

# Progress Report 2011-12 Budget Savings Strategies

September Quarter 2011



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# 1 INTRODUCTION

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This Report has been prepared by the Department of Treasury and Finance. The purpose of this Report is to provide an assessment of progress that has been achieved by agencies during the September Quarter 2011 towards the implementation and achievement of Budget savings strategies announced in the 2011-12 Budget.

The implementation of the Budget savings strategies is aimed at achieving the Government's objective of stabilising the State's financial position. The key objectives of the strategies include:

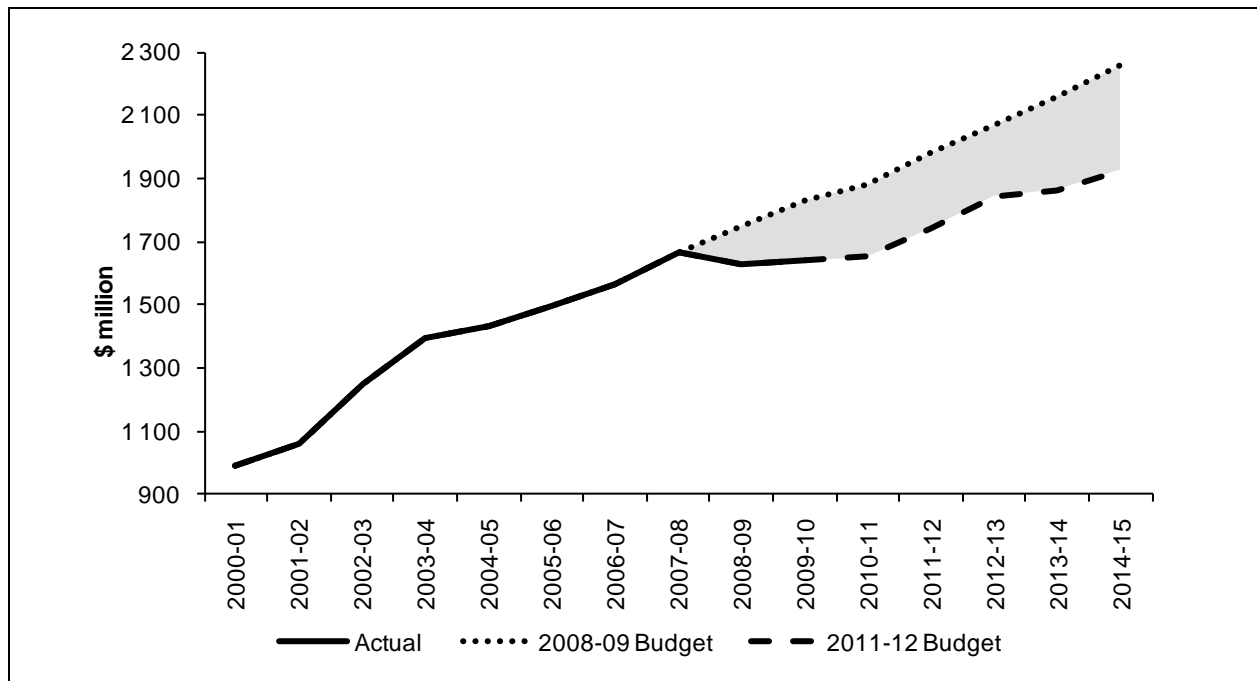
- returning the State's financial position to a sustainable position over the medium-term;
- improving government services through the prioritisation of funding and increasing productivity; and
- providing infrastructure investment that supports public and private sector productivity improvement and long-term economic growth.

Importantly, the strategies aim to ensure that the State does not return to a General Government Net Debt position.

This action has been required following the impact of the GFC that resulted in a significant deterioration in the State's financial position. This change primarily reflects the ongoing impact of the GFC on Tasmania's GST receipts and, to a lesser extent, on State own-source revenues.

Chart 1.1 compares the GST revenue estimates used in the 2008-09 Budget (trend projection from 2012-13) with the latest Australian Government estimates, which are reflected in the 2011-12 Budget. In 2011-12, GST receipts from the Australian Government will be \$239.0 million, or 12.1 per cent, lower than expected when the 2008-09 Budget was developed. This is also a further deterioration of \$77.6 million compared to the estimate included in the *2010-11 Mid-Year Financial Report*.

Chart 1.1: GST Revenue 2000-01 to 2014-15



The total loss of GST and State Taxation revenue over the 2011-12 Budget and Forward Estimates period is \$1.7 billion.

The September Quarter 2011-12 Budget Savings Strategies Progress Report contains the following information:

- Section 2 provides an overview of progress in implementing the Government's Public Sector Productivity Strategy;
- Section 3 presents an assessment of progress against agency Budget savings strategies that were detailed in the 2011-12 Budget Papers; and
- Section 4 provides an update in relation to the implementation of central program reviews, including the review of the Government's motor vehicle fleet.

Table 1.1 identifies the level of savings that are required to be achieved from each of the Budget saving strategies, as set out in the 2011-12 Budget. These are part of a comprehensive plan to close the Budget deficit over the Budget and Forward Estimate period and return the State's finances to a sustainable position.

The Budget savings strategies are detailed in Chapter 4 of the 2011-12 Budget Paper No.1 *The Budget*. Further information will be provided in the 2011-12 Mid-Year Financial Report which will be released by 15 February 2012.

Table 1.1: Budget Saving Strategies

	2011-12	2012-13	2013-14	2014-15
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m
<b>2010-11 Mid-Year Report Savings<sup>1</sup></b>	<b>51.6</b>	<b>54.9</b>	<b>47.2</b>	<b>14.2</b>
<b>2011-12 Budget Savings Strategies</b>				
Wages Policy and Funding Framework	8.1	22.8	41.5	63.2
Agency Savings Strategies	176.7	223.4	240.4	236.7
Central Program Reviews <sup>2</sup>	....	....	....	....
Improved Returns from Government Businesses	18.2	34.1	40.7	38.4
State Taxation Measures	14.0	14.4	15.0	15.8
Water and Sewerage Reform	21.1	(3.4)	(1.9)	....
<b>Total 2011-12 Budget Savings Strategies</b>	<b>238.1</b>	<b>291.3</b>	<b>335.7</b>	<b>354.1</b>
<b>Total Budget Savings</b>	<b>289.7</b>	<b>346.2</b>	<b>382.9</b>	<b>368.3</b>

Notes:

1. These savings include the revised equity policy for Government businesses, saving \$32.5 million per annum from 2011-12 to 2013-14.
2. These reviews will be undertaken in 2011-12. The level of any future savings is yet to be determined.



# 2 REFORMING THE PUBLIC SECTOR

The Government's Public Sector Productivity Strategy that was outlined in the 2011-12 Budget, seeks to improve the efficiency and effectiveness by which government services are provided to the community. In 2011-12, the Public Sector Productivity Strategy includes:

- State Service structural reforms and productivity strategies; and
- a revised wage policy and funding framework.

## Tasmanian Public Sector Employment

Since the release of the 2011-12 Budget in June 2011, public sector employment has declined by 510 FTEs from 25 452 to 24 942 FTEs. Table 2.1 identifies the movements in FTEs by agency.

**Table 2.1: General Government Sector Employment – Paid FTEs**

	June 2010	June 2011 (A)	September 2011 (B)	Difference (B-A)
	FTEs	FTEs	FTEs	FTEs
Economic Development, Tourism and the Arts	455	471	453	(18)
Education <sup>1</sup>	8 913	8 766	8 458	(308)
Health and Human Services	9 697	9 879	9 766	(113)
Infrastructure, Energy and Resources	523	497	490	(7)
Justice <sup>2</sup>	1 012	1 050	1 060	10
Ministerial and Parliamentary Support <sup>3</sup>	151	151	147	(4)
Police and Emergency Management	1 631	1 611	1 594	(17)
Premier and Cabinet	296	297	297	....
Primary Industries, Parks, Water and Environment	1 280	1 311	1 282	(29)
Tasmania Fire Service	460	461	449	(12)
Tasmanian Skills Institute	383	344	344	....
Treasury and Finance	317	298	286	(12)
Parliamentary and Statutory Offices <sup>4</sup>	301	316	316	....
<b>Total General Government Sector</b>	<b>25 419</b>	<b>25 452</b>	<b>24 942</b>	<b>(510)</b>

Notes:

1. Education employment data includes the Tasmanian Polytechnic and the Tasmanian Academy. The staffing profile of the Department of Education is subject to a high level of seasonal variation across the school year. Pay to Pay comparisons are not a reliable indicator of trends, although individual pay comparisons from 2011-12 are showing a decline in paid FTEs.

2. The increase in Justice FTEs is primarily due to the employment of additional correctional officers to reduce overtime costs as well as new positions relating to the Monetary Penalties Enforcement Service.
3. Since January 2011 the number of staff within Ministerial and Parliamentary Support has reduced by 20.9 FTEs.
4. The increase in Parliamentary and Statutory Offices from June 2010 to June 2011 reflects the establishment of the Integrity Commission.

## State Service Structural Reforms and Productivity Strategies

On 26 May 2011, the Premier, Hon Lara Giddings MP, delivered a Ministerial Statement that outlined proposed Tasmanian State Service Structural Reforms and Productivity Strategies. The reforms will seek to improve the productivity of the State Service and achieve savings in employee costs and will build on action already undertaken in response to the *2010-11 Mid-Year Financial Report*.

Improving the productivity of the State Service will include:

- expanding the Workforce Renewal Incentive Program;
- more effectively managing performance; and
- undertaking an independent review of the State Service.

Table 2.2 identifies progress with State Service Structural Reforms.

**Table 2.2: Progress with State Service Structural Reforms as at 30 September 2011**

	WRIPs Accepted <sup>1</sup>	Voluntary Redundancies Accepted <sup>2</sup>	FTP Not Renewed <sup>3</sup>	Employees Transferred <sup>4</sup>
	Headcount	Headcount	Headcount	Headcount
Economic Development, Tourism and the Arts	7	1	27	23
Education <sup>5</sup>	136	....	153	371
Health and Human Services	81	105	275	30
Infrastructure, Energy and Resources	24	....	....	20
Justice	4	....	16	11
Ministerial and Parliamentary Support	....	....	....	....
Police and Emergency Management	20	....	4	5
Premier and Cabinet	1	....	4	9
Primary Industries, Parks, Water and Environment	24	....	55	11
Tasmania Fire Service	....	....	11	2
Tasmanian Skills Institute	5	3	....	15
Treasury and Finance	3	....	10	11
Parliamentary and Statutory Offices	....	....	2	1
<b>Total General Government Sector</b>	<b>305</b>	<b>109</b>	<b>557</b>	<b>509</b>

Notes:

1. WRIP denotes Workforce Renewal Incentive Program.
2. Voluntary Redundancies includes Targeted Voluntary Redundancy (TVRs) and includes Voluntary Targeted Employee Separation Arrangements (VTESAs).
3. FTP denotes Fixed Term Position.

4. Employees Transferred includes employees transferred internally, deployed to another agency or seconded outside the General Government Sector.
5. Education data includes the Tasmanian Academy and Tasmanian Polytechnic.

## *Workforce Renewal Incentive Program*

The Government recognises the need for the Tasmanian State Service to maintain a balanced workforce profile to ensure that it maintains an appropriate combination of skills, capabilities and experience to address future social, economic and workforce challenges.

The Workforce Renewal Incentive Program (WRIP) seeks to renew and re-profile the workforce to ensure the State Service has the capability to meet future needs and delivers necessary savings to assist in meeting the Budget targets.

The State Service Workforce Profile 2010 revealed that over 55 per cent of all state service employees are aged 45 years or over. Only 20 per cent of the workforce is under the age of 34. This presents an opportunity to strategically develop the State Service workforce, by investing in skills and capabilities that meet future needs, and to deliver savings to assist meeting the 2011-12 Budget.

The WRIP provides an opportunity to reprofile the workforce by offering incentives for early retirement or separation from the Tasmanian State Service.

Further details regarding the WRIP are provided in Ministerial Direction No. 24, which is available on the Department of Premier and Cabinet's, Public Sector Management Office (PSMO) web site [http://www.dpac.tas.gov.au/\\_\\_data/assets/pdf\\_file/0004/142276/MD\\_24\\_Workforce\\_Renewal\\_Incentive\\_Program.pdf](http://www.dpac.tas.gov.au/__data/assets/pdf_file/0004/142276/MD_24_Workforce_Renewal_Incentive_Program.pdf).

## *Effectively Managing Performance*

The *State Service Act 2000* has been amended to provide a better legislative framework for managing performance, including recognition of good performance and, where it exists, managing underperformance.

The amended Act has a number of provisions that are linked to the State Service Principles and a Ministerial Direction has been drafted that provides a greater level of detail to help employees understand their responsibilities and obligations. These include:

- Performance Management Plan;
- Performance Assessment;
- Processes for Managing Underperformance;
- Education, Training and Development; and
- Grievance and Dispute Resolution.

Legislation has been passed by both Houses of Parliament. The new legislation will not become effective until the date of proclamation and release of the Ministerial Direction (No. 26). The Consultation Draft has been distributed for feedback to agencies and unions.

Further information regarding the Performance Management changes are available on the PSMO web site [http://www.dpac.tas.gov.au/divisions/psmo/state\\_service\\_reform\\_2011/](http://www.dpac.tas.gov.au/divisions/psmo/state_service_reform_2011/).

## *State Service Vacancy Control Process*

On 5 August 2011, Ministerial Direction No. 25 State Service Vacancy Control Process (SSVCP) was approved by the Premier, Hon Lara Giddings MP, following extensive consultation with agencies and unions. The Direction governs the management of State Service vacancies and defines the redeployment process for employees who are identified as surplus.

The Direction provides a strong focus on redeployment as the preferred means for achieving Budget savings and accordingly also provides for strict management of State Service vacancies. It requires agencies to conduct a thorough examination of opportunities for matching surplus employees to agency and broader State Service vacancies based on their suitability to perform the duties.

Redeployment initially involves an assessment of potential for an internal agency transfer opportunity before moving to seek central redeployment across agencies. A team has been established in the PSMO to co-ordinate the central redeployment process and to match surplus employees across agencies to available State Service vacancies.

Where an employee is accepted by the State Service Commissioner as eligible for redeployment they will have priority for any suitable State Service vacancy for a period of six months. Where an employee has been accepted for redeployment and no suitable redeployment has occurred after three months they will be offered a Targeted Voluntary Redundancy. Only at the conclusion of this comprehensive job search process and the opportunity to accept a voluntary redundancy will an employee face termination of employment.

Further details regarding the SSVCP are provided on the PSMO web site <http://www.dpac.tas.gov.au/divisions/psmo>.

## *Wage Policy and Funding Framework*

The Government's State Service Wage Policy is designed to provide appropriate remuneration to state service employees that reflects the Government's current difficult Budget position, changes in productivity, the efficient delivery of services to the Tasmanian community, the skills and experience of employees and ongoing workplace reform.

While no industrial agreements have yet been finalised under the new Wage Policy, there are a number of major agreements which will be negotiated during 2011-12. These include:

- Tasmanian State Service Agreement;
- Tasmanian Public Sector Allied Health Professionals Agreement;
- Correctional Officers Interim Agreement; and
- Teaching Service (Tasmanian Public Sector) Salaries and Conditions of Employment Agreement.

These agreements will be negotiated in accordance with the Government's Wage Policy, which provides non-productivity based wage increases of 2 per cent per annum. For the purposes of the 2011-12 Budget and Forward Estimates, agencies are provided with wage indexation of 2 per cent per annum for all new wage agreements.

In addition, productivity gains able to be provided as part of any wage negotiation will be capped at an equivalent value of 0.5 per cent.

This revised wages policy and funding framework will provide the Budget and Forward Estimates with savings of approximately \$8.1 million in 2011-12, \$22.8 million in 2012-13, \$41.5 million in 2013-14 and \$63.2 million in 2014-15.

### *Independent Review of the State Service*

Commencing in October 2011, an independent review will be undertaken of the Tasmanian State Service governance, structural arrangements and appeal/review mechanisms as they relate to State Service employment.

The independent review is being undertaken for the following reasons:

- the current governance legislation, the *State Service Act 2000*, and the *State Service Regulations 2001*, have been in place for over ten years and the *Industrial Relations Act 1984* for over 25 years;
- improved governance and related structures contribute to the efficiency and effectiveness of the Tasmanian State Service;
- the referral of industrial relations powers for the private sector to the Commonwealth on 1 January 2010 has affected the workload of the Tasmanian Industrial Commission and brought its public sector activities into focus; and
- concerns raised by some stakeholders regarding the *State Service Act 2000*, *State Service Regulations 2001* and the *Industrial Relations Act 1984* particularly, since the State Service Commissioner delegated his functions and responsibilities to the Secretary, Department of Premier and Cabinet.

The independent review will identify:

- options for alternative governance that adhere to good governance principles of:
  - leadership;
  - efficiency and effectiveness;
  - accountability;
  - transparency and integrity;
  - fairness and merit; and
  - independence of jurisdiction (body) to decide on appeals and review; and
- structural arrangements for the State Service that respond to the service delivery needs of the Tasmanian community.

It is anticipated that the review will be completed by 15 December 2011.



# 3 ASSESSMENT OF AGENCY PROGRESS

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## Overview

As detailed in the 2011-12 Budget Papers, the Government requires agencies to implement saving strategies that ensure the State's Budget is managed on a sustainable basis. The impact of these strategies is reflected in the 2011-12 Budget and Forward Estimates.

An assessment of the Budget savings strategies by agencies indicates that most agencies are well advanced with the implementation of the strategies and will achieve their required Budget savings targets in 2011-12. However, there are some agencies that are not as advanced in implementing their Budget savings strategies. The most significant of these agencies is the Department of Health and Human Services.

The Department of Health and Human Services has made it a priority to focus on savings in non-service delivery areas as much as possible. However, it has not been possible to avoid impacting frontline services to ensure the Department meets its Budget task. There has been a delay in finalising these budget savings measures, while the Department fully assesses the impacts and outcomes.

In addition to the need to address the Government's Budget position, many of the efficiencies being progressed will assist the Department in preparing for the implementation of National Health Reform where Australian Government funding for hospitals will be determined on the basis of a national efficient cost. Improved efficiencies within the State's hospital system are required to enable Tasmania to transition to a more efficient cost structure.

The Minister for Health, Hon Michelle O'Byrne MP, and the Minister for Human Services, Hon Cassy O'Connor MP, announced a detailed list of significant Budget savings strategies that will be implemented by the Department of Health and Human Services.

An assessment of the Department's progress in implementing the savings strategies to date indicates that the Department will be required to achieve a significant level of savings over the remainder of the 2011-12 financial year. A number of the proposed strategies have an implementation lead time to enable the full value of savings strategies to be achieved on an ongoing basis. Given the afore-mentioned delay in implementation due to the assessments needed, there is a high risk that the Department will not achieve the full value of savings needed to achieve its overall Budget by 30 June 2012.

The Department of Justice has indicated that there are cost pressures associated with overtime costs in Prison Services and increased costs associated with Community Corrections. The Department has a number of strategies to reduce these costs, however, it is considered that there is a risk that the Department may exceed its total 2011-12 Budget allocation.

The Department of Primary Industries, Parks, Water and Environment, and Ministerial and Parliamentary Support have also identified some challenges in achieving their Budget savings targets in 2011-12. However, the risk of these agencies not achieving savings strategies to ensure their Budget targets are achieved is considered low.

Table 3.1 identifies the savings to be achieved by agencies over the 2011-12 Budget and Forward Estimates Period and an assessment of each agency's current progress.

**Table 3.1: Agency Saving Strategies Assessment<sup>1</sup>**

	2011-12	2012-13	2013-14	2014-15	Assessment
	Budget	Forward Estimate	Forward Estimate	Forward Estimate	of Progress
	\$m	\$m	\$m	\$m	
Economic Development, Tourism and the Arts	4.1	5.9	8.1	7.7	✓
Education	45.9	56.0	49.0	38.9	✓
Health and Human Services	100.2	127.3	143.1	150.0	✘
House of Assembly	0.1	0.1	0.1	0.1	✓
Infrastructure, Energy and Resources	4.1	5.9	6.6	6.6	✓
Justice	2.9	4.1	4.1	4.1	⊖
Ministerial and Parliamentary Support	0.9	1.1	1.1	1.1	⊖
Office of the Governor	0.1	0.1	0.1	0.1	✓
Office of the Ombudsman	0.1	0.1	0.1	0.1	✓
Police and Emergency Management	8.1	12.1	16.7	16.7	✓
Premier and Cabinet	1.6	2.2	1.9	1.9	✓
Primary Industries, Parks, Water and Environment	7.2	6.4	5.9	5.9	⊖
Tasmanian Audit Office	0.1	0.1	0.2	0.2	✓
Treasury and Finance	1.5	2.0	3.5	3.5	✓
<b>TOTAL AGENCY BUDGET SAVINGS</b>	<b>176.7</b>	<b>223.4</b>	<b>240.4</b>	<b>236.7</b>	

Key: ✓ On Target, ⊖ Issues to be addressed, ✘ Remedial action required, na data not available

Note:

1. This table includes total agency revenue, expense and capital savings strategies.

An overview of the specific agency Budget savings strategies and progress to 30 September 2011 follows.

### *Economic Development, Tourism and the Arts*

The Department of Economic Development, Tourism and the Arts has been allocated a savings target of \$4.1 million in 2011-12 increasing to \$7.7 million in 2014-15. Savings strategies include:

- reviewing the grants and development programs managed by the Department;
- implementing administrative changes to support the new Economic Development Plan;
- reshaping Tourism Tasmania;
- reviewing current tourism marketing strategies; and
- implementing efficiencies in the delivery of corporate support services.

## **Progress**

The Department is on track to achieve its required savings in 2011-12. To date, of the 24 savings strategies to be achieved in 2011-12, 16 measures have been fully implemented, which delivers savings of \$2.4 million. Of the remaining eight measures, six measures which total almost \$1.7 million relate to Departmental staffing changes and restructures and these are expected to be completed by the end of October 2011.

Major savings strategies include:

### **Reshaping Tourism Tasmania**

In July 2011, the Tourism Tasmania Board of Directors approved revised functions for Tourism Tasmania, while in August 2011 the Board approved a new organisational structure. The implementation of the revised functions and organisational structure has commenced with a Department wide jobs match process occurring during September and October 2011 to place surplus staff in available positions.

### **Economic Development Plan**

The State's Economic Development Plan (EDP) was released by the Minister for Economic Development, Hon David O'Byrne MP, on 26 August 2011. A change management process is currently underway to align the Department's structure and resourcing levels with the approved EDP activities.

### **Corporate Support Services**

Reductions in staffing levels have been achieved through the elimination of vacant positions, conversion of a number of full-time positions to part-time, and acceptance of staff applications under the Workforce Renewal Incentive Program.

## *Education*

The Department of Education has been allocated a savings target of \$45.9 million in 2011-12, \$56.0 million in 2012-13, \$49.0 million in 2013-14 and \$38.9 million in 2014-15. Savings strategies include:

- implementing the Renewing our Education System strategy;
- extending the Workforce Renewal Incentive Program;
- deferring the full roll-out of the new Child and Family Centres;
- establishing a single corporate services model;
- ceasing targeted funding allocated to reduce class sizes;
- reducing the level of non-government general educational grant funding;
- gaining efficiencies through revised organisational and operational structures;
- deferring some capital investment projects; and
- gaining efficiencies in post Year 10 activities and learning services.

## **Progress**

The Department is continuing to implement its savings strategies and is making good progress towards the achievement of its savings target.

A significant change to the Department's original strategies includes an extension of timeframes for implementation of the Renewing our Education System strategy. Savings which were going to be achieved through this strategy will now be achieved by revising plans to increase funding for the Raising the Bar Closing the Gap initiative and increasing savings from the Learning Services restructure.

Major savings strategies include:

### **Reviewing Organisational, Operational and Corporate Structures**

A range of services are being reviewed across the Department including an amalgamation of corporate services and shared services (which formerly supported the three post Year 10 entities); and making efficiencies in services such as the Early Years and Schools Division, LINC Tasmania, Skills Tasmania and the Tasmanian Qualifications Authority and post Year 10 budgets.

Learning Services are also being reviewed to develop and establish a new structure for the support for schools. The principle focus is on establishing networks of schools with a major emphasis on managing the performance and development of school leaders to continuously improve student outcomes while establishing a more efficient and cost effective delivery model.

### **Reduction in Funding to Non-Government Schools**

This strategy will be implemented and fully realised with the finalisation of the 2011-12 Non-Government General Education Grant. Payments will be finalised in December after non-government school enrolments are confirmed and the payment basis is finalised.

### **Class Size Strategies**

These strategies will be implemented from the commencement of the 2012 school year. Savings will be realised through withdrawal of funding for class size initiatives which have been supporting schools with primary enrolments and schools with Year 7 enrolments.

### **Deferral of Capital Projects**

Capital projects which have been deferred are the full roll-out of the Child and Family Centres, the contribution to the Bridgewater Pool and the Sorell LINC.

## *Health and Human Services*

The Department of Health and Human Services has been allocated a savings target of \$100.2 million in 2011-12, increasing to \$150.0 million by 2014-15. Savings strategies include:

- changing the culture in the system, focusing the attention of all employees on the savings requirement and implementing efficiencies that reduce costs and resources for the longer term;
- pursuing health and hospital reforms, including organisational change, commissioning, preparing the system for activity based funding, and reducing costs in line with national efficiency benchmarks;
- achieving the benefits and efficiencies from the implementation of new systems such as for rostering and radiology;
- a range of administrative savings from more carefully managing expenditure on motor vehicles, conferences and travel, and procurement;
- reviewing the allocation of grant funding managed by the Department;
- reviewing the delivery of services across the organisation to reduce duplication;
- reviewing the level and collection of service charges; and
- using tools, including the Workforce Renewal Incentive Program, to reduce the number of employees, whilst limiting the impact on service delivery and the quality of care.

### **Progress**

The Department has commenced implementing its Budget savings strategies. An assessment of the Department's progress indicates that the Department will be required to achieve a significant level of savings over the remainder of the financial year to achieve its 2011-12 Budget allocation. The successful achievement of the savings strategies will require the Department to rapidly implement its announced strategies, while also maintaining strict expenditure control.

A number of the proposed strategies have an implementation lead time to enable the full value of savings strategies to be achieved on an ongoing basis. Given this, there is a high risk that the full value of the resultant savings will not be achieved by 30 June 2012.

Major savings strategies include:

- a 10 per cent reduction in non service delivery units (\$5.8 million) and a rationalisation of staffing not engaged in direct clinical care (\$1.3 million);
- a reduction in middle management (\$3.0 million) and a review of the Departmental workforce profile (\$3.0 million);
- cancelling the housing rental holiday (\$3.0 million), a return of Tasmanian Affordable Housing Limited funding (\$3.0 million), and a reduction in NGO indexation (\$3.4 million);
- a reduction in elective surgery volumes (\$21.6 million) and the implementation of workforce reforms (\$18.5 million) in the three major hospitals; and
- implementing operational efficiencies in Statewide and Mental Health Services (\$8.7 million).

A complete list of the Department of Health and Human Services savings strategies is provided at [http://www.dhhs.tas.gov.au/about\\_the\\_department/savings](http://www.dhhs.tas.gov.au/about_the_department/savings).

## **Governance**

Implementation of the Department's savings strategies is being overseen by a Business Control Team. The Team was established in June 2011 and includes senior representatives from the Department and the Departments of Treasury and Finance, and Premier and Cabinet.

## **Workforce Reform**

Since the commencement of the financial year, the Department has reduced its workforce by 113 FTEs, from 9 879 FTEs to 9 766 FTEs. The reduction has been achieved by:

- implementing vacancy control;
- reducing middle management positions;
- systematically reviewing fixed term and casual contracts as they expire; and
- redeploying staff in accordance with the provisions of Ministerial Direction 25 *State Service Vacancy Control Process*.

## **Corporate Administration**

A review has been undertaken of the agency's corporate administration functions. As a result of this review, a reduction in departmental positions of 150 FTEs (some 25 per cent of the current corporate workforce) has been announced by the Minister.

## **Motor Vehicle, Conference, Travel and Communications Expenditure**

The Department has commenced implementing administrative savings related to motor vehicles, conferences, travel and procurement.

Since the commencement of the financial year, the Department has made progress in reducing its vehicle fleet. Following the completion of a vehicle usage review, it is expected that the fleet will continue to be reduced.

The Department has commenced the transfer of its telecommunications to a new service provider and conference restrictions are in place to restrict travel to essential activity only.

## **Health Services**

In addition to the workforce reform strategies, the three major hospitals have commenced implementing a range of other savings strategies including:

- reducing elective surgery volumes;
- improving locum and agency management; and
- introducing more efficient staff rostering and management practices.

The major hospitals will continue to implement these strategies during the remainder of the financial year.

## **Human Services**

The Department has implemented savings strategies including cancelling the housing rental holiday, a return of TAHL funding and a reduction in NGO indexation.

## *Infrastructure, Energy and Resources*

The Department of Infrastructure, Energy and Resources has been allocated a savings target of \$4.1 million in 2011-12, increasing to \$6.6 million in 2014-15. Savings strategies include:

- re-scoping government commitments;
- reviewing a range of whole-of-department processes to support organisational improvement;
- reviewing business support structures in specific program areas; and
- continuing to maximise revenue collections by the better use of technology and reviewing the Mineral Royalties regime.

### **Progress**

The Department is on track to achieve its required savings in 2011-12. The majority of strategies developed by the Department are either completed or are in the process of being implemented.

Major savings strategies include:

#### **General Administration Costs and Expenditure Reduction**

A review of administrative expenditure on travel, communications and vehicles was undertaken as part of the 2010-11 Budget process. The Department is currently implementing the findings of the review with further work to be completed and opportunities to be identified.

#### **Project and Program Management Governance**

The Department is currently establishing a centre of excellence in project and program management to achieve consistent frameworks for the delivery of key projects.

#### **Mineral Resources Tasmania Process and Structure Review**

Mineral Resources Tasmania has identified opportunities to review the services provided to stakeholders. The Workforce Renewal Incentive Program has been used to generate significant savings.

#### **Registration and Licensing Branch Review Implementation**

The Registration and Licensing Branch is undertaking a review to identify areas where processes can be delivered more efficiently. Specific areas of improvement have been identified by the Department and these will be pursued in the next 12 months. Staff renewal has already delivered savings in this area.

#### **Improved Mineral Royalty Recovery/Increase Base**

The Department is progressing an increase in the Mineral Royalty regime through discussions with the Tasmanian Minerals Council.

## *Justice*

The Department of Justice has been allocated a savings target of \$2.9 million in 2011-12, increasing to \$4.1 million in 2014-15. Savings strategies include:

- reviewing the role and operations of the Tasmanian Industrial Commission;
- increased recovery of Criminal Injuries Compensation award payments to victims of crime from convicted offenders;
- the wind-up of the Sullivans Cove Waterfront Authority and the return of planning responsibilities to the Hobart City Council;
- reviewing the Department's recruitment, procurement activities and travel costs; and
- administrative efficiencies in the Magistrates Court.

### **Progress**

The Department is progressing its Budget saving strategies in 2011-12. The majority of strategies developed by the Department are either completed or are in the process of being implemented. There are a number of internal Budget pressures within the Department, particularly relating to the cost of correctional services, and it is considered that there is a risk that the Department will be unable to achieve its Budget target.

Major savings strategies include:

#### **Criminal Injuries Compensation Payment Recovery**

Legislative changes required to fully implement this strategy have been prepared and are awaiting introduction into the Parliament. It is expected that these amendments will be achieved during 2011-12.

#### **Sullivans Cove Waterfront Authority**

The SCWA was wound up and ceased operations on 31 August 2011.

#### **Reviewing the Department's Procurement Activities and Travel Costs**

The Department has been reviewing its vehicle fleet as lease renewals arise. To date, four vehicles have been identified as surplus to requirement. Department staff are keeping requests for travel to a minimum and teleconferencing is being utilised wherever possible.

#### **Workforce Management**

The Department is utilising the Workforce Renewal Incentive Program and has not renewed a number of fixed term positions. Only essential service vacancies are being filled in the Department.

#### **Tasmanian Industrial Commission**

The Commission has relocated from the Commonwealth Law Courts in Davey Street to more cost effective accommodation at 144 Macquarie Street. A joint review of the Commission and State Service Commissioner with the Department of Premier and Cabinet has been commenced and a final report is expected by mid-December 2011.

### **Magistrates Court Administration**

Savings are currently being achieved through a reduction in travel costs through increased use of video conferencing facilities within the Courts and vacancy control measures. A full budget and operational review of the Magistrates Courts across the State is currently being undertaken with the aim of further reducing administration costs where possible.

### ***Ministerial and Parliamentary Support***

Ministerial and Parliamentary Support has been allocated a savings target of \$900 000 in 2011-12, increasing to \$1.1 million in 2014-15. These savings will be achieved by a proportionate reduction in support for Government Ministers, the Liberal Opposition and the Tasmanian Greens.

#### **Progress**

Ministerial and Parliamentary Support is working towards the implementation of its savings strategies. Staff numbers supporting Government Ministers, the Liberal Opposition and Tasmanian Greens have been reduced. Further reductions in staffing support in Ministerial Offices will be required to meet current Budget savings.

Since January 2011, the number of staff within Ministerial and Parliamentary Support has reduced by 20.9 FTEs.

## *Police and Emergency Management*

The Department of Police and Emergency Management has been allocated a savings target of \$8.1 million in 2011-12, increasing to \$16.7 million in 2014-15. Savings strategies include:

- reviewing the Department's procurement practices;
- reviewing management of the Department's vehicle fleet; and
- managing administrative and police staffing numbers.

### **Progress**

The Department is on track to achieve its required savings in 2011-12. The majority of strategies developed by the Department are either completed or in the process of being implemented.

Major savings strategies include:

#### **Administrative and Policing Staffing Numbers**

The Department has abolished a number of positions and has also been making savings through vacancy control and the Workplace Renewal Incentive Program. The recruitment process for 2011-12 has been postponed and the closure of the call centre is on track for January 2012 with a redeployment and separation plan in place.

#### **Procurement Practices**

The Department is currently investigating areas where savings can be made through the use of procurement contracts. Discussions are also proceeding with the Tasmanian Fire Service and Local Government over collaborative buying for garage consumables.

#### **Vehicle Fleet**

Vehicle usage is being reviewed to identify underutilisation. Those vehicles that are identified as underutilised will be removed from the Department's vehicle fleet.

## *Premier and Cabinet*

The Department of Premier and Cabinet has been allocated a savings target of \$1.6 million in 2011-12, increasing to \$1.9 million in 2014-15. Savings strategies include:

- reviewing the grants and other specific programs managed by the Department;
- reviewing programs to ensure a focus on those services and activities which directly underpin the Department's core roles; and
- implementing efficiencies in the delivery of corporate support services.

## **Progress**

The Department is on track to achieve its required savings target for 2011-12. The majority of the Department's strategies are in the process of being implemented.

### **Accommodation Savings**

Savings have been achieved by the Department through consolidating its accommodation and reducing its accommodation footprint.

The Local Government Division relocated from 39 Murray Street to Level 5 of the Executive Building, saving \$165 000 per annum and space leased at 144 Macquarie Street has been reduced, resulting in further savings of \$140 000 per annum. Further proposals are currently being considered.

### **Structural Reform**

Structural reform of the Department's business units has been underway since the Premier's Mid-Year Report announcement with the following completed to date:

- the Community Development Division has been re-aligned away from individual support services towards providing an integrated service to the Community. About 10% of positions have been removed from the establishment as a result of this restructure;
- management of the Local Government Division has been combined with the Office of Security and Emergency Management and one senior management position is to be abolished;
- the Office of eGovernment has been refocused to provide support to the whole-of-government ICT Policy Board. Four positions have been removed from the establishment for this area;
- efficiencies have been gained in the delivery of Corporate Services resulting in the abolition of three positions; and
- a further five positions have been abolished across the agency through reviewing services delivered to focus on the delivery of core functions.

A number of positions are currently being held vacant across the Department pending further review.

Since January 2011, nine staff have either been re-assigned other duties within the agency or seconded outside of the Department including two outside of the State Service. Four fixed term contracts have not been renewed.

### **Grants and Community Support Reduction Strategies**

Savings have been achieved through reductions in discretionary grants programs including the Community Capacity Building Grants (\$750 000), Cars for Community Program (\$535 000), Tasmanian Early Years Foundation (\$500 000), and the Premier's Sundry Grants Program (\$200 000).

## *Primary Industries, Parks, Water and Environment*

The Department of Primary Industries, Parks, Water and Environment has been allocated a savings target of \$7.2 million in 2011-12, \$6.4 million in 2012-13 and \$5.9 million from 2013-14. Savings strategies include:

- deferring the implementation of the proposed Bay of Fires National Park to enable further evaluation of the proposal;
- reviewing the grants managed by the Department; and
- recovering costs for services provided by the Land Titles Office.

### **Progress**

The Department is progressing its Budget savings strategies and has achieved expenditure savings to date of \$2.2 million. However, the Department has identified that it may have some difficulty fully achieving its revenue targets.

#### **Evaluation of the Bay of Fires National Park Proposal**

The Department has deferred the implementation of the Bay of Fires National Park proposal. The proposal will be the subject of further evaluation and consideration.

#### **Grant Funding**

The Department has reduced the grant funding to Port Arthur Historic Site Management Authority; the three Natural Resource Management Committees, and the Launceston City Council.

#### **Land Titles Office Fees**

To date, the process to obtain increased revenue through the Land Titles Office has commenced and new fees with a 40 per cent increase to reflect the full cost of services have been gazetted, taking effect on 1 July 2011. Additional revenue of \$4.0 million was estimated to be received from the fee increases. However, with a downturn in the property market, current indications are that this target may not be achieved.

The trend for the first quarter suggests the revenue target for the full year may be approximately \$2 million below the total budget of \$16.5 million. The volatility of the property market means this estimate could change. Trends will continue to be closely monitored by the Department.

#### **Asset Sales**

The Department's Budget savings strategies also included proceeds from the sale of a number of Parks and Wildlife Service properties which are surplus to the Department's requirements. These asset sales are being progressed by the Department.

## *Treasury and Finance*

The Department of Treasury and Finance has been allocated a savings target of \$1.5 million in 2011-12, increasing to \$3.5 million in 2014-15. Saving strategies include:

- implementing efficiencies in the delivery of corporate support services;
- streamlining tax administration, refocusing liquor and gaming regulation and improving cost recovery;
- ceasing the whole-of-government finance education program; and
- encouraging adoption of online service delivery by users of Treasury services.

### **Progress**

The Department is on track to achieve its required savings in 2011-12. The Department has implemented all major savings strategies for this financial year.

Major savings strategies include:

#### **Salary Cost Savings**

Staffing levels have been reduced through the identification and removal of non-critical positions, as vacancies arise. Other salary cost savings include:

- use of the Workplace Renewal Incentive Program;
- reducing the Cadet and Graduate programs;
- ceasing the corporate library service; and
- reducing corporate finance activities and the administration of learning and development programs.

#### **Operating Cost Savings**

A number of actions have been taken to assist in achieving the necessary operating cost savings including:

- encouraging AusKey adoption and reducing Tasmanian Revenue Online support;
- ceasing some on-site taxpayer support;
- ceasing the whole-of-government Financial Education and Training program; and
- reducing costs associated with consultants, recruitment, staff training and development activities, facility services and corporate memberships.

#### **Cost Recovery**

Preliminary work has commenced on improving Liquor and Gaming tax recovery and improving tax administration and services cost recovery. Preliminary work has also commenced on the proposed increase in annual liquor licence fees for 2013-14.

## *Other Budget Agency Savings*

In addition to the agency savings outlined above, the following savings were also included in the 2011-12 Budget:

- House of Assembly - \$100 000 per annum by reducing the total cost of salaries, and non-salary and communication expenses;
- Office of the Governor - \$64 000 per annum by reducing the cost of salaries;
- Office of the Ombudsman - \$60 000 in 2011-12, increasing to \$115 000 in 2014-15 by reducing the total cost of salaries and through the closure of its Launceston office; and
- Tasmanian Audit Office - \$100 000 in 2011-12, increasing to \$190 000 in 2014-15 by reducing the total cost of salaries in performance audit services and improving the efficiency of providing statutory reports to Parliament.

### **Progress**

#### **House of Assembly**

The House of Assembly has reduced its staffing costs and reductions have been made in stationery and communications costs. The House of Assembly is on track to achieve the required Budget savings by year end.

#### **Office of the Governor**

The Office of the Governor has commenced reducing its salary costs and is on track to achieve its required Budget savings.

#### **Office of the Ombudsman**

The Office of the Ombudsman is on track to meet its required savings by reducing its employee expenses.

#### **Tasmanian Audit Office**

The Tasmanian Audit Office has achieved the required salary savings and commenced implementing the statutory reports savings in October 2011.

# 4 CENTRAL PROGRAM REVIEWS

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In addition to the actions being implemented by agencies to achieve greater levels of productivity and efficiency, a number of central program reviews will be undertaken. The key focus of the reviews will be to cease programs that:

- do not align with Government policy priorities and responsibilities;
- are inefficient and/or ineffective; or
- duplicate equivalent programs provided by other agencies or levels of government.

The central program reviews will:

- complement internal reviews to be undertaken within agencies;
- be led by Treasury and the Department of Premier and Cabinet, but will involve significant input and support from relevant agencies;
- involve consultation with relevant stakeholders;
- report progress to Budget Committee; and
- be undertaken on a regular basis with new projects being identified and undertaken as other projects are completed.

## Review of the Government Motor Vehicle Fleet

Following the release of the *2010-11 Mid-Year Financial Report*, Treasury undertook a review of the management of the State's motor vehicle fleet. The review recommended a number of changes, with savings of up to \$5.0 million to be provided by:

- removing access to prestige vehicles;
- reducing the value of vehicles available to some Senior Executive Service officers;
- a further reduction in the size of the agency operating vehicle fleet by up to 10 per cent;
- an extension in vehicle lease terms from the current 24 months/40 000 km (whichever comes first) arrangement to 36 months/60 000 km; and
- action by agencies to cut fringe benefits tax costs through reducing private use of agency operating vehicles.

These recommendations are currently being implemented by agencies.

### Progress

Since the release of the 2011-12 Budget, the following progress has been made in regard to the review of the State's motor vehicle fleet:

- prestige vehicles have been removed from the whole-of-government contract;
- the range and value of vehicles available to Heads of Agency, SES officers, Head of Agency equivalents, senior medical officers and Members of Parliament has been reduced;
- the vehicle fleet has reduced by 70 vehicles from 2 759 to 2 689, with further reductions expected as current leases expire;
- the monthly cost of the vehicle fleet has reduced by 3.7 per cent from \$3.0 million to \$2.9 million;
- lease terms for 280 new and 47 existing vehicles have been adjusted to the new lease term parameters of 36 months and/or 60 000 km; and
- a review of agency FBT payments has been completed by Treasury.

## 2011-12 Central Program Reviews

During 2011-12, central program reviews will continue and include:

- a review of Community Grants Programs to identify whether any policy, accessibility, administrative or budgetary benefits can be achieved through the restructure of these grants programs from a whole-of-government perspective;
- an assessment of the services and support provided by Government to industry, to determine whether existing support is appropriate and whether funding can be used more effectively and efficiently;
- a review of Emergency Services Administration, to identify areas of agency duplication and the opportunities that may be pursued to reduce or eliminate duplication, while maintaining or increasing effectiveness;
- assessing the possibility of centralising administrative services associated with the delivery of government call centre services, the collection of fines revenue and debt management; and
- identifying community development functions that are undertaken across government, assessing the delivery of the Government's policy priorities and determining the most efficient and effective delivery of these services into the future.

## **Progress**

### **2011-12 Central Program Reviews**

Work on all central program review projects is underway. Initial work is focussing on data collection and the identification of those areas of activity that could provide the greatest opportunity for future savings. Account is also being taken of work already underway within agencies on the implementation of agency Budget saving strategies.

### **Review of Motor Vehicles Provided to SES Officers**

As a result of the initial review of the Government motor vehicle fleet undertaken in May 2011, the Government requested that Treasury complete a further review that focussed on the cost of vehicles provided to SES officers as part of their total remuneration package. As a result of this review, the Government has agreed to:

- further limit the value of vehicles provided to SES officers;
- provide SES officers with the option of receiving additional remuneration instead of a motor vehicle; and
- provide SES officers with the option of obtaining a vehicle through a novated lease arrangement.

It is estimated that these changes will deliver further savings of \$1.5 million over a four year period.



# 5 YEAR-TO-DATE ACTUALS

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Tables 5.1 and 5.2 provide details of expenditure to 30 September 2011 from the Consolidated Fund. The Consolidated Fund is the source of funding for Appropriations and Reserved by Law Expenditure.

While the proportion of September Quarter actual revenue and expenditure compared to full year Consolidated Fund Budgets are provided in these tables, there can be significant variances from a pro rata cash flow. These variations may be due to normal cyclic variations in revenue collections and the timing of significant payments such as annual grants, equity injections, annual subscriptions, allowances and the irregular nature of payments for capital works. The profile of cash receipts and expenditure can also vary from year to year.

**Table 5.1: Consolidated Fund Expenditure Summary, September Quarter 2011**

	2011-12 Budget	2011-12 September YTD Actual	September YTD Actual to Budget
	\$m	\$m	%
<b>Receipts</b>			
Australian Government Sources	2 847.6	678.4	23.8
State Sources	1 429.0	284.2	19.9
	<b>4 276.5</b>	<b>962.5</b>	<b>22.5</b>
<b>Expenditure</b>			
Recurrent Expenditure <sup>1</sup>	4 084.2	1 130.6	27.7
Capital Expenditure	362.0	74.7	20.6
	<b>4 446.2</b>	<b>1 205.3</b>	<b>27.1</b>
<b>Consolidated Fund Outcome</b>	<b>(169.6)</b>	<b>(242.7)</b>	<b>....</b>

Note:

1. Recurrent Expenditure includes Reserved by Law expenditure.

Table 5.2: Consolidated Fund Expenditure by Output Group, September Quarter 2011

	2011-12 Budget	2011-12 September YTD Actual	September YTD Actual to Budget
	\$m	\$m	%
<b>Economic Development, Tourism and the Arts</b>			
Economic Development	40.4	7.5	18.6
Sport and Recreation	14.3	2.0	14.0
Tourism	28.1	5.1	18.1
Arts	14.3	4.8	33.6
Administered Payments	3.9	2.7	69.2
<b>Total</b>	<b>100.9</b>	<b>22.1</b>	<b>21.9</b>
<b>Education</b>			
Pre-Compulsory and Compulsory Education	691.4	192.6	27.9
Post-Compulsory Education and Skills Development	220.7	55.8	25.3
LINC Tasmania	32.3	9.3	28.8
Administered Payments	220.9	83.2	37.7
Capital Investment Program	61.1	21.1	34.5
<b>Total</b>	<b>1 226.5</b>	<b>362.0</b>	<b>29.5</b>
<b>Finance-General</b>			
Debt Servicing and Management	98.3	7.6	7.7
Employee Related Costs	121.1	26.1	21.6
Government Businesses	6.1	0.8	13.1
Miscellaneous	53.7	5.7	10.6
Administered Payments	120.8	31.6	26.2
Special Capital Investment Funds	33.6	....	....
<b>Total</b>	<b>433.7</b>	<b>71.7</b>	<b>16.5</b>
<b>Health and Human Services</b>			
Acute Health Services	784.2	193.7	24.7
Community Health Services	381.1	95.6	25.1
Human Services	322.1	111.5	34.6
Independent Children's Review Service	0.8	0.2	25.0
Administered Payments	24.9	7.9	31.7
Capital Investment Program	113.1	20.9	18.5
<b>Total</b>	<b>1 626.2</b>	<b>429.8</b>	<b>26.4</b>

Table 5.2: Consolidated Fund Expenditure by Output Group, September Quarter 2011 (continued)

	2011-12 Budget	2011-12 September YTD Actual	September YTD Actual to Budget
	\$m	\$m	%
<b>House of Assembly</b>			
House of Assembly Support Services	2.3	0.7	30.4
Payments Administered by the House of Assembly	5.1	1.2	23.5
<b>Total</b>	<b>7.5</b>	<b>2.0</b>	<b>26.7</b>
<b>Infrastructure, Energy and Resources</b>			
Infrastructure	84.5	38.9	46.0
Energy Advisory and Regulatory Services	1.6	0.3	18.8
Mineral Resources Management and Administration	6.5	1.5	23.1
Support for the Minister	3.8	0.9	23.7
Racing Policy and Regulation	3.2	1.0	31.3
Transport Subsidies and Concessions	63.9	18.9	29.6
Administered Payments	77.9	42.4	54.4
Capital Investment Program	140.2	32.4	23.1
<b>Total</b>	<b>381.5</b>	<b>136.5</b>	<b>35.8</b>
<b>Integrity Commission</b>			
Integrity Commission	3.3	0.9	27.3
<b>Total</b>	<b>3.3</b>	<b>0.9</b>	<b>27.3</b>
<b>Justice</b>			
Administration of Justice	47.3	14.3	30.2
Legal Services	1.7	0.6	35.3
Registration Services	1.0	0.4	40.0
Review Services	1.0	0.3	30.0
Electoral Services	1.7	0.4	23.5
Corrective Services	52.7	16.9	32.1
Other Services	0.7	0.2	28.6
Consumer Services	2.9	0.8	27.6
Industrial Relations Services	1.6	0.5	31.3
Resource Planning	5.8	1.7	29.3
Workplace Services	11.2	3.6	32.1
Administered Payments	0.3	0.3	100.0
Capital Investment Program	3.5	0.4	11.4
<b>Total</b>	<b>131.6</b>	<b>40.4</b>	<b>30.7</b>

Table 5.2: Consolidated Fund Expenditure by Output Group, September Quarter 2011 (continued)

	2011-12 Budget	2011-12 September YTD Actual	September YTD Actual to Budget
	\$m	\$m	%
<b>Legislative Council</b>			
Legislative Council Support Services	3.3	0.9	27.3
Payments Administered by the Legislative Council	2.9	0.8	27.6
<b>Total</b>	<b>6.2</b>	<b>1.7</b>	<b>27.4</b>
<b>Legislature-General</b>			
Parliamentary Reporting Service	1.0	0.3	30.0
Parliamentary Library Service	1.0	0.3	30.0
Parliamentary Printing and Systems	1.2	0.3	25.0
Joint Services	2.5	0.8	32.0
<b>Total</b>	<b>5.7</b>	<b>1.6</b>	<b>28.1</b>
<b>Ministerial and Parliamentary Support</b>			
Support for Members of Parliament	19.0	6.8	35.8
<b>Total</b>	<b>19.0</b>	<b>6.8</b>	<b>35.8</b>
<b>Office of the Director of Public Prosecutions</b>			
The Office of the Director of Public Prosecutions	6.4	1.6	25.0
<b>Total</b>	<b>6.4</b>	<b>1.6</b>	<b>25.0</b>
<b>Office of the Governor</b>			
The Office of the Governor	3.3	0.8	24.2
<b>Total</b>	<b>3.3</b>	<b>0.8</b>	<b>24.2</b>
<b>Office of the Ombudsman</b>			
The Office of the Ombudsman	2.1	0.8	38.1
<b>Total</b>	<b>2.1</b>	<b>0.8</b>	<b>38.1</b>
<b>Police and Emergency Management</b>			
Public Safety	102.9	27.6	26.8
Crime	58.9	15.8	26.8
Road Safety	18.2	4.2	23.1
Emergency Management	7.4	2.9	39.2
Capital Investment Program	8.2	0.2	2.4
<b>Total</b>	<b>195.7</b>	<b>50.6</b>	<b>25.9</b>

Table 5.2: Consolidated Fund Expenditure by Output Group, September Quarter 2011 (continued)

	2011-12 Budget	2011-12 September YTD Actual	September YTD Actual to Budget
	\$m	\$m	%
<b>Premier and Cabinet</b>			
Support for Executive Decision Making	10.0	2.3	23.0
Government Processes and Services	13.2	5.0	37.9
Electronic Services for Government Agencies and the Community	14.8	1.1	7.4
State Service Management	3.8	1.0	26.3
Tasmania Together Progress Board	1.1	0.3	27.3
Community Development	6.4	2.2	34.4
Development of Local Government	2.0	0.5	25.0
Administered Payments	5.8	1.8	31.0
Capital Investment Program	0.3	....	....
<b>Total</b>	<b>57.4</b>	<b>14.2</b>	<b>24.7</b>
<b>Primary Industries, Parks, Water and Environment</b>			
Information and Land Services	19.7	5.0	25.4
Primary Industries	12.6	4.8	38.1
Resource Management and Conservation	18.3	5.9	32.2
Water Resources	9.6	2.3	24.0
Policy	1.9	0.5	26.3
Biosecurity and Product Integrity	18.4	5.0	27.2
Environment Protection and Analytical Services	14.1	4.2	29.8
Parks and Wildlife Management	34.3	8.5	24.8
Heritage	6.2	3.6	58.1
Administered Payments	9.4	9.0	95.7
Capital Investment Program	8.8	0.7	8.0
Water Infrastructure Fund	43.1	1.7	3.9
<b>Total</b>	<b>196.4</b>	<b>51.3</b>	<b>26.1</b>
<b>Tasmanian Audit Office</b>			
Public Sector Management and Accountability	2.6	0.6	23.1
<b>Total</b>	<b>2.6</b>	<b>0.6</b>	<b>23.1</b>

Table 5.2: Consolidated Fund Expenditure by Output Group, September Quarter 2011 (continued)

	2011-12 Budget	2011-12 September YTD Actual	September YTD Actual to Budget
	\$m	\$m	%
<b>Treasury and Finance</b>			
Financial and Resource Management Services	9.5	2.6	27.4
Economic and Fiscal Policy Advice	5.5	1.5	27.3
Revenue and Regulatory Management Services	15.6	4.1	26.3
Community Assistance	9.8	1.8	18.4
<b>Total</b>	<b>40.3</b>	<b>9.9</b>	<b>24.6</b>
<b>Total Consolidated Fund Expenditure</b>	<b>4 446.2</b>	<b>1 205.3</b>	<b>27.1</b>