

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2016-17

Finance Portfolio
28 February 2017

Department/Agency: Finance
Outcome/Program: 2/2.1
Topic: Detection of waste

Senator: Kakosche-Moore

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Question:

Senator KAKOSCHKE-MOORE: Can you tell me how much waste the Department of Finance has detected across the government from the last financial year or—

Senator Cormann: We will take that on notice. It is a definitional question, to ask 'what is waste?'. We will take it on notice and see how we can best provide you with a sensible answer to that.

Senator KAKOSCHKE-MOORE: Thank you, and also the definition of 'waste' that you use in bringing those figures together. Finally, what happens—on remediation and accountability—in a situation where waste is identified?

Answer:

The Government examines the efficiency of all parts and aspects of the public sector, from the functions of agencies to how they operate and are structured through a number of mechanisms. Initiatives aimed at improving the efficiency and effectiveness of the Commonwealth public service include:

- comprehensive Functional and Efficiency Reviews, which provide independent advice to Government on opportunities to remove inefficiency or reduce lower priority expenditure so that finite public resources are focused on the activities that matter most. Outcomes announced to date have delivered savings of around \$2.7 billion;
- Smaller Government reforms to the size and structure of Government, with announced savings of \$1.5 billion since 2013-14;
- a requirement that all new spending be offset by reductions in spending elsewhere within the budget, as set out in the Government's budget repair strategy;
- the efficiency dividend, which has driven reform to inefficient programs and practices. In the 2016-17 Budget the Government announced that it would maintain the efficiency dividend at 2.5 per cent in 2017-18, then reduce it to 2 per cent in 2018-19 and further reduce it to 1.5 per cent in 2019-20;
- Operation Tetris has successfully filled over 60,000 square metres of previously vacant and surplus office space under lease in and around Canberra, realising savings of over \$250 million over 10 years;

- consolidation of Shared and Common Services (financial and human resources), with structural changes expected to achieve annual savings of \$38 million to \$59 million by 2021-22;
- a more rational property portfolio, by divesting surplus properties to align property holdings with current and anticipated needs;
- streamlined Government grants administration, with two hub agencies streamlining their grants management processes, and 11 other granting agencies transitioning their grant programs to one of the two hubs; and
- the Digital Transformation Agenda, with the savings impact of many of these reforms to build over time.

In the 2016-17 Budget the Government also provided \$500 million for the Public Service Modernisation Fund to support new and continuing initiatives that modernise, transform, and improve the efficiency of the public sector. Government provided for this funding from the partial reinvestment of efficiency dividend savings.

Further detail of these initiatives can be found in the 2016-17 Budget Paper No. 4.