

PUBLIC



ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

ADDITIONAL QUESTIONS

Monday, 30 May 2011

Department of Treasury and Finance

Question No. 1: The Hon Linda Savage asked –

I refer to Budget Paper No.3, Summary of Financial Projections at page 34, dot point 4 “Further savings of \$300 million over the period 2012-13 to 2014-15 through a targeted review of specific programs and activities that are no longer considered to provide value for money”, and ask:

1.1 When will the targeted review of specific programs commence?

The targeted review of specific programs will commence in the first half of the 2011-12 financial year, in time for the initial \$50 million savings target to be met in 2012-13.

1.2 Which Department will be undertaking the review and who specifically will be involved in the review?

The Department of Treasury will undertake the review, in consultation with general government sector agencies.

1.3 How long is the review expected to take?

It is anticipated the review will be finalised by the time of the 2012-13 Budget.

1.4 When is it expected that the outcome of the review will be completed?

It is anticipated that the outcomes of the review will be reflected in the 2012-13 Budget.

1.5 Will the review be made available to Parliament? If not, why not?

The outcome of the review will be detailed in the 2012-13 Budget Papers.

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1.6 On what basis was the \$300 million reached?

The \$300 million savings target represents a balance between the Government's financial management objectives and a level of savings that can be sustainably harvested without adversely affecting service delivery to the community. It is broadly equivalent to one per cent of general government agencies' recurrent cash appropriations per year over the period 2012-13 to 2014-15.

1.7 What documentation can be provided to the Parliament to show how the quantum of \$300 million over the period 2012-13 to 2014-15 was arrived at?

The calculations for achieving savings as part of the Government's package to contain growth in net debt were part of Cabinet deliberations in the lead up to the 2011-12 Budget. Details of the savings achieved will be provided in the 2012-13 Budget Papers.

1.8 What, if any, specific programs have been identified to date for review?

Specific programs will be identified as part of the review.

1.9 If no specific programs have been identified, on what basis or using what criteria will specific programs be identified?

The review will target programs that are no longer considered to provide value for money, or are no longer considered priorities of Government. More specific criteria will be developed as part of the review.

1.10 Will specific programs that may be reviewed include specific programs currently provided by the Government that are also programs provided by the non-government sector including the areas of disabilities and mental health?

Programs provided by the not-for-profit sector on behalf of the Disability Services Commission and the Mental Health Commission will not be impacted by the savings target.



Question No. 2: The Hon Ljiljana Ravlich asked –

Under recommendation 23 of the Economic Audit Committee Report, agencies will be required to routinely review their activities with a view to evaluating their suitability for exposure to competition from the private and community sectors. This will be achieved by:

- establishing the evaluation framework for agencies, and providing training and support, including value for money audits; and*
- requiring agencies to report on evaluations conducted to the Economic and Expenditure Reform Committee prior to the commencement of the annual budget.*

2.1 Which agencies have undertaken a review of their activities?

Value for money reviews of the Departments of Health, Education, Environment and Conversation and Commerce have been completed. A review of the Western Australia Police is currently underway.

2.2 Which agencies have undertaken an evaluation of their activities?

See 2.1 above.

2.3 Which agencies have reported on evaluation conducted to the Economic and Expenditure Reform Committee prior to the commencement of the annual budget?

The Departments of Health, Education, Environment and Conversation, and Commerce reported on their value for money reviews prior to and during the 2011-12 Budget process. The Western Australia Police value for money review is currently being finalised, and will be reported to the Economic and Expenditure Reform Committee prior to the 2012-13 Budget.

2.4 Which agencies evaluated that they were in part or fully suitable for exposure to competition from the private sector?

None.

2.5 Which agencies evaluated that they were in part or fully suitable for exposure to competition from the community sector?

None.



2.6 Can the Under Treasurer provide a copy of the evaluation framework for agencies, including a copy of the value for money audits framework?

Cabinet has approved model terms of reference for the value for money reviews. These terms of reference have not been published.

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