

PUBLIC SECTOR PERFORMANCE REPORT 1998



- **Follow-ups of Previous Examinations**
- **Monitoring and Reporting the Environment**
- **Recruitment Practices in the WA Public Sector**
- **The Northern Demersal Scalefish Fishery**
- **Overview of Performance Examinations since 1992**

Report No 12 – December 1998



A U D I T O R G E N E R A L

Western Australia



A U D I T O R G E N E R A L

Western Australia

4th Floor Dumas House
2 Havelock Street
West Perth WA 6005

Telephone: (08) 9222 7500

Facsimile: (08) 9322 5664

E-mail: info@audit.wa.gov.au

<http://www.audit.wa.gov.au/>

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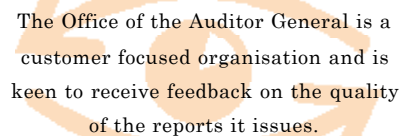
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AUDITOR GENERAL

Western Australia

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

**THE PRESIDENT
LEGISLATIVE COUNCIL**

PERFORMANCE EXAMINATION — PUBLIC SECTOR PERFORMANCE REPORT 1998

I submit to Parliament this Performance Report for 1998 pursuant to section 95 of the *Financial Administration and Audit Act 1985*. Reports on five follow-up examinations, which assess the impact of previous performance examinations, and three small performance examinations are presented. An overview of performance examinations since 1992 is also included.

A handwritten signature in blue ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL

December 9, 1998

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Introduction

This report focuses on public sector performance by following-up five previous examinations, identifying issues through three small examinations and providing an overview of all the examinations tabled in Parliament since 1992.

It indicates that agencies have been responsive to the issues raised with positive implications for program delivery. More generally, Members of Parliament, community groups and individuals have expressed continuing strong support for independent reports on public sector performance.

The overview of performance examinations shows the processes used to select topics for examination have resulted in a broad coverage of the diverse work of the State's public sector. In recent years, this process has increasingly drawn upon the views and suggestions of Members of Parliament, community groups, agencies and individuals. This is a positive development as it improves the examination focus and those involved have understood the need for the Auditor General to make decisions on areas to be examined independent of any sectional interests.

The statement on "Examining and Auditing Public Sector Performance" tabled in Parliament as part of the November 1997 Performance Report provides information on how performance examinations are conducted. Comments from those interested in this work would be welcomed on the approach adopted and the resulting reports.

Follow-up Performance Examinations

A follow-up performance examination may be undertaken where it is appropriate to provide Parliament with an assessment of any changes which may have occurred as a result of the initial examination. It is not general practice to make specific recommendations in a follow-up report.

Follow-up examinations have been undertaken of five reports tabled in Parliament during 1996 to assess any changes to practices. The approach taken was to gather information from document analysis, observations and interviews with agency staff involved and key stakeholders.

Improving Road Safety – Speed and Red Light Cameras and the Road Trauma Trust Fund

(Initial Report Tabled May 1, 1996, No. 1)

Overview

- ***Significant progress has been made towards improving the effectiveness and efficiency of camera operations.***
- ***Proposed new legislation will enable Parliament to consider mechanisms which will reduce the cancellation of thousands of traffic infringement notices and enable speeding motor cyclists to be penalised.***
- ***An integrated framework has been established to coordinate road safety and encourage intersectoral cooperation in Western Australia.***
- ***The allocation of funds from the Road Trauma Trust Fund is now based on broadly defined priority areas and includes special projects which focus on specific target groups and problems.***
- ***Adequate administrative and technical support is provided to the Road Safety Council.***

Background

Speed is a contributing factor in 18 per cent of motor vehicle crashes, while right-angle and indirect right-angle crashes account for 31 per cent of all serious injury crashes.

Speed and red light camera operations conducted by the Police Service in Western Australia play an important role in detecting drivers who speed or do not stop at red traffic signals. In 1997, 239 663 infringement notices from speed cameras and 38 249 red light infringements were issued.

In 1990 an amendment to the *Road Traffic Act 1974* provided for one-third of revenue derived from infringement notices issued as a result of photographic detected traffic offences to be paid into a fund called the Road Trauma Trust Fund (RTTF). The Fund was administered by the Road Traffic Board for the prevention of road crashes and injuries, and the education and training of road users.

Improving Road Safety

The 1996 Report on the Police Service camera program and the RTTF found:

- speed cameras had been effective in reducing the incidence of speeding, and red light cameras had reduced the incidence of right-angle crashes;
- cameras were being installed without reference to comprehensive site selection criteria and camera utilisation was low;
- thousands of traffic infringement notices were cancelled, not issued or their issue delayed, primarily because of a lack clarity within legislation about the identification of drivers;
- the Road Traffic Board had insufficient administrative and technical support;
- allocation of funds from the RTTF was largely historically based rather than determined by relative cost-effectiveness; and
- available road safety statistical and research information was not consistently incorporated into the decision making processes of the Board.

Findings

Speed and red light cameras and the enhanced traffic enforcement program

The Police Service has accepted the recommendations in the 1996 Report and has introduced initiatives to improve operational performance and make the camera program more effective.

The Police Service in partnership with the Road Safety Council (which replaced the Road Traffic Board in 1997) has established the Enhanced Traffic Enforcement Program (ETEP), which is a whole of government approach to enhancing and managing camera operations.

ETEP has two phases:

- Phase One, in which the use of the existing speed and red light cameras is being optimised, seven new red light cameras purchased, and the responsibility for the payment system of traffic infringement notices transferred from the Ministry of Justice to the Department of Transport.

Improving Road Safety

- Phase Two, in which the number of speed cameras will be increased from 16 to 36 and a fully integrated computer system linking the detection, processing and enforcement functions of speed and red light cameras will be developed and implemented. Phase Two is scheduled to commence in December 1999.

A task force comprising the Commissioners of Police and Main Roads and the Chief Executive Officers from the Department of Transport, the Ministry of Justice and the Insurance Commission of Western Australia has been established to progress and endorse action required to implement the Program. Performance indicators and service level targets have been established.

Speed camera operations

The 1996 Report found that site selection of speed cameras was poor, resulting in the reduced effectiveness of the cameras. Subsequently, a Speed Camera Placement Committee consisting of representatives of key road safety stakeholders was formed by the Police Service in November 1996.

The Committee's role is to review the policy for the use of speed cameras; to provide advice on strategies; to communicate the objectives of the speed camera program to the community; and to develop guidelines for evaluating the effectiveness of the speed camera program.

The Police Service has developed a draft policy on the deployment of speed detection devices. Criteria used for site selection are the incidence of crashes where speed is a contributory factor, crash frequency, appropriate locations for speed enforcement identified by the Police Service, complaints from the public regarding speeding vehicles and operational considerations.

However, factors such as the time of day and day of the week of crashes, which would enable speed cameras to be deployed at times when they will have the greatest deterrent effect, are not taken into account in site selection. More comprehensive data, which could be used in the deployment of cameras, will become available when the new ETEP computer system is implemented.

Improving Road Safety

Efficiency and effectiveness criteria have been developed to monitor the speed camera operations. The main effectiveness indicators are the proportions of vehicles exceeding the speed limit and the enforcement limit. Figure 1 shows the decrease in the incidence of vehicles speeding over the past six years. The number of vehicles checked by the speed cameras increased from 1.9 million to 11.2 million between 1992 and 1997¹. The percentage of vehicles speeding decreased from 68 per cent to 26 per cent over this period.

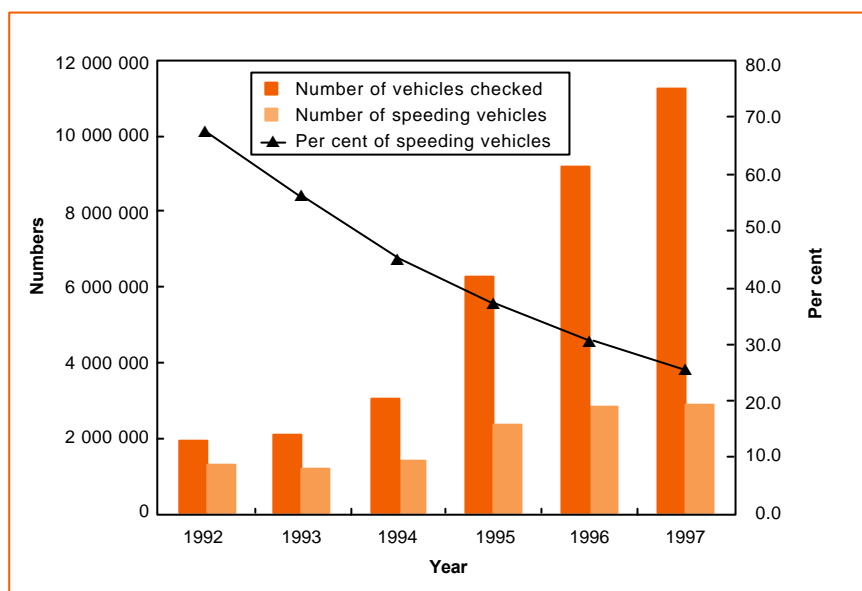


Figure 1: Percentage of vehicles speeding.

The number of vehicles checked has increased substantially. The percentage of vehicles speeding has continued to decline.

Source: Police Service and OAG

Two efficiency indicators set for camera operation are the number of camera hours per camera per week and the prosecutable image rate for camera films. In 1995 the average camera utilisation was 19 hours per week per camera and the prosecutable image rate was 62 per cent². Targets now set for camera utilisation are 56 hours per week per camera in the metropolitan region and 40 hours per week per camera in the country regions, and a prosecutable image rate of 80 per cent.

¹ Latest calendar year information available.

² Cameras were only used in the metropolitan area. The prosecutable image rate is the percentage of photographed speeding vehicles that can be clearly identified.

Improving Road Safety

In July 1998 the average camera utilisation of the 11 speed cameras used in the Perth metropolitan region was 55 hours per week per camera. The use of speed cameras is being tested in two non-metropolitan districts, and progress is being made towards achieving the target set for country cameras. The prosecutable image rate for May to July 1998 was 76 per cent.

Red light camera operations

The 1996 Report found that the installation of new cameras and rotation of cameras between existing sites was done without reference to comprehensive crash data or selection criteria. Since then the Police Service has developed draft criteria for placement and installation. The main factor taken into account is the number of red light infringements detected. Seasonal factors, site availability, the frequency of right-angle and indirect right-angle crashes, and the current relevance of a site are also considered.

Issuing of Traffic Infringement Notices

The immediacy of punishment is an important factor in reducing the incidence of undesirable behaviour. Maximum deterrent effect from the cameras is achieved when there is prompt issue of the Traffic Infringement Notice (TIN). In 1996, most TINs were issued within seven days from the date of the alleged offence. Similar turnaround time has been achieved in 1998 though staff fluctuations in September and October 1998 have seen these times extend out to as much as twenty days. In Western Australia, the responsibility for identifying infringing drivers rests with the Police Service³. Owners of motor vehicles do not have to furnish exact details of the driver's identity, though they are required to provide the Police Service with whatever information they have to assist in establishing the identity of the driver.

The 1996 Report found that the Police Service spent a lot of resources investigating the identity of drivers and cancelled a large number of infringement notices.

The problem of identifying drivers of vehicles is now being addressed. Draft 'Owner Onus' legislation, which will make owners liable for traffic

³ This effectively forces the Police Service to use speed cameras to photograph oncoming vehicles so that the face of the driver may be identified.

Improving Road Safety

infringements involving their vehicles, has been endorsed by Cabinet and is expected to be put to the Parliament in the Autumn 1999 session.

The proposed legislation will also enable speed cameras to photograph vehicles from the rear, thereby allowing the identification of speeding motorcyclists. Currently, speed cameras cannot identify speeding motorcyclists because, in Western Australia, motorcycles do not have front licence plates.

Road Trauma Trust Fund (RTTF)

Since the 1996 Report, considerable change and improvement has occurred in the management of road safety in Western Australia and to the RTTF.

The *Road Traffic Amendment Act 1996* transferred the responsibility for road safety policy and coordination from the Road Traffic Board to the Road Safety Council. The Council consists of an independent chairperson and representatives from the key road safety stakeholders. The Road Safety Council has implemented changes that have resulted in the more effective use of the RTTF.

Establishment of the Office of Road Safety

The Office of Road Safety has been established within the Department of Transport to provide administrative and technical support to the Road Safety Council. The Office consists of an Executive Director and 15 employees and is sufficient to support the needs of the Road Safety Council. In comparison, the former Road Traffic Board was supported by two civilian employees of the Police Service.

Framework for road safety coordination

The Road Safety Council has established a hierarchy of groups to coordinate road safety activities in Western Australia. These include a Road Safety Council Officers Support Group (ROSCOS), consisting of representatives from the same stakeholders represented on the Road Safety Council, and a number of task forces relating to specific road safety problem areas or target groups.

The task forces cover the areas of speed management, vulnerable road users, fatigue, drink and drug driving, occupant restraints, driver training and youth road safety. Membership of the task forces is drawn from road safety stakeholders in Western Australia. The task forces contribute to the development of strategic and operational plans in their areas.

Improving Road Safety

Expenditure from the RTTF

The 1996 Report found that the allocation of funds from the RTTF was mostly historically based instead of being determined by relative cost-effectiveness.

This situation has changed. The allocation of funds from the RTTF to the priority areas and specific projects within these areas is now mostly based on an analysis of road crash data and expected effectiveness of different road safety initiatives.

Priority projects identified for funding include initiatives targeting groups such as youth, seniors, and remote communities and problem areas of speed, drink driving, non-use of vehicle restraints, fatigue and vulnerable road users.

Another change since 1996 has been a widening in the purposes for which the RTTF could be used. Prior to the 1996 amendment to the *Road Traffic Act 1974*, RTTF moneys could not be used to enforce provisions of the Act, such as via grants to the Police Service to purchase, staff, or maintain speed cameras.

Now, the moneys can be applied to operational support for priority road safety projects as determined by the Minister on recommendation from the Road Safety Council. In 1998-99, \$3.5 million is planned to be paid to the Police Service and Department of Transport for staff and operational support of ETEP.

Community education

Community education plays an important role in attempts to change driver attitudes and behaviour and reduce road trauma.

In previous years the former Road Traffic Board used 12-month forward plans as the basis for planning media activities. In 1997 the Road Safety Council commissioned the development of a five-year strategy for road safety community education.

In addition to undertaking longer-term planning, the process of planning and implementing media campaigns is now routinely based on practices that are thought to be associated with successful public education campaigns.

Improving Road Safety

Formative research is undertaken on the topic to be communicated, the message is targeted, and the campaigns evaluated. The Office of Road Safety also conducts biannual community attitude surveys that monitor the community's perceptions, attitudes and self-reported behaviour to road safety problem areas.

Guarding the Gate – Physical Access Security Management

(Initial Report Tabled September 24, 1996, No. 5)

Overview

- ***The public sector, and schools in particular, continue to be a target for crime.***
- ***The sites surveyed demonstrated a greater understanding of security risks than was evident in 1996.***
- ***This increased understanding has led to the enhancement of security measures and the gathering of better information about current threats.***
- ***There is scope for managers at three of the six sites surveyed to better ‘close the loop’ between managing existing threats and assessing future security risks.***

Background

Physical access security management is the means of controlling the physical entry to and within government buildings to protect sites from security threats such as wilful damage including arson and vandalism, theft, violence to staff and visitors, unauthorised access to records, and misuse of assets.

The 1996 Report recommended that all agencies could apply the following core concepts of security management:

- Understanding the ‘security threat’ using risk assessments to identify risks and vulnerability.
- Maintaining the ‘security environment’ with:
 - policies and guidelines;
 - allocation of security responsibilities; and
 - specific security measures.
- ‘Keeping Tabs on Crime’ through:
 - adequate record keeping; and
 - regular review and monitoring.

The follow-up examination included a survey of six of the original 11 sites.

Guarding the Gate

Findings

The public sector remains a target for crime. Public sector insurance claims against the State's RiskCover program for wilful damage totalled \$10.4 million in 1997–98. RiskCover provides insurance to most public sector agencies.

The Education Department of Western Australia (EDWA) is a particularly significant target for wilful damage and other offences. EDWA reported a 30 per cent increase (1 500) in the total number of incidents over two years to June 30, 1998, although some of this increase may be due to improved detection and reporting.

The damage bill has totalled over \$23 million since 1990–91. However, a single arson attack in one year can represent double or quadruple the average annual cost of damage. Aside from a few high-cost arson attacks, costs are being contained for arson, vandalism, other wilful damage and theft (Figure 2). For example, electronic security at Girrawheen Primary and Hedland Senior High schools helped contain recent fires by more quickly alerting authorities than would have been the case without security detection.

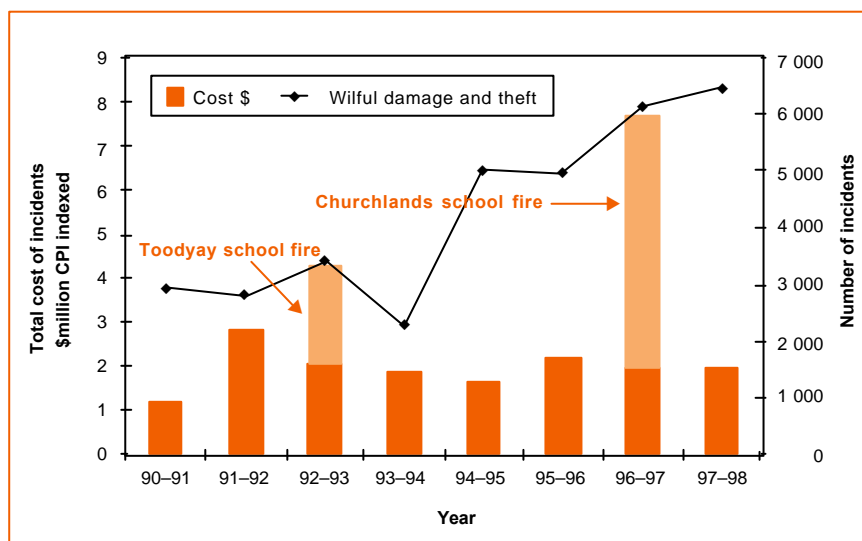


Figure 2: Number of incidents and cost of wilful damage and theft within EDWA over the past eight years.

Although the number of reported security incidents has increased, real costs have been contained.

Source: EDWA and OAG

Understanding the security threat

The six sites surveyed have all accepted the recommendations in the 1996 Report and have made progress in adopting good practices to improve their overall security arrangements.

Five of the six sites have prepared or are reviewing detailed security risk assessments. Security issues at the remaining site have been considered at a whole-of-agency level in compliance with the risk management requirements of Treasurer's Instruction 109. However, this is not as detailed as a site-specific security assessment.

EDWA assesses risks at a whole-of-agency level and uses the data to provide advice to schools. Individual schools are encouraged to enhance security by undertaking their own security assessments. Schools can use local knowledge to better assess site-specific risks. For example, better lighting can discourage intruders and make detection easier at some schools, but this is less effective for schools hidden behind dense shrubbery. Local knowledge is valuable in better pinpointing likely intruder access points and places that staff and students most fear.

Enhancing the security environment

The six sites are working to enhance security management. Most sites are now better matching their security measures to threats and actual incidents. For example security doors, surveillance cameras, smoke detectors and duress alarms are integrated to deter, detect and activate responses to a security threat.

The Central Metropolitan College of TAFE uses surveillance cameras together with security guards at some sites to identify and deter intruders and provide physical protection to visitors. This measure has almost eliminated the \$50 000 a year repair bill for a site that experienced frequent malicious damage.

Kalgoorlie Regional Hospital is introducing an integrated approach to better manage security risks from intruders. This approach involves layering defences to deter and manage incidents and is briefly described below.

Guarding the Gate

Kalgoorlie Regional Hospital's 'Layered Defences'

The first layer of defence is the deterrence of potential intruders by making them aware of the high likelihood they will be detected. This is achieved by well-placed notices and highly visible cameras.

A safe looking environment provides a second layer of defence. Buildings and grounds are to be refurbished to improve visibility and reduce potential hiding places such as dense shrubbery

A third layer of defence includes cameras to detect intruders, training staff on procedures to identify and manage suspicious activity, and encouraging visitors to report incidents.

A fourth layer of defence includes sounding alarms, and calling in security guards or police once unauthorised activities are detected.

Keeping tabs on crime

The six sites have made some improvement in collecting more comprehensive records of security incidents. They are all using this information to enhance the evaluation of their security measures and are therefore better positioned to counter threats.

Comprehensive and up to date information is enabling managers of three sites to better 'close the loop' between managing actual threats and assessing future risks. For example, better information has enabled the Kalgoorlie Regional Hospital to identify key risk areas such as the emergency and medical imaging departments. These areas are now targeted with more appropriate measures.

Managers at other sites can further improve site security by:

- documenting and validating current knowledge about site security; and
- comparing their situation with similar sites to better identify trends and future risks.

For the Public Record – Managing the Public Sector’s Records

(Initial Report Tabled October 16, 1996, No. 6)

Overview

- ***There have been improvements in the management of public and electronic records in the agencies revisited.***
- ***There has been little improvement in the proportion of agencies with approved Retention and Disposal Schedules for their own agency specific records.***
- ***There has been a qualitative improvement in recent Retention and Disposal Schedules submitted, but few cover agency’s electronic records.***
- ***The management of electronic public records provides ongoing challenges, and opportunities, for agencies.***
- ***There remains a need for more relevant public records legislation. The introduction in Parliament of the State Records Bill 1998 in October 1998 provides Parliament with an opportunity to consider this issue.***

Background

Effective record keeping is fundamental to the business of government and assists agencies to deliver efficient and effective customer services, manage the information asset, meet legal, evidentiary and accountability requirements and maintain ‘corporate memory’ and the State’s archival heritage.

Key findings from the 1996 Report on managing the public sector’s records included:

- the lack of an appropriate across government legislative and management framework⁴;
- records plans were neither integrated nor comprehensive;
- accountability for records was often not clearly defined;

⁴ This issue was also raised in the May 1994 Report “Accountability for Public Sector Records Management”.

For the Public Record

- only a fraction of public records are covered by approved Schedules that legitimise the disposal and/or transfer of records to archives; and
- most Schedules do not cover electronic records.

Findings

Management of public records

All three of the agencies surveyed have implemented strategies aimed at improving their overall management of public records.

One agency, as part of an organisational restructure, improved accountability by creating and allocating specific responsibilities to a new senior management position.

Another agency developed organisational records management policies that amongst other things clarified roles and responsibilities within an increasingly devolved environment.

The third established quality systems (including document control procedures) within functional branches.

The Ministry of Justice's administrative records management section had made achievements in a number of areas including:

- the establishment of a new information management plan;
- facilitating record keeping devolution to key business areas; and
- the development of agency wide records management policies (including policy strategies for vital and electronic records).

Retention and disposal of records

Under sections 30 and 31 of the *Library Board of Western Australia Act 1951*, agencies may destroy, dispose or transfer records of archival value to the Public Records Office (PRO) of the Library Board of Western Australia, in accordance with Retention and Disposal Schedules (Schedules) approved by the Board.

For the Public Record

Agencies that do not have approved Schedules, but wish to destroy or transfer records, may also submit Ad Hoc Disposal Authorities or Disposal Lists for approval.

As an aid to agencies, the PRO has prepared General Disposal Authorities for common records such as personnel, financial and accounting records. However, agencies are required to submit Schedules covering their own agency specific records. The PRO has no power under existing legislation to force agencies to submit Schedules or to transfer records to the PRO.

Since 1996 the total number of State Government agencies with approved Schedules has only increased by two per cent to 19 per cent⁵.

Of those agencies with approved Schedules:

- the majority focus on paper based records and very few include electronic records; and
- many are dated and most likely require updating - about 15 per cent were submitted prior to 1990.

Notwithstanding the above, the PRO has observed an improvement in the overall quality and standard of Schedules submitted. Specific examples of these qualitative improvements include:

- the inclusion of contextual information that describes the agency's legislation and functions;
- the management of records including their retention and disposal by specific functional units at agencies;
- the use of scope statements which specify the records that are included or excluded from the Schedule; and
- a more detailed description of record types.

These improvements can, in part, be attributed to the pro-active role played by the PRO in the development of public records policies and standards, particularly for the retention and disposal of records, and in the provision of consultancy and training services to government agencies.

⁵ These figures refer to the number of agencies. They do not reflect the number of Schedules or other disposal authorities submitted.

For the Public Record

Management of electronic records

The legislative and management framework for public sector records has not kept pace with technological developments and the resulting volume of electronic records. This has not helped agencies to address difficult issues regarding the management of electronic records.

The 1996 Report noted that, whereas paper was still the predominant medium used to record information, agencies were increasingly transferring all or part of their records onto electronic systems. This trend is continuing and has been given further impetus by the establishment of the Office of Information and Communications (OIC) to lead, facilitate, and coordinate Western Australia's transformation to the information society. A key Cabinet approved strategy of the OIC is to facilitate and encourage agencies to deliver government services online to the community.

The 1996 Report listed examples of critical⁶ agency electronic records without approved Schedules. Most of the agencies now plan to introduce initiatives to improve the management of these electronic records (Table 1).

⁶ A subset of records that are vital to an agency and are needed to perform its primary mission. They contain unique information that assists in continuing or re-establishing an agency's operations after a disaster.

For the Public Record

Agency/Record	Current Status
Ministry of Justice <i>Prisoner Management System</i>	Schedule approved although system now to be replaced
Department for Family and Children's Services <i>Client and Community Service System</i>	An inventory of information systems has been taken to update the Department's approved Schedules
Department of Land Administration <i>Spatial Cadastral Database</i> <i>Geodetic Survey Marks Register</i>	Comprehensive policy presently being set out the records management of all databases
Department of Minerals and Energy <i>Tengraph (mining tenement plans)</i> <i>Tendex (mining tenement index)</i>	New system presently being developed which will, amongst other things, address development of Schedules
Education Department of Western Australia <i>Staff Payments System</i>	Schedule for electronic human resource records to be developed as a part of an Archiving project
Health Department of Western Australia <i>Maternal and Child Health Hospital Morbidity Data System</i>	Presently scoping requirements for broad based electronic Schedules
Disabilities Service Commission <i>Profile Database</i>	System replaced by a new database
Commissioner of Main Roads <i>Road Inventory Data</i>	Existing system has been reviewed and is being upgraded to meet future requirements

Table 1: Status of Retention and Disposal Schedules (Schedules) for critical electronic records. *Agencies listed in the 1996 Report have made progress in the overall management of their critical electronic records.*

Source: Agencies and OAG

The continued move from paper to electronic media presents a number of opportunities to government in terms of cost savings, improved service delivery and the quality of public administration. Inevitably the process also brings risks. One of the key risks is that there will be insufficient evidence of transactions conducted in the electronic environment to meet government, organisational and individual needs.

For the Public Record

All agencies will need to use an integrated approach to record keeping that reflects modern risk based management trends, takes into account ongoing technological development, and associated obsolescence.

The legislative framework

The need for reform of record keeping in the Western Australian public sector has been recognised for some time. In addition to reports from the Auditor General, other public sector reviews, including the Commission on Government, have called for new legislation and a management framework covering public records. Key weaknesses in the existing legislation include:

- the lack of clearly defined or assigned roles and responsibilities;
- the absence of provisions covering the management of records, from creation to disposition, across government and within agencies;
- the failure to keep pace with technological developments and the management of electronic records; and
- a lack of sanctions to discourage the unlawful disposal or destruction of public records and other breaches.

Drafting of new records legislation commenced in 1994. The *State Records Bill 1998* was introduced in Parliament on October 21, 1998 and at November 16, 1998 was yet to be debated. Consideration by Parliament of the Bill will provide an opportunity for shortcomings in the existing legislation to be addressed.

The Bill proposes the establishment of the State Records Commission, with standard setting, monitoring and reporting responsibilities, together with a Director of State Records to provide operational support to the State Records Commission and agencies. A key part of the proposed legislation is the requirement for agencies to prepare record keeping plans that comply with standards and principles established by the State Records Commission.

The State Records Commission and Director of State Records will face significant challenges in adopting a strategic risk-based approach to records management that embraces the increasing adoption of online services within the Western Australian public sector.

Learning the Lessons – Financial Management in Government Schools

(Initial Report Tabled October 30, 1996, No. 7)

Overview

- ***The Education Department of Western Australia is addressing the capacity and support needs of schools.***
- ***The collection of fees and charges by schools continues to be an issue, although proposed legislation would provide greater clarity and direction to schools on this matter.***
- ***Divergence from sound financial management practices continues to be common in schools, in particular, purchasing, asset management and asset replacement practices.***
- ***The reporting of school performance indicators needs to be improved.***
- ***Most schools are now doing a good job of resolving issues identified by school audits.***

Background

In 1997 the Education Department of Western Australia (EDWA) operated about 770 government schools which provided education to some 260 000 students. The 1997–98 cost of the Government Schools Education Program was about \$1.3 billion.

Since 1987 EDWA has been moving away from a centralised management model towards a system characterised by increased capacity for school self management. This has now progressed to the point where significant aspects of educational planning and financial management have been devolved (transferred) to schools. Expenditures managed directly by government schools totalled \$149 million in 1997⁷.

⁷ 1998 financial information is unavailable as schools operate on a calendar year basis.

Learning the Lessons

The 1996 Report raised a number of concerns including:

- the capacity of schools to manage their financial responsibilities;
- the wide variation in collection rates of school fees and charges;
- divergence from sound purchasing and asset management practices;
- inadequate asset replacement reserves;
- the need for improved accountability in school development plans; and
- the lack of follow-up of findings from school audits.

Findings

EDWA has broadly accepted the recommendations in the 1996 Report and has developed a number of strategies to further improve the financial management practices of government schools.

Capacity of schools to discharge their financial management responsibilities

One of the requirements for successful devolution is that schools have sufficient institutional capacity to carry out their new responsibilities.

The 1996 Report concluded that the quality of financial management in some schools was affected by skill shortages, workload difficulties, inability to make effective use of financial systems, and problems accessing training.

EDWA is addressing this concern. From January 1998 a Finance Officer was appointed to each of the State's 16 District Education Offices. Their role includes the training and professional development of school staff to ensure compliance with policy and guidelines.

Furthermore, \$7.8 million over four years has been made available to provide additional support to schools. Resource allocation models are currently being developed by EDWA with a view to providing additional support staff prior to the commencement of the 1999 school year.

Learning the Lessons

School fees and charges

Fees constitute a considerable portion of the budgeted school-based income⁸ (often around 50 per cent of income in 1996). Collection rates therefore have implications for a school's capacity to provide planned services. The legal and moral difficulties schools faced in collecting fees and charges resulted in schools calling for greater support and guidance.

The 1996 Report found that collection rates in secondary schools varied between 70 and 95 per cent of the total fees due. School records of fees to be collected and amounts remaining unpaid were poor.

As part of the follow-up examination, a survey was conducted of the 53 schools involved in the original examination and visits made to nine of these schools. These revealed that schools have improved the tracking of outstanding fees, though the collection of outstanding fees remains an issue.

Secondary school collection rates varied from 59 to 98 per cent of the total fees due, with an average rate of 78 per cent. Eighty-eight per cent of surveyed schools were able to provide information as to the fees remaining unpaid. Twenty-two per cent (seven primary, four secondary schools) reported that their school did not have well-developed procedures for following up overdue fees and charges. Several primary schools commented that since fees are a 'voluntary charge' it was inappropriate to vigorously pursue amounts outstanding.

Such uncertainty may soon be overcome. A recent review of the *Education Act 1928* that included consultation with school communities and educators about a fees and charges policy has led to a draft *School Education Bill 1997*. The Bill was introduced in Parliament on November 26, 1997 and at November 16, 1998 was still being considered. The Bill provides an opportunity for Parliament to consider ways to provide greater clarity and direction to Principals on matters of school fees.

⁸ Budgeted income does not include funds for teacher salaries which are paid centrally.

Learning the Lessons

Purchasing

The 1996 Report found that EDWA provides schools with clear policies and guidelines on purchasing and leasing. However, two aspects of school purchasing practices were of concern:

- Only 39 per cent of schools consistently obtained and documented quotations.
- There was the potential for schools to overcommit to leasing arrangements.

In the follow-up survey, 97 per cent of secondary schools and 89 per cent of primary schools reported having obtained quotes for purchases over \$5 000. In addition, 66 per cent of schools reported that quotes were always documented and retained and 32 per cent said that they sometimes were. This was consistent with the findings from school visits.

Indications are that school use of leasing is increasing. The survey and visits to schools found that expenditure on leased equipment ranged from nil to 31 per cent of school discretionary funding, with an overall average expenditure level of 11 per cent. Seventy-five per cent of the schools use leased equipment.

The potential for schools to overcommit to leasing arrangements is still of concern. Twenty-nine per cent of schools surveyed reported that they did not undertake either a full or partial cost benefit analysis prior to entering in to a leasing agreement.

EDWA has advised that these issues will gradually be addressed:

- by the newly appointed Finance Officers and forthcoming clerical staff;
- as more effective use is made of new financial systems and as problems accessing training are resolved; and
- through better monitoring by EDWA's Audit and Review Branch.

Asset management

Schools are increasingly acquiring assets such as television sets, video recorders, cameras, CD players, computers, mobile phones, photocopiers and faxes. The estimated written down value (for insurance purposes) of

Learning the Lessons

government school-based assets and inventories was over \$70 million in 1997. The risk of theft, damage or inefficient use of such resources requires schools to implement proper asset management practices.

The 1996 Report found only 12 per cent of the schools were complying with EDWA's guidelines for asset management. While nearly all schools had an asset register, details were often not recorded or kept up to date and stocktakes either not done or only partially done.

The need to improve these controls at many schools remains, though progress is occurring. Ninety-six per cent of the surveyed schools reported that their asset register contained all appropriate details and 89 per cent reported that they had conducted a full stocktake in either 1997 or 1998. These findings were broadly supported by the school visits though only three of the nine schools had undertaken full stocktakes in accordance with EDWA's guidelines.

Asset replacement reserves

Asset replacement reserves ensure that funds are set aside to meet the future cost of replacing assets.

The 1996 Report found that most schools had established asset replacement reserves but only about half had a reasonable basis for allocating funds to the reserve. Mostly, moneys added to reserve accounts were those that remained at the end of a year.

The 1998 survey of schools found little change since 1996. All schools reported that they had established asset replacement reserves, but only 35 per cent could justify the level of reserve. Of the schools visited, 67 per cent were maintaining reserve accounts based on an assessment of the needs of the school. These findings indicate that for many schools, leasing rather than purchasing will often be the only viable option to meet future equipment needs.

Learning the Lessons

School development plans

School Development Plans are a key accountability mechanism of schools to their local community. The key features of a School Development Plan include:

- a statement of the purpose of the school;
- identification of educational and other priorities to be addressed, and the associated strategies and resource requirements;
- an overall school budget; and
- proposed indicators of the school's performance.

The 1996 Report found that most schools had produced a School Development Plan that identified priority areas for attention. However, 90 per cent were not fulfilling the requirement to report performance against targets.

The 1998 survey and school visits found some improvements in the reporting of performance. Fifty-two per cent of the surveyed schools advised that they reported against their indicators, while 35 per cent partly reported. Similar results were found from the school visits. Continuing to develop a culture of accountability amongst schools should be an important goal of the Department.

School audits

School audits are undertaken on a two-year cycle with about half the schools audited in any year. Private contractors conduct the audits, with EDWA's Audit and Review Branch managing the process.

The 1996 Report found both primary and secondary schools were audited regularly, but District Superintendents, Principals and Registrars were not ensuring that the matters raised by auditors were subsequently resolved. As a consequence, only nine per cent of schools had resolved all matters outstanding from their previous audit at the time of the 1996 examination.

This situation is now much improved. EDWA have advised that a new audit attestation statement from school Principals to District Directors has resulted in a reported 98 per cent compliance with audit findings. Under this approach school Principals provide District Directors with a statement indicating how

Learning the Lessons

many of the audit report's recommendations they have implemented. Principals must also provide reasons why any recommendations are not implemented, enabling effective follow-up by the District Directors.

Of the schools surveyed, 97 per cent reported that they had taken action to resolve the problems identified in their last audit and 62 per cent claimed to have resolved all matters. Similar results were found from the school visits.

Order In The Court – Management of the Magistrates’ Court

(Initial Report Tabled November 1996, No. 8)

Overview

- ***Trial waiting-time varies significantly between Courts and in many Courts continues to be long.***
- ***Last minute trial cancellations and adjournments continue to heavily affect the utilisation of Perth Courts.***
- ***Introduction of staggered trial start times has reduced community waiting-time.***
- ***A new Court procedure for criminal matters introduced in 1998 is expected to significantly reduce trial waiting-time and improve Court utilisation.***

Background

The Magistrates’ Court is a generic term used to describe the Court of Petty Sessions, which handles criminal matters, and the Local Court, which handles civil matters. The Magistrates’ Court operates in a number of locations across Perth and regional areas. In 1998, the Magistrates’ Court operated from 127 locations, 87 of which were operated by the Police, and dealt with more than 97 per cent of all civil and criminal matters.

The main findings of the 1996 Report on the management of the Magistrates’ Court were:

- trial waiting-time was often long but varied enormously across Court locations;
- a high proportion of last minute trial cancellations and adjournments prevent the Courts from being effectively utilised;
- the continued need for some Courts was unclear;
- the Local Court fee structure did not appear equitable; and
- opportunities were available to improve Court efficiency and community convenience.

Order In The Court

Findings

Since 1996 the Chief Magistrate has initiated a number of changes to improve the efficiency of Court operations, though difficulties remain.

Trial waiting-time

Trials are scheduled, or 'listed', to be heard by a Magistrate. The amount of time between requesting a trial and the first available trial date is the listing interval.

The 1996 Report found that listing intervals for the Perth Court of Petty Sessions had increased from five weeks in February 1994 to 17 weeks in June 1996. The waiting-time for the Perth Local Court was nine weeks but could fluctuate wildly.

Waiting-time for the Perth Court of Petty Sessions has now stabilised at an average of 19 weeks. However, urgent matters, such as applications for restraining orders and matters regarding people held in custody are given priority and are heard sooner than the average. Waiting-time for the Perth Local Court remains similar to 1996 but continues to fluctuate.

Waiting-time across the metropolitan Courts varies considerably (Figure 3). The average waiting-time at Joondalup Magistrates' Court was constant throughout the year at eight weeks. At Rockingham, however, it took an average of 24 weeks to get a hearing.

Order In The Court

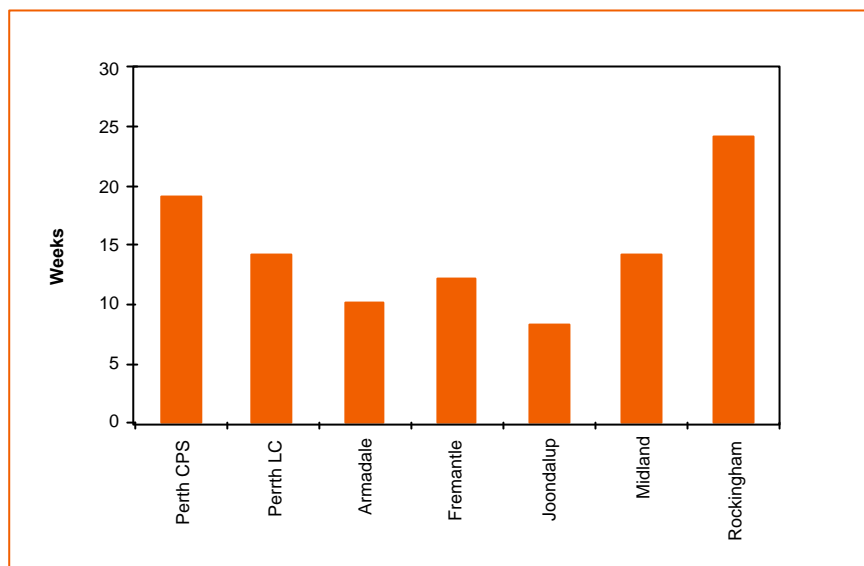


Figure 3: Listing intervals for Perth Courts.

Waiting-time varies between metropolitan Courts.

Source: Ministry of Justice and OAG

Large differences in waiting-time between the country Courts still remain (Figure 4). In 1997-98, average waiting has increased to about 20 weeks compared with 10 weeks averaged over 1993 to 1996.

Waiting-time at Moora, for example, where a small number of matters are listed and a Magistrate sits twice a month, averaged five weeks during 1997-98. In comparison, average waiting-time at Bunbury, which hears a large number of matters and has a permanent presiding Magistrate was 25 weeks.

Steps have been taken to address the long waiting-time at some country Courts. Additional Magistrate support was provided to Bunbury, which reduced waiting-time from a peak of 32 weeks in November 1997 to 20 weeks as at June 1998. Country waiting-time will also benefit from the appointment in September of a new Magistrate, which will again give the Court a full complement of Magistrates.

Order In The Court

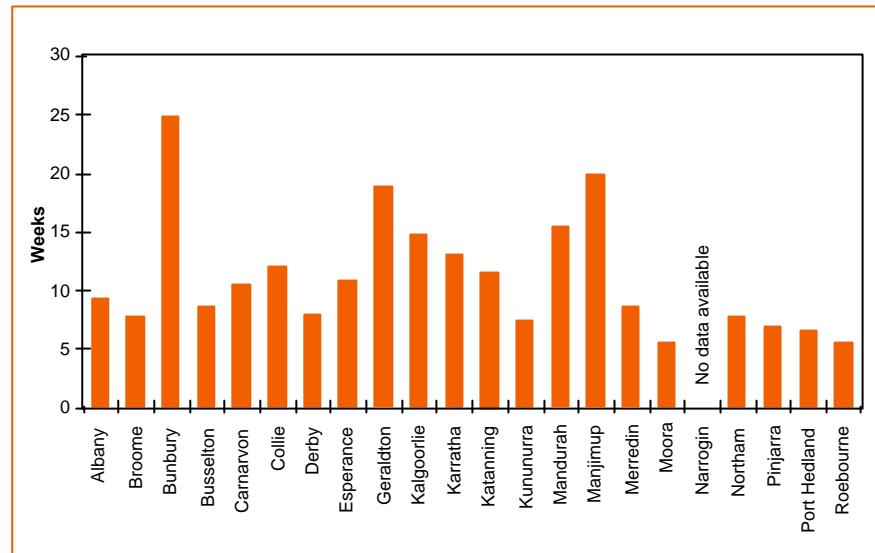


Figure 4: Waiting-time for regional Courts.

Large differences in waiting-time still exist across regional Courts.

Source: Ministry of Justice and OAG

Court utilisation

Court utilisation is closely related to trial listings and trial cancellations or adjournments. A trial listed for three days that either does not go ahead or lasts only one day creates Court downtime and reduces Court throughput. Court administrations use strategies such as trial transfers and deliberate over booking of Court listings to offset this.

The 1996 Report found that only 45 per cent of listed matters at the Perth Court of Petty Sessions proceeded to trial on the listed day. Similarly, the Perth Local Court sat for only 55 per cent of the listed time.

This situation has changed little. In June 1998, 37 per cent of represented matters and 54 per cent of unrepresented matters at the Perth Court of Petty Sessions proceeded to trial on the listed day. Similarly, the Perth Local Court sat for 43 per cent of the listed time.

Order In The Court

Utilisation of country Courts

Court utilisation is one measure of the need for a Court in a particular location. Courts with low utilisation rates may still be required if servicing remote locations. The 1996 Report identified three Courts: Collie, Roebourne and Pinjarra that heard very few matters and were relatively close to other Courts.

Since 1996, the Ministry of Justice has reviewed the operations of these Courts and has also identified six Police operated Courts of Petty Sessions for closure. Collie and Roebourne Courts will continue to operate following new initiatives that will share costs across government services and locations. Pinjarra Court will continue to operate pending a full assessment in April 1999.

Trial start times at the Perth Court of Petty Sessions

The 1996 Report observed that the frequent trial cancellations and adjournments in the Perth Court of Petty Sessions hampered the Court from reliably scheduling trial start times. Consequently, most matters were scheduled to start at 10am, with the effect that parties to a trial often had to wait several hours or longer until their trial was called. Nevertheless, opportunities to schedule more starting times were identified.

Since the 1996 Report, the Perth Court of Petty Sessions has introduced new lists, which stagger starts times (Figure 5). Court administrative staff have observed that the staggered start times have reduced the number of people waiting in Court at any one time, thereby reducing community waiting-time.

9.30am	Traffic arrests and bail matters.
10am	Remand matters.
11am	Other Police arrest matters.
12 noon	Election date hearings.
2.15pm	Extraordinary motor drivers licence applications.
2.15pm (3 days per week)	<i>Ex parte</i> Police and traffic hearings. (Heard by Justices of the Peace)

Figure 5: Trial start times.

Staggered trial start times have been introduced in Court 37, which is where most matters are heard. This has reduced community waiting-time.

Source: Ministry of Justice and OAG

Reducing the need for Court appearances

Reducing the need for Court appearances by defendants and witnesses reduces the amount of Court time needed for a trial and increases Court efficiency.

In some cases, trials can proceed *ex parte* (without the defendant) if the defendant fails to appear in Court. The Court can also receive evidence in relation to certain *Road Traffic Act 1974* offences by affidavit from Police witnesses, eliminating the need for these witnesses to attend Court. Civilian witnesses, however, are still required to attend.

The 1996 Report observed that using affidavits for civilian witnesses in less serious matters could shorten *ex parte* hearings.

On October 29, 1998 a Bill⁹ was introduced in Parliament to amend the *Justices Act 1902* to enable the Court to rely on the evidence contained in the complaint where defendants fail to appear. The provision will apply to complaints for simple matters served by post thereby avoiding the need for witnesses to attend Court. At November 16, 1998 the Bill was still being considered by Parliament.

Using 'Directions Hearings' to improve Court operations

Court waiting-time is expected to fall significantly for criminal matters following the introduction of a new Court procedure in September 1998.

Directions Hearings will enable the parties to a case to discuss and clarify the issues in dispute. This might involve, for example, the Police providing the full particulars of the case against a defendant to the defendant's counsel. Defence counsel will then know the exact issues to defend and the witnesses to call. This helps to more accurately determine the length of time required for a trial and, in some cases, whether a case needs to proceed to a hearing. More accurate Court scheduling and, in turn, reduced Court waiting-time and improved Court utilisation are expected to result.

⁹ *The Act (Amendment) Criminal Procedures Bill 1998.*

Order In The Court

Costs and fees

Court fees should balance the potentially conflicting principles of user pays and access to justice. If fees are too high, sections of the community could be denied access to justice. If too low, the community as a whole would be paying for relatively few users and potentially the Court could be overburdened by frivolous matters.

The 1996 Report found that Local Court fees recovered about 16 per cent of the cost incurred by the Court and represented about ten per cent of the total legal cost of the parties. However, the fees appeared inequitable, as 90 per cent of those paying a trial hearing fee proceeded no further than the pre-trial conference.

In July 1997, an extensive review of Court fees by the Ministry of Justice led to recommendations for a two-phase alteration of fee structures and amounts. Phase One, which addressed the issues of global fees, jurisdictional equity, and minor adjustments for fee for service and Consumer Price Index, was gazetted in August 1998.

Phase Two, which will target the more complex issues of quantum of 'fee-for-service', will be prepared for Cabinet consideration in March 1999. Parliament has, however, recently disallowed a proposed modification and increase in the fees prescribed in the Supreme Court. It is uncertain therefore whether the concept of fee-for-service will be substantially implemented in the Courts in the near future.

Performance Examinations

Performance examinations are an integral part of the Auditor General's performance mandate. They examine the effectiveness and efficiency of public sector programs and activities and the accountability of public sector agencies. They report on, and identify opportunities to improve, agency performance. Performance examinations also contribute to improved measurement of the outputs of public sector agencies and the outcomes of their programs within both the program management and output based management environments of the public sector.

Three small performance examinations are presented in this section.

Monitoring and Reporting the Environment

Overview

- *Efficient and effective monitoring and reporting is sometimes made difficult by unclear responsibilities and competing needs for information from numerous community groups and State, national, and international agencies.*
- *Community understanding of government and agency priorities is made difficult by a lack of clear reporting on the level of environmental funding.*

Background

Western Australia is environmentally rich.

Western Australia is one of the most diverse and rich places for flora and fauna in the world. This richness is a significant attraction to visitors and residents alike and has led to considerable community interest in learning about the State's environment and how well it is managed.

Environmental monitoring is needed for policy-making.

Monitoring the environment provides necessary information for assessment and improvement of policies and strategies by environmental agencies. Reporting strengthens accountability to the Parliament and the community, as well as to national and international agencies under various agreements and treaties.

Undertaking effective monitoring and reporting presents significant coordination, resource and accountability challenges to State Government agencies.

Examination Focus and Approach

A preliminary performance examination was undertaken to obtain an indication of the effectiveness of the framework used by public sector agencies to monitor and report on the environment.

However, the release of the second State of the Environment Report (SOE) in June 1998, foreshadowing a new monitoring and reporting framework, led to the decision not to proceed at this time to a full performance examination. Nevertheless, some of the issues identified during the preliminary examination are considered of sufficient importance to report to Parliament.

Monitoring and Reporting the Environment

The study included consultation with six key public sector agencies with responsibility for environmental issues:

- Agriculture Western Australia;
- Department of Conservation and Land Management;
- Department of Environmental Protection;
- Environmental Protection Authority;
- Fisheries Department; and
- Water and Rivers Commission.

Findings

There are gaps in environmental information.

The release of the SOE provides a valuable description of 23 priority environmental issues as well as responses to the pressures on the environment. However, it also recognises some serious gaps in the current level of information.

A new framework for monitoring is envisaged.

In the SOE, the Minister for the Environment foreshadows a new framework for coordinated monitoring and reporting and a desire to include the community in bringing about a more focused and effective approach to managing the environment¹⁰.

Coordination

Many groups are involved in managing the environment.

Environmental management in Western Australia is characterised by the involvement of many government agencies and committees as well as community groups. Whilst all may play a useful role, the number involved creates a complex scenario for managing the environment and makes provision of effective leadership, coordination, accountability and achievement of efficiency difficult for key agencies. For example, more than 60 government and 150 private organisations have input into Western Australian environmental issues (Figure 6).

¹⁰ The Government is currently preparing its formal response to the State of the Environment Report through a Cabinet process.

Monitoring and Reporting the Environment

Responsibilities overlap, making coordination essential.

Coordination is essential to minimise overlap where responsibility for managing issues such as water quality and marine environment is shared between agencies. This can occur where the use of different resources impacts the environment. For example, fishing, shipping and agricultural activities can contribute to the degradation of marine habitats. Each of these activities falls within the responsibility of different State government agencies.

While some agencies feel confident that their legislation provides them with a clear leadership role for an issue, some stakeholders have suggested that timely and effective management has been constrained by overlapping or unclear delineation of responsibilities. Overlapping or unclear leadership makes it difficult to coordinate clear and effective monitoring and reporting.

Information gathering is often time consuming and costly to undertake and wherever possible information should be collected in a way that enables its use by a variety of agencies and committees. Poor coordination can lead to duplication and gaps in data collection.

Progress is being made...

The need for better coordination has been recognised. For instance, the Department of Environmental Protection is coordinating State agencies in a review of existing monitoring and the development of environmental indicator protocols for significant issues such as land clearing¹¹. The creation of the Salinity Council in 1996 is another recent example of where the need to better coordinate the numerous stakeholders and strategies has been recognised.

... but obstacles remain.

Nevertheless, one agency expressed the view that unless across government strategies such as the SOE and Ecologically Sustainable Development¹² "... mesh coherently with agency objectives, they must become imposts of secondary importance". The agency indicated that the outputs as required by existing legislation must remain the primary objective of monitoring and reporting.

Given these complexities and the need for greater coordination, a lead role by the Government is essential.

¹¹ Environmental indicators are measures that can be used to assess the severity and extent of an issue (condition), the cause/s (pressures) and strategies in response to the issue.

¹² ESD is a National strategy that seeks to manage resources in an ecologically sustainable way.

Monitoring and Reporting the Environment

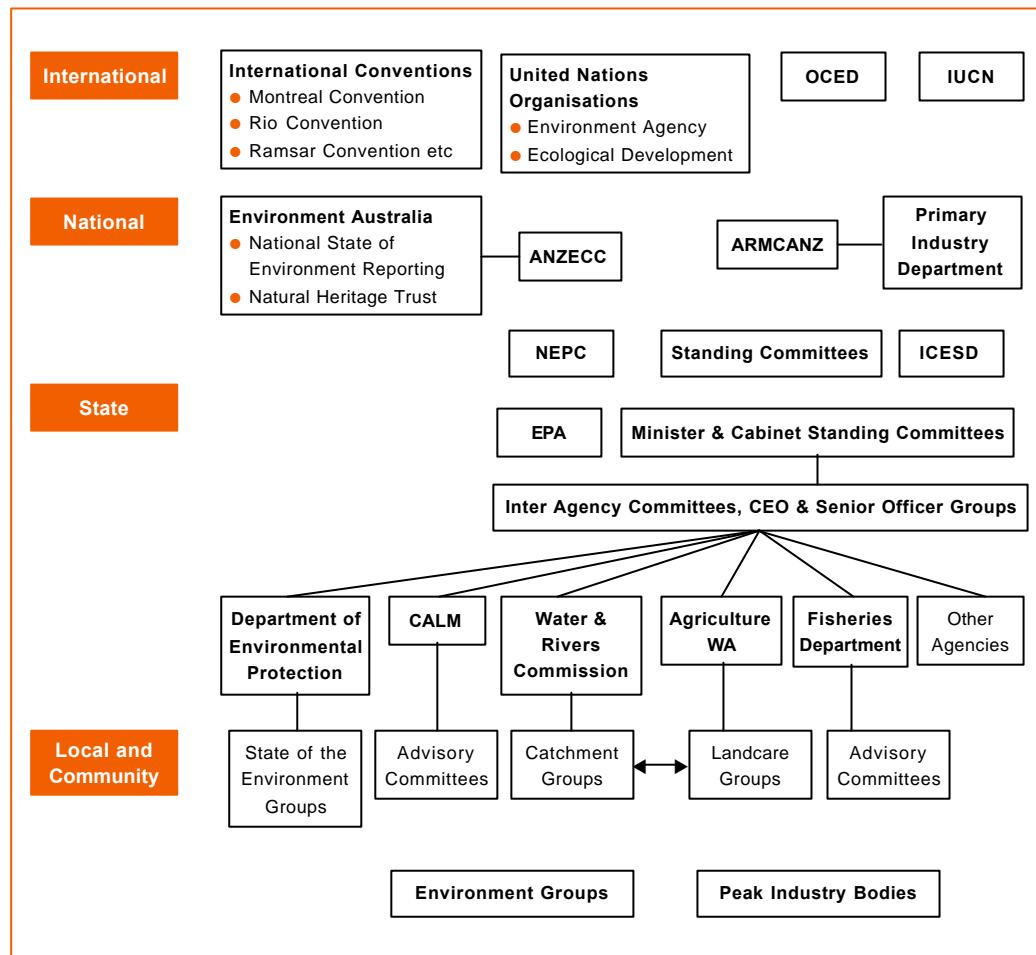


Figure 6: Key stakeholders in environmental monitoring and reporting.

There is a large range of government, quasi-government and private sector organisations involved in environmental monitoring and reporting.

Key:

ANZECC	Australian and New Zealand Environment Council of Ministers
ARMCANZ	Australian and New Zealand Resource Management Council of Ministers
CALM	Department of Conservation and Land Management
CEO	Chief Executive Officers of public sector agencies
EPA	Environmental Protection Authority
IUCN	World Conservation Union
ICESD	Intergovernmental Committee on Ecologically Sustainable Development
NEPC	National Environmental Protection Council
OECD	Organisation for Economic Cooperation and Development

Source: OAG

Monitoring and Reporting the Environment

Meeting the demand for information

Monitoring can be costly but is essential.

Monitoring can be costly and usually needs to be conducted over a long period of time, making funding difficult to secure. Nevertheless, its importance is undeniable. For example, early and sustained monitoring and reporting led to effective strategies to manage artificial nutrients (eutrophication) in Albany's Princess Royal Harbour.

Substantial demands for information on environmental issues are being placed on State government agencies by international, national and other State bodies as well as by community groups.

For instance, Australia is a signatory to 56 multilateral treaties and more than 20 national agreements relating to the environment, of which approximately 75 per cent affect Western Australia.

Meeting the demands for information will often require key agencies to modify and expand monitoring programs, placing significant pressure on their resources. This pressure will add further to the need for integration and coordination of environmental monitoring and reporting.

Agencies are concerned about increasing demands for information.

One agency indicated that the focus on data gathering must be on "... *worthwhile indicators and not simply a response to federal and international bureaucratic shopping lists.*"

Another agency advised that they were concerned that "*The recent unprecedented focus on environmental issues has meant that senior officers are spending an inordinate and unacceptable amount of time responding to externally generated reports.*"

Community groups are involved in environmental monitoring.

Community groups also play a significant role in environmental monitoring. Their role in land care monitoring in particular is recognised as important. However, they can require quite significant support in terms of provision of data about local problems and solutions. For example:

- public demand for ground water information rose threefold in 1997–98 compared to the previous year; and
- one agency reported a 15 fold increase in demand for information from schools involved in environment and conservation monitoring, and a corresponding increase in gross cost support from \$17 000 in 1994 to \$100 000 in 1997.

Monitoring and Reporting the Environment

Expenditure on environmental management is not clearly reported...

Accountability for expenditure

State Government agencies are required to comply with the financial reporting obligations of the *Financial Administration and Audit Act 1985*. However, these requirements do not facilitate a clear picture of the level of funding and expenditure on environmental management.

Without clear reporting, understanding about government and agency priorities and the cost effectiveness of strategies is made difficult.

The 1997–98 budget papers show that the funding of government programs that clearly incorporate environmental goals exceeded \$200 million. However, the actual amount is somewhat less as the programs often incorporate planned expenditure on environmental matters with those that have an economic or social focus. For example, Agriculture Western Australia's Sustainable Rural Development Program includes management of economic and social issues as well as the environmental issues of salinity and erosion.

...making it difficult to assess priorities and cost-effectiveness.

More specifically, there is little or no clear external reporting of expenditure by agencies on strategies addressing specific environmental issues such as those reported in the SOE. Hence the cost effectiveness of strategies addressing these issues cannot be easily assessed.

Agencies agreed with the need to more accurately distinguish the amount spent on the environment from activities with a social or economic focus. However, they were also concerned that any subdivision of expenditure should not create excessive overheads.

The ABS is developing a model to assess spending on environmental management.

Some impetus for better reporting is already evident. The Australian Bureau of Statistics (the ABS) is currently developing a model to assess total expenditure on environmental management using information required to be supplied by Western Australian agencies. The ABS expects that it will take several more years before it can accurately report total State expenditure on environmental management.

Meeting the information requirements of the ABS appears to be an opportunity for agencies to facilitate reporting at an issue level.

Monitoring and Reporting the Environment

Recommendations

- To meet the growing demand for environmental information, the six key environmental agencies should further develop coordination strategies that enhance the integration of environmental monitoring.
- The six key environmental agencies should develop mechanisms to enhance the reporting of expenditure on environmental issues.

Recruitment Practices in the Western Australian Public Sector

Overview

- *Devolution has enabled agencies to design recruitment practices to meet their specific needs.*
- *Changes to appeal processes and better approaches to the recruitment process have reduced the time taken to appoint.*
- *Greater focus is required on measuring and improving the effectiveness of recruitment. Current measures primarily focus on cost and compliance with established policies and processes.*
- *Current monitoring of the recruitment Standard focuses agencies on bureaucratic processes which can pass compliance tests. The impact of these processes on the achievement of merit, equity and probity needs to be more clearly defined.*

Background

The Western Australian public sector employs about 90 000 full-time equivalents.

The workforce of the Western Australian public sector is large, diverse and educated. Over 350 agencies employ the equivalent of about 90 000 full-time employees and pay annual wages and salaries in the order of \$4 billion – representing the largest single budget item for Government.

The workforce is highly qualified.

The public sector also represents a significant portion of Western Australia's intellectual capital. Government employees are relatively better qualified than other industry sectors. Over two-thirds of the Government workforce have some formal qualification compared with less than half in other sectors.

About 5 000 permanent staff are recruited each year.

Recruitment of suitable people is critical to an agency's performance. The Western Australian public sector recruits in the order of 5 000 full-time permanent employees each year. Their total commencement salaries equate to approximately \$175 million per annum and total direct recruitment costs are estimated to be more than \$10 million per annum.

Recruitment Practices in the Western Australian Public Sector

CEOs are now responsible for recruitment.

The *Public Sector Management Act 1994* (the Act) devolved human resource management, including recruitment, to individual agencies. It marked the end of the Public Service Commission and the role of its Commissioner as the employer of all Public Servants, including the Chief Executive Officers (CEOs) of Public Service agencies. CEOs are now employed by the Minister for Public Sector Management, and Public Servants within an agency are employed by the CEO¹³.

Recruitment is subject to external scrutiny ...

The Act sets out the basic principles to be observed in public administration and management, human resource management and official conduct. Public sector agencies are the subject of scrutiny by a wide array of entities, including the Parliament, the Courts, the media, the general public as well as various public sector watchdogs. The principles reflect the high level of accountability expected of government agencies.

... especially by the Commissioner for Public Sector Standards.

The Act also created an independent statutory office of Commissioner for Public Sector Standards (the Commissioner). The principal functions of the Commissioner are to establish and monitor minimum Standards of merit, equity, and probity, as well as minimum ethical standards of conduct and integrity with public sector wide application.

CEOs are responsible for meeting Standards.

Responsibility for ensuring that the principles in the Act are observed and for implementing and complying with the Standards established by the Commissioner rests with CEOs.

The Auditor General last reported on recruitment in 1992.

The 1992 Report of the Auditor General on '*Management of the Recruitment and Selection Process in the Public Sector*' addressed a variety of process issues relating to the public sector's human resource management framework. This examination represents a preliminary review of developments since the 1992 Report.

¹³ Exception being the Metropolitan Health Services Board which is the employing authority.

Examination Focus and Approach

The objective was to examine aspects of the efficiency and effectiveness of public sector recruitment practices. The scope of the examination was limited to the recruitment of permanent employees under the Act. It did not include CEO, Senior Executive Service, temporary, sessional or contract-for-services appointments.

Sources of information for the examination included:

- the 1992 Report;
- a structured survey of five agencies' recruitment practices;
- analysis of the agencies' recruitment plans and reports;
- 'good practice' research across both public and private sectors; and
- interviews with public sector CEOs, central agency personnel, human resource practitioners and private sector human resource consultants.

Findings

**Public sector
recruitment must meet
the Standard ...**

**... based on principles
of merit, equity and
probity.**

The recruitment process

Public sector agencies when recruiting permanent employees must comply with the Standard on Recruitment, Selection and Appointment (the Standard) as established by the Commissioner. The Standard aims to ensure that the 'best available people are appointed' based on principles of merit, equity and probity.

Elements of the Standard include:

- bias-free documentation that describes the job to be performed and specifies the relevant selection criteria;
- the job be advertised as widely as is appropriate;
- the applicant's skills, knowledge and abilities relevant to the job are fairly assessed;
- selection methods and their application are free from bias, patronage and nepotism; and
- decisions are capable of review.

Recruitment Practices in the Western Australian Public Sector

Recruitment involves many steps...

The public sector recruitment process typically involves many steps (Figure 7).

... including some unique to the public sector.

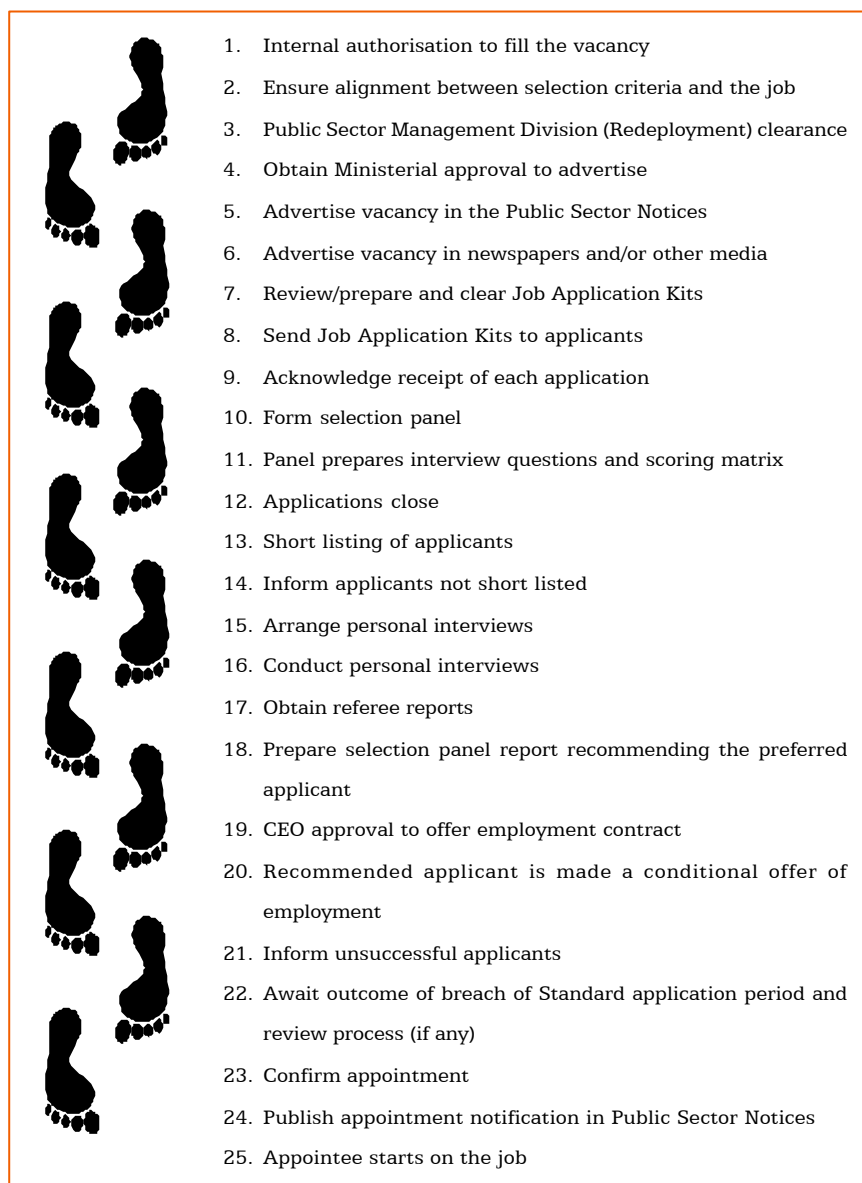


Figure 7: The steps in a typical recruitment process.

The policies and practices adopted in the public sector in order to meet various requirements, including the Public Sector Standard, add extra steps to recruitment when compared with the private sector.

Source: OAG

Recruitment Practices in the Western Australian Public Sector

Common measures available to evaluate recruitment in both the public and private sectors (Figure 8) include:

- the cost of the recruitment process;
- the elapsed time from the date of authorisation to fill a vacancy to the appointee starting on the job; and
- the effectiveness of recruitment upon the achievement of business objectives.

Cost, time and impact are key recruitment matters.

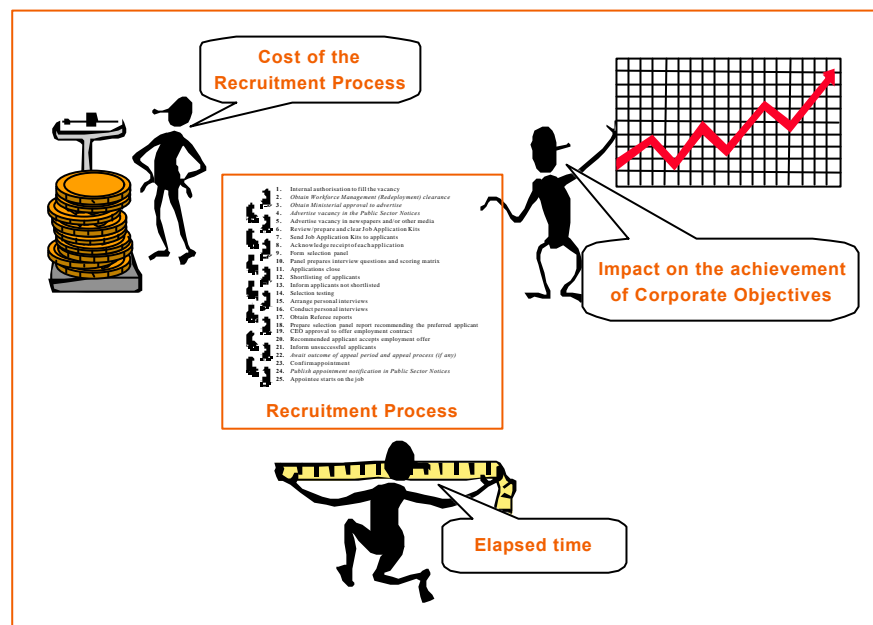


Figure 8: Evaluation framework of recruitment.

Measurement of recruitment involves a combination of the cost, the time taken to appoint, with the ultimate measure being the impact of the appointee on the achievement of corporate outcomes.

Source: OAG

Other measures used more particularly within the public sector are the lodgement and substantiation of claims of alleged breaches of the recruitment Standard and the consequential costs.

Recruitment Practices in the Western Australian Public Sector

Cost of recruitment

The median direct cost of recruitment is about \$2 000.

The cost of the recruitment process was estimated via a survey of sample agencies. It included the direct salary costs of human resource personnel and selection panel members, consultants' fees and the cost of advertising. It did not include an estimate of the cost of lost productivity while the position was vacant.

The median direct cash cost of filling a position has increased by four per cent (in real terms) since 1992, from \$2 075 to \$2 162. This cost (adjusted) is similar to a benchmark median figure established from a range of public sector agencies across Australia¹⁴.

Recruitment costs are likely to increase.

Agency plans indicate that costs are likely to increase in the future as they seek to improve the effectiveness of the process. More agencies are using consultants for short listing, psychometric testing and writing up the selection. Agencies are also using consultants to advertise more widely to increase the likely pool of applicants.

Elapsed time to appoint

The time to fill vacancies has fallen since 1992 ...

In the agencies examined, the median time between the date of authorisation to fill a vacancy and the date the appointee started on the job was 93 days. This compares favourably with the 1992 data, when it took 122 days, showing a 24 per cent improvement.

A significant factor (almost half) in the reduction in elapsed time has been the replacement of the adversarial merit-based appeal processes with the breach of Standard application process introduced under the Act¹⁵ which reduced the period for formally notifying unsuccessful applicants.

... further reductions should be possible ...

Many agencies acknowledge the need to improve the practices they control to further reduce elapsed time. These include:

- insufficient and/or poorly understood policies and guidelines resulting in uncertainty about how to proceed and/or excessive documentation;

¹⁴ This benchmark was supplied by HRM Consulting Pty Ltd, which owns the copyright to this information.

¹⁵ The Act enables unsuccessful applicants to lodge claims of alleged breach of the recruitment Standard.

Recruitment Practices in the Western Australian Public Sector

... despite various external constraints on making appointments.

- completing each step in turn (sequential processing);
- delays in decision making; and
- the extent of documentation required to facilitate internal monitoring.

Several factors external to the agency also add to the time taken in the recruitment process:

- the suitability of staff available for redeployment from another agency must be assessed before a position can be advertised. 'Clearance to advertise' is given in 30 per cent of cases within one day, 75 per cent of cases are cleared within one week and in 12 per cent of cases clearance takes longer than two weeks;
- permanent appointments made under the Act must be advertised in the Public Service Notices ("Intersector"), which is issued fortnightly¹⁶;
- the documentation needed (or that agency managers perceive is needed) to satisfy external monitoring and review of the process is extensive;
- there is a seven working day delay following the notification of the outcome of the selection process to enable a claim to be lodged alleging a breach of Public Sector Standards; and
- a further delay of up to 22 working days may occur if a breach of Standards is alleged, while the process is reviewed.

Some agencies are speeding up their recruitment processes...

Defining each step in the recruitment process, identifying the individual accountable for it and determining the time taken to complete it enables agencies to find opportunities to improve the process. For example:

- negotiating changes to requirements and turnaround time with stakeholders to the recruitment process, such as obtaining blanket Ministerial approval to advertise (Ministerial control being exercised in relation to agency outcomes instead of on a case-by-case basis);
- devolving responsibility for decision making and quality assurance to line managers;
- integrating Public Sector Standards into comprehensive agency policies and guidelines;

¹⁶ Does not apply to appointments made under other Acts.

Recruitment Practices in the Western Australian Public Sector

- providing managers with better supporting material – such as pro-forma selection and referee reports, and short listing and overall assessment matrices;
- establishing internal targets for the time taken at each step in the process;
- identifying parts of the recruitment process to be undertaken by consultancy firms;
- completing preparation work before a position is advertised; and
- parallel processing, including assessing at the same time internal and external redeployees and internal applicants for possible transfer.

... aiming to cut the time by more than 40 days. One agency examined is using the approach described above to reduce the average elapsed time from approximately 100 working days to a target of less than 60.

Effectiveness of recruitment

Evaluating the effectiveness of recruitment is not easy.

Judging how effective an agency has been in attracting and selecting the 'best person for the job' is difficult. Nonetheless, one possible indicator of effective recruitment is satisfactory or higher performance of a recruit over a given period (often 12 months). Conversely, the loss of excessive numbers of recruits within twelve months may be an indication of inappropriate recruitment.

Over 12 per cent of recruits leave within a year.

During 1997, between 12 and 15 per cent of full-time permanent public sector recruits are estimated to have left their agency within twelve months. In comparison, the equivalent figure for the Australian (Commonwealth) Public Service (APS) was nine per cent. Figures for the first six months of 1998 indicate that a rate similar to that of the APS should be achieved this year.

The cost of staff turnover is high.

The average cost of staff turnover (including lost productivity) has been broadly estimated to be up to twice each employee's annual salary¹⁷. Thus, although the median direct cash cost is only \$2 162, turnover could have a cost impact of up to \$70 000, based on the average starting salary.

¹⁷ Fitz-enz, J. 1997, 'It's costly to lose good employees', *Workforce*, vol. 16, no. 8, pp. 50-51.

Recruitment Practices in the Western Australian Public Sector

Better retention of recruits would save millions of dollars.

These figures suggest considerable savings could flow from improving the effectiveness of current recruitment practices. Gross savings are estimated at up to \$3.5 million per annum for every one per cent improvement in the retention rate of full-time permanent recruits across the public sector.

None of the surveyed agencies assessed recruitment effectiveness ...

None of the agencies surveyed used formal assessments of recruit performance or recruit turnover to assess the effectiveness of their recruitment practices. Indeed, most agency human resource practitioners interpreted effectiveness as the ability to meet the requirements of a review conducted by the Office of the Public Sector Standards Commissioner (OPSSC).

Meeting the requirements of a review is important given the political imperative to guard against nepotism and patronage, and to ensure process transparency. Recruitment in the public sector must be based on some form of appropriate process that can stand external scrutiny. Agencies can be judged adversely if their recruitment decisions are inappropriate and are:

- highlighted by a high level of substantiated claims; and/or
- subject to Industrial Relations Commission action with attendant publicity, negative perceptions and high cost, on termination and discipline matters.

... beyond compliance with minimum Standards.

However, OPSSC reviews focus exclusively on the compliance of recruitment processes with minimum Standards. The reviews are not designed to address the effectiveness of the recruitment process in terms of the recruit's subsequent performance in the job.

At present most recruitment processes place heavy reliance on the applicant's ability to address selection criteria in writing, their ability to perform adequately in front of a multiple-person selection panel, and their ability to respond to the structured interview techniques usually employed by many panels.

The validity of these methods is rarely questioned because, historically, they have been accepted as meeting the 'due process' requirements of recruitment.

Recruitment Practices in the Western Australian Public Sector

Some agencies are refining recruitment practices.

Nonetheless, the current Standard enables considerable flexibility in approach and agencies are experimenting with developing and refining practices to meet their specific requirements. The examination found examples of good practice that are specific to agency requirements and others which have applicability within the wider public sector. Specific examples for wider application include:

- experimenting with a variety of recruitment methods, including psychological testing, split panels, brief work tests, trials and assessment centres; and
- defining clear expectations of human resource areas, measured against their contribution to corporate outcomes. There is a trend for CEOs to require human resource areas to determine a clearer association between the recruitment process and achievement of agency outcomes.

Links between recruitment practices and corporate outcomes can be improved.

Other opportunities to improve the link between recruitment practices and achieving corporate outcomes include:

- assessing individual performance management information at discrete intervals (such as 3, 6, or 12 months) to assess recruit performance;
- assessing costs and implications of turnover;
- post-recruitment reviews to identify scope for improved practices; and
- internal and external benchmarking (for the types of positions filled).

Monitoring the recruitment standard

Reviews of compliance with the recruitment Standard are undertaken.

The Office of the Public Sector Standards Commissioner assists the Commissioner to monitor compliance with the Standards by undertaking employee perception surveys, compliance reviews and independent reviews of alleged breaches of Standards.

In 1997–98, OPSSC conducted compliance reviews of 16 agencies that employed over 10 000 people. Four agencies did not meet the Commissioner's requirements for the recruitment Standard.

In 1997–98 there were 130 substantiated claims by unsuccessful applicants.

The Commissioner in his latest Annual Compliance Report stated that 359 claims of a breach of the recruitment Standard were lodged by unsuccessful applicants during 1997–98 of which 130 (36 per cent) were substantiated

Recruitment Practices in the Western Australian Public Sector

following independent reviews. Of these, 70 per cent were reported to have been material breaches that may have required recommencement of part of the selection process. Recommendations by the independent reviewers that new selection panels should be constituted, or short listing be redone were frequent.

Claims against the recruitment Standard account for 91 per cent of claims against all Standards and substantiated claims represent less than three per cent of the full-time permanent recruits employed during the year.

Agencies are uncertain how to meet compliance requirements.

Although agencies support the principles laid down in the Standards, they remain uncertain about the most efficient and effective methods to comply. This uncertainty has led to a high priority being afforded to resource-intensive bureaucratic practices that can be tested to comply with Standards. The extent to which compliance actually promotes a public sector that operates under the principles of merit, equity and probity is less clear.

The Commissioner is seeking further improvements.

The Commissioner, within his Office's continual improvement process, has recently commenced a number of initiatives designed to enhance the effectiveness of the monitoring process while minimising the adverse impact of monitoring on agency performance. These include:

- improvements in the current monitoring process (including evaluating the viability of an accreditation process and encouraging agencies to conduct self assessments); and
- improving cost and quality controls on the independent reviewers (consultants) of alleged breaches of the Standard.

In the course of this examination, the Commissioner has also commenced a review of merit, focusing on its definition, interpretation and implementation. This is an important development in addressing a fundamental issue in recruitment.

Recruitment Practices in the Western Australian Public Sector

Recommendations

- **Agencies should improve the use of measures that link their recruitment practices with desired corporate outcomes. These include:**
 - linking recruit performance on the job and premature loss of recruits to the recruitment practices employed;
 - developing clear policies and guidelines to assist managers to efficiently and effectively meet internal and external reporting requirements;
 - exploring opportunities to streamline the recruitment process and to identify performance benchmarks; and
 - post-recruitment reviews to identify scope for improved practices.
- **The Office of the Public Sector Standards Commissioner should assess the extent to which its monitoring of recruitment practices:**
 - impacts on merit, equity and probity; and
 - impacts on agency performance.

The Northern Demersal Scalefish Fishery

Overview

- *An interim managed fishery for demersal scalefish¹⁸ species in the Kimberley waters¹⁹ is now in operation. The Fisheries Department and the major permit holders consider that the arrangements are sustainable, flexible and economically viable.*
- *The unusually complex background circumstances made development of the fishery difficult.*
- *There are some opportunities for improved management and administration practices.*

Background

Fisheries are managed to be sustainable in the long term

The prime objective of Western Australia's Fisheries Department (Fisheries) is to sustain wild fish stocks by protecting the marine environment and establishing appropriate controls over commercial and recreational fishing. There are now more than 60 State-managed fisheries.

The Kimberley demersal fishery is worth about \$4 million a year ...

The Kimberley demersal fishery waters are remote, very extensive and fished by only a small number of participants. Commercial fishing by Australian-licensed boats began on a significant scale in about 1990. Between 1992 and 1997 the annual catch averaged about 800 tonnes with a quayside value in the region of \$3–4 million.

... and is now under interim management arrangements.

Concerns about possible over-exploitation were first addressed by setting up separate trap and line fisheries. At the start of 1998 these were replaced by the Northern Demersal Scalefish Interim Managed Fishery (NDSF). Fisheries expects to move to a fully managed fishery before the end of 1999.

¹⁸ 'Demersal' refers to species living on the seabed. 'Scalefish' are distinguished from fish without scales (such as sharks), and invertebrates (such as crustaceans and molluscs). More than 40 demersal scalefish species are regularly caught in the Kimberley waters. The most sought after species are red emperor and goldband snapper.

¹⁹ The Kimberley waters cover the latitudes 120°E (near Port Hedland) to the Northern Territory border, and from the Western Australian shoreline to the 200 nautical mile Australian Fishing Zone (AFZ) limit.

The Northern Demersal Scalefish Fishery

Examination Focus and Approach

This review of the NDSF was undertaken at the request of Fisheries. It is intended that a wider examination of fisheries management will be reported in 1999. Findings relating to this small and unusual fishery should not be regarded as applying generally to managed fisheries. The NDSF issues examined were:

- the source and reliability of the data used to make key decisions;
- the correctness of the calculations and other procedures; and
- the reasonableness of the Fisheries approach throughout.

The main sources of information for the examination were interviews with Fisheries' staff and commercial fishers, a review of relevant documents and analysis of data from the Catch and Effort Statistics System.

Findings

Demersal fishing in the Kimberley waters has changed completely ...

... via separate line-fishing and trapping restrictions ...

New fishery established

Over the last ten years, fishing activity and controls in the Kimberley waters have completely changed. Fisheries has applied its usual approach of an open developmental period, followed firstly by steps to avoid over-fishing and then a formal management plan. The main milestones in the development of the NDSF were:

- before 1988 the main commercial fishing was by foreign trawlers (now barred), with demersal species forming only a small part of the catch;
- from 1988 the use of fish traps required authorisations – more than 20 endorsements were issued for trapping in the Kimberley waters;
- in 1992 the Kimberley trap fishery was reduced to nine endorsements;
- in February 1995 the State acquired jurisdiction over all demersal fishing in the Kimberley waters – offshore fishing by line had previously required a Commonwealth authorisation;
- there was an abortive attempt to issue interim line endorsements in 1995;

The Northern Demersal Scalefish Fishery

- the Kimberley Demersal Line Interim Managed Fishery (KDLF), with 11 permits issued, operated concurrently with the trap fishery in 1996 and 1997; and
- the NDSF replaced the line and trap fisheries in 1998 – initially ten offshore²⁰ zone and four inshore zone permits were approved.

... to a single managed fishery.

Fisheries and the major permit holders regard the current arrangements as flexible, sustainable and economically viable. The ten applicants initially granted offshore permits were those with the highest total demersal scalefish catches between 1992 and 1997. The final step will be the change to a fully managed fishery, expected in 1999.

Difficulties in setting up the fishery

The history of the Kimberley fisheries has been troubled ...

The history of the NDSF and the earlier Kimberley fisheries has been long, arduous and sometimes acrimonious. A small number of current and ex-fishermen have repeatedly raised questions and complaints and pressed for enquiries via Parliament and other channels.

... some of the problems might have been avoided.

Some matters, such as setting up a demersal line fishery and introducing vessel monitoring systems, could have been better managed by Fisheries. Some of the complaints and much of the consequent management effort might have been avoided by better planning, improved communication and tighter administrative practices.

Unusually complex background circumstances

Some complicating factors had to be addressed ...

Excluding fishermen from waters they could previously fish and imposing controls on those granted access is never easy. Further complicating factors in the development of the NDSF were:

... different fishing methods and jurisdictions ...

- the need to create a single fishery from two groups of fishermen using different methods (trap and line), mainly based at distant ports (Broome and Darwin) and initially operating under separate jurisdictions (State and Commonwealth);

²⁰ The NDSF is divided into inshore and offshore zones, within and beyond the 12 nautical mile limit. All the significant commercial fishing is in offshore waters.

The Northern Demersal Scalefish Fishery

- ... changes at Fisheries ...** ● a change of government in 1993 leading to a restructuring of Fisheries and the absorption of management effort by the need to set up cost-recovery approaches in the larger fisheries; and
- ... and new legislation.** ● the coming into effect in late 1995 of the *Fish Resources Management Act 1994*, introducing a number of new management requirements.

Jurisdiction over line-fishing 1995

A combined trap and line fishery might have been set up in 1995 ...

On February 3, 1995 control of demersal line-fishing was transferred from the Commonwealth to the State (apart from the Northern Shark Fishery that remained under joint management). This date, preceded by a period of two years to plan the change, would have been an opportune time to introduce a combined trap and line fishery.

... but communication difficulties caused later problems.

Subsequent Fisheries decisions and communication difficulties resulted in a long-running and extensive series of complaints and other actions by some Kimberley fishermen. The transition to the current NDSF was made more difficult because of 'knock-on' effects from the preceding line-fishing arrangements.

First line-fishing restrictions abandoned

Line-fishing controls were needed after February 1995 ...

Until controls were in place, any commercially licensed Western Australian fishing boat could have line-fished for demersal species from February 1995. This was inconsistent with the restrictions applying to trap fishing for the same species in the same waters.

... applications were invited for temporary permits ...

A letter from Fisheries of March 13, 1995 (shortly after jurisdiction for line-fishing was transferred) stated: "*You have to apply for a temporary [line] permit before ... 14 April*". The status of the announced endorsements, the dates from which they would be required and fishing rights until that undisclosed time were never made clear. The common perception among prospective line fishermen appears to have been that fishing was barred until the permits were granted.

The Northern Demersal Scalefish Fishery

... over 120 met the entry criteria ...

More than 120 applications met the access criteria. One applicant commented: *“We have been told that the fish stocks of this area cannot sustain any more trap licences ... this endorsement will only encourage a multitude of speculators trying to cash in on a ‘new’ fishery which is only targeting the same species ... makes no sense to me”.*

... approvals of permits were announced then rescinded ...

On August 7, 1995 the Executive Director informed all ‘successful’ applicants that he proposed to grant endorsements. Three weeks later, on September 1, all the approvals were rescinded, citing new research evidence from the Northern Territory. No line endorsements were ever issued.

This abortive first attempt to restrict line-fishing had unfortunate consequences:

... causing some hardship and later problems.

- some fishermen acted promptly on hearing they would be granted line endorsements and incurred significant financial losses when the approvals were rescinded;
- suspicion has persisted (incorrectly) among some fishermen that some boats were granted special line authorisations in 1995 which they used to gain access to later fisheries; and
- the events throughout 1995 conveyed an impression of lack of foresight, changeability and poor communication within Fisheries that complicated later dealings with commercial fishermen.

Kimberley line fishery 1996–97

Line-fishing was controlled under an interim fishery during 1996 and 1997 ...

The letter rescinding the approvals of temporary line endorsements announced a new Kimberley Demersal Line Interim Managed Fishery (KDLF) to start up on January 1, 1996. Revised access criteria were specified. It was stated that permits would be non-transferable and would not guarantee access to any future fishery.

From September 29, 1995 the Minister closed line-fishing to all except eight named boats. A further application process eventually resulted in the issue of 11 permits for the KDLF that operated throughout 1996 and 1997.

One of the three alternative sets of access criteria for the KDLF required an undefined *“commitment and dependence on”* the fishery. No other access criteria for the trap, line or combined demersal fisheries added a qualitative

The Northern Demersal Scalefish Fishery

clause to a quantitative catch history requirement. The “*commitment and dependence on*” condition was used by the Fisheries Objections Tribunal to exclude one objector whose reported catch history was sufficient.

... and has always been secondary to trapping.

In practice, line-fishing has had a relatively minor impact on the total demersal catch. Although there were more line permits than trap endorsements, Broome-based trap fishermen continued to account for the major share of total landings and account for nine of the eleven offshore permits issued to date.

Setting up the Northern Demersal Scalefish Fishery

A working group was set up to make proposals for a combined fishery ...

Fisheries published a paper in 1995 anticipating the creation of the NDSF. A working group, including commercial fishermen and other representatives, was set up to make proposals for a management plan. The history of the working group was difficult, with complaints from some commercial fishermen about its membership, lack of access to key information and the way business was conducted and recorded.

... leading to a gazetted management plan at the end of 1997.

The ‘final’ report, including various dissenting and qualifying remarks from individual members, was sent to the Minister in August 1996. The most contentious issues were the access criteria, who and how many fishermen would qualify, and the fishing effort that would be allocated to permit holders. Because of continuing discussion and argument, the interim management plan for the NDSF was not gazetted until December 1997, more than two years after the first working group meeting. Key features of the plan are:

- two classes of permit for separate inshore and offshore zones;
- all Kimberley trap endorsement holders to qualify for an offshore permit;
- other fishermen to qualify on the basis of catches between 1992 and 1995;
- fishing effort to be divided equally between permit holders and reviewed each year based on research advice on the total sustainable catch and the efficiencies of trap and line boats;
- facilities for temporary or permanent transfers of fishing entitlements; and
- offshore boats to be equipped with a Vessel Monitoring System (VMS) allowing their positions and movements to be known at all times.

The Northern Demersal Scalefish Fishery

Ten offshore zone permits were initially granted.

All applicants were correctly assessed against the licensing and catch history requirements. Ten offshore permits were initially approved. An eleventh permit was granted in August 1998 after a lengthy review of the applicant's catch history and other evidence.

There have been changes and difficulties in 1998 ...

Operating the Northern Demersal Scalefish Fishery

There have been difficulties with the early operation of the NDSF:

... non-compliance with some parts of the plan ...

- From the outset, Fisheries was not in a position to comply fully with the plan. Fishing effort should have been calculated from the number of licences issued on January 1, 1998. However, applications did not close until December 31, 1997 and no permits were issued until January 22.

... long delays to hear objections ...

- At the end of August 1998, none of the objections had been heard. Eight months after the fishery started up, two offshore and five inshore objections were outstanding.

... problems concerning VMS ...

- Various extensions were given for fitting VMS on the grounds of financial hardship. By the end of August only one boat had a full system. In July another boat was ordered to stop fishing because it had not installed VMS, subsequently had a catch confiscated and returned, and was granted a further extension.

... and a need to increase fishing entitlements.

- Research advised that fishing effort entitlements should be increased by about 50 per cent, on the basis of more recent catch data and the number of permits issued. An amendment to the management plan was needed to allow a mid-year change in entitlements.

Research is continuing

Biological and statistical research is undertaken.

The Director of Research is responsible for advising on the total sustainable catch for the NDSF, the relative catching efficiencies for trap and line boats and the fishing effort entitlements of permit holders.

Two main types of research are undertaken:

- Analysis of the monthly catch and effort returns, legally required from all commercial fishermen.
- Projects investigating matters such as fish biology and whether fishing gear can be designed to target more accurately particular species or sizes of fish.

The Northern Demersal Scalefish Fishery

The fishery is rated as fully exploited.

The estimated total sustainable catch of 800 tonnes was based on information from other waters, reinforced by actual annual catches averaging about that level between 1992 and 1997. Fisheries rates the fishery as fully exploited. There are two concerns that will be monitored in the future:

- Stocks may be over-exploited (this is evidenced by the changing mix of the age and size of fish caught), with catches only being sustained by progressively moving to newer, more distant grounds.
- Information is largely restricted to red emperor and goldband snapper, with relatively little known about more than 40 other demersal species.

Future fishing controls may be varied according to research findings.

A two-year research project is under way, and controls may be tightened or relaxed depending on the findings. Fisheries is unable to justify massive research effort in such a small fishery. Fishermen have been asked to complete more detailed catch and effort logs to assist the research effort, but their cooperation has been poor.

Catch and effort data

Fishing returns are used for research and to grant access to fisheries ...

The Catch and Effort Statistics System (CAESS) was designed to provide research data when its use for other purposes was not envisaged. The information required includes fishing days and hours, the 'block' of water fished, method of capture used and the weight caught of each species. More recently, catch history has been part of the criteria for entry to some managed fisheries. For the NDSF, catch history has also been used to decide the fishing effort that will be allocated to permit holders.

There are difficulties in using catch and effort data for management rather than research purposes:

... they are normally taken on trust ...

- Monthly returns are normally taken on trust. Their accuracy is almost always unverified, and to do so would be difficult and expensive. Some fishermen have been investigated for suspected false returns. Others have been successful at Fisheries Objections Tribunals by claiming 'mistakes' in their returns.

... often are adjusted by Fisheries ...

- If fishermen do not provide full details, the catch is apportioned (to blocks of water or method of capture) using a set of 'business rules'. These rules and other conversion factors imply that the live catch recorded on CAESS for each fishing method may be a figure known only to Fisheries.

The Northern Demersal Scalefish Fishery

... and were not checked against authorisations.

- Returns are only accepted for boats with a current licence. Before 1997, further checks were not made about whether authorisations were held for the fishing methods reported. CAESS includes data indicating illegal fishing that has neither been corrected nor used to apply sanctions to fishermen.

One permit decision hinged on 1992 catch data that had not been questioned earlier.

The concerns about fishing returns can have significant consequences for individuals. One NDSF applicant, who had been told informally by Fisheries officers that he satisfied the access criteria, was initially refused a permit. The business rules had apportioned most of his total catch in 1992 to trap (for which he had no endorsement) or long line (which did not count towards the NDSF criteria). In August 1998, after extensive enquiries, the Executive Director decided that a permit should be granted. The applicant was unable to fish for almost eight months from January 1998 while the disputed 1992 catch history was investigated.

Fishing entitlements

Fishing days were limited for the first time in 1998 ...

In 1997 there had been no restrictions on the number of days trap or line boats could fish. For 1998 the initial allocations of fishing effort were 80 days for trap boats and 91 day for line boats using standard gear. The key assumptions for calculating fishing entitlements per permit holder were:

... based on conservative assumptions.

- Effort might have to be shared between all 14 applicants. (No licences had been issued or objections heard when the entitlements were determined.)
- Boats could achieve the 'catch per unit effort' (kilograms per trap or line) reported by the most productive boats in the most productive months of 1994, 1995 and 1996.

Fishing days were increased by at least 50 per cent in August 1998.

Revised calculations of catching efficiencies have led to a change in the management plan and increases in allowed effort from 80 to 120 fishing days for a trap boat and 91 to 151 days per line boat. The Director of Research commented: *"these catching efficiencies are relatively conservative ... if used in calculating the additional determination of the fishery, the total sustainable catch may not be achieved"*.

The Northern Demersal Scalefish Fishery

The 1998 catch is likely to be low, but fishing entitlements will be reset in future years.

In the first six months of 1998 the total NDSF catch was less than 200 tonnes. The management plan was designed to produce a total annual catch of 800 tonnes, a figure unlikely to be achieved because of the conservative approach in setting fishing entitlements in the first year. The plan requires fishing entitlements to be reset annually, on the basis of the growing body of research, so providing a means of ensuring that the future yield of the fishery stays close to the estimated sustainable catch.

Matters for attention

Matters that should be addressed by Fisheries in the future management of the NDSF and other fisheries include:

Schedules for setting up new fisheries – The timetable for setting up any new fishery should, wherever possible, allow all applications to be assessed and objections resolved before the fishery comes into effect.

Access criteria – Undefined access criteria, such as “*commitment and dependence on a fishery*” should be avoided. Where access to a fishery is by catch history, the most recent activity in a developmental or interim fishery should be taken into account.

Statutory fishing returns – Fishermen should be given statements of the data held on CAESS, required to confirm the record as reasonable and correct, and reminded that catch history might be used to determine access to a future fishery. Returns should be fully checked to ensure that catches are consistent with licences and authorisations.

Objections – Standards should be set and monitored for the waiting-time to hear objections. This is particularly important for new fisheries, where objectors do not have fishing rights until their objection is resolved.

Extenuating circumstances – Except for very good reason, the issue of a fishing authorisation should be conditional upon satisfying all stated requirements, such as the installation of VMS. Allowing temporary non-compliance according to assessments of individual circumstances creates unnecessary work and exposes Fisheries to accusations of inequitable and unfair treatment.

Overview of Performance Examinations since 1992

The table below overviews the 97 performance examination items tabled in Parliament since 1992. This is made up of 34 major stand-alone reports, 38 smaller items that have been tabled in Parliament as part of general and omnibus reports and 25 follow-ups.

The items are grouped into the following six areas:

1. Education;
2. Community, Safety and Protection of Individual Rights;
3. Health;
4. Infrastructure, Resources and Environment;
5. Government Information and Human Resources; and
6. Government-Wide Services and Management.

The table indicates that a broad coverage across the public sector has been achieved. This is because of a conscious effort to achieve both a breadth and depth of coverage. Topics are selected to be value adding and consideration is given to the risks and benefits to the state, the significance of the services involved and provision of a broad coverage of the public sector.

As shown in the table, a follow-up performance examination may be undertaken, usually within three years of the initial report. No follow-up examination is undertaken (*NU*) when it is decided that a further report to Parliament is not warranted.

Overview of Performance Examinations since 1992

Area/Performance Examination	Report No.	Follow-up
1. Education		
Do Numbers Count? Education and Financial Impacts of School Enrolment	7-1998	
Learning the Lessons - Financial Management in Government Schools	7-1996	12-1998
Value for Money in TAFE	6-1995	8-1997
University Consultancy Services	5-1994	8-1997
Utilisation of School Facilities in the Metropolitan Area	1-1994	2-1996
2. Community, Safety and Protection of Individual Rights		
Accommodation and Support Services Provided to Young People Unable to Live at Home	11-1998	
Weighing Up The Marketplace – The Ministry of Fair Trading	4-1998	
Waiting For Justice - Bail and Prisoners in Remand	6-1997	
On Display - Public Exhibitions at: The Perth Zoo, The Western Australian Museum and The Art Gallery of Western Australia	1-1997	
Emergency Services	9-1996	NU
Order in the Court - Management of the Magistrates' Court	8-1996	12-1998
Improving Road Safety	1-1996	12-1998
Police Department Operations Centre	2-1995	9-1996
Legal Aid Commission	1-1995	9-1996
Child Care in Western Australia	3-1993	2-1996
Management of Government Social Concessions	6-1992	2-1996
3. Health		
Public Care for Public Patients - The Joondalup Health Campus	9-1997	
Under Wraps! Performance Indicators of Western Australian Public Hospitals	4-1996	
Public Dental Services	11-1995	8-1997
Hospital Emergency Departments	8-1995	8-1997
Public Hospital Waiting Lists Information: Waiting Times – The Real Issue	4-1994	8-1997
4. Infrastructure, Resources and Environment		
Monitoring and Reporting the Environment	12-1998	
The Northern Demersal Scalefish Fishery	12-1998	
Bus Reform – Competition Reform of Transperth Bus Services	3-1997	
Guarding the Gate – Physical Access Security Management within the Western Australian Public Sector	5-1996	12-1998
Acquisition of the Aberdeen Hotel for the City Northern Bypass Project	9-1996	NU
Maintenance of Government Buildings	9-1996	NU
Passenger Trains – Peak Hour Running	10-1995	8-1997
Public Rental Housing	5-1994	NU
Financial Assistance to Industry	5-1994	8-1997
Construction of the Dawesville Cut	3-1994	NU
Water Pollution	3-1994	NU
Pastoral Leases	2-1994	2-1996
Main Roads Properties	4-1993	2-1996
Mining Royalties	4-1993	NU

Overview of Performance Examinations since 1992

Area/Performance Examination	Report No.	Follow-up
Building and Construction Industry Training Board	3-1992	NU
Gold Corporation	3-1992	NU
Joondalup Development Corporation	3-1992	NU
Western Australian Tourism Commission	3-1992	NU
5. Government Information and Human Resources		
Recruitment Practices in the Western Australian Public Sector	12-1998	
Send Me No Paper – Electronic Commerce – Purchasing of Goods and Services by the Western Australian Public Sector	10-1998	
Get Better Soon – The Management of Sickness Absence in the Western Australian Public Sector	5-1997	
For the Public Record – Managing the Public Sector's Records	6-1996	12-1998
The Internet and Public Sector Agencies	3-1996	NU
Disaster Recovery of Computer Systems	2-1996	NU
Management Control of Personal Computer Software	10-1995	NU
Management and Control of Minicomputer-based Systems in Western Australian Government Agencies	4-1995	NU
Disaster Recovery and Computer Security for Bureau Services – Department of State Services	3-1994	NU
Whole of Government Information Management Strategy	3-1994	NU
Accountability for Public Sector Records Management	2-1994	NU
Management of Information Systems in the Public Sector	5-1992	NU
Management of the Recruitment and Selection Process in the Public Sector	2-1992	NU
6. Government-Wide Services and Management		
Public Sector Boards – Boards Governing Statutory Authorities in Western Australia	9-1998	
Listen And Learn – Using Customer Surveys to Report Performance in the Western Australian Public Sector	5-1998	
Selecting The Right Gear – The Funding Facility for the Western Australian Government's Light Vehicle Fleet	2-1998	
Accessing Legislation	9-1996	NU
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On request these reports may be made available in an alternate format for those with visual impairment.