

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

**Portfolio**

**Question No. 81**

**Senator Humphries asked the following question at the hearing on 30 May 2013:**

Public Service efficiencies

1. Has there been a reduction in business flights? What are the estimated savings for each year over the forward estimates?
2. Has there been a reduction in the use of external consultants and contractors? Has this impacted on the Department/agency, and how? What are the estimated savings for each year over the forward estimates?
3. Provide an update of moving recruitment advertising online. Is any recruitment still in printed materials, and if yes, why? What are the estimated savings for each year over the forward estimates?
4. Has the department/agency reduced its printing costs? If no, why not? Have printing costs increased, and if yes why and how much?
5. Has the five per cent savings target been achieved – if yes, how, or if it will not, why not? What are the estimated savings for each year over the forward estimates?

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

For 2012-13 financial year information up to 31 January 2013, please refer to QoN 112 from the Additional Estimates round.

For the period 1 February 2013 to 31 May 2013 please see below.

**Attorney-General's Department**

1. The Department's travel policy guidelines require travel to be only undertaken where alternative technology options including video-conferencing and tele-conferencing are not suitable. For the year to 31 May 2013, the Department spent almost \$1.4m less on business travel than budget and \$1.13m less than the amount spent for the period 1 July 2011 to 31 January 2012. Savings for each year over the forward estimates cannot be provided as divisional budgets are established each financial year based on the Department's strategic and operational priorities at that time.
2. The Department has controls on its expenditure on consultants whereby all proposed consultancies above \$20,000 require the approval of the Secretary or the Deputy Secretary Strategic Policy and Coordination Group. This process has been in place for several years. For the period to 31 May 2013 there was a 53% reduction in the value of consultants compared to the period to 31 May 2012. The Department has only a relatively small number of contractors at any one time. Contractors are generally only engaged where this is no in-house capability or to meet short term urgent needs. Savings for each year over the forward estimates cannot be

provided as divisional budgets are established each financial year based on the Department's strategic and operational priorities at that time.

3. See answer to 4) of Question 112 from the 12 February 2013 hearing.
4. See answer to 5) of Question 112 from the 12 February 2013 hearing.
5. As at 31 May, the quantum expressed as a 5% savings target for 2012-13 will likely be achieved. Savings for each year over the forward estimates cannot be provided as divisional budgets are established each financial year based on the Department's strategic and operational priorities at that time.

### **Administrative Appeals Tribunal**

The Administrative Appeals Tribunal (AAT) continually reviews its supplier costs and work practices with a view to achieving its prescribed function at the best value for money that can be achieved at the time and within Government policy. Where possible, the AAT utilises whole-of-government and multi-agency procurement arrangements and internal procurement management to achieve that end.

Annual sub-budgets for functional areas are set each year and spending reviewed monthly against allocations to ensure responsible budget management. Specific reduction targets are not set but a needs prioritisation model is used to ensure that core deliverables are given priority.

1. AAT staff, other than Statutory Office Holders and SES officers, are generally restricted to economy class travel in Australia. The AAT encourages Statutory Office Holders and SES officers (who have travel entitlements under the relevant determination of the Remuneration Tribunal or as conditions of their employment) to use economy class when travelling domestically. Savings are not identifiable as travel varies according to business requirements.
2. The AAT only uses consultants where there is a need for skills or expertise not available within the AAT. Contractors are also used in very limited circumstances, usually where a specific skill is needed on a short term temporary basis and it would be impractical to appoint an APS officer or where the nature of the work is specialised and required for intermittent or infrequent intervals not suited to an APS appointment. Due to the limited nature of the usage, there is limited scope for reduction in the use of consultants or contractors in the AAT.
  - a) Not applicable.
  - b) Budgets are set annual on an "as needed" basis and no savings can be quantified over the forward estimates on that basis.
3. Statutory Officer Holder vacancies are required to be advertised widely including print media. Advertising of these positions is handled by the Attorney-General's Department. APS vacancies are advertised online in accordance with Government policy on non-campaign recruitment advertising. Savings are unquantifiable due to vacancy advertising being demand driven.
4. Printing costs declined significantly from 2010/11 to 2011/12 and has reduced further in 2012/13 largely due to a reduction in the number of annual report copies produced which is also available online. Some ad hoc re-printing requirements for brochures and other materials for use by the public occurs infrequently and can influence the total in any particular year. Much of the materials for the public are also available online.

5. The AAT was not allocated an agency specific savings target for these particular costs but operates within its allocated funding as adjusted by Government decisions on savings and efficiencies.

### **Australian Commission for Law Enforcement Integrity**

1. It is ACLEI's practice that officers fly economy for flights shorter than three hours' duration. SES officers' conditions include access to business class travel however in line with the policy to manage discretionary spending they generally travel economy for shorter flights. Since ACLEI's travel needs vary from year to year, it is not possible to discern a meaningful trend in expenditure.
2. ACLEI assesses the need for external consultants and contractors, case-by-case, and against business and operational priorities. Since these needs vary from year to year, and the number of consultants and contractors employed annually by ACLEI is small, it is not possible to discern a meaningful trend.
3. ACLEI advertises all staff vacancies online. In 2012–13, between 1 February and 31 May, printed materials were not used for recruitment. Since ACLEI seldom uses printed materials for recruitment, it is not possible to discern a meaningful trend.
4. There has been no significant change to ACLEI's printing costs. ACLEI already publishes most reports and publications only online. In the last three financial years, only the Integrity Commissioner's Annual Report and ACLEI's promotional pamphlet have been published in hard copy. These documents are also available online.
5. ACLEI has responded to the targeted savings measures by keeping under review discretionary spending on such expenses as travel, training, consultancies, printing and temporary staff, and looking to alternative modes of business delivery (including digital means) and cost-sharing or linking with other agencies. In 2012–13 to date, ACLEI is operating within agreed resources.

Making accurate forecasts over forward estimates is a challenge in ACLEI's operating environment. This situation is due to the relatively small size of ACLEI's budget and the variable costs associated with its investigation function.

### **Australian Crime Commission**

1. Yes, the ACC has reduced travel costs since 2010-11 by an estimated 35% (actual cost in 2010-11 was \$3.692m; estimated cost for 2012-13 is \$2.409m). Business flight invoicing and ACC systems do not collect information to determine estimated savings due to the delta between impact of price increases against reduced number of flights.
2. Yes. Some work is being undertaken by existing staff which means that there is higher level of work pressure on staff, with some items of work that are of a lower priority being delayed. There are no savings as the funding is allocated to cover increased staffing costs. Regardless, the consultancy and contractor savings measure is \$851,480 over the forward estimates period: 2012–13 \$280,400; 2013–16 \$190,360 p.a.
3. Since 1 July 2012, the ACC has not utilised print advertising. In September 2012, the ACC implemented online recruiting, with advertising already limited to the online APS Jobs and internet based jobs listings. The saving measure attributable to this is \$64,320 across the forward estimates period calculated at \$16,080 p.a.
4. Yes.

5. Yes. Printing costs have been reduced through reduced production of publications and making publications available online. For example: the number of ACC 2011–12 Annual Reports printed was halved in number. The savings measure attributable to this is \$107,520 across the forward estimates period calculated at \$26,880 p.a.

### **Australian Customs and Border Protection Service**

1. Australian Customs and Border Protection Service (ACBPS) has spent \$681,020.60 on Business class travel from 1 February 2013 to 31 May 2013 and is tracking to spend approximately \$160,000 less on Business class travel in 2012-2013 compared to 2011-2012. As part of the efficiencies, the Service continues to strongly encouraged economy class travel on short haul routes on the eastern seaboard by SES.

ACBPS is not able to accurately project savings across the forward estimates given air travel is subject to operational considerations. Notwithstanding, ACBPS will continue to pursue savings and efficiencies by reviewing the need and criticality of expenditure for air travel.

2. In relation to contractors and consultancies, targeted efforts have been made to reduce the number of contractors with no significant impact on the Service. In part, the reduction in contractors has been offset by increased permanent recruitment to improve the ratio of permanent staff to contractors.

The value of consultancy contracts has increased by \$8,813,920.06 from 1 February 2013 to 31 May 2013 as a direct result of the engagement of external assistance required to support the Reform Agenda. ACBPS is not able to accurately project savings across the forward estimates

3. ACBPS continues to transition the majority of recruitment advertising from print to online in major capital cities. However, it is envisaged that print recruitment advertising will continue to provide better outcomes for the Service in remote regions

ACBPS is not able to accurately project savings across the forward estimates.

4. ACBPS spent \$335,018.74 on printing and publications from 1 February 2013 to 31 May 2013 and remains consistent with the expenditure for the same period in 2011-2012.
5. Final end of year figures are not yet available to determine the extent of publishing savings that will be achieved and whether the 5% target will be met

### **Australian Federal Police**

1. The number of business flights for quarter 3 of 2012/13 has reduced by 62% compared to quarter 1 of 2012/13. Savings for each year over the forward estimates cannot be quantified as budgets are established each financial year based on the AFP's operational requirements
2. Yes there has been a reduction in the use of external consultants and contractors. The average monthly expenditure between the periods July to December 2012 of \$1.836m has reduced to an average monthly spend between February to May 2013 of \$1.386m. The AFP is encouraging more efficient work practices and reducing the need for and the use of external consultants and contractors, including converting contractor roles to staff. Continued reporting and monitoring of expenditure activity in the target areas is positioning the AFP to achieve the expenditure reductions in non-employee expenditure, broadly against the categories identified while minimising the impact on operations. Savings for each year over the forward estimates cannot be quantified as budgets are established each financial year based on the AFP's operational requirements and will vary in the mix of inputs.

3. From 1 July 2012, advertising of all AFP vacancies has been conducted in accordance with Department of Finance and Deregulation Guidelines. All recruitment vacancy advertisements have been online with only three being in printed media. Print advertisements included:
  - Aboriginal and Torres Strait Islander's cadetship and traineeship - Koori Mail and National Indigenous Times;
  - Graduate Program - Graduate Opportunities 2013 Graduate Jobs Directory; and
  - Entry in careers event handbook – Institute of Chartered Accountants Australia Employment Guide.

In each case, advertisements were booked through the master media agency (Adcorp Australia) and were placed in order to reach a specific target audience (including Aboriginal and Torres Strait Islander people and university graduates). All of these print placements were complemented by online advertising.

4. The reduction in printing costs will be achieved through reviewing operational needs, utilising in-house printing facilities where possible; revise purchasing methods to ensure economies of scale are realised, ongoing usage analysis and publishing on-line where possible.

As the AFP does not have an official register of printed documents, savings are not readily identifiable, as printing requirements vary according to business and project needs

5. In 2012-13 the AFP reduced its printing budget by \$0.278m, in line with the approaches outlined in question four, and expects these savings to continue over the forward estimates.

### **Australian Government Solicitor**

Australian Government Solicitor (AGS) is 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 Budget or other appropriations and its employees are engaged outside of the *Public Service Act 1999*. The question is therefore not applicable to AGS.

### **Australian Human Rights Commission**

1. Operating costs, including air travel vary from period to period depending on the programs and activities underway at the time. It is not possible to readily quantify savings outputs in the absence of standardised inputs and processes.

Expenditure of funds are only approved when they are considered to be a proper use of Commonwealth resources, and not inconsistent with the policies of the Commonwealth. Relevant policies applied to manage costs of air travel expenditure include the lowest practical fare for domestic air travel and best fare of the day for international travel.

Commission staff, other than Statutory Office Holders are generally restricted to economy class travel in Australia. In addition it is the general practice at the Commission that Statutory Office Holders also use economy class when travelling domestically. During the current financial year no domestic business class fares were booked for any Commission statutory officer or staff member.

2. External consultants are used to access skills or resources unavailable within the Commission. External consultants are used sparingly by the Commission and only used when there is an identified requirement and funds are available. Any consultants engaged by the Commission must be approved by the Executive Director.

3. The Commission complies with the government's Non Campaign Recruitment Advertising Policy, which mandates the use of online recruitment advertising effective from 1 July 2012. During the relevant period all recruitment initiated by the Commission was done by online advertising.
4. The Commission incurs printing costs for the production of reports and educational materials. Expenditure on reports is undertaken when there is a need and funds have been allocated for this purpose. Generally the Commission is increasingly relying upon electronic media and distribution channels for reports and materials.
5. The Commission budgets to operate within its approved funding resources. The Commission's contribution to the savings measure was identified by Government and applied through a reduction in appropriated funds in 2012-13 (\$63k), and \$93k (2013-14), \$85k (2014-15), \$84k (2015-16) and \$21k (2016-17) across the forward estimates.

### **Australian Institute of Criminology**

1. Air travel has been significantly reduced over the past 3 years with only minimal savings to be made here. Tele-conferencing and video conferencing is used where possible. Savings of <\$10,000.
2. The use of contractors and consultants is already restricted to that which is required for the AIC to deliver its outcomes. The changes to some research programs will see a reduction in the use of contractors and some work being done in-house. Given the nature of the AIC work, some research requires specialised expertise to be contracted. This is generally associated with external research contracts. Savings of up to \$50,000 p.a. The majority of this has been undertaken in order to meet prior year efficiency dividends and measures.
3. The AIC has undertaken recruitment online only for the past 18 months. All recruitment will be online unless the recruitment for specialised expertise requires broader advertising. Savings - \$Nil
4. Over the past 2 years the AIC has moved from hard copy to e-publishing. This has seen saving of approximately \$50k per annum, most brought about by the need to achieve efficiencies driven by efficiency dividends.
5. The 5% savings target has been achieved largely through the items noted above, combined with other cost savings measures such as cutting staff and reducing the scale of research projects such as Drug Use Monitoring Australia. The current level of budget savings means that service delivery to government is being affected.

### **Australian Law Reform Commission**

1. ALRC officers never purchase business class seats, unless there are exceptional circumstances that require it, for example, for health reasons. Only part-time Commissioners, who are federal court judges and statutory appointees, travel business class and this is not able to be reduced.
2. The ALRC does not use external consultants or contractors.
3. The ALRC conducts very few recruitments each year and these are only advertised online. The ALRC has not advertised positions in print media for several years.
4. All our consultation papers have been published only online for a number of years now. During the period, the ALRC released online a Discussion Paper for the Copyright and Digital Economy Inquiry. Not printing this in hard copy saved the organisation \$6,000. The ALRC is required to publish its Final Reports in hard copy for tabling purposes, and therefore the Final

Report *Access All Ages-Commonwealth Laws and Older Workers* (ALRC Report 102) was printed in hard copy during the period and no saving was able to be made to our budget.

5. The ALRC has achieved a 20% reduction in its expenditure since 2011-12 and is unable to reduce expenditure further without compromising our current work program.

### **Australian Security Intelligence Organisation**

1. There has been a reduction in business flights in 2012-13.

The estimated savings in business flights for each year over the forward estimates is:

	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>
Reducing Business class travel	210	210	210	210

2. ASIO's expenditure on external consultants and contractors has reduced in 2012-13.

- a) ASIO's aim is to achieve "knowledge transfer" to staff from consultants and contractors. This has mitigated the impact of reducing the number of consultants/contractors however there is a greater reliance on staff to undertake additional activities. If ASIO is required to further reduce engaging contractors this has the potential to more significantly impact "technical" areas as it is difficult to recruit staff for these activities.

- b) The estimated saving for each year over the forward estimates is:

	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>
Consultants and Contractors	1,225	1,094	1,094	1,094

3. ASIO has used online media for recruitment advertising for a number of years. When the new Department of Finance and Regulation Non Campaign Recruitment Advertising Policy came into effect on 1 July 2012, ASIO ceased the use of daily newspapers as per the policy.

ASIO may seek a waiver to use daily newspapers in special circumstances, such as SES recruitment and hard to fill positions such as Intelligence Professionals. As per the Policy, ASIO is able to seek a waiver to use daily newspapers for recruitment advertising in such special circumstances.

The estimated saving for each year over the forward estimates is:

	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>
Recruitment Advertising	204	248	248	248

4. ASIO has been able to reduce overall "per click" print costs by approximately one third. This has been through the purchase of new, more efficient equipment (purchased through asset replacement programs) and moving to alternate paper stock. Printing costs have not increased.

5. ASIO has achieved the 5% savings target by reviewing and adjusting activities, processes and practices. The estimated savings for each year across the forward estimates is \$2.9m. These savings have been adjusted in ASIO's forward departmental appropriations.

### **Australian Transaction Reports and Analysis Centre**

1. There has been a reduction in business flights. The agency does not budget at this level of detail across the Forward Estimates.
2. AUSTRAC's use of contractors falls into two categories: specialist IT contractors, and general contractors. The use of specialist IT contractors is relatively constant, as this skill set is essential to the ongoing provision of all IT services that support AUSTRAC's function, as well as to support system development or enhancement projects. The use of general contractors meets specific business needs where the required skills are not available within the agency. The agency does not budget at this level of detail across the Forward Estimates.
3. AUSTRAC has virtually eliminated all forms of recruitment via printed media. Since 1 July 2012, any recruitment advertising has been online via the APSJobs website. The agency does not budget at this level of detail across the Forward Estimates.
4. AUSTRAC's expenditure on printing and stationery for the 2011-12 financial year totalled \$0.254 million. The forecast expenditure for 2012-13 is \$0.167 million. This is a forecast reduction of \$0.087 million, or 34.3 per cent. The agency does not budget at this level of detail across the Forward Estimates.
5. AUSTRAC will achieve the 5 per cent savings target (in non-staffing areas) for the 2012-13 financial year, through sound financial management, reducing or eliminating spending in areas that do not impact the agency's ability to deliver its core services. Where appropriate, new arrangements have been entered into that take advantage of whole-of-Australian-Government supplier terms (for example, telecommunications). The agency does not budget at this level of detail across the Forward Estimates.

### **Commonwealth Director of Public Prosecutions**

1. The requirement for business flights are considered on a case by case basis. Limited savings will be achieved.
2. The CDPP will continue to use contractors and consultants for essential activities only. Limited savings will be achieved.
3. The CDPP currently utilises online recruitment advertising. This will continue. Limited savings will be achieved.
4. Greater use of online publishing will reduce printing costs. Limited savings will be achieved.
5. The CDPP will continue to review costs across a broad range of office functions to ensure it manages within reduced funding levels.

### **CrimTrac**

1. Business flight savings are not identifiable as CrimTrac travel varies according to business and project requirements.
2. CrimTrac's consultant and contractor requirements vary from year to year based on varying business and project requirements. Savings are not identifiable due to the varying nature of business and project requirements.
3. Recruitment advertising at CrimTrac has been managed in accordance with the Department of Finance and Deregulation (DOFD) Policy on non-campaign recruitment advertising since its



introduction on 1 July 2009. At present, all recruitment advertising at CrimTrac is online, except where exceptional circumstances exist involving specialist positions (such as SES-level positions) where the agency head is satisfied that print advertising is justified (as per section 3.4 of the DOFD Policy). CrimTrac intends that all future recruitment advertisement will continue to be online, except where exceptional circumstances such as those mentioned previously justify alternative action. Savings are not identifiable as the quantity of recruitment activities requiring advertising is subject to change.

4. CrimTrac has updated printing devices and altered default print settings to reduce print costs. The default print settings are for double sided black and white printing. Print jobs are also confirmed at the printer, allowing print jobs queued in error to be removed. These measures were expected to reduce internal printing costs. Savings are not identifiable, as printing requirements vary according to business and project needs.
5. CrimTrac air travel, consultancy, contractor and recruitment expenditure vary from year to year according to business and project needs. Savings from the measures identified above are expected but are not identifiable.

### **Family Court of Australia**

1. Not Applicable
2. Not Applicable
3. There has been no change to the answer given in QON 112 from Additional Estimates
4. Not Applicable
5. Not Applicable

### **Federal Circuit Court of Australia**

1. Business flight reductions – not specifically targeted
2. External consultants and contractors – not a material cost and not specifically targeted
3. Recruitment on line - not a material cost and not specifically targeted
4. Printing - not a material cost and not specifically targeted
5. The Court has reduced its operating costs but not specifically in the areas specified above

### **Federal Circuit Court of Australia**

1. Not Applicable
2. Not Applicable
3. There has been no change to the answer given in QON 112 from Additional Estimates
4. Not Applicable
5. Not Applicable

### **High Court of Australia**

The High Court of Australia was excluded from this savings measure.

### **Insolvency and Trustee Service Australia**

1. Yes. The estimated savings for each year over the forward estimates are:  
2012 – 2013 \$161,000  
2013 – 2014 \$116,000

2014 – 2015 \$116,000

2015 – 2016 \$116,000

2. No. There has not been a reduction in the use of contractors or consultants due to ITSA taking on additional responsibilities in relation to the Personal Property Securities Register (PPSR) from the Attorney General's department.

Savings over the forward estimates are unable to be estimated as there is no trend information available to forecast system usage which impacts the use of contractors or consultants.

3. ITSA has moved all recruitment advertising online in this financial year. Expected saving are approximately \$26,000 per annum.
4. No. Printing costs have not reduced due to ITSA's role in administering the new *Personal Property Securities Act*. Printing costs have increased by approximately \$38,000 this financial year.
5. Yes. It has been achieved through increased efficiency in non-staff expenditure. The estimated savings for each year over the forward estimates are:

2012 – 2013 \$161,000

2013 – 2014 \$116,000

2014 – 2015 \$116,000

2015 – 2016 \$116,000

### **National Native Title Tribunal**

The National Native Title Tribunal (NNTT) will not be providing a response to this question, as from 1 July 2012 the NNTT is no longer a *Financial Management and Accountability Act 1997* Agency, and is funded to carry out its functions as a sub-program of the Federal Court of Australia's appropriation. On 12 March 2013 the *Courts and Tribunals Legislation Amendment (Administration) Act 2013* came into operation. On that day the Australian Public Service Commissioner signed a determination which transferred all staff employed by the Tribunal to the Federal Court of Australia under s.72 of the Public Service Act, but those staff are designated staff assisting the Tribunal under the Native Title Act.

### **Office of Parliamentary Counsel**

1. Air travel for OPC is not a significant cost and therefore limited savings can be achieved from this category of expenditure. OPC staff and management actively manage this expenditure through policies consistent with the Lowest Practical Fare and use of the travel management contractor's online booking tool. OPC does not collect data by class of air travel. OPC does not budget at this level of detail across the forward estimates
2. Expenditure on consultants and contractors is minimal for OPC and is based on business requirements. OPC engages consultants and contractors where there is a lack of specialist expertise within the agency or when independent research, review or assessment is required, and where the engagement is cost effective. As it is not a significant cost for OPC, limited savings can be achieved from this category of expenditure
3. All recruitment advertising for OPC is online. There has been no expenditure for 2012-13 for recruitment advertising. No expenditure is expected across the forward estimates

4. Where possible, OPC is moving to online publication to reduce printing costs. Bill printing is based on the requirements of the Parliament and therefore these printing costs are not targeted for savings. However, the costs for 2012-13 for Bill printing are estimated to be lower than the costs for 2011-12. The number of copies of legislative instruments being printed internally and tabled has been reduced in consultation with Parliament. Other publications expenditure is based on cost recovery through the Print on Demand functionality on the ComLaw public website
5. See response to 4. OPC does not budget at this level of detail across the forward estimates

**Office of the Australian Information Commissioner**

1. There has been a general reduction in business flights. The OAIC will continue to ensure that business travel is only approved where alternatives to travel are not available. Estimated savings have not been quantified.
2. The OAIC makes minimal use of consultants and contractors and does not expect to make significant savings in this area.
3. The OAIC only uses online recruitment advertising.
4. The OAIC will look at reducing printing costs by producing hardcopy publications only when required, for example, for the purpose of tabling in Parliament. There may be other cases where hardcopy is required to ensure key education and awareness materials reach particular groups that traditionally access information in hardcopy. Estimated savings have not been quantified.
5. The OAIC's savings arising from this measure, and applied through a reduction in appropriated operating funds in 2012–13 was \$37,000. As set down in the 2013-14 Portfolio Budget Statement, the savings measures applied across the forward estimates are \$54,000 in 2013-14, \$45,000 in 2014-15, \$42,000 in 2015-16 and \$5,000 in 2016-17.