



M2005 156

8 July 2005

Mr Alistair Sands
Committee Secretary
Finance and Public Administration Committee
Parliament House
CANBERRA ACT 2600

Dear Mr Sands

Revised Questions on Notice Index – Australian National Audit Office

I refer to the Revised Questions on Notice Index dated 7 June 2005.

The ANAO responses to QON PM 65, 73, 81 and 89 are attached.

Should you wish to discuss any aspect of these responses, please contact Denzil Bourne on 02 6203 7661.

Yours sincerely

John Hawley
Executive Director
Corporate Management Branch

QON PM 65 Language Skills		
1	Regarding the employees that your department or agency has identified as having: (a) fluency (b) accredited translator (c) accredited interpreter	The ANAO has no accredited translators or interpreters.
2	Of these employees, please indicate what the department is doing in order to make full use of its employees skills in this regard, and please provide a breakdown of this between employees whose accreditation was paid for by the department and those whose were not?	NA
QON PM 73 Legal Services Expenditure		
1	What amount did the Agency spend during the financial year 2004/2005 on outsourced legal practitioners (including private firms, individuals, the Australian Government Solicitor, and any others)?	\$391 744
2	What was the budgeted amount for outsourced legal practitioners in 2004/2005?	\$231 132
3	What amount did the Agency spend on internal legal services? (Provide an estimate if exact amount is unavailable.)	Nil
4	Does the Agency have an in-house legal section? If so, what was the 2004/2005 actual cost of this section? What was the budgeted amount for this section in 2004/2005? What is the budget amount for this section in 2005/2006?	No
5	What is the total projected expenditure on legal services for 2005/2006 for the Agency?	\$228 584
6	Which organisations or individuals were contracted to provide legal services to the Agency in 2004/2005?	Legal Panel: Mallesons Stephen Jaques, Phillips Fox, Minter Ellison, AGS. Also Corrs Chambers Westgarth, Blake Dawson Waldron and Mr Dale Boucher
7	In each instance, how much	Mallesons Stephen Jaques - \$155 915

	was each organisation or individual paid for these services?	Philips Fox- \$2 067 Minter Ellison- \$40 590 AGS- \$91 201 Corrs Chambers Westgarth - \$79 377 Blake Dawson Waldron -\$9 202 Mr Boucher-\$13 392
8	Does the Agency use an open tendering or select tendering process (as described in the Commonwealth Procurement Guidelines, p42) when procuring legal services?	The ANAO uses a legal panel. Firms outside the legal panel may be used for reasons such as, particular expertise where not available on the legal panel or conflict of interest.
9	If a select tendering process is used: (a) which method of select tendering is used and (b) which firms or individuals are currently eligible to tender for legal services?	NA
10	If a multi-use list is used: (a) which firms or individuals are currently on that list and (b) when was the list last opened for applications?	NA
11	In 2004/2005 did the Agency obtain any legal services using a direct sourcing procurement process? If so, provide details including the name of the provider, the work involved and the cost.	Two firms and one individual were used (see below) because of the known expertise for the work required. Corrs Chambers Westgarth - \$79 377 Blake Dawson Waldron -\$9 202 Mr Boucher-\$13 392.
12	In 2004/2005 did the Agency procure any legal services under the thresholds required for 'covered procurements' (within the meaning of 8.6 of the Commonwealth Procurement Guidelines)? If so, provide details including the name of the provider, the work involved and the cost.	See answer to Q11.
13	In 2004/2005 did the Agency contract any legal firms to provide services other than legal services (such as consulting, conduct of policy reviews etc)? If so, provide details including the name of the firm, the project involved and the cost of the contract.	No

QON PM 81 Performance Pay		
1	Is performance pay available under your department and or agencies certified agreement?	Yes, for non-SES staff.
2	If so how many staff in your Department or Agency are eligible for performance based pay?	230
3	<p>Please provide a breakdown of performance pay awarded for this financial year to date including the following details:</p> <p>(a) How many staff have received performance pay?</p> <p>(b) What levels are those staff at?</p> <p>(c) What gender, a breakdown please?</p> <p>(d) How much has each staff member received?</p> <p>(e) When did they receive it?</p> <p>(f) What was the rationale for the awarding of performance pay in each instance?</p> <p>(g) Did the Department/Agency head receive performance pay?</p> <p>(h) How much?</p> <p>(i) When?</p> <p>(j) On what grounds?</p>	<p>216</p> <p>APS 4 to EL2</p> <p>44% male, 56% female</p> <p>Average \$2931</p> <p>December 2004</p> <p>Individual Assessment against defined objectives contained in each staff member's performance agreement. Framework is contained in the ANAO Certified Agreement and associated guidelines.</p> <p>No, pay in lieu of performance pay.</p> <p>\$23297.40 (7%)</p> <p>9 Sep 2004</p> <p>Remuneration Tribunal Determination</p>

PM 89: Efficiency Dividend

Q1. What financial impact will the increased efficiency dividend have on your Department/ Agency this financial year and in the out years?

A. The financial impact of the increased efficiency dividend on 2005-06 and out years is to decrease appropriations as shown in the table below.

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Financial impact of increased efficiency dividend	-144	-292	-441	-441

Q2. The increase in the efficiency dividend was announced in last year's elections, what plans have you made to meet it?

A. The impact of the efficiency dividend announced in last year's election was one of the factors that was taken into account as the ANAO developed its 2005-06 and onwards budgets. The impact of the efficiency dividend has been absorbed in the budgets of our Corporate Branch and Audit Groups.

Q3. What will this mean for staff numbers?

A. The impact of the efficiency dividend and the ANAO's bid for new resources in the 2005-06 Budget not being fully accepted can be managed in 2005-06 with costs being reduced largely through improved efficiency in our corporate area. Staff numbers will decrease marginally by natural attrition.

Q4. Will any specific programs be cut? Please specify which ones and the size of the estimated savings?

A. No specific programs will be cut, although the number of performance audits and other discretionary products may be affected due to resource pressures of which the efficiency dividend is a factor.

Q5. Will any core functions be affected by these savings measures?

A. No core functions will be affected by the efficiency dividend. There will be a challenge in the out years, from increased operating costs overall and the efficiency dividend, not to reduce the ANAO's level of discretionary products.

Q6. How will meeting the efficiency dividend affect your graduate recruitment plans?

A. Graduate recruitment plans are currently being finalised.

Q7. How will meeting the efficiency dividend affect your ability to retain experienced staff?

- A. Resource pressures generally as well as the efficiency dividend could potentially impact the ANAO's ability to attract and retain qualified accountants. The ANAO generally has a staff retention issue, particularly for qualified accountants because the market for qualified accountants is a competitive, and the ANAO staff are in high demand.