

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 13-16 Feb 2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1.4 Support Services for Government Operations

Topic: Efficiency Dividend

Senator: Senator Humphries

Question reference number: 80

Type of Question: Written

Date set by the committee for the return of answer: 30 March 2012

Number of pages: 2

Question:

1. What is the effect of the efficiency dividend increase from 1.5 per cent to 4 per cent on the department/agency's budget bottom line during financial years 2012/13, 13/14, 14/15?
2. What percentage of the department/agency's budget is designated to staffing?
3. What is the size of the department/agency's staffing establishment? Include figures for FTE, PT, casual, contractors, and consultants.
4. What specific strategies will the department/agency adopt to ensure continued operation within budget?
5. Will or has consideration been made to reducing staffing complement including contractors, and consultants?

Answer:

1. The one-off Efficiency Dividend (ED) increase of 2.5 percent will have a \$7.6 million effect on the department over three years. The impact of the ED in each of those years is outlined below:
2012-13: \$2.6 million
2013-14: \$2.5 million
2014-15: \$2.5 million

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2. The percentage of the department's budget allocated to staffing as published in the 2011-12 Portfolio Additional Estimate Statements (PAES) is approximately 51 per cent in 2011-12 and approximately 65 per cent in the out years. The increase in the outer years reflects the completion of the Commonwealth Heads of Government Meeting in 2011-12, which had a higher proportion of non-staffing costs.
3. The department's staffing establishment is based on the budgeted Average Staffing Levels that were published in the 2011-12 Portfolio Additional Estimates Statements.
4. All areas of the department will consider a range of options to manage their activities within budget including:
 - reductions in the use of consultants and contractors;
 - replacing domestic and international travel with the use of the Government's virtual meeting (telepresence) facilities;
 - reductions in agency spend on hospitality and entertainment;
 - minimising media and advertising expenditure;
 - reductions in printing and publication expenditure; and
 - through more efficient and consistent delivery of training.
5. Please refer to the above answer.