

Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Australian Public Service Commission

Estimates 2005-06 – Budget Estimates, May 2005

Question: PM 88

Topic: Efficiency Dividend

Senator Carr asked:

1. What financial impact will the increased efficiency dividend have on your Department/agency this financial year and in the out years?

The accumulated increase in the efficiency dividend in this financial year and in the out years is as follows:

2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
0.037	0.073	0.109	0.109

The Commission has undertaken a review of its discretionary expenses which has resulted in modest reductions primarily in supplier expenses across the Commission.

2. The increase in the efficiency dividend was announced in last year's elections, what plans have you made to meet it?

The Commission's internal budget process provides that all government budget parameters including the efficiency dividend are applied to Group budgets. Individual Groups plan to manage the impact of the increased efficiency dividend through a range of measures including a reduction in discretionary expenses.

3. What will this mean for staff numbers?

The Commission's strategy to absorb the increase in the efficiency does not directly impact on the Commission staff numbers. The Commission however has estimated a reduction in numbers to reflect the conclusion of new policy proposal funding that lapsed in 2004-05 and to reflect a shift to a more affordable medium term staffing level

4. Will any specific programs be cut? Please specify which ones and the size of the estimated savings?

No specific programmes will be cut as a result of the increase in the efficiency/dividend.

5. Will any core functions be affected by these savings measure?

No core functions will be affected by the increased efficiency dividend though the Commission's financial position will require closer monitoring to ensure that the tighter funding arrangements are effectively managed.

6. How will meeting the efficiency dividend affect your graduate recruitment plans?

The increase in the efficiency will not directly affect the Commission's graduate recruitment plans.

7. How will meeting the efficiency dividend affect your ability to retain experienced staff?

The increase in the efficiency will not directly affect the Commission's ability to retain experienced staff; however the tighter funding arrangements overall will put pressure on the general affordability of future remuneration increases and on its attraction and retention capacity.