

# MEDIA STATEMENT



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## AUDITOR GENERAL FINDS SHORTFALLS IN WATER USE MONITORING

### **Public Sector Performance Report – April 2009: Management of Water Resources; Metropolitan Region Scheme; Fringe Benefits Tax**

In his follow-up to a 2003 report on water resource management in WA, Auditor General Colin Murphy has noted improvements in a number of areas, but found continuing shortcomings in the Department of Water's monitoring of water users' compliance with allocation limits and licence conditions.

Tabled in Parliament today, *Management of Water Resources in Western Australia* revealed that the level of compliance monitoring had actually decreased since 2003.

"I have made the recommendation that the Department of Water should step up its efforts by further developing proactive compliance programs to deter people from taking more than their entitlement," Mr Murphy said.

"At the moment the Department identifies potential non-compliance through complaints from the public and other users or field staff – but this work is reactive rather than proactive."

The report examined whether the issues raised in 2003 had been addressed, and whether or not the management of water resources in Western Australia had improved.

The 2003 and 2009 reports addressed the core management functions of water resource investigation and assessment, water resource planning, and the regulation of water use, but did not look at water quality.

Mr Murphy said that since the 2003 report, the Department of Water had addressed or begun to address all issues raised.

"The Department has improved the measurement of groundwater, planning for water use, the protection of public drinking water sources and the way it processes water licences.

"In addition to the need to improve its compliance monitoring, the Department still has more work to do on surface water measurement and water allocation planning."

## Metropolitan Region Scheme

Also tabled today was a report entitled, *Administration of the Metropolitan Region Scheme by the Department for Planning and Infrastructure*.

For this report, the Auditor General examined a sampling of Scheme amendments and land transactions conducted on behalf of the Western Australian Planning Commission, and found that the Department for Planning and Infrastructure generally handled these activities in a sound manner.

However, the report expresses concerns about whether the Department will be able to continue to maintain this level of performance in the future due to weaknesses found in the administrative foundation for this work.

“These weaknesses, combined with a reliance on a small number of very experienced staff, may increase the risk that future performance will not match its present performance,” Mr Murphy said.

“The report recommends that the Western Australian Planning Commission and the Department develop a formal governance agreement – since such an agreement has been lacking for the past two years – and I am assured that one is currently in the process of being completed.”

## Fringe Benefits Tax

The third report tabled today, *Management of Fringe Benefits Tax*, sampled six agencies, and found that while overall they managed their FBT adequately, there were some weaknesses in the processes.

Those weaknesses related primarily to mis-reporting car or meal entertainment benefits, having inadequate policies and procedures for managing FBT and having inadequate records to support their FBT returns.

“We last examined FBT management in 2002 and found then that only one of four agencies sampled was satisfactorily managing their FBT requirements,” Mr Murphy said.

“This latest report showed good management of FBT in two of the six agencies examined, with room for improvement by the other four.”

The new report makes recommendations to assist all agencies with improving their FBT policies, procedures and staff training arrangements.

The reports can be downloaded from: <http://www.audit.wa.gov.au/media/index.html>

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