agencies in detail. Topics of interest or concern included:
- The quality of information and its timely provision.
 - Auditor General qualified opinions of 24 entities, covering 43 matters, the highest number of qualified entities and matters in 10 years.
 - Errors in annual reports requiring Errata.
 - How less than half of the key effectiveness and efficiency indicators were met in the agencies selected for review.

Report 90: Consideration of the 2023-24 Budget Estimates

- 4.9 The Committee conducted a thorough examination of 17 agencies. Topics of interest or concern included:
- Program evaluation plans.
 - Establishment of an Asset Maintenance Fund and additional appropriation funding to the Climate Action Fund and Social Housing Investment Fund special purpose accounts.
 - Exploration of matters marked as confidential in the Budget.
 - Cabinet-in-confidence agency capability reviews. These provide a sector-wide approach to reviewing and building capabilities for effective public administration and high performance in agencies.
 - The non-attendance of a quasi-judicial officer at a hearing (the Chief Assessor, Office of Criminal Injuries Compensation).