

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

Prime Minister and Cabinet Portfolio

Department/Agency: Office for the Arts
Outcome/Program: 2.1 – Arts and Cultural Development
Topic: Efficiency Dividend

Senator: Humphries
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Number of pages: 2

Question:

Senator HUMPHRIES: ... I was surprised to see when these budget papers were released that the full additional quarter per cent dividend cut applied in every one of the small agencies without exception. How does the announcement made by Senator Wong and Senator Lundy actually translate into a device to protect smaller agencies, in this case Screen Australia.

Senator HUMPHRIES: ... They said that the smaller institutions could be protected by virtue of the efficiency dividend applying at the portfolio level, allowing—I assume she was implying—the dividend to be absorbed by the parent agency, or partly absorbed by the parent agency, rather than by the smaller agency. If that was not her intention, what was her intention and Minister Wong’s intention in saying the smaller agencies would be protected?

Senator Sherry: The witness cannot go to the intention of ministers or parliamentary secretaries.

Senator HUMPHRIES: No, but you can.

Senator Sherry: I was just going to say, in answering the question—if you would just let me answer it—I can make inquiries on their behalf. I am happy to take the question on notice, but it is not for the officer to do that in the case of a minister or a parliamentary secretary’s intention.

Senator HUMPHRIES: With the greatest respect, this was an important announcement that the government made on 21 April. You have been a minister in finance and Treasury areas previously and still have a connection there. Surely you are aware of the reason that it was announced, on 21 April, that there would be a device to protect smaller agencies? Why can you not tell me now why it is that the agencies are not being protected?

Senator Sherry: I can make inquiries for you. I am not on the expenditure review committee anymore. I was up until last November, so I will have to make inquiries and take it on notice to see what was intended by the statements, assuming they are accurate.

Senator HUMPHRIES: I can table the media releases now, if you want to see them.

Senator Sherry: I said I assumed they were accurate. I do not have them in front of me so I will take your word for it. I can refer it onto the ministers. I am sure they will look at the *Hansard* and your quotes. But that is the best I can do today, I am afraid.

...

Senator HUMPHRIES: We were told it would not be applied.

...

Senator HUMPHRIES: I was asking you to indicate how a policy applied but, if you cannot do that, all right. Can I take it that the question that Senator Sherry said he would take on notice is still being taken on notice as to an explanation of how exactly this policy announcement—

Mr Eccles: I will ensure that it is.

Answer:

The Government released the *Review of the Measures of Agency Efficiency* report on 21 April 2011. The central recommendation of the Review, to apply the efficiency dividend at portfolio level, has been adopted by the Government. This provides portfolio Ministers with greater flexibility in applying the efficiency dividend.

The presentation of the efficiency dividend in the 2011-12 Portfolio Budget Statements reflects the standard practice of applying the efficiency dividend at the agency level. Any change to the application of the efficiency dividend within a portfolio is a matter for the portfolio Minister. The Office for the Arts is working closely with arts and cultural agencies to identify ways of finding efficiencies through closer and more collaborative operations, such as shared corporate services and back office business functions. While this work is underway, it would be premature to revise the allocation of the efficiency dividend within the Prime Minister and Cabinet portfolio.