



PUBLIC

**TREASURER; MINISTER FOR COMMERCE;
SCIENCE & INNOVATION; HOUSING & WORKS**

Your ref : 30-05424
Our ref : 6859049

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

Dear Ms Watson

BUDGET OF THE OFFICE OF THE AUDITOR GENERAL

Thank you for your letter of 23 April 2009 with the Standing Committee's recommendation that, in the public interest, the budget of the Office of the Auditor General (OAG) should be maintained at least at the 2008-09 level to ensure accountability of Government agencies to the Parliament and people of Western Australia.

I agree that the Auditor General will face a number of additional audit challenges in the coming financial year and that these challenges, in addition to the scheduled audits, may have some impact on the OAG's funding requirements.

However, with the recent endorsement by Cabinet of the 2009/10 budget process, which has limited the scope of funding to the implementation of election commitments, achievement of the 3% efficiency dividend and to outcomes and recommendations of the Economic and Capital Works Audits, a number of agencies have been required to absorb any additional cost pressures.

It is also be noted that the OAG's level of funding to deliver services has not been reduced in 2009-10 and in subsequent outyears.

Accordingly, the Government would anticipate that any additional cost pressures will be managed and absorbed within OAG's existing appropriation with a continued risk management approach to be applied to its overall service delivery.

Yours sincerely

**TROY BUSWELL MLA
TREASURER; MINISTER FOR COMMERCE;
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