



PUBLIC

Premier of Western Australia

Our Ref: 200901245

Hon Sue Ellery MLC
Acting Convenor
Subcommittee Inquiry into Public Sector
Expenditure
Standing Committee on Estimates and
Financial Operations
Parliament House
PERTH WA 6000

Dear Ms Ellery

I refer to your letter of 16 February in response to correspondence from the Acting Premier Hon Dr Kim Hames MLA relating to your inquiry into Public Sector Expenditure.

Assuming that your Committee still intends to continue with its inquiry, I have indicated that Directors General will be available to meet with your Committee to discuss efficiency savings where those savings have been given operational effect. I also reaffirm the position outlined by Dr Hames that given that the 3% efficiency dividend that will apply as from the next financial year is subject to Budget (and policy) approval, it is premature for those issues to be discussed. Consistent with Dr Hames' earlier response I do not consider it appropriate that Directors General or agency heads discuss matters of policy.

I have agreed to the above course out of respect for the Parliamentary process and the operation of its committees. You are clearly aware the issues about which you seek to inquire will be the subject of extensive budget discussion. Further the estimates process will provide significant and presumably a more effective process, for reviewing public sector expenditure. Noting the prevailing difficult economic conditions and noting the current Opposition proposed the same 3% efficiency dividend it is appropriate that your committees reflect upon whether your process is the most efficient and effective way of proceeding.

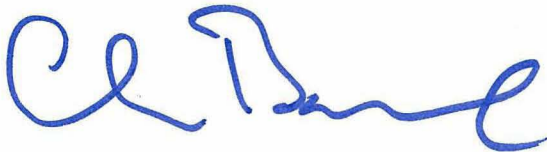
I am also concerned that your Committee does not seem to have sought to take advantage of the offer to have the Treasurer brief your Committee as to the process underway. This heightens my concerns that your Committee may not be approaching the issues in an efficient and effective manner.

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I make these comments because I consider that while the Parliament and its Committees must remain a bastion of robust debate and inquiry it should also be playing its part in meeting the challenges the economic downturn has presented.

I request you and all members of your Committee again review the need for your Committee to proceed as proposed.

Yours sincerely



Colin Barnett MLA
PREMIER

11 MAR 2009