

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
2019-29 BUDGET ESTIMATES HEARINGS
QUESTIONS PRIOR TO HEARING

Department of Finance

The Committee asked:

- 1) On non-operational special purpose accounts:
- a) How many has your agency established under sections 16(1)(b) to (d) of the *Financial Management Act 2006*.
- Answer:
- The Department of Finance has no special purpose accounts under sections 16(1)(b) to (d) of the *Financial Management Act 2006*.
- b-d) Not applicable

Department of Finance

Hon Tim Clifford MLC asked:

- 2) In reference to the Carbon Offsets Program on page 102 of Budget Paper 3:
- b) Are there options for government agencies to purchase fully electric vehicles?
- Answer:
- Yes, there are three battery electric vehicles (two passenger and one light commercial) on the Government's Motor Vehicle Acquisition Contract which agencies can choose to purchase.
- c) If yes to (a), will these purchases be exempt from the motor vehicle carbon levy?
- Answer:
- Yes, battery electric vehicles are exempt from the motor vehicle carbon levy.
- d) Has the Government put in place any measures to increase the supply and purchase of electric vehicles which would reduce, and eventually obviate the need to offset greenhouse gas emissions?
- Answer:
- An electric vehicle working group, chaired by the Department of Water and Environmental Regulation is assessing the cost benefit of a range of policies and incentives to encourage and facilitate the uptake of electric vehicles in Western Australia. The working group expects to provide preliminary findings and recommendations for government consideration by the end of 2019.
- e) Has the Government undertaken modelling to compare the cost savings of incentivising or otherwise encouraging government agencies to purchase electric vehicles rather than spending \$390,000 per annum on a motor vehicle carbon levy?
- Answer:
- The electric vehicle working group is undertaking detailed financial modelling on the whole of life costs of electric vehicles and internal combustion engine vehicles. This modelling will be used to provide recommendations to government on a number of initiatives, including the value of incentives and the increased uptake of electric vehicles in the Government's vehicle fleet.
- f) If yes to (d), please table this modelling, including any modelling showing that purchasing local carbon offsets is a more effective method of reducing GHG emissions than introducing electric vehicles to the Government fleet?
- Answer:
- The modelling referred to in question 2d is currently being undertaken. It is expected preliminary findings and recommendations will be considered by government by the end of 2019.



Department of Finance

Hon Tjorn Sibma MLC asked:

3) Regarding the second significant issue impacting the agency listed on page 170 of BP2 vol1, I ask in relation to 'procurement reform':

a) Can the Department provide the total value of State Government procurement for the years 2017-18 and to 2018-19:

- Contracts Awarded (Goods and Services Only)¹
 - a. 2017-18 - \$2.19 billion
 - b. 2018-19 - \$2.36 billion²
- Whole-of-Government Common Use Arrangement Expenditure (CUA)
 - c. 2017-18 - \$1.00 billion
 - d. 2018-19 - \$0.77 billion³

i) Is it further possible to provide information regarding in which areas of activity this money was spent, for example, civil construction, IT services, leases, consultancies, etc?

Answer:

- 2017-18 (Top 5 categories of Contracts Awarded – Goods and Services only)
 - Professional Services - \$0.76 billion
 - Health and Medicine - \$0.44 billion
 - IT, Telecommunications, Electronic and Electrical - \$0.30 billion
 - Travel and Transport - \$0.26 billion
 - Environment and Waste Disposal - \$0.08 billion
- 2018-19 (Top 5 categories of Contracts Awarded – Goods and Services only)²
 - IT, Telecommunications, Electronic and Electrical - \$0.69 billion⁴
 - Travel and Transport - \$0.63 billion
 - Professional Services - \$0.32 billion
 - Health and Medicine - \$0.28 billion
 - Agriculture, Horticulture, Plants and Animals - \$0.08 billion

b) Can the Department estimate the total value of anticipated State Government procurement for the 2019-20 years and broadly indicate where this money might be spent?

Answer:

- Contracts Awarded (Goods and Services Only)⁵
 - 2019-20 - \$2.83 billion
 - Professional Services - \$0.83 billion
 - Health and Medicine - \$0.51 billion
 - IT, Telecommunications, Electronic and Electrical - \$0.44 billion

¹ Contracts Awarded: includes all Goods and Services contracts awarded by public authorities published on the Tenders WA website. Values include GST. Expenditure via Common Use Arrangements (CUAs) has been reported separately.

² Year-to-date value (to 27 May 2019)

³ CUA sales data is for public authorities only and excludes GST. 2018-19 sales value includes data for two quarters, incomplete data for the third quarter, fourth quarter has not yet been received. Remuneration Packaging and Purchasing Card values are excluded. Does not include GovNext-ICT CUA expenditure.

⁴ Includes large contract for Perth Transport Authority

⁵ Based on average contract awarded value for the last four years.



- Travel and Transport - \$0.36 billion
 - Law, Order and Safety - \$0.33 billion
 - Whole-of-Government Common Use Arrangement Expenditure (CUA)
 - 2019-20 - \$1.00 billion^{6 7}
- c) With whom outside the public sector is the Department consulting to develop this new procurement framework?

Answer:

The Department has consulted with industry groups (including peak bodies, associations and unions), government suppliers, and local and regionally based businesses. This consultation is ongoing.



⁶ Based on average total CUA spend 2015-16, 2016-17 and 2017-18 as 2018-19 is incomplete.

⁷ Does not include GovNext-ICT CUA expenditure.