

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

Additional Budget Estimates 20 February 2008

Question **AET 58**
Topic: **Efficiency dividend-cash flow-date to be paid**
Hansard Page: **E17**

Senator Watson asked

With the new efficiency dividend that you are required to meet, in terms of cash flow, what is the date on which that has to be paid?

Mr D'Ascenzo—I am not sure about the cash flow implications. I can tell you what the impact is on us. It is an extra \$47.9 million next year.

Senator COONAN—I missed that.

Mr D'Ascenzo—It is \$47.9 million for next year. I am sorry, it is \$54 million for next year.

Senator COONAN—I thought so.

Senator WATSON—And this year?

Mr D'Ascenzo—I think it is \$11.4 million.

Senator COONAN—That is what it says.

Senator WATSON—And you will take on notice when that \$11.4 million and the other amount have to be paid, because that can have a very significant impact with respect to the timing of the cash flow about your decision making?

Answer

The Tax Office is not required to hand back the efficiency dividend in cash. Rather, the Tax Office's available appropriation has been reduced by the amount of the efficiency dividend. This means that the amount of cash the Tax Office can draw down from consolidated revenue for departmental expenses has been reduced by the efficiency dividend for the remainder of 2007-08 and future years.

(Table 1.4 page 115 of Treasury Portfolio Additional Estimates Statements 2007-08.)