

SENATE STANDING COMMITTEE ON ECONOMICS QUESTION
(Supplementary Budget Estimates 20 October – 21 October)

Question: SBT 112**Topic: Whole-of-Government Departmental Efficiencies**

Senator Bushby asked:

1. The 2009-10 Mid Year Economic and Fiscal Outlook detailed whole-of-government departmental efficiencies. How has this applied to your department and portfolio agencies?
2. Can you provide details of how these efficiencies will be achieved? Please provide specific examples.
3. Will the implementation of the Government's election commitment to maintain the 1.25 per cent efficiency dividend impact on your department or portfolio agencies ability to meet the efficiencies outlined in the 2009-10 Mid Year Economic and Fiscal Outlook?
4. Have any voluntary or involuntary redundancies been offered to staff to meet the 2009-10 Mid Year Economic and Fiscal Outlook detailed whole-of-government departmental efficiencies in your portfolio? If so, please provide details? Are there such plans for the future?
5. Are there any programs within your portfolio that are likely to exceed their current budget. If yes, please provide details (for example a demand driven program that has had higher than anticipated take up).

Are there any programs within your portfolio that are likely to under spend their current budget. If yes, please provide details (for example a demand driven program that has had higher than anticipated take up).

Answer:

This response is limited to the ATO and does not include information relating to the broader Treasury portfolio.

1. The ATO's departmental operating appropriation was reduced by \$15.4 million in 2009-10 and \$31.4 million from 2010-11 onwards to meet the whole-of-government efficiency savings.
2. To realise these savings the ATO implemented a range of savings and efficiency strategies including a tight control on recruitment and overall staffing levels and a review of corporate functions. Specific savings were identified in travel (through the increased use of video and tele-conferencing) and property expenditure (through a review of current and future accommodation needs). In making these savings the ATO endeavoured to target areas that would not adversely impact on its ability to deliver services to the community or revenue commitments.
3. Following advice from the Department of Finance and Deregulation, agencies were advised not to implement the efficiency dividend at 1.25 per cent in the recent Mid Year Economic

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Forecast Update at this stage. Given this, the ATO has not commenced implementation of this change. Maintenance of the efficiency dividend at 1.25 per cent will make our management task more difficult but we would seek to find these efficiencies through programs of innovation and continuous improvement and in ways that would minimise the impact on taxpayer services and government revenue.

4. Although the ATO did offer a small number of voluntary redundancies during 2009-10 to shift its workforce to meet current priorities, no redundancies were offered to specifically meet the 2009-10 Mid Year Economic and Fiscal Outlook efficiencies. Similarly, voluntary redundancies will continue to be offered in 2010-11 as appropriate to circumstances consistent with the ATO's agency agreement, for example, where staff are unable to cope with technological change. There are no plans to offer voluntary redundancies to meet budget.
5. No.
6. No.