

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department: Department of Finance and Deregulation

Outcome/Program: 1/1.1

Topic: Efficiency Dividend

Senator: Humphries

Question reference number: F115

Type of question: Written

Date set by the committee for the return of answer: Friday, 8 July 2011

Number of pages: 2

Question:

Senator Humphries:

I refer the minister to her statement of 21 April 2011 entitled "Driving Efficiencies in Government". In this statement the minister says:

The Government has today also released the Review of the Measures of Agency Efficiency report. The central recommendation of the Review - to apply the efficiency dividend at portfolio level – will be adopted by the Government.

The Government acknowledges that some agencies have been concerned about the current efficiency dividend having an unequal effect on some agencies. Adopting this recommendation will provide portfolios with more flexibility in applying the efficiency dividend, including to smaller agencies.

I ask the minister:

- a) Which agencies qualify as smaller agencies in terms of flexibility?
- b) Which agencies, if any, in the 2011-12 budget have had the efficiency dividend applied at a rate other than the prescribed rate?
- c) What measures did the Minister and her department take to ensure portfolio departments were aware of this flexibility during the budget process?
- d) When were portfolio departments first made aware of this flexibility during the budget process?

Answer:

- (a) In responding to the *Report of the Review of the Measures of Agency Efficiency*, the Government agreed to allow flexibility at the portfolio level for the application of the

efficiency dividend with effect from the 2011-12 Budget. The revised efficiency dividend arrangements apply to all agencies, not just small agencies.

No requests were made to adjust the rate of the efficiency dividend across portfolio agencies in the 2011-12 Budget.

- (b) A number of agencies are currently subject to exemption (full or partial) from the prescribed rate of the efficiency dividend. Attachment E of the *Report of the Review of the Measures of Agency Efficiency*, available on the Finance website, provides details of these exemptions.
- (c) The Department of Finance and Deregulation advised portfolio departments, and agencies, in writing about the revised arrangements for applying the efficiency dividend at a portfolio level. The Minister for Finance and Deregulation also wrote to all ministers advising of the revised arrangements.
- (d) Advice on the revised arrangements for applying the efficiency dividend was first provided to agencies on 21 April 2011.