



Help Wanted: Efficiency and Innovation in Public Service Delivery

Timothy Marney – Under Treasurer


2012-13 Budget Overview

- The WA economy is underpinning the national economy with just 10% of the population but achieving:
 - 20% of all company tax, 60% of MRRT, 40% of total exports, 45% of merchandise trade, 70% of all jobs created last year

2012-13 Budget Overview

- Revenue growth is projected to grow at an annual average rate of 4.8% over 2011-12 to 2015-16, compared with average growth of 8.4% per annum over the past decade
 - GST down \$662million in 2012-13
 - Royalty revenue increasing (but 70% lost in GST)
 - Transfer duty revised down by \$836million

2012-13 Budget Overview

- With population growth and economic growth increasing, growth in the demand for infrastructure and services is high
 - State's financial outcomes are sound
 - surpluses in every year
 - debt starts to ease toward the end of the forward estimates
 - consistent with triple-A credit rating
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2012-13 Budget Overview

- About 1,000 people are coming to live in Perth per week



Key Budget Aggregates

	2011-12 Estimated Actual	2012-13 Budget Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
GENERAL GOVERNMENT SECTOR					
Net Operating Balance (\$m)	484	196	345	836	1,404
Revenue (\$m)	24,749	25,477	27,019	28,376	30,238
Revenue Growth (%)	3.5	2.9	6.1	5.0	6.6
Own-source revenue (%)	4.8	7.9	13.0	8.7	7.6
Commonwealth grants (%)	1.6	-5.0	-6.7	-3.1	4.0
Expenses (\$m)	24,266	25,281	26,674	27,540	28,833
Expense Growth (%)	8.8	4.2	5.5	3.2	4.7
TOTAL PUBLIC SECTOR					
Net Debt at 30 June (\$m)	15,169	18,594	22,176	23,156	22,866
Asset Investment Program (\$m)	6,852	7,639	7,422	6,038	5,344
Cash Position (\$m)	-3,150	-3,364	-2,959	-853	598
KEY FINANCIAL RATIOS ^(a)					
Net Interest Cost to Revenue (%)	2.1	2.4	2.8	2.9	2.9
Net Financial Liabilities ^(b) to Revenue (%)	66.8	72.0	75.9	73.9	68.3

^(a) Total non-financial public sector

^(b) Standard and Poor's basis

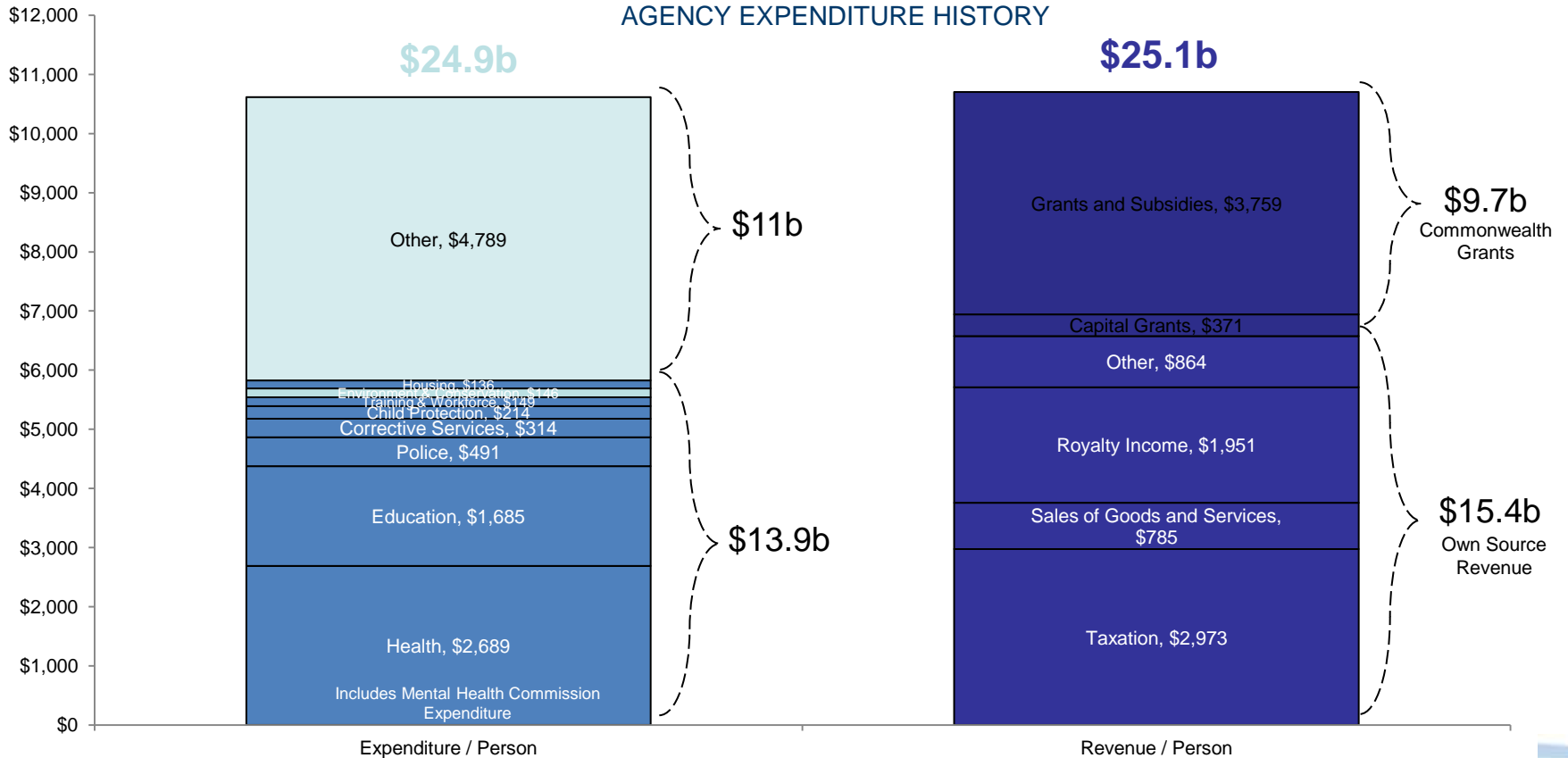
Recurrent Expenditure – Key Service Delivery Agencies

	2008-09 \$m	2012-13 \$m	Increase \$m	Increase %
Health	4,854	6,763	1,909	39.3
Education	3,266	4,059	793	24.3
Police	924	1,177	253	27.4
Disability Services	434	723	289	66.5
Mental Health	471	655	184	39.2
Child Protection	353	536	184	52.1

Capital Expenditure – Key Agencies

	2008-09 \$m	2012-13 \$m	Increase \$m	Increase %
Health	360	1,174	814	225.8
Education	282	518	236	83.7
Police	67	132	65	96.7
Corrective Services	46	154	108	231.5
Housing	615	971	356	58.0

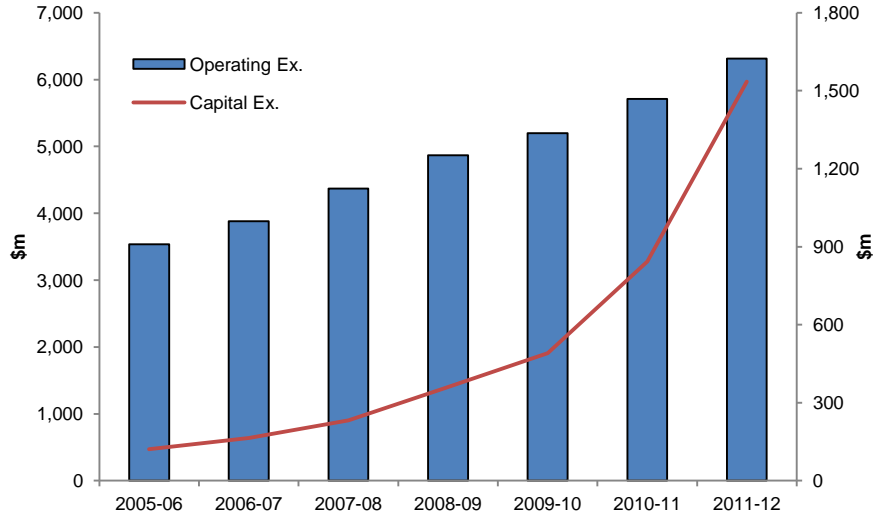
Expenditure vs. Revenue per Capita (2011-12)



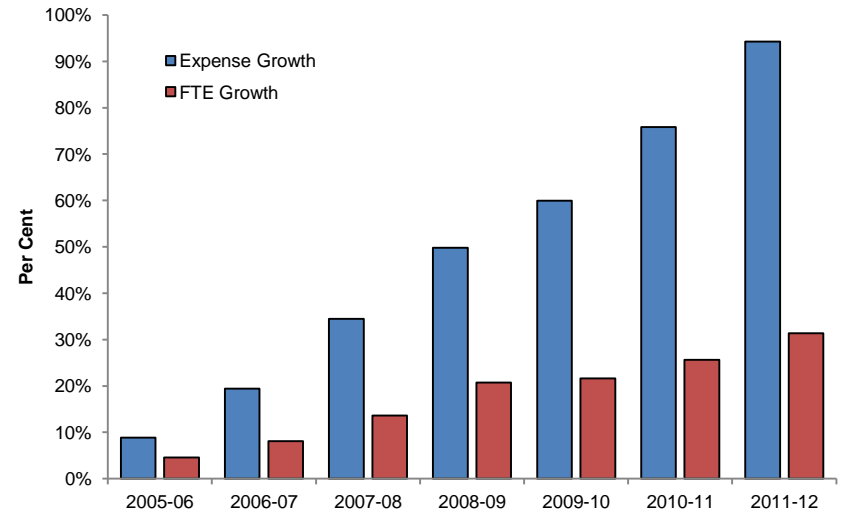
Source: 2011-12 Government Mid-Year Financial Projections Statement (Mid-Year Review)

Operating and Capital Expenditure

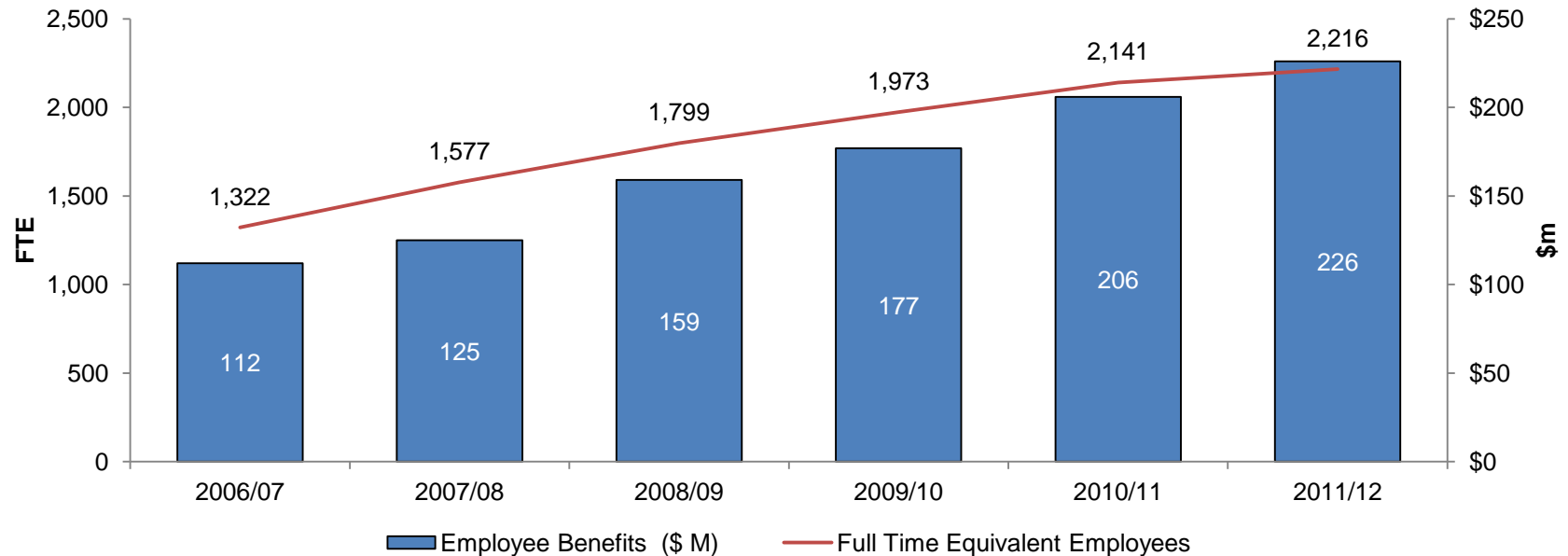
Operating and Capital Expenditure



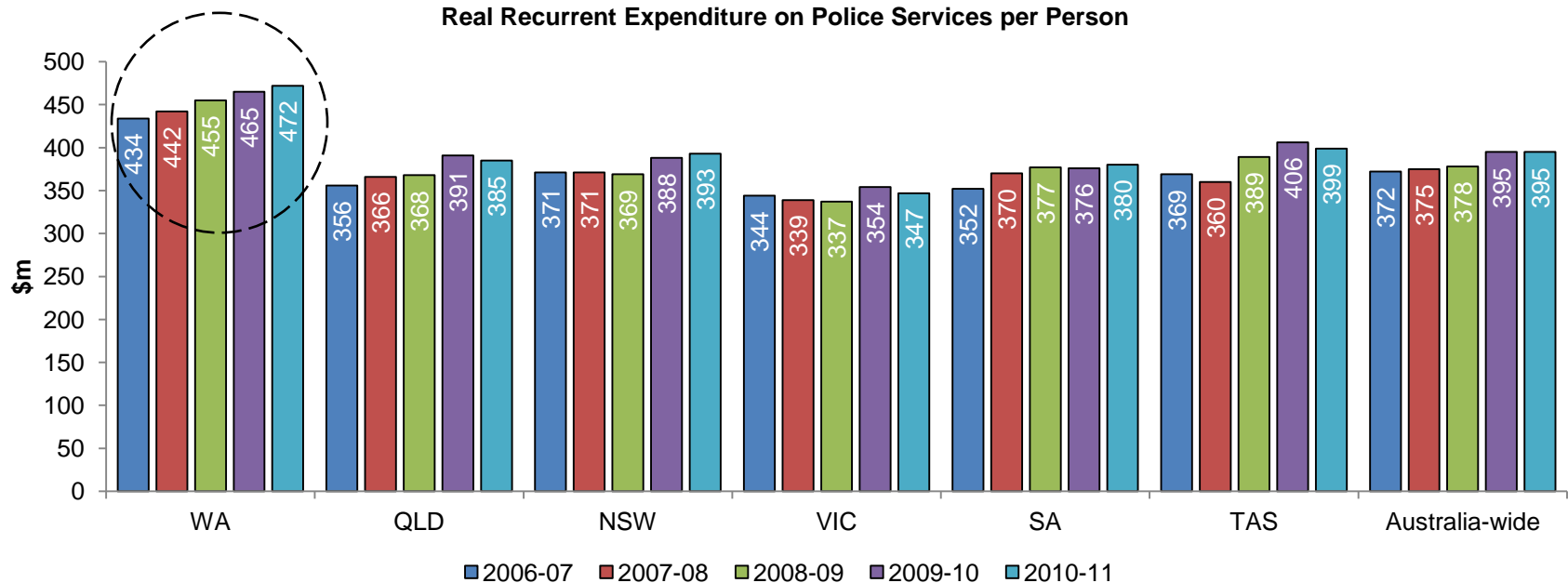
Cumulative Operating Expenditure and FTE Growth



Employee Benefit Expenditure and FTEs



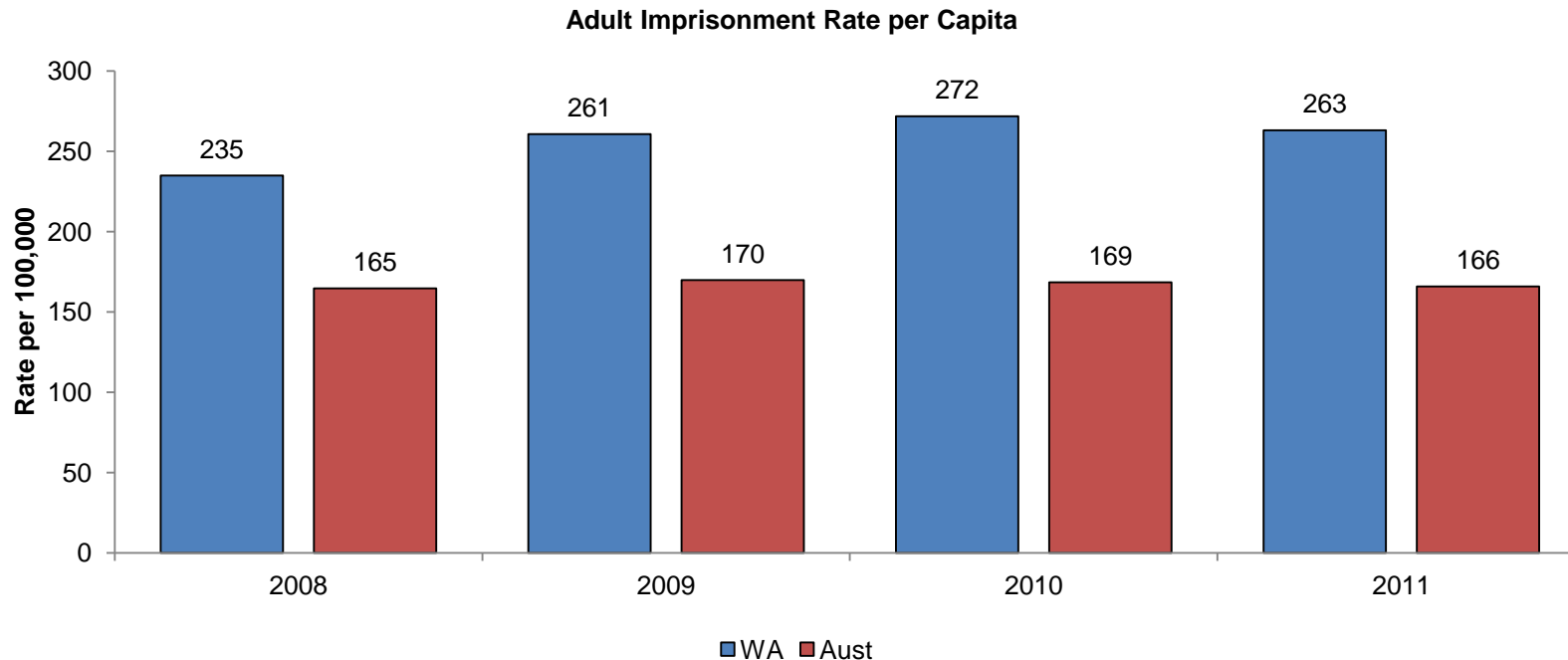
Comparative Expenditure on Police Service per Person



Source: Productivity Commission, Report on Government Services 2012, Chapter 6 Police Services

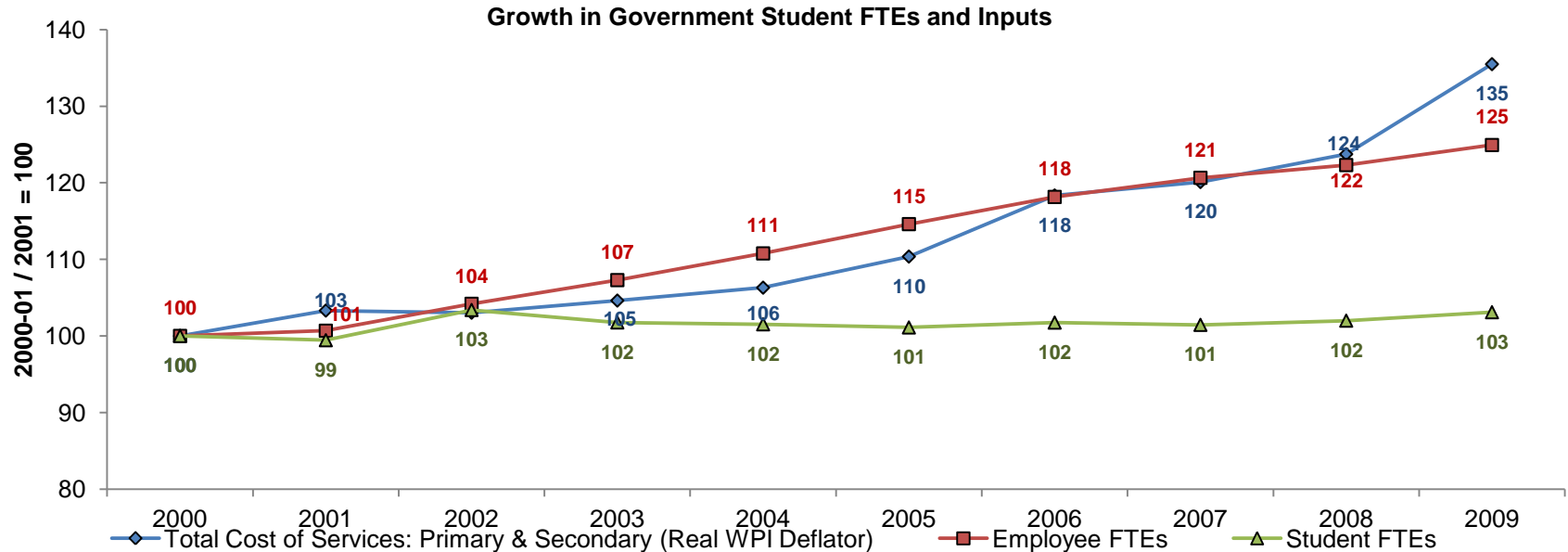
WA has High Imprisonment Rates

DEPARTMENT OF
CORRECTIVE SERVICES



Source: ABS

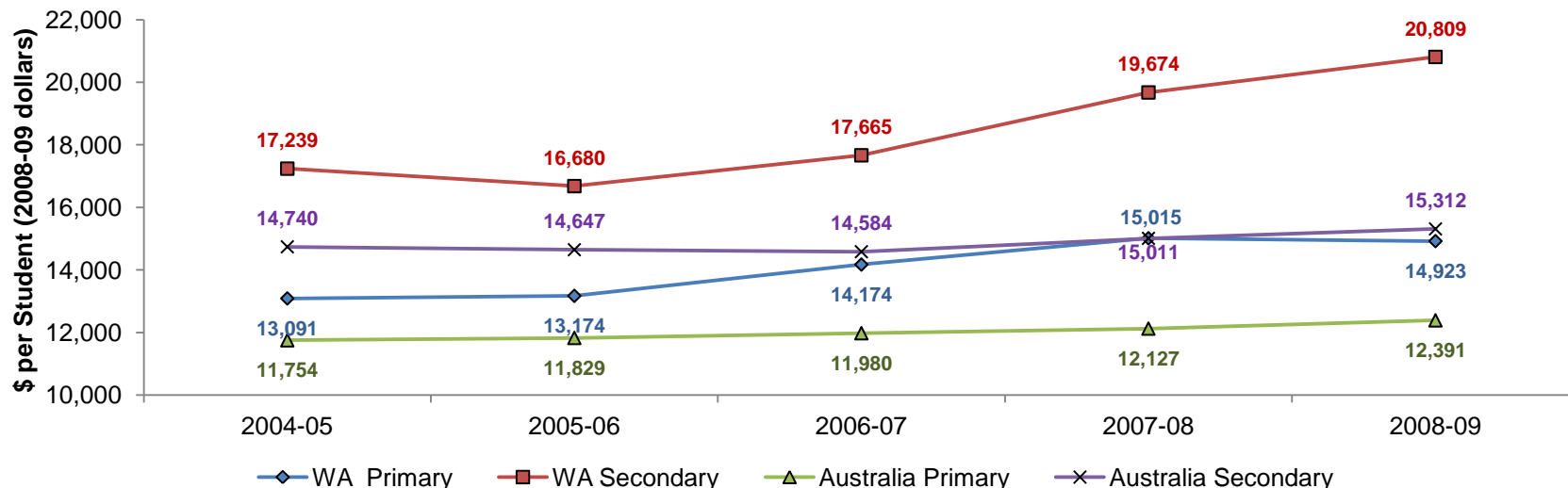
Growth in Total Cost of Services Compared to Other Student Numbers



Source: Australian Bureau of Statistics (ABS), FTE Student number data and charts 1996-2010 workbook

Cost per Student

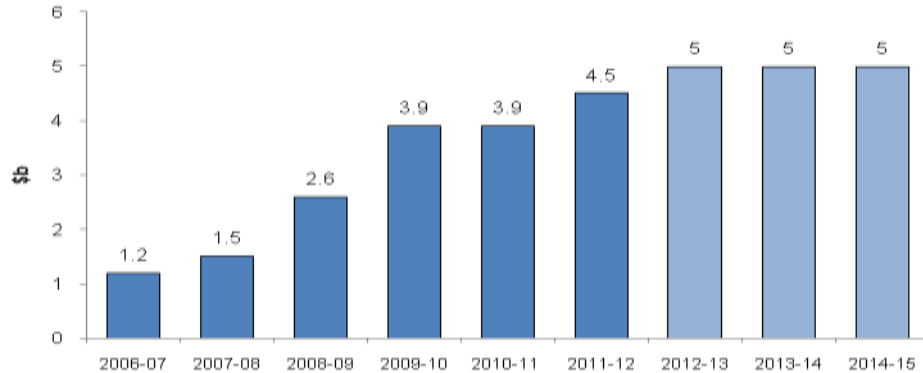
Government Real Recurrent Expenditure per FTE Student: Government Schools



Source: Report on Government Services, Table 4A.8 Real Australian, State and Territory government recurrent expenditure per student, government schools (\$ per FTE student) (2008-09 \$) (a), (b), (c)

Keystart Loan Book has More than Tripled since 2006-07

Keystart Loans by Value



Loan to Value Ratio by Value and No. of Accounts

