

Western Australian Auditor General's Report



Opinion on Ministerial Notification



Report 15: 2019-20
28 February 2020

Office of the Auditor General Western Australia

National Relay Service TTY: 13 36 77
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for those with visual impairment.

© 2020 Office of the Auditor General Western Australia.
All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged.

ISSN: 2200-1913 (Print)
ISSN: 2200-1921 (Online)

The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Opinion on Ministerial Notification

Report 15: 2019-20
February 2020



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

OPINION ON MINISTERIAL NOTIFICATION

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

It deals with a decision by the Minister for Tourism, the Hon Paul Papalia MLA, not to provide information to Parliament about the amount of funding allocated to certain events in the State's 2019-20 budget.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
28 February 2020

Contents

- Ministerial decision not to provide information to Parliament..... 2
 - Introduction 2
 - What we did 2
 - Opinion..... 3
 - Background..... 3
 - Key findings..... 4

Ministerial decision not to provide information to Parliament

Introduction

This report deals with a decision by the Minister for Tourism, the Hon Paul Papalia MLA, not to provide information to Parliament about the amount of funding allocated to certain events in the State's 2019-20 budget.

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

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

What we did

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

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

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

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

Opinion

The decision by the Minister for Tourism, the Hon Paul Papalia MLA, not to provide Parliament with information about the amount of funding allocated to certain events in the State's 2019-20 budget was reasonable and therefore appropriate.

Background

In Parliament on 26 June 2019, Mr Vince Catania MLA asked the Minister for Tourism for information about 2019-20 event funding in Legislative Assembly Question on Notice 5255. Part 2 (c) of the question requested the following information:

2. *I refer to 2019-20 Budget Paper Number Two, Volume One, p.193, Service Summary Table. Can you please advise the allocation from Royalties for Regions individually for each of the four line items 1. Development of Industry Sectors and Facilitate Investment, 2. Destination Marketing, 3. Event Tourism, and 4. Tourism Destination Development, for each year:*

(c) What events are listed to be funded from the 2019-20 budget and for how much each;

On 13 August 2019, the Minister provided much of the requested information to Parliament. In responding to part 2 (c), the Minister replied:

Events to be funded from the 2019-20 Budget and the amounts for each consist of the Regional Events Scheme events provided in Tabled Paper #2¹ and the following Regional Events Program events:

<i>Cape to Cape</i>	<i>\$140 000</i>
<i>Taste Great Southern</i>	<i>\$200 000</i>
<i>Ord Valley Muster</i>	<i>\$550 000</i>
<i>CinefestOz</i>	<i>\$450 000</i>
<i>Shinju Matsuri</i>	<i>\$400 000</i>
<i>Mandurah Crab Fest</i>	<i>\$140 000</i>
<i>Truffle Kerfuffle</i>	<i>\$150 000</i>
<i>Augusta Adventure Fest</i>	<i>\$75 000</i>

The following six² events will also be funded from the 2019-20 Budget, however, the major events industry is highly competitive and Western Australia competes with interstate and international destinations to secure them. Confidentiality of negotiations, contract terms and funding amounts is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future events. Accordingly, I will notify the Auditor General's office and both houses of Parliament that this part of the question will not be answered as per Section 82 of the Financial Management Act 2006.

Margaret River Pro World Championship Tour

¹ Legislative Assembly, Parliament of Western Australia, *Tabled Paper 2643 Figures related to budget items under the Tourism portfolio* (2019)

² Only 5 events were detailed in the Minister's response.

Busselton Festival of Triathlon

Ironman Western Australia

Western Australia Gourmet Escape

Australian Men's Masters Hockey Championships

On 26 August 2019, the Auditor General received the Minister's notification of his decision not to provide the requested information in accordance with section 82 of the FM Act.

Key findings

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

The Minister properly sought advice from the Western Australian Tourism Commission (Tourism WA) before responding to the request. Tourism WA recommended the Minister decline to provide the information given the commercially sensitive nature of the information.

Tourism WA's recommendation was based on an assessment against its *Release of Event Sponsorship Information and/or other Commercial Information Policy and Guidelines*.

As we have found previously, this document provides suitable criteria for assessing if information is commercially sensitive.

Tourism WA concluded that the funding information for the 5 events had a commercial value and its disclosure could compromise the ability to successfully attract, retain, develop, or negotiate the events in the future, causing commercial harm to the State.

The Minister's decision and Tourism WA's conclusion were sound, as:

- the amount of 2019-20 funding allocated for each of the 5 events was not generally known
- other destinations are known to actively compete for these kinds of events
- the events could become more expensive to secure and retain if other destinations knew how much the WA government was willing to pay
- other jurisdictions could gain an unfair advantage and use this knowledge to outbid WA for the events.

In our view, the Minister's decision not to release the information is consistent with the public interest of protecting and reducing the risk of damage to the financial and commercial affairs of the State.

Auditor General's reports

Report number	2019-20 reports	Date tabled
14	Opinion on Ministerial Notification	31 January 2020
13	Fee-setting by the Department of Primary Industries and Regional Development and Western Australia Police Force	4 December 2019
12	Audit Results Report – Annual 2018-19 Financial Audits of State Government Entities	14 November 2019
11	Opinion on Ministerial Notification	30 October 2019
10	Working with Children Checks – Follow-up	23 October 2019
9	An Analysis of the Department of Health's Data Relating to State-Managed Adult Mental Health Services from 2013 to 2017	9 October 2019
8	Opinions on Ministerial Notifications	8 October 2019
7	Opinion on Ministerial Notification	26 September 2019
6	Opinions on Ministerial Notifications	18 September 2019
5	Fraud Prevention in Local Government	15 August 2019
4	Access to State-Managed Adult Mental Health Services	14 August 2019
3	Delivering Western Australia's Ambulance Services – Follow-up Audit	31 July 2019
2	Opinion on Ministerial Notification	26 July 2019
1	Opinions on Ministerial Notifications	19 July 2019

**Office of the Auditor General
Western Australia**

7th Floor Albert Facey House
469 Wellington Street, Perth

Perth BC, PO Box 8489
PERTH WA 6849

T: 08 6557 7500
F: 08 6557 7600
E: info@audit.wa.gov.au
W: www.audit.wa.gov.au

 [@OAG_WA](https://twitter.com/OAG_WA)

 Office of the Auditor General for
Western Australia