

MACHINERY-OF-GOVERNMENT CHANGES — AUDITOR GENERAL'S REPORT

1134. Hon TJORN SIBMA to the Leader of the House representing the Premier:

I refer to today's "Audit Results Report—Annual 2017–18 Financial Audits of State Government Entities" that made the following finding on page 23 regarding the implementation of machinery-of-government changes, which states —

- progress with amalgamating systems of the various constituent entities is slow, with most departments continuing to operate on several financial, human resource and administrative systems. This is impacting the realisation of cost savings that can be achieved by rationalising systems.
- (1) Have any cost savings been realised as a consequence of the Premier's rushed machinery-of-government changes 16 months after those changes occurred?
 - (2) If yes to (1), what is the amount of those savings?
 - (3) If no to (1), are any savings expected; and, if so, what are they and when will they be realised?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question.

- (1)–(3) The announcement of machinery-of-government changes in July 2017 was the first step towards long-term change in the way public services are delivered in Western Australia. Machinery-of-government changes were designed to create fewer, more collaborative departments, focused on whole-of-government objectives. Structural reform initiated in July 2017 helped to realise the savings measures articulated in the 2017–18 budget and beyond. For example, the newly amalgamated departments are bedding down their structures and key areas of government and are no longer silos that operate in isolation of each other; efficiencies from the amalgamated structures are being locked in through the voluntary targeted separation scheme with gross savings under the scheme estimated to total \$1.1 billion over the forward estimates period, with \$189 million of that to be retained by participating agencies for reinvestment in workforce renewal; and, in conjunction with the reduction of government departments, the government delivered a 20 per cent reduction of the senior executive service, with a net reduction of 140 SES officers as at 30 June 2018. It is estimated this initiative will deliver savings of \$26 million a year from 2018–19.