

GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS' REPORT 90 *CONSIDERATION OF THE 2023-24 BUDGET ESTIMATES*

Recommendation 1: The Premier and relevant Ministers release the full reports of the agency capability reviews, and the agency's response or implementation plan to that review.

Not supported

An Agency Capability Review's executive summary provide an overview of the review process and summarise the same key observations on capability gaps and areas of strength that are contained in the full reports. However, they are summarised to a level of detail sufficient to satisfy public and stakeholder interest in the review while minimising adverse impacts on agency operations or the effectiveness of the review program.

A critical part of the review process is that agency staff and stakeholders can speak openly and give candid feedback about the agency being reviewed. Publication of the full reports would have an adverse impact on the full and honest engagement of staff and stakeholders.

Agencies report on progress in their annual reports and the Public Sector Commissioner monitors implementation through the Chief Executive Officer performance management process.

Recommendation 2: The Treasurer direct the Department of Treasury to examine the best method for clearly indicating in the budget statements whether a performance target is expected to be met.

Not supported

The Budget Statements already include details on whether a key effectiveness indicator or key efficiency indicator is expected to be met in the current year through the Estimated Actual column and commentary provided where the variation is forecast to be material.

Recommendation 3: The Treasurer direct the Department of Treasury to ensure all changes to the performance reporting framework are disclosed in the budget statements.

Supported

Treasury will request agencies include footnotes in the Budget Statements for all changes to the performance reporting framework approved by the Treasurer or the Under Treasurer (under delegated authority) since the previous Budget.

Recommendation 4: The Treasurer direct the Department of Treasury to publish a breakdown of payments from Treasurer's special purpose accounts by agency and program on the budget website.

Not supported

The recommended disclosures involve a time consuming and resource intensive process, and exceed the granularity required by external reporting standards. In addition, payments received by agencies from Treasurer's special purpose accounts are already disclosed in the Budget Statements.

Recommendation 5: The Treasurer direct the Department of Treasury to group oversight and integrity bodies as a standalone Part in the budget papers and Appropriation Bills.

Not supported

The structure and content of the Budget Statements reflect their purpose as the explanatory information in support of the Appropriation Bills that authorise supply to appropriation-funded agencies in the Budget year. The grouping within Parts is based broadly on policy/service areas and occurred following the 2017 Service Priority Review recommendations.

Recommendation 6: The Minister for Transport direct the Commissioner of Main Roads to adopt the Western Australia Police Force approach for presenting adjusted service-level spending data.

Not supported

Both the Western Australia Police Force and Commissioner of Main Roads service-level spending data removes grant expenditure that is not under the direct control of the agency. As such, the current approach is consistent.

Recommendation 7: The Treasurer direct the Department of Treasury to refer to 'WA Health' as the 'Department of Health' in future budget papers and Appropriation Bills.

Not supported

The term 'WA Health' refers to the consolidated health system, comprising the Department of Health, Health Service Providers (such as the North Metropolitan Health Service) and Health Support Services. Referring to the State's health system as the 'Department of Health' would be misleading and inaccurate.

Recommendation 8: The Treasurer direct the Department of Treasury to require entities consolidated at budget-time to list their component entities in the budget statements.

Not supported

Budget Papers are published in accordance with the intent of the 2017 Machinery of Government changes and other long-standing sectoral presentations (e.g. the consolidation of the health sector as WA Health). Details on the component entities and their respective budget allocations are already required to be published on agency websites in accordance with Treasurer's instruction 953 *Annual Estimates*.

Recommendation 9: The Treasurer direct the Department of Treasury to require entities consolidated at budget-time to disclose where particular services or key performance indicators are performed by a component entity in the budget statements.

Not supported

Readers of Budget Papers can readily ascertain which component entity performs the services and reports key performance indicators. Details of those services and key performance indicators are already disclosed in annual reports as per Treasurer's instruction 903 *Agency Annual Reports*.

Recommendation 10: The Treasurer direct the Department of Treasury to develop appropriate systems for ensuring it can readily provide:

- all changes to the outcomes based management framework since the previous budget
- a list of all spending changes in the budget that are subject to a sunset clause and/or program evaluation and the timeframes for evaluation
- an update on all program evaluations from previous budget estimates rounds.

Partially supported

Changes to the outcomes based management framework since the previous Budget

Treasury has already sought to strengthen its internal process to track all approved changes to agencies' outcomes based management frameworks. As indicated in response to Recommendation 3, footnotes in the Budget Statements will transparently direct readers to more detailed contextual information in agency annual reports.

List of all spending changes in the Budget that are subject to a sunset clause and/or program evaluation and the timeframes for evaluation

Treasury systems currently allow for all spending changes in the Budget that are subject to a sunset clause and/or program evaluation to be identified, with this information previously provided to the Committee.

Update on all program evaluations from previous Budget estimates rounds

Not supported. Program evaluations directed by the Expenditure Review Committee (including under a sunset clause) are the responsibility of the relevant portfolio agency and are Cabinet-in-confidence until finalised and considered.

Recommendation 11: Ministers listed in Table 9 notify the Parliament and Auditor General of their decision to not provide certain information to the Committee.
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Noted