

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

2016-17 Budget Estimates – Generic Questions to agencies

**Horizon Power****Agency Expenditure Review Program**

- (1.1) *How will the savings measures identified in the Budget be achieved by your agency?*
- (1.2) *What are the risks to achieving the savings identified?*
- (1.3) *Are there any low priority programs your agency is ceasing or reducing? If so, please provide details.*

Answer:

- (1.1) Horizon Power has implemented a series of road maps with key milestones along with a benefits tracking process to ensure that the benefits identified are realised.
- (1.2) Horizon Power has already achieved a reduction in subsidy of \$86 Million per annum over the forward estimates and has committed to achieving \$100 Million per annum by 2017/18. The remaining savings will be delivered through regional operating and labour savings together with implementation of System Blue Print analysis which will reduce generation and delivery costs.
- (1.3) Horizon Power has streamlined the Asset Management Planning Process with a risk based approach which has resulted in lower operating and maintenance costs together with lower asset replacement costs. In addition savings have also been delivered through streamlining of financial reporting processes.

National Partnership Agreements

- (1.4) *Please provide a list of:*
- *all national partnership agreements under which your agency receives funding*
 - *the expiry dates of those agreements*
 - *how much was received in 2015-16 under the agreements and the budgeted amount for 2016-17*
- (1.5) *Please provide details of the value of the impact on your agency's budget resulting from the expiry of those agreements.*
- (1.6) *Will the State be making up the loss in funding resulting from the expiry of agreements?*
- (1.7) *If so, how and, if not, please provide details of any cuts that will need to be made and the implications for service delivery by your agency.*

Answer:

(1.4) – (1.7) Not applicable.

Commonwealth grants

(1.8) Please provide the same information requested for national partnership agreements above for any Commonwealth grants received by your agency.

Answer:

(1.8) Not Applicable

10-Year Strategic Investment Plans

(1.9) Please provide a copy of your 10 year Strategic Asset Investment Plan.

Answer:

(1.9) Cabinet-in-Confidence.

Infrastructure requirements

(1.10) What are your agency's infrastructure requirements for the next 10 years? Specifically:

- *What infrastructure needs to be replaced, upgraded or built to meet demand?*
- *What allocation has been made in the Budget for the planning and delivery of these requirements? Is the allocation in capital works?*
- *In what time frame will the requirements be delivered?*

Answer:

(1.10) Cabinet-in-confidence

Sale of vehicles

(1.11) How many vehicles does your agency expect to sell in the 2015-16 financial year?

(1.12) How many vehicles does your agency expect to sell in the 2016-17 financial year?

(1.13) What is the estimated total proceeds from the sales in each of the above financial years and how will those funds be allocated?

(1.14) Will any of the sales in 2016-17 be part of the Agency Expenditure Review program and, if yes, how many?

(1.15) What will be the impact on agency staff (i.e. what alternative arrangements have been made for their transport)? What will be the cost of any alternative transport arrangements compared to the cost of retaining the vehicles?

Answer:

(1.11) As at May 2016, we have sold four vehicles.

(1.12) We expect to sell eight vehicles in the 2016 – 17 financial year.

(1.13) For 2015-16 the proceeds amounted to \$50,560. For 2016-17 the total proceeds are expected to be around \$150,000. Proceeds would be allocated towards the purchase of new vehicles.

(1.14) No. The vehicles are being replaced under the asset replacement program.

(1.15) There will be no impact on Horizon Power's staff as the vehicles are being replaced.

Full time/contract staff

(1.16) What is the estimated total number of FTE staff in your agency for the 2015-16 and 2016-17 financial years?

(1.17) In each financial year, what proportion of your staff are engaged in:

- A contract of service (permanent staff)?
- A contract for services (contracted staff)?

(1.18) Of those staff that are engaged by a contract for services, please explain why they are not engaged as permanent staff.

(1.19) What is the cost to the agency of engaging contracted staff, including contract preparation, negotiation, payroll modifications, (i.e. where the contracts are renewed for staff on 6 month contracts) and cost of HR staff who manage the contracts?

(1.20) Are staff employed as contractors paid at a different rate to those who are permanent employees in a similar role and, if so, please provide details and explain why.

Answer:

(1.16) 2015/16 - 393

2016/17 – Forecast 393

(1.17)

• Permanent staff

2015/16 – 299

2016/17 – Forecast 299

• Contracted staff

2015/16 – 94

2016/17 – Forecast 94

- (1.18) Contractors are generally linked to specific projects which are time-bound and therefore do not require permanent staff, or, in a small number of cases they are filling a full time position until a permanent staff member is found.
- (1.19) This information is not collated at Horizon Power.
- (1.20) Yes. Labour rates likely to be similar, however, contractor rates tend to have a premium depending on the term of assignment or additional agency overhead costs.

Media monitoring

- (1.21) How much does your agency spend on media monitoring, for example, newspaper clippings?*
- (1.22) Who provides this service to your agency?*
- (1.23) What types of media monitoring services are provided to your agency? Please provide details.*
- (1.24) On what basis is this service provided, i. e. ongoing contract or on a fee for service basis? Please provide details.*

Answer:

- (1.21) 2014-15 Actual - \$21,472
2015-16 Estimated Actual - \$22,448.94
2016-17 Budget Estimate - \$25,000
- (1.22) isentia
- (1.23) Print, broadcast and online news coverage.
- (1.24) Fixed monthly and variable (ordered media items and copyright) fees.