



AUSTRALIAN SENATE

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PARLIAMENT HOUSE
CANBERRA A.C.T. 2600
TEL: (02) 6277 3350
FAX: (02) 6277 3199
E-mail: clerk.sen@aph.gov.au

hl.let.16013

20 June 2008

Mr Russell Chafer
Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Mr Chafer

INQUIRY INTO EFFICIENCY DIVIDEND

The committee, by your letter dated 5 June 2008, invites me to make a submission to the committee on the effects of the ongoing efficiency dividend on small public sector agencies.

In relation to the Department of the Senate, the efficiency dividend so far has not caused the department to reduce staff or services. The reason for this is that productivity gains in the department, reflected in reductions of staff numbers, have more than cancelled out the effect of the efficiency dividend. As has been pointed out at estimates hearings for the department, however, the indefinite continuation of the efficiency dividend must mean that eventually the department will have to reduce the level of its services. It is not clear when this point would be reached.

Please let me know if the committee requires any further information.

Yours sincerely

(Harry Evans)