

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

Portfolio

Question No. 106

Senator Humphries asked the following question at the hearing on 16 October 2012:

Making the Public Service more efficient

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).

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?

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

Attorney-General's Department

The Department will achieve savings over the forward estimate through a range of strategies including continued annual and mid-year reviews of each line of expenditure across the whole Department; implementing enhanced workforce planning strategies, reviewing organisational structures for better functional alignment; reducing internal red tape; undertaking capital investments to further improve efficiencies in processes, workflows and information capture and management; and continually focussing on innovative, simpler and more cost-effective ways to meet the Department's priorities and strategic objectives.

- a) 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 or viable alternatives. 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.
- b) The Department's policy on domestic travel is that SES are generally not entitled to business class travel for flights of less than 2 hours duration and non-SES staff are generally not entitled to business class travel regardless of the duration of the flight. This policy has been in operation for several years.
- c) 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 and Policy Coordination Group. The Department has only a relatively small number of contractors at any one time. Contractors are generally only engaged where there 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.
- d) The Department had commenced transitioning to online advertising prior to 1 July 2012 and all recruitment advertising is now online. It is anticipated that all future advertising will be online with the only exceptions being the advertising of statutory or public office holder appointments for AGD portfolio agencies. 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. In addition, recruitment costs are only a small proportion of the Department's total annual expenditures.
- e) Where it is practical and effective, the Department is moving to online publications to reduce printing costs. 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. In addition, printing costs are only a small proportion of the Department's total annual expenditures.

Australian Crime Commission

The ACC is achieving efficiencies through a range of measures. Throughout the 2012–2013 financial year, the ACC has undertaken work to assess the organisation's capability requirements to meet the organised crime threats targeting Australia over the next five years. This work is informing the deployment of resources under our operating model. The ACC operating model is scalable to meet the organisation's budget and priorities and the deployment of our specialist resources against Australia's highest and emerging threats. Where current resources cannot meet these needs, the ACC will continue to adopt efficiency measures that will look to further reduce costs, including the early cessation of contract and non-ongoing staff, and redeploy staff from lesser priority areas.

- a) The ACC was not required to demonstrate savings in domestic/international travel, having already reduced its travel budget by 52 per cent since 2010. The ACC manages the reduced travel budget through an increased use of ACC videoconferencing and teleconferencing facilities.
- b) All travel decisions are taken on the basis that the travel is essential and alternatives to travel are not appropriate. SES staff and the CEO routinely forego their business class travel entitlement in order to preserve travel budgets. No targeted savings have been estimated apart from the intention to travel within allocated internal ACC budgets for the FY.

c) The consultancy and contractor savings measure is \$851,480 over the forward estimates period. Reductions in expenditure will be achieved across the agency by a reduction in work under taken by contractors and consultants.

d) The ACC has recently implemented online recruiting with advertising is 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.

e) Printing costs have been reduced through reduced production of publications and making publications available online. For example: the number of ACC 11-12 Annual Reports printed was halved in number. The savings measure attributable to this is \$107,520 across the forward estimates period.

Australian Customs and Border Protection Service

Customs and Border Protection will pursue savings and efficiencies by reviewing the need and criticality of expenditure in key areas including travel, consultants and contractors, recruitment advertising and printing. Further details on initiatives are provided below.

a) Reduction in air travel spending will be achieved by the active management of the agency's travel management contract, consistent application of the Lowest Practical Fare and International Best Fare of the Day policies, and promotion of the agencies Online Booking Tool. One third of the agency's travel relates to operational obligations including marine crews and enforcement activities in remote locations however, the agency has committed to achieving a 15% reduction for the remainder of the financial year for non-operational travel. This was done as part of the agency's Mid-Year Review process.

The agency does not budget at this level of detail across the Forward Estimates.

b) Business class travel is a condition of SES employment and incorporated into individual workplace agreements. Notwithstanding this, a number of divisions within the agency have implemented a voluntary process to travel economy class on short haul routes between Canberra, Sydney and Melbourne.

Business class travel is a condition under the agency's Enterprise Agreement for CL4 and CL5 officers on flights over 2 hours. This entitlement applies to both operational and non-operational purposes.

Travel savings will be continually monitored but as outlined above they are heavily reliant on operational requirements.

The agency does not budget at this level of detail across the Forward Estimates.

c) Formal contracts entered into by the agency for Temporary Personnel Hire including external consultants and contractors have been reducing steadily each year since the 2009/10 financial year. This decline may reduce the agency's capacity to deliver specific outcomes proportionately but will be carefully monitored. Consultants and contractors continue to be engaged where a requirement for specialist skills is not available within the agency.

The agency does not budget at this level of detail across the Forward Estimates.

d) The agency's response to the Senator's Question on Notice 98 from October 2012 Supplementary Estimates, details the successful and continued transition from print to online recruitment advertising. While this trend will continue it is envisaged that print recruitment advertising will continue to provide better outcomes in remote regions.

The agency does not budget at this level of detail across the Forward Estimates.

e) The agency's response to the Senator's Question on Notice 121 from October 2012 Supplementary Estimates, details the effort to move from external print services and delivery to in-house and online publication. In addition the agency's Printer Sustainability Practice Statement details the program of printer rationalisation including the printer to staff ratio, a "think before you print" policy, default black and white and double sided print settings for all printers and active consideration of colour printing use.

The agency does not budget at this level of detail across the Forward Estimates.

Australian Federal Police

The AFP continually reviews its supplier costs with a view to reducing these costs. Specifically, the seven strategic principles for the AFP include *reduce supplier costs*, *one AFP-one corporate* and *eliminate duplication*. The AFP has been successful in reducing cost through a more strategic approach to market and leveraging opportunities available within existing panel and contractual arrangements.

The Government has asked that we continue to look carefully at the spending and find savings that reduce expenditure in non-staffing areas.

Through internal budget allocations the AFP is encouraging more efficient work practices and strategic expenditure. 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.

Through implementing measures against all categories, the AFP is targeting to save \$4.8m in 2012-13 and \$3.8m on an ongoing basis.

a) The AFP has and will continue to implement various strategies to reduce travel spend. These include:

- removing more expensive fully flexible air fares as an option;
- educating travellers to choose discounted air fares over the more expensive flexible fare types;
- monitoring credits and encouraging their use to offset against new bookings; and
- encouraging travellers to use the online booking tool.

The AFP's spend on air travel is down by 6.39% in quarter 1 2012-13 compared to the same period in 2011 and the proportion of fully flexible fares has reduced from 15% of all AFP fare types booked down to 4.32%.

Continuation of savings as this level would achieve an ongoing saving of \$0.8m per annum.

b) The AFP encourages the use of alternative options to air travel such as video conferencing.

Where domestic air travel is justified for business and operational purposes, the AFP requires its staff to procure the lowest practical fare in economy class.

The AFP advocates the use of economy class, for senior executives who are permitted to use business class, in Australia where practicable.

The AFP monitors the use of business class flights and follows up instances where they may not be appropriate.

c) The use of external consultants and contractors will be reduced through careful consideration of requirements in this area. The internal budget development process will monitor the expenditure and reduce the allocation of funds in this area.

The AFP will continue to convert contractors to staff. Further reductions will be achieved through not proceeding with lower priority analysis work.

d) AFP does not anticipate any issues relating to online advertising. From 1 July 2012, advertising of all AFP vacancies has been conducted in accordance with Department of Finance and Deregulation Guidelines, and the only recruitment advertising conducted during the current financial year has been through online media. Consistent with our diversity employment targets (particularly A&TSI and CALD communities), it is envisaged that there will be a small proportion of print advertising placed with Indigenous, CALD specific and rural/regional print media. Mainstream press advertising will not be used.

Costs

Based on forward estimates for recruitment advertising for the 2012-13 financial year, it is estimated that savings of approximately \$65,000 (or 40%) of the 2011-12 Financial year's advertising spend (totalling \$160,000) may be achieved through an increased reliance on online advertising channels.

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

A 5 % reduction in printing costs can be achieved over the forward estimates by improving control mechanisms, reassessing needs, considering alternatives such as on-line publishing (where possible), cost effective purchasing & minimising waste. Some printing requirements however are operationally driven.

At an operational level, obsolete/discontinued forms need to be identified and archived reducing the quantity of forms printed and/or managed.

Australian Government Solicitor

The 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

The Commission operates within its known budget resources. Each year the Commission's indexed funding is adjusted for an efficiency dividend. The Commission also invests where appropriate in technology designed to reduce operating costs.

a) Expenditure of funds are 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 management of air travel expenditure include the lowest practical fare for domestic air travel and best fare of the day for international travel.

- b) Commission staff other than Statutory Office Holders are generally restricted to economy class travel in Australia. In addition it is the general practice in the Commission that all staff including Statutory Office Holders use economy class when travelling domestically.
- c) External consultants are used to access skills or resources unavailable within the Commission. External consultants are only used when there is an identified requirement and funds are available.
- d) 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.
- e) 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 on electronic media and distribution channels for reports and materials.

Australian Institute of Criminology

The AIC is continuing to review its research programs and the way in which it undertakes these to find efficiencies and savings. Changes include less frequent (biennial) reporting of crime trends for the national armed robbery and homicide monitoring programs; a reduction in data collection for the Drug Use Monitoring Australia crime monitoring program; and an extended delivery period for the Trafficking in Persons research program.

The AIC is also utilising whole of government contracts for procurement or piggy backing on other government contracts where these present potential savings and continues to limit travel where possible without diminishing the outcomes of projects.

- a) 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
- b) None. Business flights are only used on a rare basis and will be continued to be heavily restricted. Saving - Nil
- c) 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 \$200,000. The majority of this has been undertaken in order to meet prior year efficiency dividends and measures.

- d) 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

- e) Over the past 2 years the AIC has moved from hard copy to e-publishing. This has seen saving of over \$50k per annum, most brought about by the need to achieve efficiencies driven by efficiency dividends.

Further reductions to hard copy publications will result in annual saving of approximately \$10,000 - \$15,000

Australian Law Reform Commission

The ALRC has already made substantial savings in the past three years by reducing our programs from two to one, reducing the number of full-time Commissioners from three to two, by halving our rent and office space, losing six positions, sharing a number of services with AGS, such as library resources, meeting rooms, reception, and facilities management. We have also adopted online communication strategies as an efficiency measure. The ALRC will continue to manage its resources responsibly, however we are not able to make any further savings in forward years, given our current level of resources, the efficiencies we have already made as outlined above and our work program.

- a) The ALRC is unable to cut travel expenditure any further as consultation with stakeholders nationally is a fundamental element of the ALRC's law reform process. While the ALRC does consult via teleconferencing as part of our communication strategy whenever possible, as a national law reform agency we must continue to ensure that people from around Australia are engaged fully in our inquiries and have access to our processes. The development of and maintenance of stakeholder goodwill requires a commitment to consultation in face to face meetings as a fundamental element. Therefore there are no further savings in travel that can be made by the ALRC.
- b) ALRC officers never purchase business class seats, unless there are exceptional circumstances that require a business class seat, for example, for health reasons. Business class travel is not in our budget and therefore there are no estimated further savings for the ALRC with respect to travel.
- c) The ALRC does not use external consultants or contractors. Therefore there are no estimated savings for the ALRC.
- d) All recruitment advertising for the ALRC is already handled only online. The ALRC uses the APS Gazette and its own website and other online avenues provided by stakeholders, to advertise positions, as well as emailing to our temporary employment register. Therefore there are no estimated savings for the ALRC.
- e) The ALRC has already reduced its publication budget by half as a result of only publishing our final reports in hard copy for tabling purposes. All our consultation papers are only published online. The ALRC is therefore unable to make any further savings in this area.

Australian Security Intelligence Organisation

ASIO has committed to achieving the efficiencies and budgetary savings detailed by Government by reducing our overseas presence, reducing foreign engagement for training and capability development purposes, and reducing the amount of domestic and overseas travel undertaken by ASIO officers. The fundamental considerations underpinning budgetary decisions is the need to continue to invest in capability as defined by the professional skills of ASIO officers and the technologies required to support our business. For security reasons, it would not be appropriate to comment further publicly on this matter.

- a) Reductions in air travel spending will be achieved by reducing the number of domestic and international flights as well as possibly reducing domestic business class travel.

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

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Travel Expenditure	1,180	1,180	1,180	1,180

b) Initial investigation has been undertaken to limit business class travel for all officers to flights other than those in Eastern Australia.

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

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

c) External consultants and contractors will be reduced by prioritising activities and only engaging consultants for essential tasks and where efficiencies can be identified.

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

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Consultants and Contractors	1,225	832	832	832

d) ASIO has used online media for recruitment advertising for a number of years. When the amendments to 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. We seek advice from Adcorp regarding additional online media options to help ensure we reach our target market. ASIO continues to develop our career website content as it is a primary tool for candidates wishing to join the Organisation.

We anticipate placing ASIO's recruitment advertising in online media in the future, with the possibility of seeking 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.

It is anticipated that the use of online media only will result in a significant saving over the forward estimates.

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

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Recruitment Advertising	204	204	204	204

e) Design and Publishing have been able to reduce their 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.

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

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Printing Costs	117	117	117	117

CrimTrac

Although not budget funded, CrimTrac conducts procurement following careful consideration of business needs and with a view to increasing efficiency and realising savings. CrimTrac also participates in whole of government coordinated procurement activities.

- a) All air travel is scrutinised and only approved where necessary. CrimTrac air travel requirements vary from year to year based on business and project requirements. Savings are not identifiable due to the varying nature of business travel requirements. However, CrimTrac purchases airfares under the whole of government travel arrangements which were established to provide savings for air travel.
- b) As a general rule, economy flights are utilised and CrimTrac maintains a policy that restricts access to business class travel. Savings are not identifiable as travel varies according to business and project requirements.
- c) CrimTrac’s consultant and contractor requirements vary from year to year based on business and project requirements. Savings are not identifiable due to the varying nature of business and project requirements.
- d) 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).

It is intended that all future recruitment advertisement will continue to be online only, 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.

e) CrimTrac has updated printers 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 are expected to reduce internal printing costs. Savings are not identifiable, as printing requirements vary according to business and project needs.

Family Court of Australia

- a) Not applicable.
- b) Not applicable.
- c) Not applicable.
- d) The Court currently uses online recruitment advertising in most cases. The Court is placed to fully transition to online recruitment advertising. The estimated savings per year are \$5,620.
- e) Not applicable.

Federal Magistrates Court of Australia

- a) Not applicable.
- b) Not applicable.
- c) Not applicable.
- d) The Court currently uses online recruitment advertising in most cases. The Court is placed to fully transition to online recruitment advertising. It is estimated that this will save the Court \$1,010 per annum.
- e) Not applicable.

Federal Court of Australia

The Federal Court is implementing a range of electronic services nationally that will provide efficiencies in the way that the Court deals with litigants, as well as improving internal operating efficiencies.

- a) Air travel reductions – not specifically targeted.
- b) Business flight reductions – not specifically targeted
- c) External consultants – not a material cost and not specifically targeted
- d) Advertising on line – not a material cost and not specifically targeted
- e) Printing – not a material cost and not specifically targeted.

Office of the Australian Information Commission

The Office of the Australian Information Commissioner (OAIC) will continue to employ all available strategies to achieve savings over the forward estimates, including by further reducing travel between our office locations, further reducing the use of consultants and contractors, and by minimising the production of hardcopy publications.

- a) The OAIC currently uses video-conferencing to facilitate communication across the OAIC's two sites and reduce the need to travel between office locations. Estimated savings have not been quantified.

- b) 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.
- c) The OAIC makes minimal use of external consultants and contractors and does not expect to make significant savings in this area.
- d) The OAIC only uses online recruitment advertising.
- e) 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.

Office of the Director of Public Prosecutions

The CDPP continues to review costs across a broad range of office functions rather than in relation to specific areas, services or programs.

- a) The CDPP will continue to critically review all requests for air travel. Limited savings will be achieved.
- b) Reduction in business flights will be considered on a case by case basis. Limited savings will be achieved.
- c) The CDPP will continue to use contractors and consultants for essential activities only. Limited savings will be achieved.
- d) The CDPP currently utilises online recruitment advertising. It is anticipated that this will continue. Limited savings will be achieved.
- e) Greater use of online publishing will reduce printing costs. Limited savings will be achieved.

National Native Title Tribunal

Please note: From 1 July 2012 the National Native Title Tribunal 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.

Please refer to the response from the Federal Court of Australia.