

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 839

Topic: alternative restructure options

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Senator Cormann asked:

Senator CORMANN: I am sure that the cc to me would have been a red flag that people would have brought to your attention. Can you talk us through your perspective on what is described in the letter as a huge wastage of money in the shared services function at ASIC?

Mr Medcraft: I think it is pretty clear that when you have restructure, whether it be in deterrence or in other areas, clearly it leaves disgruntled employees. I think that happens whenever you have restructuring. This letter we believe was from somebody in our shared services area. The shared services area underwent a restructure this year, 2011, which saw 32 people leave the organisation. As I said, any restructure is difficult for employees and can cause resentment—as I think this letter shows. We are looking at some of the accusations in there. On the broader issue of funding we are undergoing an important funding review that is being overseen by Treasury and the Department of Finance and Deregulation at the present time and is actually looking at the efficiency of ASIC. Obviously I will be happy to comment further once that review is completed.

Senator CORMANN: You are currently conducting a review into the shared services area?

Mr Medcraft: As I say, we had a review done of shared services some time ago and as part of an efficiency objective. We reviewed that area and we had a consultant look at it, who made recommendations in relation to a restructure. Some of those recommendations have been implemented. That saw 32 people leave the organisation.

Senator CORMANN: Were you presented with any alternative restructure options to achieve the same savings outcome?

Mr Medcraft: I will take that on notice, but I am not aware of any.

Answer:

The consultant's recommendations, in the review of the Corporate Services and Finance business units within Shared Services, effectively recommended the centralisation of a number of services and functions and the paring back of some services and functions. Accordingly, there were no alternative restructure options recommended that could achieve the same outcome.