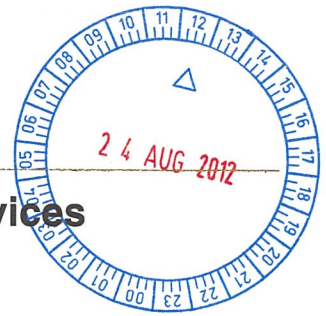




PUBLIC



Treasurer; Minister for Transport; Emergency Services

Our ref: 30-30340

Ms Samantha Parsons
Committee Clerk
Standing Committee on Estimates and
Financial Operations
Legislative Council
Parliament House
PERTH WA 6000

Dear Ms Parsons

ADDITIONAL QUESTIONS – DIVISION 24: TREASURY

Please find attached responses to additional questions raised subsequent to the 2012-13 Budget Estimates hearing of the Standing Committee on Estimates and Financial Operations in respect of the Department of Treasury on Thursday, 7 June 2012.

Yours sincerely

**TROY BUSWELL MLA
TREASURER**

24 AUG 2012

Att.

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

ADDITIONAL QUESTIONS FOR 2012/13 BUDGET ESTIMATES HEARING

DEPARTMENT OF TREASURY HELD ON

THURSDAY, 7 JUNE 2012

HON LJILJANNA RAVLICH MLC ASKED –

Budget Paper No. 2, page 300, Major Spending Changes – Efficiency Dividend

1. I refer to the \$5.327m Efficiency Dividend for Treasury over the forward estimates and I ask of the \$0.723m to be delivered in 2012-13 can the Minister provide a schedule of the savings measures in the following format?

Area of saving	Amount of saving	Form of Saving i.e. cuts or deferral of programs, capital works; sale of assets; FTE reductions, reduction to vehicle fleet etc	Name of suburbs affected

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2. Dot point 1 Wages Policy – Treasury works, together with the Department of Commerce and relevant agencies, to negotiate wage outcomes for public sector employees within the parameters of the Government’s Public Sector Wages Policy. This includes providing advice on key enterprise bargaining agreements. Agreements that were finalised in 2011-12 included the Police agreement, Teachers’ agreement, the TAFE Lecturers’ agreement, and a number of Main Roads’ agreements.
 - a) What is the government wages policy?
 - b) For each agreement finalised in 2011-12 can the Minister provide the agreement particulars and by how much the agreement exceeded the government’s own wages policy cap
 - c) In respect to those agreements expiring in 2012-13, (including Health Support Workers, Education Assistants, (Registered and Enrolled Nurses and Doctors).

- Miscellaneous Workers and Prison Officers) and 2013-14 can the Minister provide the dates at which each agreement expires
3. Dot point 2 deals with FTE Management – The Government has established a FTE cap for 2012-13 and 2013-14 for the majority of general government sector agencies.
 - a) Can the Minister provide the present FTE's for general government sector agencies
 - b) Can the Minister provide the FTE cap for 2012-13 and 2013-14 for general government sector agencies
 - c) How many Attraction and Retention Benefits were in place for individual SES Officers on a case by case basis the following financial years -
 - i) 2009-10;
 - ii) 2010-11; and
 - iii) 2011-12?
 4. Given that the FTE cap means that agencies' FTE levels for 2012-13 and 2013-14 are capped at currently approved levels for 2011-12 and some agencies are below their currently approved FTE ceiling can the Minister advise which agencies are below their cap and therefore will be able to employ additional staff up to that ceiling additional staff up to that ceiling
 5. Can the Minister explain why the measure applies to all general government agencies, except the Western Australian Electoral Commission and operational staff in Western Australia Police and the Departments of Health and Education?
 6. Can the Minister advise for the financial years 2009- 10, 10-11 and 11-12 which agencies' did not meet their FTE cap?

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7. Can the Minister advise when the 2012-13 decisions surrounding a further round of efficiencies and reprioritisation of public sector spending will occur
8. I refer to the Government Trading Enterprises (GTEs) Efficiency Dividend and its role in the coordination of an efficiency dividend on the discretionary operating expenditure of the State's GTEs and ask for each GTE can the Minister provide a schedule showing the discretionary operating expenditure amount
9. I refer to Port Authority Charges and Treasury's role in review of charging by the State's port authorities. The 2012-13 budget anticipates an increase in port charges from 2013-14, to ensure a more appropriate return on the State's substantial investment in the ports and ask can the Minister advise the following
10. For each port the charges and revenues in the following years
 - a) 2009-10;
 - b) 2010-11;

- c) 2011-12; and
- d) 2012-13 projected?

LEGISLATIVE COUNCIL
STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
ADDITIONAL QUESTIONS FOR 2012-13 BUDGET ESTIMATES HEARING

Date of Hearing: 7 June 2012

Division No. 24: Treasury

Hon Ljiljanna Ravlich MLC asked:

Budget Paper No. 2, page 300, Major Spending Changes - Efficiency Dividend

Question 1:

I refer to the \$5.327 m Efficiency Dividend for Treasury over the forward estimates and I ask of the \$0.723 m to be delivered in 2012-13 can the Minister provide a schedule of the savings measures in the following format?

Answer:

Area of Saving	Amount of Saving	Form of Saving	Suburb Affected
Treasury Business Systems.....	\$151,000	Reduced ongoing costs for system support and maintenance following implementation of the new Strategic Information Management System (SIMS).	Not applicable.
Strategic Policy	\$258,000		Not applicable.
Economic Reform	\$192,000		Not applicable.
Strategic Projects	\$122,000	Project support and administration.	Not applicable.
Total	\$723,000		

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Question 2:

Dot point I Wages Policy - Treasury works, together with the Department of Commerce and relevant agencies, to negotiate wage outcomes for public sector employees within the parameters of the Government's Public Sector Wages Policy. This includes providing advice on key enterprise bargaining agreements. Agreements that were finalised in 2011-12, included the Police agreement, Teachers' agreement, the TAFE Lecturers' agreement, and a number of Main Roads' agreements.

- a. *What is the government wages policy?*
- b. *For each agreement finalised in 2011-12 can the Minister provide the agreement particulars and by how much the agreement exceeded the government's own wages policy cap?*
- c. *In respect to those agreements expiring in 2012-13, (including Health Support Workers, Education Assistants, (Registered and Enrolled Nurses and Doctors). Miscellaneous Workers and Prison Officers) and 2013-14 can the Minister provide the dates at which each agreement expires?*

Answer:

- 2a. A copy of the Wages Policy is available on the Department of Commerce website at:

http://www.commerce.wa.gov.au/labourrelations/Content/Public_Sector/Developments_and_issues/Public_Sector_Wages_Policy.html

- 2b & c. All agreements finalised in 2011-12 included wage increases at or below the Wages Policy cap of projected growth in the Western Australian Wage Price Index. Specific details of each agreement are publicly available on the Western Australian Industrial Relations Commission's (WAIRC) website or will be available once registered with the WAIRC. The relevant website address is:

<http://www.wairc.wa.gov.au/Pages/AwardsAgreements/AwardsAgreements.aspx>

Question 3:

Dot point 2 deals with FTE Management – the Government has established a FTE cap for 2012-13 and 2013-14 for the majority of general government sector agencies.

- a. Can the Minister provide the present FTEs for general government sector agencies?*
- b. Can the Minister provide the FTE cap for 2012-13 and 2013-14 for general government sector agencies?*
- c. How many Attraction and Retention Benefits were in place for individual SES Officers on a case by case basis the following financial years–*
 - i) 2009-10;*
 - ii) 2010-11; and*
 - iii) 2011-12?*

Answer:

- 3a. This information can be sourced from the Public Sector Commission's (PSC) latest Quarterly Workforce Report (March 2012). Note that these figures represent a 'snapshot' at a particular point in time (the last pay day in the March quarter 2012), and are subject to seasonal and other timing influences.
- 3b. The 2012-13 and 2013-14 FTE cap is 38,097 and 38,140 respectively, noting these figures exclude operational FTEs for Western Australia Police, the Departments of Education and Health, and the Western Australian Electoral Commission in 2012-13. The overall FTE ceilings for 2012-13 and 2013-14 (including operational staff in these agencies) total 111,170 and 111,234 respectively, noting that agencies have not yet provided 2013-14 FTE estimates to Treasury.
- 3c. This query will need to be directed to the PSC via the Premier.

Question 4:

Given that the FTE cap means that agencies' FTE levels for 2012-13 and 2013-14 are capped at currently approved levels for 2011-12 and some agencies are below their currently approved FTE ceiling can the Minister advise which agencies are below their cap and therefore will be able to employ additional staff up to that ceiling?

Answer:

See the answer to Question 3.

Question 5:

Can the Minister explain why the measure applies to all general government agencies, except the Western Australian Electoral Commission and operational staff in Western Australia Police and the Departments of Health and Education?

Answer:

The Western Australian Electoral Commission requires additional resources in order to facilitate and coordinate the impending 2013 election. It should be noted that FTEs for the subsequent 2013-14 year will revert to, and be capped at, approved 2011-12 levels.

Frontline operational staff for Western Australia Police and the Departments of Education and Health were excluded from the cap in recognition that capping frontline staff could potentially compromise the effective delivery of essential community services.

Question 6:

Can the Minister advise for the financial years 2009-10, 2010-11 and 2011-12 which agencies' did not meet their FTE cap?

Answer:

Please refer to the Budget Papers for agencies' FTE caps. Any variances can be located in the Public Sector Commission's Quarterly Workforce Report.

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Question 7:

Can the Minister advise when the 2012-13 decisions surrounding a further round of efficiencies and reprioritisation of public sector spending will occur?

Answer:

Full details of these measures are contained in the 2012-13 Budget Papers.

The Government has made no decision on any additional corrective measures for 2012-13.

Question 8:

I refer to the Government Trading Enterprises (GTEs) Efficiency Dividend and its role in the coordination of an efficiency dividend on the discretionary operating expenditure of the State's GTEs and ask for each GTE can the Minister provide a schedule showing the discretionary operating expenditure amount?

Answer:

This question was asked and answered in the Legislative Assembly Estimates Committee B on the 30 May 2012 (Supplementary Information 21). The Member is advised to refer to that answer.

Question 9 / 10

I refer to Port Authority Charges and Treasury's role in review of charging by the State's port authorities. The 2012-13 Budget anticipates an increase in port charges from 2013-14, to ensure a more appropriate return on the State's substantial investment in the ports and ask can the Minister advise the following:

For each port the charges and revenues in the following years:

- a. 2009-10;*
- b. 2010-11;*
- c. 2011-12; and*
- d. 2012-13 projected?*

Answer:

The Member should refer to the Annual Reports covering 2009-10, 2010-11 and 2011-12 for each Port Authority, for charges and revenues covering those years. The estimated revenues for 2012-13 are as follows:

Port Authority	2012-13 Budget
	\$'000
Albany.....	11,024
Broome.....	18,141
Bunbury.....	36,332
Dampier.....	56,385
Esperance.....	47,188
Fremantle.....	178,819
Geraldton.....	89,213
Port Hedland.....	217,090
Total	654,192

The estimated revenue collected through fees and charges in 2012-13 is as follows:

Port Authority	2012-13 Budget
	\$'000
Albany.....	9,789
Broome.....	16,051
Bunbury.....	32,761
Dampier.....	48,171
Esperance.....	42,236
Fremantle.....	161,663
Geraldton.....	86,144
Port Hedland.....	194,349
Total	591,164

Note: Geraldton, Bunbury and Port Hedland Port Authorities have significant revenue increases due to volume increases from through put of bulk products in the ports, namely iron ore, and not price increases per se.