

Tabled 4 June 2014  
FADT Committee  
by DFAT Secretary  
S-6 Staffing 3 pages

Budget Estimates: 4-5 June 2014

## Attachment

### **Message from the Secretary - Staff cuts flowing from the 2014-15 Budget**

Colleagues will be aware that last night's Budget requires DFAT to find approximately \$110 million in savings over the 2014-15 financial year, out of a total of around \$400 million over the four-year forward estimates. The savings required are attributed in the Budget papers to the integration of AusAID and DFAT and to more efficiency in the delivery of the aid program.

A large portion of this savings amount will have to be found through a substantial reduction in the Department's staffing profile. While the full implications of the Budget have not yet been worked through, our current assessment is that there will need to be a reduction of about 500 APS positions over the course of the 2013-14 and 2014-15 financial years. This is a reduction of 12 per cent from a base of 4215 staff, comprising the combined DFAT and AusAID workforce as at 1 July 2013 plus positions gained with climate change and tourism functions.

At its meeting on 9 May, the Integration Steering Committee considered the FTE Review prepared by the Task Force. I would like to acknowledge the excellent work that Ian Biggs and his team have done on the FTE Review. Within the reduced staffing profile, the Review recommended staffing allocations in Canberra and at posts and State offices which should enable the Department to continue to deliver the Government's priorities in foreign affairs, trade and development, while achieving the required savings from Integration, the aid budget reductions and more efficient delivery of the aid program.

The Steering Committee has made a preliminary decision on the allocations for Divisions and the overall staffing of posts, as set out in the attached table. Those posts which are affected are being advised separately. Divisions providing corporate services and delivering or supporting the delivery of the aid program will be most affected by the reductions. The final overall reduction and allocations will be decided by the Committee at its meeting on 26 May.

I understand that the size of the reduction in staff numbers we are required to make will be of concern to staff. Some of you will be anxious about jobs and future careers. Staff will also be concerned about the overall impact on the Department and the full range of its functions.

At this stage, I remain hopeful that we can manage the reduction in staff numbers without recourse to involuntary redundancies, which I regard as a last resort only. I expect that by 30 June 2014, around 200 staff will have left through voluntary redundancies, and more are in train for departure next financial year. Many non-ongoing contracts have not been or will not be renewed. There continues to be some natural attrition. Most recruitment has already stopped, consistent with the overall



Public Service guidelines. As Divisions adjust their workforce profiles, the placements process will be the main mechanism for re-allocating staff across the Department.

The period ahead will be challenging for the Department and for all of us. The Department is not alone in the public service in having to make difficult decisions and choices. I hope that we can meet the challenges with resilience and in a collegiate spirit.

Peter Varghese

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## Attachment

### Proposed FTE allocations for 2014-15

- Americas Division 25
- Australian Passport Office 390\*
- Australian Safeguards and Non-Proliferation Office 17
- Consular and Crisis Management Division 64
- Contracting and Aid Management Division 107
- Corporate Management Division 320
- Development Policy Division 105
- Europe Division 27
- Executive, Planning and Evaluation Branch 31
- Free Trade Agreement Division 50
- Humanitarian Division 62
- Information Management and Technology Division 240
- Internal Audit Branch 17
- International Security Division 46
- Legal Division 80
- Middle East and Africa Division 52
- Multilateral Development and Partnerships Division 72
- Multilateral Policy Division 92
- North Asia Division 39
- Office of Development Effectiveness 15
- Office of Trade Negotiations 80
- Overseas Property Office and Services 55
- New Colombo Plan Secretariat 13
- Pacific Division 140
- Policy Planning Branch 10
- Protocol Branch 15
- Public Diplomacy and Communications Division 94
- South and West Asia Division 79

- South East Asia Maritime Division 51
- South East Asia Mainland and Regional Division 50
- Trade and Economic Diplomacy Division 84
- State and Territory Offices 34
- Posts 796

\* The FTE number for the Passport Office fluctuates in accordance with the funding agreement with the Department of Finance.