

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 132

Topic: ATO – Efficiency Dividend

Hansard Page: Written

Senator Bushby asked:

1. Have there been any changes to your portfolio's approach to implementing the Government's savings election commitment of a maintaining the annual efficiency dividend on departmental expenses at 1.25 per cent since last estimates? If yes, give details.
2. Will any agencies in your portfolio be seeking an exemption to implementing the efficiency dividend?

Answer:

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

1. The Government increased the efficiency dividend to 1.5% as part of the 2011-12 Budget.

The ATO has not made any specific changes in its budget management approach in order to implement the Government's savings election commitment of maintaining the annual efficiency dividend. Rather the ATO employs a range of strategies to assist in its overall budget management each year which includes managing the effect of the Government's increased efficiency dividend. Strategic initiatives underway include the review of workforce classifications in the ATO's Operations Sub-plan, the development of a new Australian Public Service level 1 work initiative and investment in information technology systems and technology to obtain ongoing efficiencies.

In addition to these strategic initiatives, the ATO maintains its focus on administrative areas to ensure that the ATO operates within its allocated budget. These areas include accommodation holdings, competitive procurement processes, staff behavioural changes, restricting available budgets in discretionary supplier expenditure (including for travel and consultancies) and close monitoring of recruitment and overall staffing levels.

Focussing on these strategies allows the ATO to, as far as practicable, target savings and reductions in areas that do not deal directly with taxpayers so as to minimise impact on core service delivery and revenue collection responsibilities.

2. The ATO will not be seeking an exemption to implementing the efficiency dividend.