



Key Performance Indicators

Certification of Key Performance Indicators

Corporate Services

Performance Assessment

Building Management and Works

State Revenue

Strategic Projects

Government Procurement

Certification of Key Performance Indicators

For the year ended 30 June 2019

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Finance's performance, and fairly represent the performance of the Department for the financial year ended 30 June 2019.



Jodi Cant
Director General
23 August 2019

Performance Assessment

Outcomes

The Government desired outcomes that the Department works to achieve through its services are:

Government goals	Desired outcomes	Services	
Sustainable Finances			
Responsible financial management and better service delivery.	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	1. Revenue assessment and collection, and grants and subsidies administration.	
	Value for money from public sector procurement.	2. Development and management of Common Use Contract Arrangements, State Fleet leasing and disposal and providing facilitation service for agency specific contracts.	
	Efficient and effective corporate services to client agencies.	3. Corporate services to client agencies.	
	Value for money from the management of the Government's non-residential buildings and public works.		4. Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation.
			5. Leads the planning and delivery of major government building projects.

Measuring the Performance

The Department of Finance measures its performance through statistical information and survey questionnaires. Statistical indicators are included to help report performance in both outcome and service areas. The use of

in-house statistical data complements the survey-based results and adds scope and objectivity to the sources of information used in measuring our performance.



Key Effectiveness Indicators

State Revenue

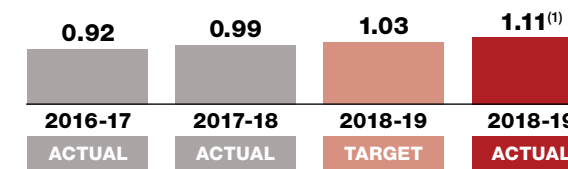
Outcome 1

Due and payable revenue is collected and eligible grants, subsidies and rebates paid

The Department, through the Office of State Revenue, administers a range of revenue laws on behalf of Government. This involves the collection of revenue raised and payment of grants and subsidies under relevant legislation, as well as a number of administrative-based schemes.

These indicators for revenue collection and grant, subsidy and rebate payments provide a measure of the accuracy of the revenue assessment process, the level of compliance by taxpayers and the timeliness of processing assessments.

Debt as a percentage of revenue raised (%)^(a)

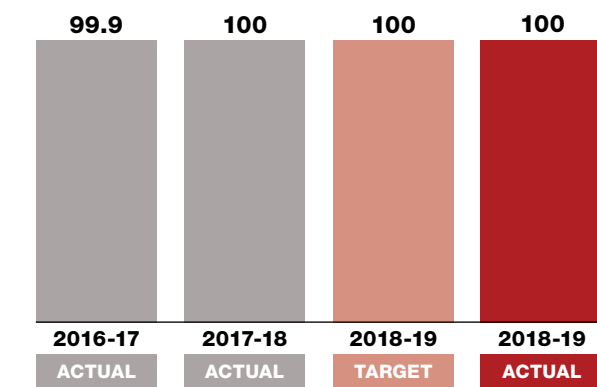


(a) This indicator is calculated by dividing the total outstanding debt on hand at 30 June by the total revenue raised for the year for all tax lines (land tax, duties, payroll tax, betting tax, insurance duty and other miscellaneous duties) and presented as a percentage.

This is a new indicator in 2018-19 and results for prior years have been back-cast for comparative purposes.

(1) The actual outstanding debt position at 30 June 2019 includes a number of transactions that are being reviewed. It is expected these transactions after review, will be cancelled which will bring debt levels in line with target.

Extent to which correct grants, subsidies and rebates are paid (%)^(b)



(b) This indicator measures the accuracy of the revenue assessment process by State Revenue. This indicator is calculated by dividing the 'number of grants, subsidy and rebate payments correctly paid' by the 'number of grants, subsidy and rebate payments made during the year', and presented as a percentage. The percentages are then averaged to derive the KPI result. The payments are for First Home Owner Grants, Pensioners and Seniors Rebates, the Life Support Equipment Electricity Subsidy, the Thermoregulatory Dysfunction Energy Subsidy and the Energy Concession Extension Scheme.



Key Efficiency Indicators

State Revenue

Service 1

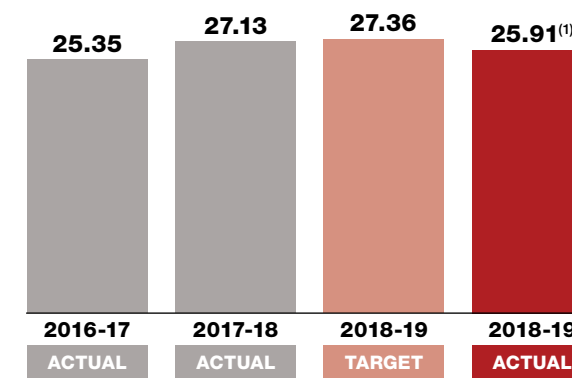
Revenue assessment and collection, and grants and subsidies administration

This service involves the assessment and collection of a range of statutory based revenue, including duties, land tax and payroll tax, and those that are collected on behalf of other agencies (e.g. Perth Parking Licence fees on behalf of Department of Transport) or other jurisdictions (e.g. collection of a range of taxes for the Commonwealth in the Indian Ocean Territories). State Revenue is also involved in the assessment and payment of a range of grants and subsidies under both statutory

and administrative schemes. The major payments relate to the First Home Owner Grant Scheme, as well as concessions on water rates, local government rates and the Emergency Services Levy for pensioners and seniors.

The indicators represent the costs per unit of taxation raised and grant/subsidy processed in a given year. Taken into account with the notes explaining any variances it provides a measure of efficiency.

Average cost per tax or duty determination (\$)^(a)

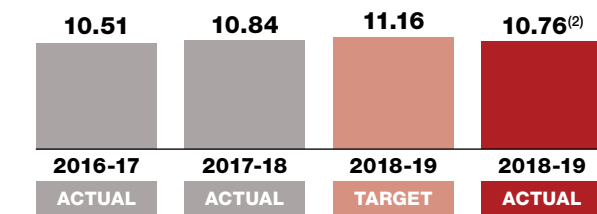


(a) This indicator is used to measure the cost to produce a tax or duty determination across all major tax lines administered by State Revenue. It is calculated by dividing the 'total State Revenue costs plus departmental overhead costs' by the 'total number of tax or duty determinations'.

This is a new indicator in 2018-19 and results for prior years have been back-cast for comparative purposes.

(1) The actual 2018-19 cost per assessment determination was 5% lower than budget due to a reduction in State Revenue costs and corporate oncosts.

Average cost per grant or subsidy determination (\$)^(b)



(b) This indicator is used to measure the cost to produce a single determination across all grant and subsidy lines administered by State Revenue. It is calculated by dividing the 'total State Revenue grant and subsidy costs plus departmental overhead costs' by the 'total number of grant and subsidy determinations'.

This is a new indicator in 2018-19 and results for prior years have been back-cast for comparative purposes.

(2) The 2018-19 actual average cost per grant determination was 4% below budgeted due to lower corporate costs as well as a higher than budgeted number of grants and subsidies.

Key Effectiveness Indicators

Government Procurement

Outcome 2

Value for money from public sector procurement

This outcome aims to deliver value-for-money procurement services and frameworks across the Western Australian public sector. Value for money is a key policy objective and ensures public authorities achieve the best possible outcome for the amount of money spent when purchasing goods and services.

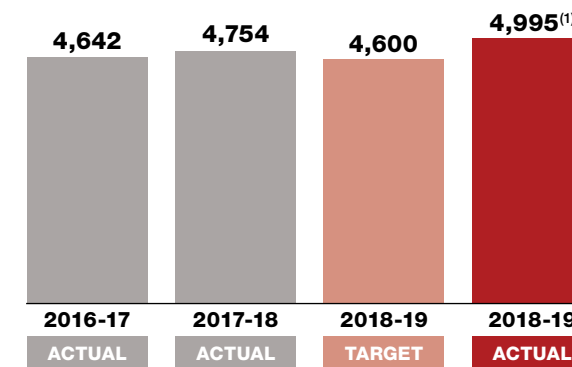
Value for money from public sector procurement is considered effective if:

- a) client agencies agree that Common Use Arrangements (CUAs) are awarded and managed on a value-for-money basis. This includes the value-for-money results from

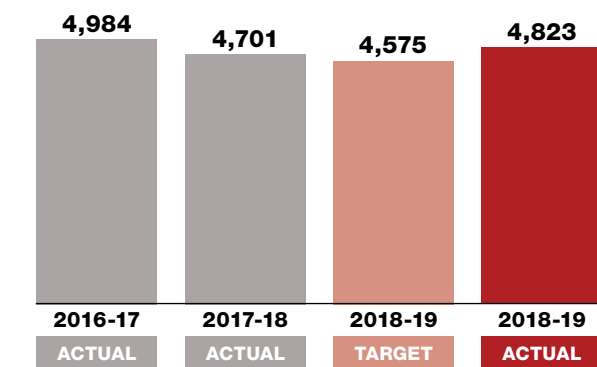
the State Fleet surveys. State Fleet is surveyed annually using a similar value-for-money method to other CUAs and agency specific contract surveys;

- b) client agencies agree that their contracts are awarded on a value-for-money basis;
- c) economies of scale are achieved through the aggregation of the acquisition, fleet management and disposal activities related to the government's light vehicle fleet aimed at achieving a value-for-money outcome for the Government's fleet expenditure and revenue.

Average annual vehicle net capital cost (\$)^(a) per passenger vehicle



Average annual vehicle net capital cost (\$)^(a) per commercial vehicle

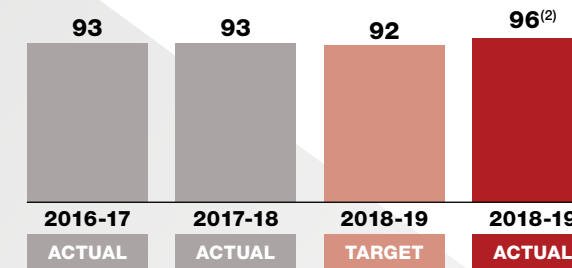


(a) This indicator measures the Department's effectiveness in minimising purchase prices and maximising sale proceeds, through pro-active fleet and procurement management. Splitting the measure into two categories minimises fluctuations attributed to a greater or lesser ratio of replacements from either category, allowing for better year to year comparative assessments to be made.

This is a new indicator in 2018-19 and results for prior years have been back-cast for comparative purposes.

(1) The higher than budgeted actual result is largely due to higher vehicle usage levels, because of the reduction in the size of the fleet, leading to lower than anticipated resale values.

Extent to which client agencies agree that their agency contracts and Common Use Arrangements achieved value for money (%)^(b)



(b) This indicator is calculated by dividing the total number of satisfied responses by the total number of survey respondents for users of CUAs and clients of agency specific contracts. In 2018-19 950 surveys were issued with a response rate of 87% with 1.25% error sampling rate at the 95% confidence level.

(2) 2018-19 actual delivered a higher than anticipated satisfaction rating. The increased result can be attributed to a number of Common Use Arrangements being renewed with a focus on new data that has obtained better insights within the CUA framework, enabling better business decisions, and improved end to end processes when developing agency based contracts.

Key Efficiency Indicators

Government Procurement

Service 2

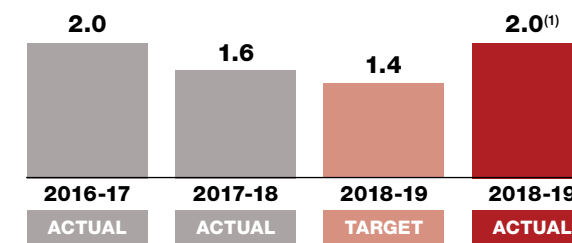
Development and management of Common Use Contract Arrangements, State fleet leasing and disposal and providing facilitation service for agency specific contracts

The Department provides a whole-of-government approach to procurement that efficiently meets the business needs of government agencies, manages risk and delivers value for money.

In facilitating the development and management of client agency contracts, State fleet and CUAs, the Department needs to effectively manage the cost of delivering this service which ensures agencies achieve value-for-money outcomes.

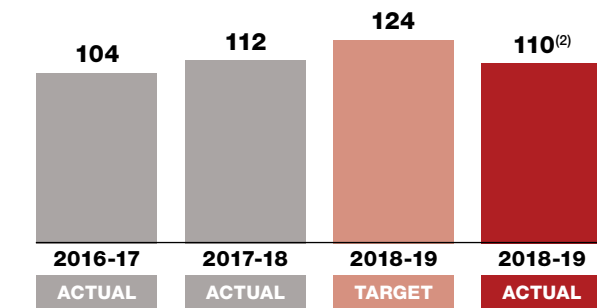
The Department is responsible for managing the State's vehicle fleet to ensure an efficient and effective use of government vehicles with particular focus on the delivery of a sustainable vehicle fleet. The indicator demonstrates the efficiency of managing the financing and administration of the Government's light vehicle fleet.

Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value (%)^(a)



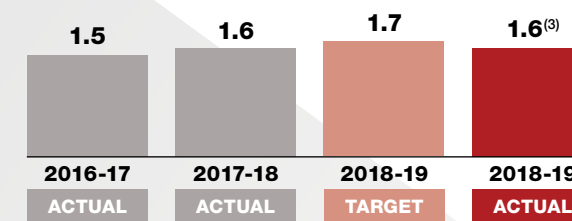
- (a) This indicator is used to measure how efficient the Department has been in facilitating the development and management of agency specific contracts.
- (1) The increase compared to target was due to a lower than forecast contract award value as a result of a number of large value contracts being awarded in 2017-18, earlier than expected.

Average administrative cost per vehicle for financing and managing the State Fleet service (\$) ^(b)



- (b) This indicator measures State Fleet's administrative cost efficiency in financing and managing the leasing of government vehicles.
- (2) The actual average administrative cost per vehicle is lower than budget as a result of operational efficiencies driving a reduction in costs.

Cost of developing and managing whole-of-government Common Use Contract Arrangements as a percentage of the total annual value of purchases through the arrangements (%)^(c)



- (c) This indicator is used to measure how efficient the Department has been in developing and managing whole-of-government common use contract arrangements.
- (3) The 2018-19 actual result is slightly better than budget due to lower than estimated costs.



Key Effectiveness and Efficiency Indicators

Corporate Services

Outcome 3

Efficient and effective corporate services to client agencies

Service 3

Corporate services to client agencies



Effectiveness and efficiency indicators are not reported for this outcome as it relates to the corporate services provided directly by the Department to support the outcomes and activities of the Department of Treasury and

the Government Employees Superannuation Board (GESB). An exemption from the requirements of Treasurer's Instruction 904 (2)(iv) Key Performance Indicators, has been provided by the Under Treasurer.

Key Effectiveness Indicators

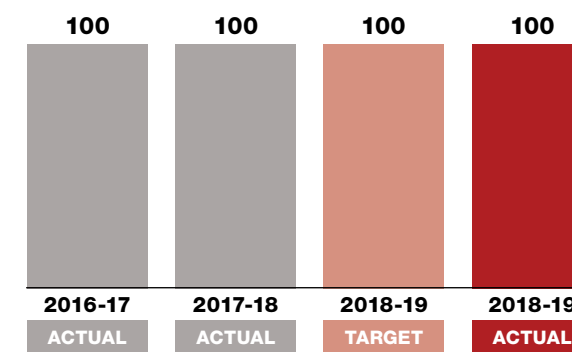
Building Management and Works

Outcome 4

Value for money from the management of the Government's non-residential buildings and public works

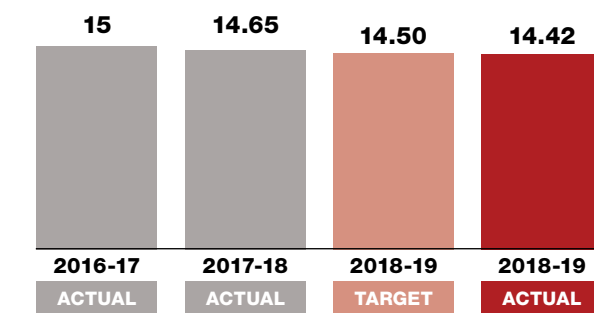
The Department, through Building Management and Works, delivers a range of services to lead the planning and delivery of a property portfolio that supports the delivery of government services to the community.

Percentage of new buildings projects within the Building Management and Works Program, valued over \$5 million, delivered within the approved budget (%)^(a)



(a) This indicator captures projects with an estimated total cost greater than or equal to \$5 million that reached handover in the financial year. The calculation compares the anticipated final cost for each project with its current approved budget. Achievement of projects on-budget is an important requirement for client agencies and is a key contributor to value-for-money outcomes. Prior to 2018-19, this indicator measured percentage of projects delivered within 10 percent of approved budget. The 10 percent allowance has been removed from 2018-19 onwards.

Average office accommodation floor space per work point (m²)^(b)



(b) This indicator refers to the average workspace density across the office accommodation portfolio and is calculated at the whole-of-government level.



Key Efficiency Indicators

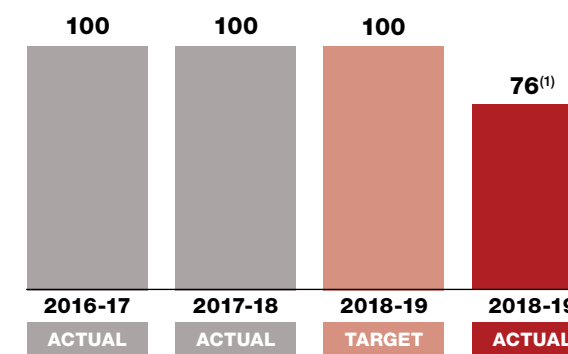
Building Management and Works

Service 4

Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation

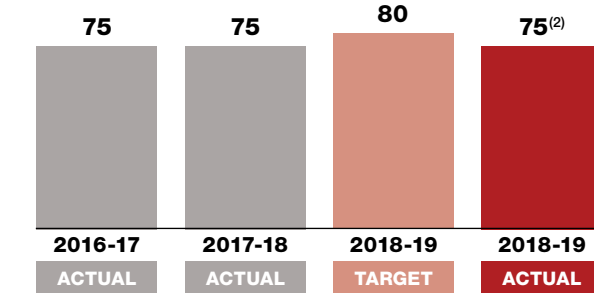
This service leads the planning, delivery and management of a property portfolio that supports the delivery of government services to the community including the delivery of new building works, maintenance programs for existing buildings and office accommodation.

Percentage of new buildings projects within the Building Management and Works program, valued over \$5 million, delivered by the approved handover date (%)^(a)



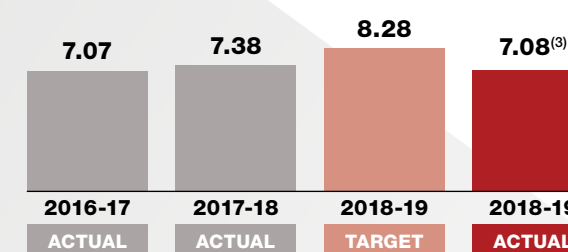
- (a) Prior to 2018-19, this indicator measured the percentage of projects with current approved budgets of \$5 million or more that had been handed over to the client agency within three months of the approved date for handover in that financial year. The three month allowance has been removed for 2018-19.
- (1) Thirteen of the 17 new building projects within the Building Management and Works program were delivered by the approved handover date. Of the remaining four projects, three were delivered within one month of the approved handover date whilst the Onslow Health Services Redevelopment experienced construction delays leading to the project being delivered some four months late.

Percentage of high priority breakdown repairs completed within agreed timeframes (%)^(b)



- (b) This indicator measures the percentage of high priority breakdown repairs attended to within the agreed timeframe. High priority breakdowns are more time-critical and typically include breakdowns or failures that have an immediate adverse effect on the security, safety and/or health of occupants. The 10% buffer which had been included in prior years has been removed for 2018-19.
- (2) Achievement of the target was adversely impacted by the complexity of the works, availability of spare parts and access to regional sites.
- This is a new indicator in 2018-19 and results for prior years have been back-cast for comparative purposes.

Project, contract and administration costs to deliver whole-of-government non-residential building, maintenance and accommodation services as a percentage of services delivered (%)^(c)



- (c) This indicator measures the costs of delivering Building Management and Works services as a percentage of the Works Program Turnover (WPT) costs.
- This is a new indicator in 2018-19 and results for prior years have been back-cast for comparative purposes.
- (3) The improvement in the 2018-19 actuals is largely due to reductions in both the total cost of services and turnover costs as compared to budget.

Key Effectiveness Indicators

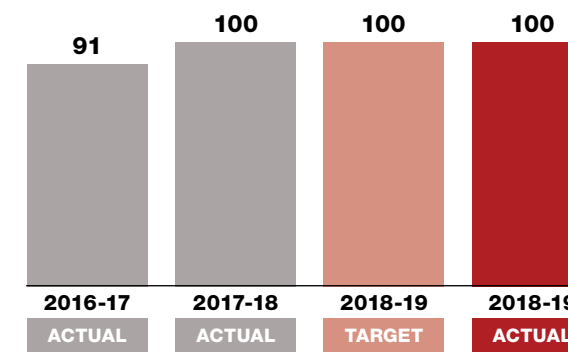
Strategic Projects

Outcome 4

Value for money from the management of the Government's non-residential buildings and public works

The Department works closely with agencies involved in the high value, high risk projects through joint development of business cases and Project Definition Plans as well as joint governance arrangements to reflect respective responsibilities between the Department and the agency.

Percentage of major projects in Strategic Projects' program of works delivered (or forecast to be delivered) within approved budget (%)^(a)



(a) This indicator demonstrates the ability of Strategic Projects to deliver major projects for its client agencies within approved budget. Delivering significant projects within approved budget is an important requirement for client agencies and is a key contributor to value-for-money outcomes.



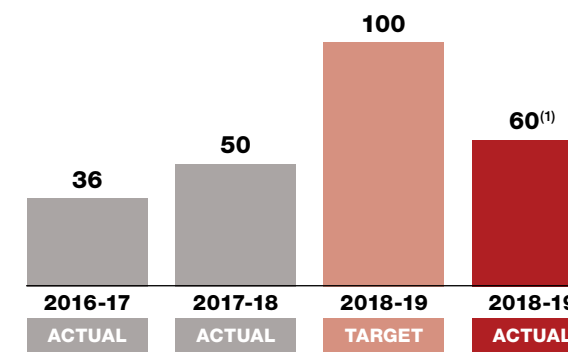
Key Efficiency Indicators Strategic Projects

Service 5

Leads the planning and delivery of major government buildings

This service encompasses strategic leadership and facilitation in the planning, project management and procurement of major new non-residential buildings. It contributes to the desired outcome of value for money from the management of the Government's non-residential buildings and public works.

Percentage of major projects in Strategic Projects' program delivered (or forecast to be delivered) within approved timeframes (%)^(a)



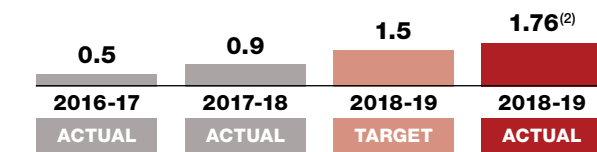
(a) This indicator measures the number of projects that are forecast to be completed or have actually been completed as a percentage of the number of infrastructure projects overseen by Strategic Projects and in progress (at the tender stage or beyond) during the financial year. Achievement of projects within approved timeframes is an important requirement for client agencies and is a key contributor to value-for-money outcomes.

(1) Six of the 10 major projects overseen by Strategic Projects that were active during 2018-19 have been, or are expected to be, completed within approved timeframes.

The remaining four projects were subject to the following delays:

- Perth Children's Hospital was significantly delayed by construction and commissioning issues before its commencement of clinical services in May 2018;
- Eastern Goldfields Regional Prison and Busselton Health Campus experienced construction and commissioning delays, however both are now fully operational; and
- The procurement process for Karratha Health Campus was delayed to ensure the transition to operations occurred after the 2017-18 wet season.

Cost of project management as a percentage of total project costs (%)^(b)



(b) This indicator shows Strategic Projects 'operational' costs as a percentage of the total costs associated with planning and delivering the major projects program.

(2) The increase in cost is the result of a reduction in the overall value of the major project portfolio due to completion of major projects such as the Optus Stadium, Perth Children's Hospital and Karratha Health Campus.