

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

18 October 2012

**Question:** SR29  
**Topic:** Departmental Efficiencies  
**Proof Hansard Page:** Written

**Senator Bushby asked:**

1. Please detail how the department/agency will achieve savings over the forward estimates through pursuing further efficiencies in the way the public service operates (see media release by the Minister for Finance and Deregulation and the Special Minister of State of 25 September 2012 [http://www.financeminister.gov.au/media/2012/mr\\_1982012.html](http://www.financeminister.gov.au/media/2012/mr_1982012.html)).
2. In addition, please provide the following detail:
  - a) How will reductions in air travel spending be achieved? What is the estimated savings for each year over the forward estimates?
  - b) What restrictions will be implemented for business flights? What are the estimated savings for each year over the forward estimates?
  - c) How will the use of external consultants and contractors be reduced? How will this impact on the Department/agency? What are the estimated savings for each year over the forward estimates?
  - d) How will the department/agency manage moving recruitment advertising online? Will all future recruitment advertisement be online only? If not, explain why. What are the estimated savings for each year over the forward estimates?
  - e) How will printing costs be reduced? Explain if and how the department/agency will reduce its printing costs by five per cent, or if it will not, why not? How will it be determined what documents will no longer be printed? What are the estimated savings for each year over the forward estimates?

**Answer:**

***The Department***

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1. The Department has set a balanced budget for 2012-13, and undertakes budget reviews as required to ensure the Department operates within budget.
2.
  - a) Savings in air travel will be achieved through the greater use of teleconferencing facilities, and continuing to review on a case by case basis the need for travel to occur. It is not possible to quantify at this time the estimated savings over the forward estimates.
  - b) Business flights will only be available to staff on longer haul flights within Australia and for overseas travel. It is not possible to quantify at this time the estimated savings over the forward estimates.

- c) The use of external consultants and contractors will continue to be assessed on a case by case basis. It is not possible to quantify at this time the estimated savings over the forward estimates.
- d) The Department uses online advertising for all its recruitment actions and has been doing so for over two years. It is not possible to quantify at this time the estimated savings over the forward estimates.
- e) The need for printing documents will be assessed on a case by case basis as well as the quantity of items required to be printed. This need will be assessed against a range of criteria including level of demand for printed documents in the past, availability from other sources and the like. It is not possible to quantify at this time the estimated savings over the forward estimates.

### ***Australian Renewable Energy Agency***

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Under the Australian Renewable Energy Agency's (ARENA's) enabling legislation, all other staff necessary to assist ARENA are employed in the Department. Only the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are employed by ARENA.

### ***Geoscience Australia***

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1. Geoscience Australia (GA) will:
  - Reduce the quantum of travel undertaken by its officers;
  - Put a cap on the number of contractors used across the agency; and
  - Stop advertising recruitment in any form of print media.
2.
  - a) Savings will be achieved through the use of Whole of Government travel arrangements and other initiatives, with a anticipated savings of approximately \$1.5 million per annum.
  - b) GA staff will be required to utilise economy flights for all eastern seaboard flights, with anticipated savings of \$250,000 per annum.
  - c) The usage of consultancies is not anticipated to change, so no material savings in consultancy expenditure is expected.
 

The end of a corporate change programme that utilises contractors will achieve a reduction. Recruitment activity has enabled ongoing positions to be filled by ongoing staff rather than contractors.
  - d) Advertising will be done through the Commonwealth Gazette and other online services. GA's default position will only be to advertise electronically. Specialist recruitment may continue to use specialist scientific journals, some of which are available electronically. The anticipated savings will be \$100,000 per annum.
  - e) GA will reduce its printing costs by more than 5 per cent by progressively moving its publications and maps to be 'online only' or to 'print on demand'. The estimated savings will be approximately \$25,000 per annum.

### ***Tourism Australia***

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1. In 2012/13 Tourism Australia reduced support costs by 21 per cent through:
  - The reduction in contractors and consultants costs

- Implementation of reduced budgets and tighter restrictions on staff travel
  - Implementation of a managed print service for on site printing minimising costs for paper, toners and equipment.
  - Tighter controls on the number of documents produced.
2. a) Tourism Australia reduced its staff travel budget by 21 per cent or \$722,000 in 2012/13 to drive savings across air travel and other costs. The implementation of video conferencing in international offices as well as additional approval requirements and travel policy changes have supported these savings. Total savings over the forward estimates are estimated at \$2.8 million.
  - b) Tourism Australia revised its travel policy in 2011/12 to reduce business class travel. These changes combined with other reforms will result in a reduction of \$722,000 per annum from staff travel.
  - c) Tourism Australia has significantly reduced the number of contractors and consultants used in the past 12 months to reduce support costs. These reforms will continue in 2012/13 with the focus on streamlining IT support services through rationalisation of software and hardware. Over \$1 million in savings are forecast in 2012/13 with a total of \$4 million over the forward estimates.
  - d) Tourism Australia's policy is to conduct online recruitment. As this is current policy, minimal savings in this measure are forecast.  
  
In exceptional circumstances, Tourism Australia uses print recruitment advertising.
  - e) Tourism Australia implemented a managed print service in 2011/12 to reduce on site printing costs. Where appropriate key corporate documents are placed online and hard copy printing minimised.

### ***National Offshore Petroleum Safety & Environmental Management Authority***

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1. The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is a self-funded agency via a cost-recovery arrangement through industry. A periodic review of this cost-recovery is undertaken by the CEO under the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2004 (OPGGS (RL)) Regulations 2004 Section 61 together with an annual review of the cost-effectiveness of the operations of NOPSEMA OPGGS (RL) Regulations 2004 Section 62. As a consequence there is no financial impact on Government.
2. a) NOPSEMA currently operates according to the '*Remuneration Tribunal Secretariat Determination 2012/18*' in respect to CEO travelling and accommodation rates. The remainder of the agency operate in accordance with the '*APSC Subscription notice No. 5 of 6 for 2011/12*'.  
  
Travelling is required for inspectors visiting offshore facilities to perform their normal duties. Being a Commonwealth Agency in WA, travel is also required for managers to attend Commonwealth meetings in Canberra. Where possible, multiple meetings are scheduled for each trip.
- b) Currently only General Managers (classification SES) and the CEO are allowed business class travel. There are no exceptions.
- c) No plans to reduce current levels of external consultants and contractors. Contractors are being used to cover short-term operational vacancies that do not allow for full-time

permanent staff and consultants are engaged for project work where in-house skills are not available.

- d) This has already been implemented from July 2012. All future recruitment advertising will be online.
- e) NOPSEMA is increasingly moving to prioritising electronic publications over printed publications. Printing is required for statutory documents, such as the Annual Report, and key communications, such as the Annual Health and Safety Performance Report. In 2012-13 NOPSEMA produced workshop programs and meeting agendas in-house and distributed its bi-monthly newsletter electronically, which has reduced printing expenses. Given the number of publications produced by NOPSEMA annually is not fixed, it is not possible to demonstrate a permanent 5 per cent reduction in annual printing expenditure at this stage.

***Australian Solar Institute***

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Not applicable to the Australian Solar Institute.