

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

Budget Estimates 2 June 2005

Outcome 2

Topic: Efficiency Dividend

Written Question on Notice: Supp C8

Senator Carr asked:

- (a) What financial impact will the increased efficiency dividend have on your Department/agency this financial year and in the outyears?

Answer:

The increase in the efficiency dividend from 1% to 1.25% from 2005-06 will reduce the Tax Office's appropriation by:

\$6.103m in 2005-06
\$12.212m in 2006-07
\$18.366m in 2007-08
\$18.366m in 2008-09

- (b) The increase in the efficiency dividend was announced in last year's elections, what plans have you made to meet it?

Answer:

As part of the planning process for 2005-06 the Tax Office took the increased efficiency dividend into account in making resource allocations across the organisation. As a result it is not possible to identify any one expense or activity directly impacted by the efficiency dividend. Overall it represents a very small proportion of the Tax Office total costs.

- (c) What will this mean for staff numbers?

Answer:

Based on the average Tax Office staff cost, expected reductions in the numbers of staff in 2005-06 is approximately 80.

- (d) Will any specific programs be cut? Please specify which ones and the size of the estimated savings?

Answer:

There are no plans to reduce any specific programs.

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- (e) Will any core functions be affected by these savings measures?

Answer:

As outlined in (b) above the savings will be achieved across the range of Tax Office activities.

- (f) How will meeting the efficiency dividend affect your graduate recruitment plans?

Answer:

Reflecting the answer in (b), the efficiency dividend will have no direct impact on graduate recruitment plans.

- (g) How will meeting the efficiency dividend affect your ability to retain experienced staff?

Answer:

Any staff reductions resulting from the increased efficiency dividend will be managed through natural attrition.