

PUBLIC SECTOR EXPENDITURE — COST RECOVERY

**344. Hon LJILJANNA RAVLICH to the parliamentary secretary representing the Treasurer:**

Given that most agencies have a percentage of their activity funded by cost recovery, with that of the Department of Fisheries being as high as 50 per cent, can the minister advise —

- (1) What percentage of activities is funded under cost-recovery arrangements in the Department of Health?
- (2) What percentage of activities is funded under cost-recovery arrangements in the Department of Education and Training?
- (3) What percentage of activities is funded under cost-recovery arrangements in the WA police service?
- (4) Has any allowance been made for the percentage of non-funded consolidated account appropriations in the above agencies when applying the three per cent efficiency dividend?
- (5) If yes to (4), what is it?
- (6) If no to (4), why not?

**Hon BARRY HOUSE replied:**

I thank the member for some notice of this question.

- (1) This question would need to be directed to the Minister for Health.
- (2) This question would need to be directed to the Minister for Education.
- (3) This question would need to be directed to the Minister for Police.
- (4) As disclosed in the *Pre-election Financial Projections Statement*, it was the original decision of the Carpenter government that the three per cent efficiency dividend would apply to an agency's total expense base, excluding grant and depreciation expenses, regardless of funding source. This approach was maintained in the 2008-09 midyear review and is the basis on which the government's budget deliberations are proceeding. To depart from this approach and apply the efficiency dividend only to the appropriation component of agencies' expenses would reduce savings from the efficiency dividend by about \$170 million. Full details of the application of the three per cent efficiency dividend will be disclosed in the 2009-10 budget papers.
- (5) Not applicable.
- (6) See response to (4).