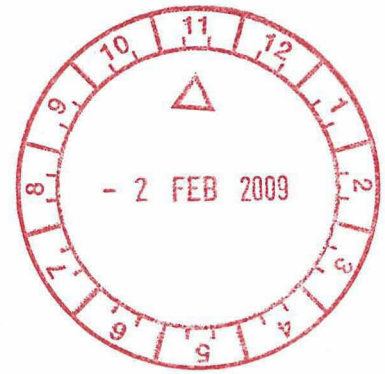




# UNIONSWA

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30 January 2009

Ms Renae Jewell  
Committee Clerk  
Standing Committee on Estimates and Financial Operations Committee  
Legislative Council  
Parliament House  
Perth WA 6000

## **Inquiry into Public Sector Expenditure**

### **Submission by UnionsWA**

UnionsWA thanks the Committee for its invitation to make submissions to the above Inquiry. In doing so, UnionsWA notes that much of the impact of a three percent efficiency dividend or cut is still the subject of confidential deliberation between State Government Agencies and the Treasury. Consequentially, it is somewhat difficult for us to provide an evidence based submission at this point in time. However, we make the following points:

1. We expect that the State Government will act in a transparent and accountable manner in its decision making with respect to the impact of the expenditure cuts on services and employment in the public sector. If this is the case we will then be able to provide a more informed and considered response.
2. We note that the Treasurer, Mr Troy Buswell, has publicly stated that there will be further funding cuts across the public sector following the payment or return of the dividend. Obviously, our concern is that this will have an exponential affect on agencies and their services.
3. UnionsWA is of the view that extreme caution should be applied in seeking to cut the budgets of public sector agencies. We are concerned

that the impact of the cuts could lead to a deleterious downgrading or abandonment of what are already much stretched and fragile services.

4. UnionsWA believes that as we are in the midst of a global economic crisis, now is not the time to shrink and cut back on public sector spending that will inevitably impact adversely on services and staffing.

It is our view that this is the time when the State must "step up to the plate". That is, it is the role of Government's to intervene in a positive way to stimulate and promote confidence in the community and to support those people who will be adversely affected such that they will need to access Government Services probably in more numbers than they have ever done before.

Rather than contracting and closing in on itself the State needs to properly fund and resource its services and programmes and to proceed with planned capital works and infrastructure development.

5. This is further compounded by the growth and development that WA has been subject to over the last decade or so. Such growth has put tremendous pressure on public sector services being barely able to meet the existing needs of the state now let alone following any proposed expenditure cuts. Examples of this are the well publicised problems with Licensing Centres, hospital waiting lists, deficient numbers of Child Protection workers, inspectors in the resource sector, Community Corrections workers, overcrowding in Prisons and regional services.
6. As the WA economy grows, and with it the number of people who will access state government services so too must the public sector grow and be adequately funded to accommodate these demands. This growth in the economy alone would suggest that a marked increase in public sector expenditure has been long overdue.
7. There is a real risk of inequitable impacts on public sector agencies as a result of a three percent cut to agency budgets irrespective of the composition of their budgets and the programmes they fund. A three percent cut for some, whilst being difficult will be managed, for others, particularly in the social justice, regulatory, inspectorial and human services areas could well be disastrous as a major proportion of their budgets will be fixed costs (e.g. staffing) with very little discretionary expenditure available to them.
8. UnionsWA fears that any reduction in government expenditure at this time will be deleterious not only to the people of WA but also to the longer term prospects for maintaining skilled workers in the state and in being able to rapidly pick up and take advantage of any upswing in the economy.

To conclude, UnionsWA urges extreme caution in relation to any cuts to agency budgets at this time. Indeed, it is our preferred view that the State Government should be increasing its budgets to counter the impacts of the global economic crisis on Western Australians. We look forward to the opportunity to present further information at any hearing that may be convened by the Committee and once again thank you for the opportunity to comment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dave Robinson', with a long horizontal flourish extending to the right.

**Dave Robinson**  
**Secretary**  
**UnionsWA**