

Senate Standing Committee on Education Employment and Workplace Relations

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2012-2013**

Cross Portfolio

DEEWR Question No. EW0438_13

Senator Back provided in writing.

Question

Efficiency

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: How will reductions in air travel spending be achieved? What is the estimated savings for each year over the forward estimates? What restrictions will be implemented for business flights? What are the estimated savings for each year over the forward estimates? 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? 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? 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?

Answer

Department of Education, Employment and Workplace Relations (DEEWR)

The estimated savings for each year over the forward estimates period for DEEWR are:

	2012-13	Each year 2013-14 to 2015-16
	\$'000	\$'000
Travel	1,013	1,013
Consultants/Contractors	1,517	1,030
Recruitment Advertising	45	45
Printing	108	108
Total	2,683	2,196

The department will promote only necessary travel and better use of multimedia for meetings and communications. The DEEWR Travel Policy in conjunction with the enterprise agreement provides guidance in relation to class of travel.

The department will ensure the procurement of contractors and consultants are carefully scrutinised.

As an FMA agency, DEEWR complies with the Department of Finance and Deregulation issued Non-Campaign Recruitment Advertising Policy. The booking and placement of all recruitment advertisements through the Media Placement Agency, Adcorp Australia Limited is managed centrally in DEEWR to ensure compliance with the policy.

The department continues to promote reduction of hard copy materials.

Comcare

Comcare's share of savings identified by the Minister for Finance and Deregulation is \$21,100 in 2012-13 and \$14,920 for each of the forward years. The majority of the savings is in consultants and contractors, with a small amount in printing and publishing. The savings targets are achievable without major impact on Comcare's operations. Travel, printing and recruitment advertising are not subject to the further savings.

Fair Work Australia (FWA)

In January 2012, FWA's Executive initiated a budget review project seeking to improve efficiency and assisting FWA meet its future budgetary requirements. The budget review identified a number of expenditure savings which will be implemented throughout the 2012-13 financial year.

FWA will continue to identify savings by closely monitoring expenditure.

FWA identified the following savings initiatives to reduce expenditure in air travel:

- staff booking at least 1/3 of sectors at best fare economy versus fully flexible economy;
- the payment of travel allowances for members and SES will be made post travel upon acquittal of travel; and
- reduced incidence of associates travelling by providing improved relief associate support.

It is estimated that the above initiatives will save approximately \$120,000 in the 2012-13 financial year, with similar savings over the forward estimates.

FWA has developed a travel policy which provides for economy only travel for staff. It is estimated this will save approximately \$100,000 in the 2012-13 financial year, with similar savings over the forward estimates.

FWA will continue to monitor expenditure on consultants and contractors.

Since 1 July 2010, FWA has advertised vacancies in the print media on four occasions, consistent with whole-of-government advertising provisions. FWA has not advertised any roles for staff in print media since the Non-Campaign Recruitment Advertising Policy issued by the Department of Finance and Deregulation came into effect on 1 July 2012. FWA does not envisage any barriers to online-only recruitment advertising for staff vacancies.

FWA does not foresee a circumstance where there would be a need to advertise in print media for staff vacancies, except for those limited circumstances envisaged by the Non-Campaign Recruitment Advertising Policy.

FWA reviewed its printing needs. Through a reduction in the number of items printed, while still providing the information on the website it is estimated that FWA will reduce its printing costs by more than the required 5%.

Documents which will not be printed are those which can be easily provided through the FWA website.

Although the actual costs might vary depending upon the number of documents commissioned or created by FWA, it is anticipated that this will save more than \$50,000 each financial year.

Fair Work Building Inspectorate (FWBII)

The estimated savings for each year over the forward estimates period for FWBII are:

	2012-13	Each year 2013-14 to
	\$'000	2015-16
		\$'000
Travel	0	0
Consultants/Contractors	94	64
Recruitment Advertising	0	0
Printing	9	9
Total	103	73

FWBII continues to promote only necessary travel and better use of multimedia for meetings and communications. The FWBII travel policy states that:

- travel should only be undertaken where other communication tools, such as teleconferencing and videoconferencing, are not an effective option; and
- in approving travel, the delegate should be satisfied that there is a demonstrated business need for the proposed travel.

FWBII is not expecting a significant reduction in the number of contractors and consultants in 2012-13 however a reduction in value is suggested.

As an FMA Act agency, FWBII complies with the Department of Finance and Deregulation issued Non-Campaign Recruitment Advertising Policy. The booking and placement of all recruitment advertisements through the Media Placement Agency, Adcorp Australia Limited is managed centrally in FWBII to ensure compliance with the policy.

FWBII continues to promote reductions to hard copy materials through printing on demand, default duplex and black and white printing and use of smart devices to view rather than print documents.

Fair Work Ombudsman (FWO)

The estimated savings for each year over the forward estimates period for the Office of the FWO are:

	2012-13	Each year 2013-14 to 2015-16
	\$'000	\$'000
Domestic Air Travel	241	241
Consultants/Contractors	394	267
Recruitment Advertising	14	14
Printing	38	38
Total	687	560

FWO has undertaken a detailed review of its expenditure budgets in light of fiscal challenges that are facing the organisation in the current and forward years.

A number of initiatives have been identified to achieve savings, particularly in the area of non-campaign recruitment advertising, publishing and printing, consultants and contractors and domestic air travel.

FWO will critically review the need for the engagement of consultants and contractors and will ensure that external assistance is only funded for business critical projects. In 2012-13, spending on consultants and contractors has reduced significantly compared to previous years, in line with reduced budget targets. Business cases for the engagement of contractors and consultants will continue to be critically reviewed by the FWO's Chief Financial Officer.

As an FMA agency, FWO complies with the Department of Finance and Deregulation's Non-Campaign Recruitment Advertising Policy.

FWO continues to actively review the extent of printing of hard copy publications, encouraging, in particular, the availability of Fact Sheets and Best Practice Guides on line.

Safe Work Australia (SWA)

SWA monitors its expenditure against budget very carefully and has targeted a number of areas for further efficiencies in 2012-13 including travel, consultancies, non-campaign advertising and printing expenses. In detail:

Travel

The expenditure on travel has been reduced this financial year to date compared to 2011-12 due to the greater use of a network of video and telephone conferencing facilities; a decrease in the number of attendees at interstate meetings; a reduction in the use of business class travel for short trips; and by requiring organisations to cover the cost of travel for SWA employees asked to give presentations at meetings or conferences.

Consultancies

In terms of consultancies a priority list of required work is kept and reviewed at regular intervals to ensure that it is relevant and required as priorities change. SWA is about to advertise for a new Work Health and Safety Expert Panel which will streamline procurement practices and produce further efficiencies and savings.

Non-campaign advertising

SWA places all of its external recruitment advertising online.

Printing

The expenditure on printing is carefully monitored with the majority of publications produced and distributed in electronic format rather than hard copy.

SWA will manage the savings across the forward years within its budget.