

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Portfolio

Question No. 73

Senator Humphries asked the following question at the hearing on 14 February 2012:

Efficiency Dividend

1. How will the efficiency dividend applied in the 2011-12 Mid-Year Economic and Fiscal Outlook be implemented in your agency/department?
2. What percentage of your budget must be cut?
3. Will any staff position be cut to meet the efficiency dividend? If yes, provide details of where the positions are located, the classification, whether the position is ongoing or not.
4. Please list where and what spending has been reduced to meet the efficiency dividend.

The answer to the honourable senator's question is as follows:

See tables below.

Attorney Generals Department

1.	The Attorney-General's Department is currently undertaking business planning for the 2012-13 financial year. This process will identify and incorporate an implementation strategy for the additional efficiency dividend.
2.	2.5% of the departmental operating budget must be cut in 2012-13.
3.	The efficiency dividend will be met through a combination of natural attrition and reductions in supplier and other expenditure. It will not be possible to identify the impact on staff numbers until the business planning for the 2012-13 financial year has been completed.
4.	Savings on supplier expenses will be focussed on reductions to consultants/contractors; hospitality and entertainment; legal expenses; travel; media buy; recruitment advertising; printing and publication expenditure; and by undertaking more efficient training.

Australian Law Reform Commission

1.	The E D will apply to the 2012-13 ALRC's operating budget. The ALRC is still in the process of finalising its 2012-13 budget.
2.	It is a 2.5% cut in the ALRC's budget
3.	No
4.	Productivity savings will be sought in areas of printing, travel and administrative overheads.

Insolvency and Trustee Service Australia

1.	The efficiency dividend shall be applied against ITSA's operating funding for 2012-13. ITSA is yet to finalise its internal budget for 2012-13.
2.	The one-off efficiency dividend has resulted in an additional 2.5% cut in ITSA's 2012-13 budget as defined in the 2011-12 Mid-Year Economic and Fiscal Outlook.
3.	Until the internal budget for 2012-13 is finalised, ITSA cannot detail how it will cut its spending to meet the efficiency dividend.
4.	Until the internal budget for 2012-13 is finalised, ITSA cannot detail how it will cut its spending to meet the efficiency dividend.

Australian Government Solicitor (AGS)

1.	As a government business enterprise operating on a commercial and competitive basis in providing legal and related services to government and its agencies, AGS does not receive any appropriations. AGS is not subject to the efficiency dividend and the question is therefore not applicable to AGS.
2.	Not applicable
3.	Not applicable
4.	Not applicable

Family Court of Australia

1.	N/A - The Court is exempt from additional efficiency dividend applied in the 2011-12 Mid-Year Economic and Fiscal Outlook
2.	N/A
3.	N/A
4.	N/A

Federal Court of Australia

1.	Efficiency Dividend not applied to the Federal Court of Australia
2.	Not applicable
3.	Not applicable
4.	Not applicable

Australian Human Rights Commission

1.	The Commission will be working through how best operational challenges will be met upon application of the dividend.
2.	The additional efficiency dividend applies a reduction of 2.5% in 2012-13 appropriated funding and annual forward estimates.
3.	The Commission is currently working through how best operational challenges will be met and whether any staff reductions are needed.
4.	The Commission has not yet finalised its internal budgets for 2012-13.

Federal Magistrates Court

1.	N/A - The Court was exempt from additional efficiency dividend applied in the 2011-12 Mid-Year Economic and Fiscal Outlook.
2.	N/A
3.	N/A
4.	N/A

Australian Transaction Reports and Analysis Centre (AUSTRAC)

1.	The efficiency dividend will be implemented through a range of strategies including: realignment and restructuring of some activities and business unit structures; natural attrition and workforce planning strategies; and a reduction in general areas of discretionary expenditure. AUSTRAC will also leverage efficiencies from implementation of technological improvements, including new intelligence systems.
2.	The agency's annual Departmental appropriation has been reduced by 2.5 per cent and its Departmental capital has been reduced by 20 per cent.
3.	The efficiency dividend will be met through a combination of natural attrition and reductions in supplier and other expenditure. It is therefore not possible at this time to identify which positions will be cut.
4.	The required reduction in operating expenditure for 2012-13 will be achieved through a combination of: <ol style="list-style-type: none">1. a reduction in discretionary supplier and travel expenditure2. a reduction in overall staff numbers through natural attrition3. delaying planned capital expenditure into future years.

Office of the Australian Information Commissioner

1.	The OAIC will allocate resources to best meet the operational needs of the agency.
2.	The additional efficiency dividend applies a reduction of 2.5% in 2012-13 appropriated funding and annual forward estimates.
3.	The Office will direct budget resources to best meet operational needs.
4.	The Office has not yet finalised its internal budgets for 2012-13.

Administrative Appeals Tribunal

1.	Courts and Tribunals were exempted from the additional 2.5% efficiency dividend. Only the standard 1.5% applies.
2.	N/A
3.	N/A
4.	N/A

CrimTrac

1.	The efficiency dividend does not apply to CrimTrac as it relates to program appropriation funding only. CrimTrac only appropriation is for interest equivalency.
2.	N/A
3.	N/A
4.	N/A

Australian Commission for Law Enforcement Integrity (ACLEI)

1.	In regard to the one-off 2.5% efficiency dividend increase applied to ACLEI's operating funds from 2012-13, ACLEI has not yet finalised its internal budgets for 2012-13.
2.	The cut is a one-off reduction of 2.5% to ACLEI's forward estimates.
3.	In regard to the one-off 2.5% efficiency dividend increase applied to the agency's operating funds from 2012-13, ACLEI has not yet finalised its internal budgets for 2012-13.
4.	In regard to the one-off 2.5% efficiency dividend increase applied to the agency's operating funds from 2012-13, ACLEI has not yet finalised its internal budgets for 2012-13.

National Native Title Tribunal

1.	Not applicable, as the NNTT is exempt from applying an additional one - off 2.5% Efficiency Dividend (ED) in 2012-13 to its departmental appropriations. Department of Finance and Deregulation Estimates Memorandum - 2011/44 at Attachment A lists the entities that are exempt from the one-off 2.5% Efficiency Dividend.
2.	Not applicable: see above.
3.	Not applicable: see above.
4.	Not applicable: see above.

Australian Crime Commission

1.	The application of the 2.5% efficiency dividend to the ACC's budget from 2012-13 has not yet been finalised. The ACC has reduced its travel budget, leveraged other agencies' contracts for services, re-negotiated more favourable terms on contracts, minimised the number of external contractors, and reduced vehicle expenses
2.	This efficiency dividend is a reduction in appropriations of 2.5% across the forward estimates period.
3.	See the response to question 1. The impact on staff is yet to be quantified.
4.	As indicated in answer 1 the formulation of the ACC budget for FY12-13 is still underway. The ACC will seek to build upon, where possible, savings measures already adopted. These include increased use of video conferencing facilities to limit non-essential domestic travel, rationalising the vehicle fleet, minimising the use of external contractors, leveraging other agencies' contracts for services, re-negotiating more favourable terms on contracts. The 2011-12 budgets for items such as travel, advertising, consultants, staff training and development is approximately 50% less than actual expenditure in 2010-11.

Australian Institute of Criminology

1.	In regard to the one-off 2.5% efficiency dividend increase applied to the Department's operating funding from 2012-13, it has not yet finalised its internal budgets for 2012-13
2.	The cut is a one off reduction of 2.5%
3.	In regard to the one-off 2.5% efficiency dividend increase applied to the Department's operating funding from 2012-13, it has not yet finalised its internal budgets for 2012-13
4.	In regard to the one-off 2.5% efficiency dividend increase applied to the Department's operating funding from 2012-13, it has not yet finalised its internal budgets for 2012-13

Australian Security Intelligence Organisation (ASIO)

1.	<p>Savings have been realised through:</p> <ul style="list-style-type: none"> • refining work practices and business processes to facilitate more efficient and effective management and coordination of ASIO's work; • eliminating duplication and silos created during the period of sustained growth; • leveraging effectively other work conducted across the Organisation; • focussing on resource deployment that minimises duplication and ensures ASIO has the right people in the right roles at the right time; and • Providing a sound risk management framework that facilitates focus and decision making on high priorities and areas of vulnerability.
2.	2.5%
3.	No cuts in staff positions have been considered.
4.	Please see answer to part 1).

Australian Customs and Border Protection Service

1.	<p>Customs and Border Protection will manage the 2.5% increase in the efficiency dividend by identifying the areas in which the efficiencies will be made as part of its business planning for 2012-13. This will be achieved by pursuing a strategy of focussing resources in areas of greater risk.</p>
2.	<p>Customs and Border Protection's appropriation, net of exempt items, will be reduced on an on-going basis by 2.5% per year from 2012-13. In addition, revenue received from the Australian Taxation Office for services provided under a Memorandum of Understanding (MOU) will also be subject to the additional 2.5% ED. The impact will be a reduction of \$4.4m over the forward estimates.</p>
3.	<p>Customs and Border Protection is still undertaking its 2012-13 business planning processes and it has not yet fully finalised from which areas of the organisation efficiencies will be found.</p>
4.	<p>This work is expected to be finalised in May 2012. Any staff reductions resulting from implementing the additional 2.5% Efficiency Dividend will be managed by natural attrition wherever possible.</p>

The Office of the Director of Public Prosecutions (CDPP)

1.	In regard to the one-off 2.5% efficiency dividend increase applied to the CDPP's operating funding from 2012-13, it has not yet finalised its internal budgets for 2012-13.
2.	The cut is a one-off reduction of 2.5% to the agency's forward estimates.
3.	See 1 above
4.	See 1 above

High Court of Australia

1.	The High Court was exempt from the one-off 2.5per cent Efficiency Dividend.
2.	Not Applicable.
3.	Not Applicable.
4.	Not Applicable.

Office of Parliamentary Counsel

1.	As our agency has only one outcome and one program, the efficiency dividend will be applied against our total operational budget.
2.	The cut is a one-off reduction of 2.5% to our agency's forward estimates.
3.	No decisions have been made to cut staff positions.
4.	Spending has been reduced across all operating expenditure.

Australian Federal Police

1.	The government has provided some areas of focus for agencies, including consultants and contractors, domestic and international travel, spending on hospitality and entertainment, minimising media and advertising expenditure and also efficient and consistent delivery of training. The AFP will be incorporating these into our strategy as well as looking for other opportunities to minimise the impact.
2.	The cut is a one-off reduction of 2.5% in the AFP's forward estimates.
3.	The AFP is looking to limit the impact on operational staff. The AFP has a high proportion of funding allocated to staffing. If required, any staff reductions will be managed through natural attrition and voluntary separations.
4.	The spending reductions will occur in the 2012-13 when the measure commences. The AFP is reviewing the areas of expenditure that the government has identified as areas of focus, including consultants and contractors, domestic and international travel, spending on hospitality and entertainment, minimising media and

<p>advertising expenditure and also efficient and consistent delivery of training. The AFP has achieved savings in these areas over the past few years and will continue to seek savings through ongoing review of expense items.</p>
