



**THIRTY-EIGHTH PARLIAMENT**

**REPORT 39**

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**THE GOVERNMENT'S EFFICIENCY DIVIDEND  
AND THE 2012/13 BUDGET**

Presented by Hon Giz Watson MLC (Chair)

November 2012

## **STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

### **Date first appointed:**

**30 June 2005**

### **Terms of Reference:**

The following is an extract from Schedule 1 of the Legislative Council Standing Orders:

#### **“2. Standing Committee on Estimates and Financial Operations**

- 2.1 *An Estimates and Financial Operations Committee* is established.
- 2.2 The Committee consists of 5 Members, 3 of whom shall be non-government Members.
- 2.3 The functions of the Committee are to consider and report on –
  - (a) the estimates of expenditure laid before the Council each year;
  - (b) any matter relating to the financial administration of the State;
  - (c) any bill or other matter relating to the foregoing functions referred by the House;
  - (d) to consult regularly with the Auditor General and any person holding an office of a like character.”

### **Members as at the time of this inquiry:**

Hon Giz Watson MLC (Chair)

Hon Philip Gardiner MLC (Deputy Chair)

Hon Liz Behjat MLC

Hon Ljiljanna Ravlich MLC

Hon Ken Travers MLC

### **Staff as at the time of this inquiry:**

Steve Hales (Advisory Officer)

Samantha Parsons (Committee Clerk)

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## REPORT OF THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

### IN RELATION TO

#### THE GOVERNMENT'S EFFICIENCY DIVIDEND AND THE 2012/13 BUDGET

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- 1 The Government handed down the 2012/13 Budget on 17 May 2012. The Legislative Council passed the Appropriation Bill<sup>1</sup> on 26 June 2012. The Appropriation Bill was given royal assent on 3 July 2012.
- 2 The Committee noted that the budget included in its appropriations an efficiency dividend which is expected to raise approximately \$244 million during the 2012/13 financial year and \$1.9 billion over the forward estimates period as outlined in the budget papers:

*application of a 2% efficiency dividend to the general government sector in 2012-13, based on cash service appropriations, which will apply to most general government sector appropriation agencies and the Public Transport Authority, but excluding the Department of Education (which will be subject to a 1% efficiency dividend in 2012-13). The dividend will be cumulative, increasing by 1 percentage point in each of 2013-14, 2014-15 and 2015-16, and is expected to deliver total savings of around \$1.9 billion over the forward estimates period;*<sup>2</sup>

- 3 Section 3 of the *Government Financial Responsibility Act 2000* states that the main purpose of this act is to “*facilitate public scrutiny of government financial policy and performance*”<sup>3</sup>. The budget was prepared under this Act and received royal assent on 3 July 2012.
- 4 The Committee’s concern about the efficiency dividend is:
  - how expenditure reductions will be made by agencies;
  - how agencies will make operating efficiencies; and
  - whether services to the public may be impacted.

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<sup>1</sup> *Appropriation (Consolidated Account) Recurrent 2012-13 Bill 2012.*

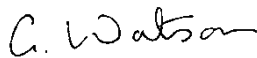
<sup>2</sup> Government of Western Australia, *2012-13 Budget Economic and Fiscal Outlook Budget Paper No. 3*, 17 May 2012, p8.

<sup>3</sup> Section 3(b) *Government Financial Responsibility Act 2000*.

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- 5 In monitoring the progress of implementing the budgeted efficiency dividend, the Committee wrote on 24 September 2012 to every agency that was required to make an efficiency dividend in the 2012/13 budget asking them to advise the Committee how the efficiency dividend will be met.
- 6 The Committee received thirty six responses to its letters (some responses covered multiple agencies within the same portfolio). Of these responses, eighteen contained little information (50% of all responses) except to indicate that the Government was continuing to identify and implement these efficiencies and a further announcement will be made at the mid-year review.
- 7 The Committee finds it unusual that more than three months after formal assent to the budget the agencies have not advised Parliament how it will implement the 2012/13 efficiency dividend.
- 8 Of particular concern to the Committee is that the longer it takes from the start of the 2012/13 financial year to implement the efficiency dividend, the monthly expenditure cuts will need to be more severe over the remaining months of the 2012/13 financial year to achieve the same dollar dividend set out in the budget.
- 9 The Committee's concern is reinforced by:
  - Section 6 of the *Government Financial Responsibility Act 2000* which states that the financial management principles are:
    - (a) funding for current services is to be provided by the current generation;
    - (b) spending and taxing policies are to be formulated and applied so as to give rise to a reasonable degree of stability and predictability;
    - (c) financial risks are to be managed prudently; and
    - (d) spending and taxing policies are to be formulated and applied with consideration to the effect of these policies on employment and the economic prosperity of the State.
  - Section 10 of the *Government Financial Responsibility Act 2000* which states that:
    - (1) The Government's financial planning is to be consistent with the financial management principles.
    - (2) The Government's financial planning may deviate temporarily from the financial management principles in special circumstances.

- (3) If there is any deviation from the financial management principles, the Under Treasurer is to prepare, for inclusion in the next Government Financial Strategy Statement to be released:
- (a) a statement of the reasons for the deviation; and
  - (b) a summary of the Government's proposed programme for reverting to compliance with the principles.
- 10 The majority of the Committee notes the extent to which the executive of Government, being responsible for the agency budgets, is deviating from the financial management principles. The Committee believes that the Government, four months after the tabling of the budget, should have been in a position to detail how agencies will meet their efficiency dividend policy target.
- 11 The majority of the Committee is of the view that the Government's inability to outline how it will extract these efficiency dividends means that it has:
- not detailed how it will apply its spending and taxing policies to a reasonable degree of stability and predictability;
  - not managed financial risks to agencies in a prudent manner; and
  - created risks in meeting the budget's financial targets.
- 12 The majority of the Committee expects the Government will detail the progress in achieving its efficiency dividend for the 2012/13 year and planning across the forward estimates in the 2012/13 Mid-Year Economic Review.
- 13 Appendix 1 is a copy of all the responses the Committee has received from agencies with an efficiency dividend requirement in the 2012/13 Budget.
- 14 The majority of the Committee wishes to bring this matter to the attention of the House as a matter of public interest.



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**Hon Giz Watson MLC**

Chair

28 November 2012

**Dissenting Report of Hon Liz Behjat MLC**

- 1      The Hon Liz Behjat MLC (**the Member**) dissents from this Report No.39 of the Standing Committee on Estimates and Financial Operations.
- 2      The Member is of the opinion that it is neither in the best interests of the Parliament nor the people of Western Australia for the Committee to make comment on the progress of the efficiency dividend at this time.
- 3      The Member is further of the opinion that it is premature to make comment until such time as all the information relating to the efficiency dividend can be fully scrutinised.
- 4      The Member holds the personal opinion that a more prudent Estimates Committee would have waited until at least the release of the Mid-Year Economic Review, due in mid-December 2012, prior to reporting on this matter.
- 5      However, the Member whilst dissenting from this Report respects and acknowledges the right of the other Members of the Committee to make comment.



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**Hon Liz Behjat MLC**

Member

28 November 2012

**APPENDIX 1**  
**LETTER FROM AGENCIES WITH AN EFFICIENCY**  
**DIVIDEND IN 2012/13**



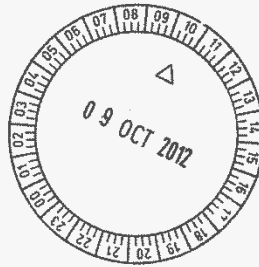
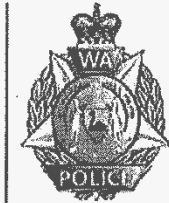


# APPENDIX 1

## LETTERS FROM AGENCIES WITH AN EFFICIENCY DIVIDEND IN 2012/13

Agency	2012/13 Efficiency Dividend \$'000
WA Health Department	94,225
Department of Education	30,431
Police Department	21,184
Public Transport Authority	13,603
Department of Corrective Services	12,720
Mental Health Commission	10,408
Department of Training and Workforce Development	8,809
Department of Child Protection	7,607
Attorney General	4,586
Department of Finance	4,578
Department of Premier and Cabinet	3,981
Disability Services Commission	3,844
Department of Environment & Conservation	3,750
Department of Agriculture and Food	2,798
Department of Commerce	2,351
Department of Transport	2,215
Department of Culture and Arts	1,685
Department of Mines and Petroleum	1,516
Department of Water	1,359
Tourism WA	1,126
Department of Sport and Recreation	1,065
State Development	956
Department of Communities	838
Department of Fisheries	766
Commissioner for Main Roads	753
Department of Planning	746
Department of Indigenous Affairs	734
Department of Treasury	723

<b>Agency</b>	<b>2012/13 Efficiency Dividend \$'000</b>
Department of Regional Development	710
Crime and Corruption Commission	605
Office of the Director of Public Prosecutions	569
Public Sector Commission	550
Department of School Curriculum	535
Department of Education Services	440
Fire and Emergency Services Authority	431
Department of Local Government	380
<b>Total</b>	<b>243,577</b>



**PUBLIC**

09/10/12

WESTERN AUSTRALIA POLICE

**OFFICE OF COMMISSIONER OF POLICE**

POLICE HEADQUARTERS  
6TH FLOOR  
2 ADELAIDE TERRACE, EAST PERTH  
WESTERN AUSTRALIA 6004  
TELEPHONE : (08) 9222 1256  
FACSIMILE : (08) 9222 1717

Your Ref:  
Our Ref:  
Inquiries:

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Hon Giz Watson

**Efficiency Dividend in 2012/13 and Future Years**

I refer to correspondence dated 24 September 2012 regarding funding strategies put forward to meet the Government's efficiency dividends in 2012/13 and future years.

In summary, this strategy proposes to deliver the 2012/13 efficiency dividend which is as follows:

- Deferring the recruitment of an additional 70 police officers by 7 months resulting in savings of \$9m in 2012/13. This proposal will not jeopardise the delivery of the 350 police officers over 5 years inline with the Government's election commitment;
- Vehicle Impoundment cost reductions through Government implementing amended legislation resulting in a \$2m cost reduction to Government;
- Deferring the recruitment of the additional 30 public servants until May and June 2013 which will deliver savings of \$3m in 2012/13;
- Reviewing current contractual arrangements to either re-negotiate service levels or minimise utilisation of these contract expenditures, which should deliver savings of \$2m in 2012/13. This will primarily be focused on contracts controlled by two corporate support portfolios and should have limited flow-on impacts to frontline deliverables;
- Reducing reliance on consultant and contract services and replace with public servants at discounted costs. This should save \$1m in 2012/13 with the primary focus being consultants and contractors operating within the Business Technology Portfolio;
- Implementation of the specified expenditure targets within the \$300m Global Savings Target of \$2.9m in 2012/13 impacting on reductions in the infringement management office of \$2.5m, vehicle operating costs of \$0.2m, travel airfares of \$0.1m and \$0.1m savings between expenditure groups of stationery, printing and external legal advice;

*Mission Statement: "To enhance the quality of life and wellbeing of all people in Western Australia by contributing to making our State a safe and secure place."*

.2.

- Application of a 2% efficiency dividend target to all WA Police portfolios managed budgets equating to a saving of \$4.9m in 2012/13.

With regards to the future years WA Police will project ongoing savings into the forward years. WA Police is reviewing and evaluating medium to long term strategies to best position the agency to meet the challenging dividend targets over the forward estimates. Further work will also be conducted on the Value for Money recommendations and outcomes from the operational service delivery model.

Forwarded for your information, please..



KARL J. O'CALLAGHAN APM  
COMMISSIONER OF POLICE

October, 2012

*Mission Statement: "To enhance the quality of life and wellbeing of all people in Western Australia by contributing to making our State a safe and secure place."*

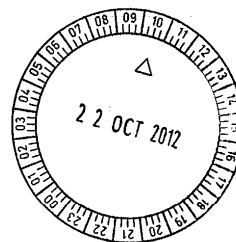


Government of **Western Australia**  
Department of **Treasury**

**PUBLIC**

22/10/12

**E-MAILED**  
19/10/12



Our ref : 00095879  
Enquiries : Glen Colling  
Telephone : 6551 2411

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates  
and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

#### **EFFICIENCY DIVIDENDS – 2012-13 AND FUTURE YEARS**

I refer to your letter dated 24 September 2012, requesting information on how the Department of Treasury will meet the efficiency dividend in:

- 2012-13; and
- 2013-14, 2014-15 and 2015-16.

The following table is submitted in response:

Area of Saving	Saving Amount	Form of Saving
Treasury Business Systems	\$151,000	Reduced ongoing costs for system support and maintenance following implementation of the new Strategic Information Management System (SIMS).
Strategic Policy	\$258,000	Reduced effort in strategic research and strategic policy advice.
Economic Reform	\$192,000	Reduced effort in regulatory reform research, analysis and advice.
Strategic Projects	\$122,000	Project support and administration
<b>Total</b>	<b>\$723,000</b>	

For 2013-14 to 2015-16, the Department will review its annual budget closer to the commencement of each financial year.

Yours sincerely

Timothy Marney  
UNDER TREASURER

17 October 2012

cc. Hon Troy Buswell MLA, Treasurer

Locked Bag 11, Cloister Square, Western Australia 6850  
140 William Street, Perth, Western Australia 6000  
Telephone (08) 6551 2777 Facsimile (08) 6551 2500  
[www.treasury.wa.gov.au](http://www.treasury.wa.gov.au)

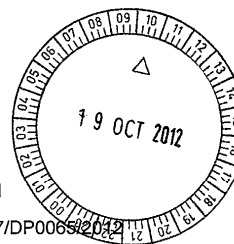


Government of **Western Australia**  
Department of **Commerce**

**Office of the Director General**

**PUBLIC**

27/10/12



Your Ref: A370791

Our Ref: A944327/DP00652042

Enquiries:

4 October 2012

Hon Giz Watson MLC  
Parliament House  
PERTH WA 6000


Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012-13 AND FUTURE YEARS**

Reference is made to your letter dated 24 September 2012.

In the year 2012/13 the Department is continuing to identify and implement these efficiencies across all its outputs. It is my understanding the Government will make further announcements through the mid-year review.

Yours sincerely

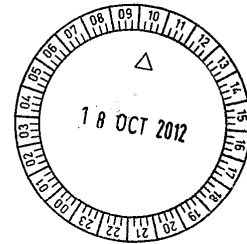
  
Brian Bradley  
**DIRECTOR GENERAL**



Government of **Western Australia**  
Department of **Indigenous Affairs**

**PUBLIC**

22/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

I refer to your letter dated 24 September 2012 requesting the Department of Indigenous Affairs (DIA) to advise the Committee on how DIA will meet the efficiency dividends.

To achieve the efficiency dividends, DIA has reviewed its existing operations, projects and initiatives this year and in the out-years. Details of these adjustments are currently subject to approval by Treasury as part of the Mid-Year review process.

Yours sincerely

**Cliff Weeks**  
**DIRECTOR GENERAL**

13 October 2012

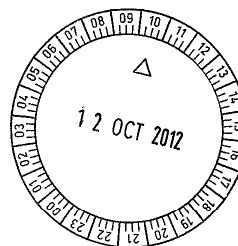
Ground and First Floor, 151 Royal Street, EAST PERTH WA 6004  
PO Box 3153, EAST PERTH Western Australia 6892  
Telephone 1300 651 077 Facsimile (08) 6551 8088  
[www.dia.wa.gov.au](http://www.dia.wa.gov.au)



Government of **Western Australia**  
Department of **the Attorney General**  
**Office of the Director General**

**PUBLIC**

22/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates  
and Financial Operations  
Legislative Council of WA  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDEND – 2012-13 AND FUTURE YEARS**

I refer to your letter dated 24 September 2012 requesting for the Department of the Attorney General to advise the Committee on how the efficiency dividend will be met in 2012-13 and future years.

Savings initiatives have not been finalised and are still being developed by the Department.

However, the Government will be reporting on the efficiency dividend measures in the Mid-Year Review.

Yours sincerely

Cheryl Gwilliam  
DIRECTOR GENERAL

10 October 2012

Level 12 141 St Georges Terrace Perth Western Australia 6000  
GPO Box F317 Perth Western Australia 6841  
Telephone 136757 Facsimile (08) 9264 1121  
Website: [www.dotag.wa.gov.au](http://www.dotag.wa.gov.au)  
wa.gov.au  
ABN 70 598 519 443

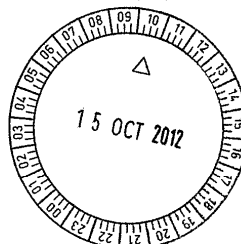




**Government of Western Australia**  
Department of Agriculture and Food

**PUBLIC**

22/10/12



9 October 2012

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

#### **EFFICIENCY DIVIDEND**

Thank you for your letter dated 24 September 2012 regarding implementation of the efficiency dividend announced in the 2012-13 Budget.

In accordance with the Government's objectives, the Department of Agriculture and Food (DAFWA) is committed to both managing within its approved budget, and ensuring that service delivery and outcomes are optimised.

DAFWA addresses efficiency improvements by implementing a number of strategies including:

- Reduction in intra and inter-state travel by increasing the use of tele- and video-conferencing, with resulting reduction in the number of vehicles required by the DAFWA.
- Re-assignment of staff and realignment of process to reduce the use of consultants, temporary staff and the need to fill some vacant positions.
- Establishment of mechanisms to drive efficiency gains including a quarterly business review, staff engagement strategy and reviews of specific areas.
- A cost effectiveness framework to ensure that the efficiency savings do not reduce the strategic intent or impact of DAFWA.

Strategies to implement the measures recently announced by the Government as part of the 2012-13 Mid-Year Review are still being developed.

Yours sincerely

  
Rob Delane  
DIRECTOR GENERAL

OFFICE OF THE DIRECTOR GENERAL

3 Baron Hay Court, South Perth, Western Australia 6151 (Locked Bag 4, Bentley Delivery Centre WA 6983)  
Telephone: (08) 9368 3236 Facsimilie: (08) 9368 1205

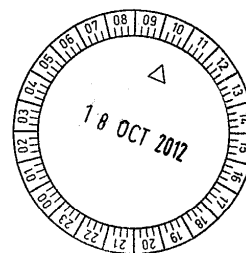


Government of **Western Australia**  
Department of **Local Government**

Our Ref: 349-11, E1224514

**PUBLIC**

22/10/12



Hon Giz Watson MLC  
Chair, Committee on Estimates and Financial Operations  
Parliament House  
Perth WA 6000

Dear Hon Giz Watson MLC

**Efficiency Dividends – 2012/13 and the Futures Years**

Thank you for your correspondence dated 24 September 2012 on the above subject matter. The Department of Local Government is expecting to achieve the required efficiency dividend for 2012-2013, 2013-2014, 2014-2015 and 2015-2016 by reprioritising the operational budget without impacting on frontline services. The reprioritisation of the budget has identified that efficiencies could be achieved in the following areas

- Savings in fringe benefit tax due to a reduction in the Department's motor vehicle fleet;
- Reduction in travel costs through use of video-conferencing facilities;
- Accommodation rationalisation; and
- Active management of employee vacancy rates.

The Department will continue to identify and implement these efficiencies. It is expected that further announcements on this, will be made at the mid-year review.

Yours sincerely

Jennifer Mathews  
DIRECTOR GENERAL

5 October 2012

PM

cc Hon John Castrilli MLA, Minister for Local Government

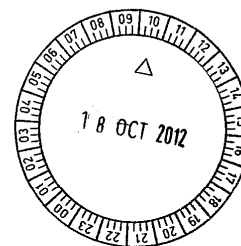
Gordon Stephenson House  
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[wa.gov.au](http://wa.gov.au)



Government of Western Australia  
Department of Corrective Services  
Office of the Commissioner

**PUBLIC**

22/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

Thank you for your correspondence dated 24 September 2012 regarding efficiency dividends for 2012/13 and future years.

I note the Committee's request for information on how the Department of Corrective Services (the Department) will meet the efficiency dividend in 2012/13, 2013/14, 2014/15 and 2015/16.

As you may be aware, the Department has a general government efficiency dividend target of \$13 million in 2012/13, increasing to \$35 million by 2015/16.

To ensure tight control and governance, the Department has formed a taskforce to project manage the efficiency dividend strategy. The team is tasked to action a systemised framework to identify, progress and monitor the savings initiatives.

The savings strategies have been put into three broad categories:

1. **Administrative Initiatives** which involve internal policy and procedural changes that can be implemented promptly; and
2. **Strategic Initiatives** which may involve fundamental change to operational business models and could have a significant impact on service outcomes. These types of options will be carefully balanced in relation to the impacts on service quality outcomes versus the realisable savings.
3. **Containing Future Expenditure** by implementing a strict approval process for future initiatives/projects that have a recurrent financial component.

The target to be achieved is significant, particularly when there is a component of the Department's budget that has limited flexibility, including external contracts, and demand pressures from growing prisoner numbers.

The Department is committed, via the taskforce, to investigate and evaluate strategies that will achieve these savings targets, ensure greater efficiency in operations and improve overall corporate governance.

141 St Georges Terrace Perth Western Australia 6000  
Locked Bag 22 Cloisters Square Perth Western Australia 6850  
Telephone (08) 9264 1044 Facsimile (08) 9264 1212  
[www.correctiveservices.wa.gov.au](http://www.correctiveservices.wa.gov.au)  
ABN 25 103 389 163

In consultation with the Minister we are continuing to identify and implement efficiencies and a further announcement will be made at the mid-year review.

I trust this information is of assistance to the Standing Committee on Estimates and Financial Operations.

Yours sincerely

  
Ian Johnson  
Commissioner

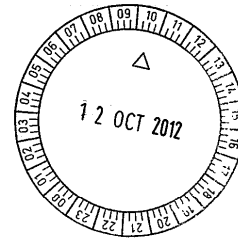
5 October 2012



Government of **Western Australia**  
Department of **Mines and Petroleum**

**PUBLIC**

22/10/12



Your ref: Efficiency Dividends – 2012/13 and Future Years  
Our ref: A2201/201101  
Enquiries: Mick Banaszczyk - Ph 9222 3400  
Email: mick.banaszczyk@dmp.wa.gov.au

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House Perth  
WESTERN AUSTRALIA 6000

Dear Ms Watson

In relation to your request for information dated 24 September 2012 in relation to Efficiency Dividends – 2012/13 and Future Years.

Please find attached the Department's response.

Yours sincerely

Mr Richard Sellers  
DIRECTOR GENERAL

8 October 2012

CC: Hon Norman Moore MLC, Minister for Mines and Petroleum

**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**  
**REQUEST FOR ADDITIONAL INFORMATION IN RELATION TO 2012/13 BUDGET**

**ESTIMATES**

**DEPARTMENT OF MINES AND PETROLEUM**

**EFFICIENCY DIVIDENDS - 2012/13 AND FUTURE YEARS**

I refer to the 2012/13 budget papers which stated that the budget includes:

*...a 2% efficiency dividend to the general government sector based on cash service appropriations,..., but excluding the Department of Education (which will be subject to a 1% efficiency dividend in 2012/13). The dividend will be cumulative, increasing by 1 percentage point in 2013/14, 2014/15 and 2015/16, and is expected to deliver savings of around \$1.9 billion over the forward estimates period.*

Answer:

<i>Area of saving</i>	<i>Amount of saving</i>	<i>Form of saving i.e. cuts or deferral of programs, capital works, sale of assets, FTE reductions, reduction to vehicle fleet etc</i>	<i>Name of suburbs affected</i>
<i>Legal Costs</i>	<i>745,000</i>	<i>Apache Energy prosecution case withdrawal.</i>	<i>Not applicable</i>
<i>Recruitment Costs</i>	<i>71,000</i>	<i>Advertising cost savings.</i>	<i>Not applicable</i>
<i>Computerised Systems</i>	<i>700,000</i>	<i>Information &amp; Communication Technology (ICT) system development maturation.</i>	<i>Not applicable</i>
	<i>1,516,000</i>		

In relation to the 2013/14 year through to 2015/16 the Department will continue to identify further savings and efficiencies principally from expenditure on services and contracts. However, the specific detail of the savings will be set in the context of the Department's future operational needs.

Yours sincerely



Mr Richard Sellers  
DIRECTOR GENERAL

8 October 2012

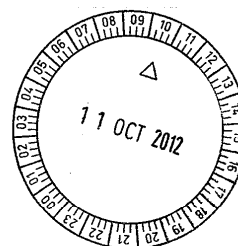
CC: Hon Norman Moore MLC, Minister for Mines and Petroleum



Government of **Western Australia**  
Department of **State Development**

**PUBLIC**

22/10/12



Your ref:  
Our ref:  
Enquiries: Steve Melville - Ph 9222 0519  
Email: [steve.melville@dsd.wa.gov.au](mailto:steve.melville@dsd.wa.gov.au)

Hon. Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

#### **EFFICIENCY DIVIDENDS - 2012/13 AND FUTURE YEARS**

I refer to your letter of 24 September 2012 requesting details of how the Department will meet the 2% efficiency dividend.

The impact on the Department arising from the 2% efficiency dividend over the forward budget period is as follows:

<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
\$0.956m	\$1.141m	\$1.328m	\$1.669m	\$1.981m

To achieve these budget savings the Department has focussed on reducing expenditure on legal fees and external consultants engaged through the Department to assist in progressing new resource development project approvals and in legal due diligence and advice. Specifically new procedures have been implemented to ensure all external legal briefs are vetted by the Department's in-house legal team to ensure efficient and cost effective advice is obtained. Other cost savings initiatives include reduced staff travel and office consumables.

Should you require any further information please contact the Director Corporate Services Steve Melville on 9222 0519.

Yours sincerely

Gail McGowan  
A/Director General

5 October 2012

Level 6, 1 Adelaide Terrace, East Perth, Western Australia 6004  
Telephone +61 8 9222 0555 Facsimile +61 8 9222 0505  
[www.dsd.wa.gov.au](http://www.dsd.wa.gov.au)  
[wa.gov.au](http://wa.gov.au)  
ABN 90 199 516 864

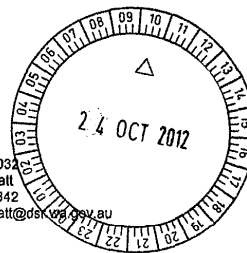
**PUBLIC**

09/10/12



Government of Western Australia  
Department of Sport and Recreation

DSR file 2011/1032  
Enquiries Alex Watt  
Phone 9492 9842  
Email Alex.Watt@dsr.wa.gov.au



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

**FAXED**  
08/10/12

Dear Ms Watson

**EFFICIENCY DIVIDENDS - 2012/13 AND FUTURE YEARS**

I refer to your letter of 24 September 2012 requesting details on how the Department of Sport and Recreation will meet the efficiency dividend in –

- 2012/13 and
- 2013/14, 2014/15 and 2015/16

I advise that savings measures for this Department amount to \$6.184 million across 2012/13 to 2015/16. This was calculated using the following budget lines:

	2012-13 (\$000)	2013-14 (\$000)	2014-15 (\$000)	2015-16 (\$000)
Dept of Sport and Recreation	-1,065	-1,472	-1,897	-1,750
	2%	3%	4%	5%

Note the Department is continuing to identify and implement these efficiencies and a further announcement will be made at mid-year review.

Yours sincerely

Ron Alexander  
Director General  
8 October 2012



Building stronger, healthier, happier and safer communities

246 Vincent Street Leederville Western Australia 6007  
PO Box 329 Leederville Western Australia 6903  
Telephone (08) 9492 9700 Facsimile (08) 9492 9711  
Email [info@dsr.wa.gov.au](mailto:info@dsr.wa.gov.au)  
Web [www.dsr.wa.gov.au](http://www.dsr.wa.gov.au)





Government of **Western Australia**  
Department of **Water**

**PUBLIC**

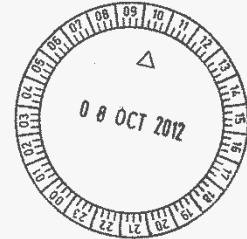
09/10/12



looking after all our water needs

Our ref: CEOW590/12  
Enquiries: Barry Cram, Ph 6364 6605

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
Perth WA6000

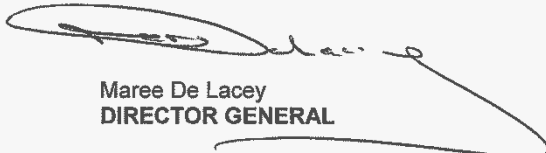


Dear Ms Watson

***EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS***

In response to your request for advice to the Standing Committee on Estimates and Financial Operations (the Committee) on how the Department of Water will meet the general Government efficiency dividend, I can advise the Committee that the Government is continuing to identify and implement these efficiencies and a further announcement will be made at mid-year review.

Yours sincerely



Maree De Lacey  
**DIRECTOR GENERAL**

2 October 2012

168 St Georges Terrace Perth Western Australia 6000  
PO Box K822 Perth Western Australia 6842  
Telephone (08) 6364 7600 Facsimile (08) 6364 7601  
[www.water.wa.gov.au](http://www.water.wa.gov.au)  
wa.gov.au



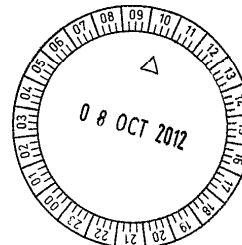
**PUBLIC**

09/10/12



**CORRUPTION  
AND CRIME  
COMMISSION**

Your Ref: -  
Our Ref: 01165/2012 MH



02 October 2012

Hon Giz Watson MLC  
Chair, Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

I refer to your letter dated 24 September 2012 requesting advice as to how the Commission will meet the efficiency dividend included in the 2012/13 Budget Papers.

For several years the Commission has operated at a surplus, in consultation with and agreement from the Department of Treasury. The basis for this agreement was that these surplus funds would enable the establishment of a nascent organised crime function in response to the legislative changes foreshadowed by government. Accordingly, the Commission has drawn down only those funds necessary for its existing functions within an approved FTE level of 154. It has returned any surplus to government.

The Commission has met the efficiency dividends imposed in the 2012/13 Budget by reducing this surplus, both in the current budget year and in the forward estimate years.

Yours faithfully

  
Roger Mackay QC  
**COMMISSIONER**

CC: Hon Michael Mischin MLC, Attorney General

CORRUPTION AND CRIME COMMISSION

186 St Georges Terrace  
PERTH WA 6000  
PO Box 7667, Cloisters Square  
PERTH WA 6850

Telephone: +61 8 9215 4888  
Toll Free: 1800 809 000  
Fax: +61 8 9215 4884  
[info@ccc.wa.gov.au](mailto:info@ccc.wa.gov.au)  
[www.ccc.wa.gov.au](http://www.ccc.wa.gov.au)

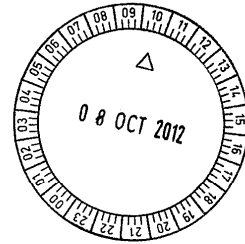


Government of **Western Australia**  
Department of **Finance**  
**Office of the Director General**

Our ref: 00202926

**PUBLIC**

09/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates  
and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

Thank you for your letter of 24 September 2012, seeking advice as to how the Department will meet the efficiency dividend in 2012/13 and future years.

Government is continuing to identify and implement these efficiencies and a further announcement will be made at mid-year review.

Yours sincerely

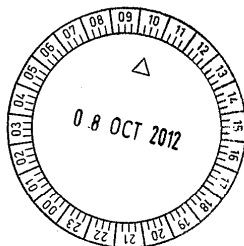
Anne Nolan  
DIRECTOR GENERAL  
2 October 2012

16 Parkland Rd Osborne Park Western Australia 6017  
Locked Bag 1100, 1100 Stirling Square Western Australia 6000  
Telephone (08) 655 1100 Facsimile (08) 655 1111  
www.finance.wa.gov.au



**PUBLIC**

09/10/12



**PSC** Public Sector  
Commission  
Office of the Commissioner

Our Ref: C1204791

2 October 2012

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**RESPONSE TO IMPLEMENTATION OF THE GENERAL GOVERNMENT EFFICIENCY  
DIVIDEND - 2012/13 and Future Years**

Thank you for your correspondence, dated 24 September 2012, regarding the implementation of the general government efficiency dividend.

To meet the efficiency dividend as part of the corrective measures package, the Public Sector Commission has included a reduction of 2% in its recurrent funding for 2012/13. This will be followed by a cumulative reduction of 1% from 2013/14.

The Commission has identified achievable savings across its recurrent expenditure through reductions in salaries, contracted services and other operational items (i.e. consumables). These savings will be achieved through reprioritisation of its current budget without compromising service delivery.

In order to implement the required efficiencies, the Commission's Corporate Executive carefully examined each of its operational areas to ascertain where each area's expenditure could be reduced. This consistent approach best accommodated the nature of the Commission's service delivery activities.

The Commission is continuing to work on strategies to identify savings and implement appropriate measures to achieve the efficiency dividends. These are likely to be realised through savings in salaries and wages and a reduction in services and contracts expenses.

Please contact me on 6552 8801 should you wish to discuss this further.

Yours sincerely

Fiona Roche  
ACTING PUBLIC SECTOR COMMISSIONER

2 Havelock Street, West Perth Western Australia 6005  
Locked Bag 3002, West Perth Western Australia 6872  
Telephone (08) 6552 8500 Facsimile (08) 6552 8501  
admin@psc.wa.gov.au  
www.publicsector.wa.gov.au

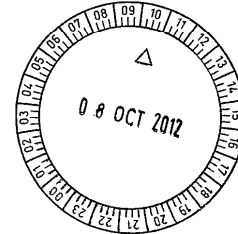


Government of **Western Australia**  
**Disability Services Commission**

Your ref: ef.all.120924.let.001.ed (A370791)  
 Our ref:  
 Inquiries: Ron Chalmers  
 Telephone: 9426 9250

**PUBLIC**

09/10/12



Hon Giz Watson MLC  
 Chair  
 Standing Committee on Estimates and Financial Operations  
 Parliament House  
 PERTH WA 6000

Dear Minister

**Efficiency Dividends – 2012-13 and Future Years**

We are in receipt of your correspondence dated 24 September 2012 seeking information on how the Disability Services Commission will meet the Government's efficiency dividend for 2012-13 and out-years.

The Commission has advised the Treasurer that the Commission will achieve its 2012-13 efficiency dividend without impacting on frontline services through a range of strategies, including:

- maintenance cost savings on newer Commission group homes and implementation of a more planned and strategic approach to maintenance and contracting arrangements
- cost savings through the implementation of workforce reforms in the Commission's Accommodation Support Services
- funding and procurement reforms within the disability sector for non-essential services
- office rental savings through rationalisation of underutilised office accommodation, and
- harvesting of the 3% administration component on all family and community living plans.

The Commission is continuing to identify a range of additional strategies to achieve the efficiency targets required in the out-years.

Should you have any queries in relation to this matter, please do not hesitate to contact me on 9426 9250.

Yours sincerely

Dr Ron Chalmers  
 Director General  
 Disability Services Commission

4 October 2012

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146–160 Colin Street, West Perth WA 6005 PO Box 441, West Perth WA 6872  
 Telephone: 9426 9200 Facsimile: 9226 2306 TTY: 9426 9315 Country: 1800 998 214  
 dsc@dsc.wa.gov.au www.disability.wa.gov.au

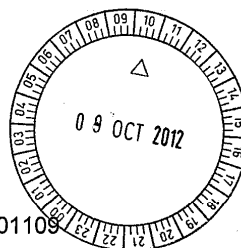
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Government of **Western Australia**  
**Mental Health Commission**

**PUBLIC**

09/10/12



Our ref:MHC-01109

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**Re: Efficiency Dividends – 2012/13 and Future Years**

In response to your correspondence dated 24 September 2012, the Mental Health Commission is currently, and will continue to, identify and implement these efficiencies and actively monitor expenditure throughout the year to ensure that saving targets are met.

A further announcement will be made at Mid-Year Review.

Yours sincerely

Eddie Bartnik  
**COMMISSIONER**  
**MENTAL HEALTH COMMISSION**

5 October 2012

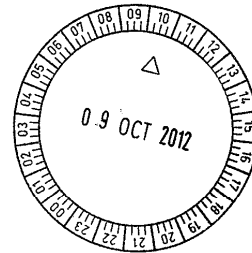
Level 5, 81 St Georges Terrace PERTH Western Australia 6000  
GPO Box X2299 PERTH BUSINESS CENTRE WA 6847  
Telephone (08) 6272 1200 Facsimile (08) 6272 1299  
[www.mentalhealth.wa.gov.au](http://www.mentalhealth.wa.gov.au)



Government of **Western Australia**  
Department of **Transport**

**PUBLIC**

09/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Legislative Council  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

Thank you for your letters dated 24 September 2012 regarding efficiency dividends for 2012/13 and future years. I provide a response for the Transport portfolio agencies, Department of Transport, Public Transport Authority and Main Roads Western Australia.

The 2012/13 budget included a general government sector efficiency dividend of 2% in 2012/13, followed by a cumulative 1% per annum dividend from 2013/14 onwards. The efficiency dividend was based on agencies' cash service appropriations.

As you would already be aware, the Premier and the Treasurer made an announcement on 26 September 2012 to the State's finances and the need to implement budget savings measures in response to lower than expected revenue in the 2012-13 financial year. In light of this recent announcement the Transport portfolio agencies are continuing to identify and implement these efficiencies, as well as implement the budget savings measures and a further announcement will be made as part of the mid-year review.

Yours sincerely

**Sue McCarrey**  
A/Director General

5/10/2012

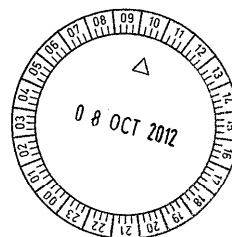
140 William Street, Perth, Western Australia 6000  
GPO Box C102 Perth WA 6839  
Tel: (08) 6551 6000 Fax: (08) 6551 6001 [www.transport.wa.gov.au](http://www.transport.wa.gov.au)  
ABN 27 285 643 255



Government of **Western Australia**  
Department of **Training**  
and **Workforce Development**

**PUBLIC**

09/10/12



D12/0545327

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
GPO Box A11  
PERTH WA 6837

Dear Ms Watson

Thank you for your correspondence dated 24 September 2012 regarding the implementation of the general government efficiency dividend.

The Government is committed to ensuring the State's highest priority skill shortage needs are addressed as outlined in the *State Training Plan and Skilling WA: A Workforce Development Plan for Western Australia*. State Training Providers (STPs) are expected to maintain or increase training efforts in apprenticeship and traineeship training, other priority skill shortage training and participation of under-represented groups.

The efficiency dividend will be achieved without impacting service delivery outcomes through a combination of the rationalisation of non-critical skills training and general efficiencies across the Department of Training and Workforce Development and STPs. General efficiencies will target areas such as administration, service delivery reforms, information technology initiatives and general consumables.

Yours sincerely

DR RUTH SHEAN  
DIRECTOR GENERAL

5 OCT 2012

Locked bag 16 Osborne Park Delivery Centre WA 6916  
Optima Centre – Building B, 16 Parkland Road, Osborne Park WA 6017



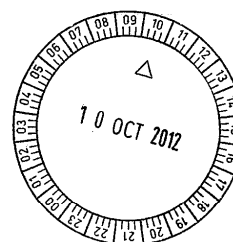


Government of Western Australia  
Department for Child Protection

Enquiries: Peter Byrne – 9222 2508

**PUBLIC**

09/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

### **EFFICIENCY DIVIDENDS – 2012-13 AND FUTURE YEARS**

I refer to your correspondence of 24 September 2012, regarding the implementation of the general government efficiency dividend by the Department for Child Protection (the Department).

The Department has thoroughly reviewed its 2012-13 operating budget and implemented the following savings measures to achieve the \$7.607 million efficiency dividend for 2012-13:

- implementing efficiencies and streamlining current process - **\$2.800 million**. This includes anticipated savings following a review of the Department's Information Technology structure and a review of the current Secure Care facility's bed usage and requirements;
- a reduction of Corporate and Policy support positions (non-frontline services) - **\$1.850 million**;
- direct budget reductions - **\$2.393 million**. This includes a 10 per cent reduction to operating budgets across the Department (stationery, printing, training, communications etc.) and a targeted review of operating and administrative budgets; and
- application of the efficiency dividend to a number to joint State and Commonwealth contracts - **\$0.564 million**.

At this time the Department has only identified measures to achieve the efficiency dividend in the 2012-13 financial year, which have then been extrapolated into the forward estimates, but has not yet developed strategies to achieve further efficiency dividends in future years.

Yours sincerely

Kay Benham  
A/DIRECTOR GENERAL

5 October 2012

Office of the Director General  
189 Royal Street, East Perth WA 6004 (PO Box 6334, East Perth WA 6892)  
Tel (08) 9222 2505 Fax (08) 9222 2653

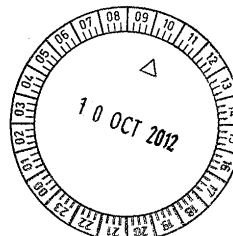


Government of **Western Australia**  
Department of **Environment and Conservation**

**PUBLIC**

Your ref: 10/10/12  
Our ref: CEO1145/12  
Enquiries: Keiran McNamara  
Phone: 6467 5500  
Fax: 6467 5525  
Email: keiran.mcnamara@dec.wa.gov.au

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000



Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

I refer to your letter of 24 September 2012 requesting advice on how the Department of Environment and Conservation will meet the efficiency dividend in 2012/13 and in the outyears 2013/14, 2014/15 and 2015/16.

The Government is continuing to identify and implement these efficiencies and a further announcement will be made at the mid-year review.

Yours sincerely

Keiran McNamara  
DIRECTOR GENERAL

8 October 2012

Office of the Director General  
The Atrium, Level 4, 168 St Georges Terrace, Perth WA 6000  
Phone: 6467 5061; Fax: 6467 5525  
Locked Bag104, Bentley Delivery Centre WA 6983  
www.dec.wa.gov.au

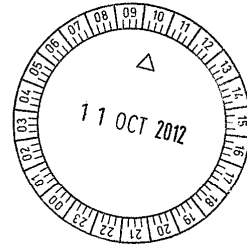
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Government of Western Australia  
Department of Health  
Office of the Director General

**PUBLIC**

10/10/12



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
11 Harvest Terrace  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDEND – 2012/13 AND FUTURE YEARS**

Thank you for your letter of 24 September 2012 seeking information on how WA Health will meet the efficiency dividend in 2012/13 and over the forward estimates period.

The Department of Health, in conjunction with the Minister for Health, is continuing to identify and implement efficiency measures. An announcement concerning these initiatives will be included in the 2012/13 Mid Year Review.

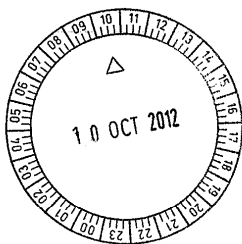
Yours sincerely

Kim Snowball  
**DIRECTOR GENERAL**

8 October 2012

189 Royal Street East Perth Western Australia 6004  
Telephone (08) 9222 4002 Fax (08) 9222 4314  
Letters PO Box 8172 Perth Business Centre Western Australia 6849  
ABN 28 684 750 332  
<http://www.health.wa.gov.au>

Department of Health – promoting a smoke free environment



**PUBLIC**  
10/10/12

**Tourism**  
WESTERN AUSTRALIA

Your Ref: ef.all.120924.let.001.ed (A370791)  
Our Ref: D12/5471  
Tourism WA File: FIN/0689-2

2 Mill Street  
PERTH WA 6000  
GPO Box X2261  
PERTH WA 6847  
Telephone +61 8 9262 1700  
Facsimile +61 8 9262 1702  
info@tourism.wa.gov.au  
tourism.wa.gov.au

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates  
and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**Efficiency Dividends – 2012/13 and Future Years**

Thank you for your correspondence dated 24 September 2012, regarding the implementation of efficiency dividends announced in the 2012/13 Budget.

In accordance with the Western Australian Government objectives, Tourism Western Australia is committed to managing within its approved budget, while at the same time ensuring that implementation of the efficiency dividend will not impact frontline service delivery outcomes.

A reduction in corporate overheads has been the primary mechanism for achieving the efficiency dividend in 2012/13, including a reduction in accommodation costs and corporate service related contracts. Measures to address the efficiency dividend in the out-years (2013/14, 2014/15 and 2015/16) are not yet formalised and will be made after the 2012-13 Mid-Year Review and as part of the 2014/15 budget process.

Yours sincerely

DAVID LOWE  
A/Chief Executive Officer

8 October 2012

cc: Hon Dr Kim Hames MLA, Minister for Tourism (25-30143)

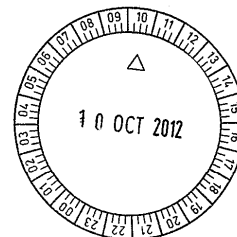




Government of **Western Australia**  
Department of **Regional Development and Lands**

**PUBLIC**

10/10/12



Your ref: A370791  
Our ref: A2444047, A2475775  
Enquiries: Sandy Kerr 6552 4514

Hon Giz Watson MLC  
Chair  
Legislative Council  
Parliament House  
GPO Box A11  
PERTH WA 6837

Dear Mr Watson

#### **IMPLEMENTATION OF THE GENERAL GOVERNMENT EFFICIENCY DIVIDEND**

I refer to your letter dated 24 September 2012 in which you requested examples of where our agency has reprioritised our operating budget to achieve the recently announced efficiency dividend.

The following efficiency dividend was identified in RDL's **Budget Papers**.

	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000
Contribution to Responsible Financial Management	-	710	816	1,042	1,313

The following actions have been implemented within the department to achieve the savings through an overall reduction in supplies and services expenditure:

- Reviewing internal budget, allocate efficiency dividend to each division. Develop management tool to assist each division monitoring their "actuals versus budget" status closely.
- Improving procurement practices to achieve overall savings for similar services within the department. Where possible sharing the same market research and procurement information with other state government agencies to save the cost on resources and other services.
- Reviewing the use of external contractors for support services, currently targeting areas such as stationery, recruitment consultants, and temporary administration staff.
- RDL will be conducting a review at the end of first quarter (30/09/2012) to identify opportunities for further savings measures.

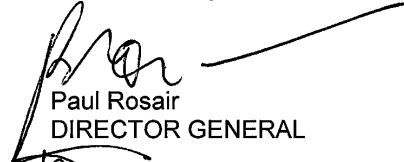
It should be noted that any savings measure imposed cannot be addressed through Royalties for Regions Funds.

Gordon Stephenson House, 140 William Street, Perth Western Australia 6000 PO Box 1143, West Perth Western Australia 6872  
Telephone: (08) 6552 4400 Facsimile: (08) 6552 4417 Freecall: 1800 735 784 (Country only)  
Email: [info@rdl.wa.gov.au](mailto:info@rdl.wa.gov.au) Website: [www.rdl.wa.gov.au](http://www.rdl.wa.gov.au)  
ABN: 28 807 221 246

For the years 2013/14 onwards, RDL will apply the same methodology to achieve the allocated Efficiency Dividend. More detailed saving measures will be provided after the internal budget process.

For further inquiries please contact Mr Sandy Kerr, Chief Financial Officer,  
Department of Regional Development and Lands on telephone 6552 4514 or via  
email [Sandy.Kerr@rdl.wa.gov.au](mailto:Sandy.Kerr@rdl.wa.gov.au)

Yours sincerely



Paul Rosair  
DIRECTOR GENERAL

8 October 2012





Government of **Western Australia**  
**Fire & Emergency Services Authority**

**PUBLIC**

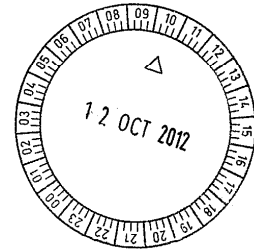
09/10/12



480 Hay Street Perth  
Western Australia 6000  
PO Box 1174 Perth WA 6844  
Telephone (08) 9323 9300  
Facsimile (08) 9323 9384  
Email [fesa@fesa.wa.gov.au](mailto:fesa@fesa.wa.gov.au)  
[www.fesa.wa.gov.au](http://www.fesa.wa.gov.au)

Our ref: 15711

Ms Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000



Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

Thank you for your correspondence dated 24 September 2012 regarding the above.

The Fire and Emergency Services Authority of Western Australia (FESA) is continuing to identify and implement the efficiencies identified in the 2012/13 Budget Papers and a further announcement will be made at the mid-year review.

Should you require any additional information on this matter, please contact Mr Frank Pasquale, Executive Director Corporate Services at FESA, via email on [frank.pasquale@fesa.wa.gov.au](mailto:frank.pasquale@fesa.wa.gov.au) or via telephone on 9323 9828.

Yours sincerely

**WAYNE GREGSON APM**  
**CHIEF EXECUTIVE OFFICER**

8 October 2012

Our Vision: A Safer Community

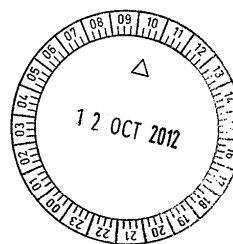




Government of **Western Australia**  
Department of the **Premier and Cabinet**  
Office of the **Director General**

**PUBLIC**

09/10/12



Our Ref: D1207365

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Attention: Mr Steve Hales

Dear Ms Watson

**Efficiency Dividends – 2012/13 and Future Years**

I refer to the Committee's request of 24 September 2012 requesting how the Department of the Premier and Cabinet will meet the efficiency dividend in 2012-13 and out years.

The following information and strategies have been identified by the Department. These will also be applied across the budget out year period.

Strategies include:

- review of existing department programs and structures to identify whether they are still required or could be handled more efficiently.
- adjusting vacancy management practices where possible without business disruption.
- tighter controls on leave management, including encouraging staff to take accumulated leave with redistribution of the workload during the leave period.
- use of teleconferencing in lieu of travel for liaison meetings.
- continued control on other discretionary expenditure.

It is anticipated that the strategies will deliver the requested savings of \$3.981 million in the 2012-13 financial year. It should be noted that efficiency savings are gained throughout the financial year and across the forward estimates. Necessarily this means that adjustments are made on a continuing basis rather than just through the upfront identification of efficiencies.

Yours sincerely

Peter Conran  
**DIRECTOR GENERAL**

08 OCT 2012

2 Havelock Street, West Perth WA 6005  
Telephone (08) 6552 5000 Facsimile (08) 6552 5001 admin@dpc.wa.gov.au  
ABN: 61 313 082 730 www.dpc.wa.gov.au



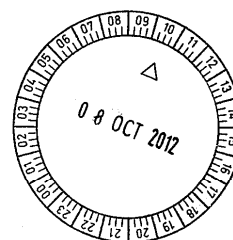


Government of **Western Australia**  
Department for **Communities**

Our ref: DG2012-323  
Author: Elizabeth Delany 6551 8501

**PUBLIC**

09/10/12



Hon Giz Watson  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
Havelock Street  
WEST PERTH WA 6000

Dear Hon Giz Watson

#### **Efficiency Dividends – 2012/12 and Future Years**

Thank you for your letter dated 24 September 2012 seeking information from the Department for Communities as to how it will meet efficiency dividends for 2012/13 and future years.

For the department to continue to deliver on its core service objectives whilst delivering the required government efficiency dividend, I advise of the following:

- A global 10% dividend of \$440 000 against all general departmental discretionary expenditure;
- A reduction by \$600 000 to the Social Innovations Grant funding which will provide for a total of \$3.4 million grant funding from 2012-13 onwards (this reflects the underspend in this program over the past 18 months and ensures the commitment in innovations will remain, along with cash reserves available should there be demand for the full expenditure of \$4 million);
- Reduction of 1.5% in discretionary grant expenditure – it is proposed to cease the Youth Strategic Grants (\$175 000) from 2012-13 onwards, and the Community Activity Grants (\$80 000) in 2013-14 onwards. This is based on these grants being the two least subscribed.
- Reduction of approximately \$70 000 per annum in publications expenditure effective 2013-14, and potential further savings to be identified in subsequent years.



Gordon Stephenson House  
140 William Street, Perth WA 6000  
t: (08) 6551 8700 f: (08) 6551 8556  
w: [www.communities.wa.gov.au](http://www.communities.wa.gov.au)

Communities believes the proposed mix of savings as identified above will continue to provide an appropriate balance in implementing the required savings and delivering on Communities' service objectives.

I trust that this information clarifies the situation for your Standing Committee to consider.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenni Perkins', written over the printed name.

Jenni Perkins  
Director General

8 October 2012



Government of **Western Australia**  
Department of **Fisheries**

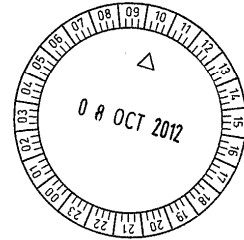
Our Ref: 1608/2000V4  
Enquiries: Kieth Van Dongen  
(08) 9482 7321

**PUBLIC**

08/10/12



*Fish for the future*



The Hon Giz Watson MLC  
The Chair Person  
Standing Committee  
Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

### **EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

Thank you for your letter of 24 September 2012 seeking advice regarding how the Department of Fisheries plans to achieve efficiency dividends in 2012/13 and future years.

The Department of Fisheries (DoF) is continuing to cooperate with Government in identifying and implementing efficiencies in the current year and ahead to 2015/16.

A number of DoF initiatives are anticipated to deliver savings to meet the required efficiency dividend, although details have not been finalised at this time. Additional information regarding DoF's plans to meet the efficiency dividend are expected to be released as part of the mid-year review.

Yours sincerely

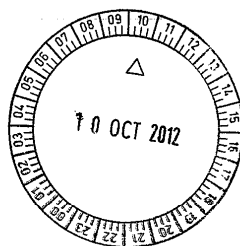
**STUART SMITH**  
**DIRECTOR GENERAL**

c.c: Hon Norman Moore MLC, Minister for Fisheries

05 October 2012



Government of **Western Australia**  
Department of **Education Services**



**E-MAILED**  
5/10/12

9 faxed,

Our Ref: NM:FM0335:2012/20568

**PUBLIC**

08/10/12

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6005

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

Thank you for your recent letter in relation to the general government efficiency dividend imposed on agencies during the 2012-13 Budget.

The Department of Education Services is committed to managing within its approved budget, and at the same time will ensure that the implementation of the efficiency dividend will not impact on its frontline service delivery outcomes.

These measures are as follows:

- A reduction of non-essential travel.
- A reduction of services and contracts expenditure on non-essential projects procured from the private sector.
- A reduction in administration costs through greater use of purchase cards.
- Slower, more gradual filling of internal vacancies.
- If measures are necessary beyond those above, the Department will review its regulation of education providers to place a greater focus on higher risk providers and issues.

Yours sincerely

  
for RICHARD STRICKLAND  
CHIEF EXECUTIVE OFFICER

4 October 2012

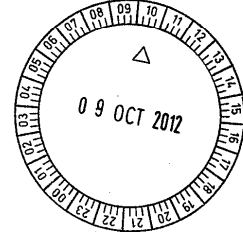
PO Box 1766 Osborne Park Western Australia 6916  
22 Hasler Rd Osborne Park Western Australia 6017  
Telephone (08) 9441 1900 Facsimile (08) 9441 1901  
Email [des@des.wa.gov.au](mailto:des@des.wa.gov.au) Website [www.des.wa.gov.au](http://www.des.wa.gov.au)  
ABN 86 936 328 729



Government of **Western Australia**  
Department of **Education**

**PUBLIC**

08/10/12  
Your ref :  
Our ref : D12/0645410  
Enquiries :



Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

Thank you for your letter to Ms Sharyn O'Neill, Director General dated 24 September 2012 regarding the implementation of the General Government Efficiency Dividends for 2012-13 and Future Years which requires the Department of Education to save 1% in 2012-13 (\$30.6 million), rising to 2% per annum from 2013-14 and totalling \$318 million over the forward estimates to 2015-16.

The Department is working on the savings measures that will need to be implemented to deliver these savings.

The following are examples of significant savings strategies, recently implemented, that will contribute to the savings targets:

- Reductions to Central Office staff. In June 2011, it was announced that Central Office would be reduced by 100 staff. This will save around \$8 million to \$10 million per annum including on costs.
- Office accommodation savings of around \$1.4 million per annum.
- An increase to school salary pool rates has been implemented over two years to reflect the full cost of schools employing relief staff.

Further initiatives that are currently being implemented include:

- Interstate and intrastate travel will be cut back to essential travel only.
- No new consultancies will be undertaken without the approval of the Director General.
- Colour printing will be restricted.
- The Central Office vehicle fleet will be reduced by up to eight vehicles.

The Department is continuing to identify and implement efficiencies and further information will be available when the Mid-Year Review is complete.

Yours sincerely

JOHN LEAF  
A/DIRECTOR GENERAL

4 October 2012

151 Royal Street, East Perth Western Australia 6004

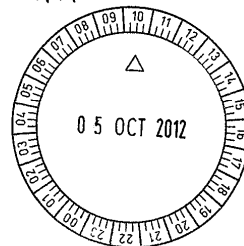


Government of **Western Australia**  
**School Curriculum and Standards Authority**

Your Ref: ef.all.120924.let001.ed (A370791)  
Our Ref: 2012/30113

**PUBLIC**

11/10/12



Hon G Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House,  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012-13 AND FUTURE YEARS**

I refer to your letter dated 24 September regarding the 2% efficiency dividend required by government agencies in 2012-13 and forward years to 2015-16.

The School Curriculum and Standards Authority has carefully examined each business area to identify and implement saving measures. Further information will be made available at the mid-year review in November.

Yours sincerely

**ALLAN BLAGAICH**  
**A/CHIEF EXECUTIVE OFFICER**

2 October 2012

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DIRECTOR OF PUBLIC PROSECUTIONS  
for WESTERN AUSTRALIA

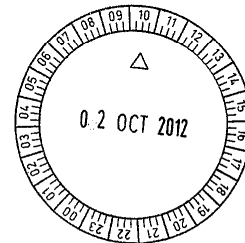
Level 1, 26 St Georges Terrace, PERTH WA 6000

**Office of the Director**

Your ref: N/A  
Our Ref: ADM2011/446:JMG:yab:mf  
Contact: Yanina Boschini  
Legal Administrator for the Director of Public Prosecutions  
Telephone: (08) 9425 3747  
Facsimile: (08) 9425 3611  
Email: yanina.boschini@dpp.wa.gov.au

**PUBLIC**

04/10/12



The Honourable Giz Watson MLC  
Standing Committee on Estimates and Financial Operations  
Parliament House  
PERTH WA 6000

Dear Ms Watson

**EFFICIENCY DIVIDENDS – 2012/13 AND FUTURE YEARS**

I refer to your letter dated 24 September 2012.

I have not yet identified what areas of the practice of the Office of the Director of Public Prosecutions may be subject to the efficiency dividend in 2012 and subsequent years. Accordingly, I have not yet informed the government how I intend to implement the efficiency dividend.

Yours sincerely

Joseph McGrath SC  
DIRECTOR OF PUBLIC PROSECUTIONS

26 September 2012

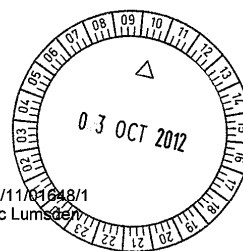


Government of **Western Australia**  
Department of **Planning**

**PUBLIC**

04/10/12

Our ref: DP/11/01648/1  
Enquiries: Eric Lumsden



Honourable Giz Watson MLC  
Chair  
Joint Standing Committee  
Parliament House  
Perth WA 6000

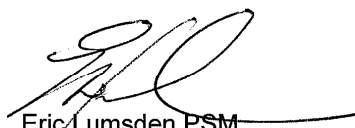
***Implementation of the General Government Efficiency Dividend – 2012/13 and Future Years***

The Department of Planning submitted a Strengthening Planning for the Future budget submission for the 2012-13 Appropriation which was to increase our expense limit by \$10.3M. This amount included an increase of \$7.05M to fund the shortfall in DoP's FTE levels and \$3.2M to fund the shortfall in accommodation costs of 140 William Street.

The recommendation by Treasury to EERC was that a decision on the appropriate funding for DoP was to be delayed pending the outcome of the Value for Money review which will be undertaken by the end of 2012. Once finalised the Department will be in a better position to identify areas where the dividend can be applied with minimal impact on the delivery of our services.

The department in the meantime will be making every effort to identify areas within the current appropriation to meet this dividend but it has been made all the more difficult due to our current structural funding deficit. In the interim the Department has adjusted TIM's to accommodate the efficiency dividend which has further compounded our structural deficiency.

Yours Sincerely

  
Eric Lumsden PSM  
Director General

27/9 /2012

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Government of **Western Australia**  
Department of **Culture and the Arts**

**PUBLIC**

04/10/12



File Ref

2 October 2012

Hon Giz Watson MLC  
Chair  
Standing Committee on Estimates and Financial Operations  
Parliament House  
Perth WA 6000

Dear Ms Watson

**Efficiency Dividends – 2012/13 and Future Years**

I refer to your letter of 21 September 2012 quoting the following extract from the 2012/13 budget papers:

*A 2% efficiency dividend to the general government sector based on cash service appropriations, but excluding the Department of Education (which will be subject to a 1% efficiency dividend in 2012-13). The dividend will be cumulative, increasing by 1 percentage point in 2013/14, 2014/15 and 2015/16 and is expected to deliver savings of around \$1.9 billion over the forward estimates period.*

The Committee asks the Department to advise how it will meet the efficiency dividend in 2012/13, 2013/14, 2014/15 and 2015/16.

The Department wishes to advise that Government is continuing to identify and implement these efficiencies and a further announcement will be made through the mid-year budget review.

Yours sincerely

Jacqui Allen  
**Acting Director General**

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