

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2013-2014

Finance Portfolio

Question reference number: F103

Senator: Ludwig

Topic: Public Service efficiencies

Question:

1. Has there been a reduction in business flights? What are the estimated savings for each year over the forward estimates?
2. Has there been a reduction in the use of external consultants and contractors? Has this impacted on the Department/agency, and how? What are the estimated savings for each year over the forward estimates?
3. Provide an update of moving recruitment advertising online. Is any recruitment still in printed materials, and if yes, why? What are the estimated savings for each year over the forward estimates?
4. Has the department/agency reduced its printing costs? If no, why not? Have printing costs increased, and if yes why and how much?
5. Has the five per cent savings target been achieved – if yes, how, or if it will not, why not? What are the estimated savings for each year over the forward estimates?

Answer:

Department / Agency	Response
Finance	<ol style="list-style-type: none"> 1. Yes. Refer to Supplementary Budget Estimates F62. 2. Yes. This has not impacted on the Department's ability to meet the Government's policy priorities. Refer to Supplementary Budget Estimates F62. 3. In accordance with the Non-Campaign Recruitment Advertising Policy, effective 1 July 2012, the department has transitioned to using only online advertising for recruitment. COMCAR driver positions will continue to be advertised in local community papers as typically the candidate pool comes from local communities of retired or semi-retired people. Refer to Supplementary Budget Estimates F62. 4. Yes. Refer to Supplementary Budget Estimates F62. 5. Yes. Refer to Supplementary Budget Estimates F62 for estimated savings for each year over the forward estimates.
AEC	<ol style="list-style-type: none"> 1. The AEC Enterprise Agreement has removed the entitlement for Non-SES staff to travel in business class for domestic flights to/from Perth and Darwin. Subsequently, all Non-SES travel is conducted on economy fares, with a

	<p>resulting reduction in cost. The AEC does not record travel data in a way that would readily allow cost analysis on business flights. To attempt to provide this level of detail would involve an unreasonable diversion of agency resources.</p> <ol style="list-style-type: none"> 2. The AEC’s utilisation of external contractors and consultants remains in accordance with our business requirements on an as-needed basis. No savings are anticipated. 3. All vacancies have been moved to online advertising with the exception of 13 key positions for which the Electoral Commissioner applied for and was granted permission to advertise via targeted print media. Detailed financial data is not available to conduct a cost savings analysis. To attempt to provide this level of detail would involve an unreasonable diversion of agency resources. 4. Printing volumes increase during an election year as a result of production of Federal Election operational and promotional materials. The AEC has spent approximately \$5.66 million year-to-date for printing and production. The majority was election related and funded separately under election budgets. 5. The AEC achieved the savings target though the following actions: <ul style="list-style-type: none"> • Travel requests that involve business class travel continue to be rigorously assessed based on the requirement for the travel to be undertaken, value for money and available budget. • Continuing to utilise video conferencing. • The use of external consultants and contractors is determined on a case-by-case basis and are only employed where existing AEC employees do not have the required skills and capacity. • Continuing to use on-line advertising. • The AEC undertakes a limited hard copy print run for most publications. People are directed to soft copies on the intranet/internet. <p>Estimated savings are provided in responses 1) – 4) above.</p>
ComSuper	<ol style="list-style-type: none"> 1. Travel is only undertaken where it represents efficient, effective and economical use of Commonwealth resources. ComSuper complies with the Commonwealth’s policy of the Lowest Practical Fare for Official Domestic Air Travel. The ComSuper Travel Policy requires staff to consider cost effective alternatives such as teleconference or video conferencing as alternatives to air travel. ComSuper undertakes a minimal amount air travel. As such, it would be an unnecessary diversion of resources to estimate the savings associated with air travel. 2. ComSuper engages contractors and consultants only where the required skills are not available in ComSuper and where it represents efficient, effective, ethical and economic use of Commonwealth resources. This is consistent with ComSuper’s existing practices and will have no adverse impact on the agency. Contractors and consultants may be engaged on a needs basis and, as such, the number of consultants and contractors that may need to be engaged each year over the forward estimates cannot be fully determined. 3. Since 1 July 2012, ComSuper moved to the government requirement to advertise recruitment online, and no longer use print media. ComSuper will continue to comply with this requirement, ensuring that all recruitment is online only. It would be an unreasonable diversion of resources to estimate the savings associated with recruitment advertising online.

	<ol style="list-style-type: none"> 4. Yes. 5. ComSuper has put in place a range of measures aimed at achieving savings over the forward estimates. These include ongoing savings from the outsourcing of the administration of the Public Sector Superannuation Accumulation Plan (PSSap), consolidating our office accommodation, implementing more efficient management structures and other general efficiencies. Estimated savings for the forward estimates are expected to be \$8.3m for each of the forward years.
Commonwealth Superannuation Corporation	<ol style="list-style-type: none"> 1. CSC books flights on the basis of business needs and in accordance with its travel policy – refer to response to Supplementary Budget Estimates F97 for business class airfare policy. CSC doesn’t quantify estimated savings. CSC budgets on a financial year basis. It is not part of the “forward estimates” process. 2. Consultants and contractors are only retained on the basis of business needs. CSC budgets on a financial year basis. It is not part of the “forward estimates” process. 3. Most recruitment is advertised online. CSC may use non-online advertisements to capture specific audiences. CSC budgets on a financial year basis. It is not part of the “forward estimates” process. 4. Printing is done on the basis of business needs. Electronic documents and filing are used wherever possible. CSC budgets on a financial year basis. It is not part of the “forward estimates” process. 5. CSC is not part of the “forward estimates” process.
Future Fund Management Agency	<ol style="list-style-type: none"> 1. The costs of operating the Agency and making investments of the Future Fund are met from the assets of the Future Fund not via budget appropriations. Nonetheless, the Agency maintains close oversight and control of its costs. The Agency’s policy is that all travel within Australia and New Zealand must be at economy class for all staff. Travel to other destinations may be in Business Class. All travel is subject to the value for money and best fare requirements of the travel procurement requirements. 2. In accordance with its legislation and business model, the Fund uses external advisers, consultants and investment managers. All external arrangements are considered on the basis of the expected costs and benefits and the availability of suitably skilled resources. 3. The Agency’s recruitment advertising costs are modest and we already make use of online advertising sources to a large extent. We expect to continue to use online advertising extensively, using print advertising only where this is expected to be beneficial to the identification of suitable candidates. 4. The Agency does not print significant volumes of material. Where printing is required, we will continue to source appropriate providers in accordance with the Commonwealth procurement rules. 5. The costs of operating the Agency and making investments of the Future Fund are met from the assets of the Future Fund not via budget appropriations and these costs are agreed and overseen by the Board of Guardians.