

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

Program All

Question No. 89

Senator Humphries asked the following question at the hearing on 18 October 2011:

Efficiency dividend

- a) How has the efficiency dividend been implemented?
- b) 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:

Attorney-General's Department

- a) The Attorney-General's Department regularly reviews the priority and value of business activities against available resources to ensure that budget allocations are appropriately made. This priority and resource allocation assessment process is conducted as part of the ongoing business planning and change management cycle; and is designed to assist the Department in making budgeting decisions, including those arising from the efficiency dividend.
- b) Given that this reassessment of resource allocations is ongoing, it is not possible to identify distinct programs where spending has been specifically reduced to meet the efficiency dividend. Rather, the Department can note that the continuous focus on business process improvement, consolidation of like activities and changes to the timing or ordering of operations, combine to assist in the overall general reduction of spending to meet the efficiency dividend.

Australian Commission for Law Enforcement Integrity

- a) The efficiency dividend was applied across all suppliers expenditure.
- b) Because ACLEI received increased funding in 2010-11, expenditure was not reduced in any area.

Australian Crime Commission

- a) The efficiency dividend has been implemented. See point b) for clarification.
- b) The ACC has achieved efficiency gains across its corporate and operational activities to manage the impact from a range of savings initiatives, including the efficiency dividend. These efficiency gains have been realised through ongoing process review and governance. Specifically, the ACC has reduced its domestic travel, leveraged other agencies' service contracts for services, re-negotiating more favourable terms on contracts, limited the number of external contractors, reduced vehicle numbers and used taxis instead of Comcars, and implemented a new operating model which has maximised staff efficiency and enabled a reduction in FTE.

Australian Customs and Border Protection Service

- a) The efficiency dividend has been generally implemented across all areas of Customs and Border Protection, having regard to other efficiency savings applied to particular areas as well as the relevant risk and workloads of particular areas. As a general principle Customs and Border Protection focuses the implementation of savings on low risk, non operational areas to ensure, wherever possible, that there is minimal impact on the management of the border.
- b) The implementation of the efficiency dividend has generally been applied across all areas of Customs and Border Protection, with a focus on low risk non operational activities. Business areas have applied the efficiency dividend as part of the agency's budgeting and planning process across employee, supplier and capital spending using a risk based approach and in line with organisational priorities.

Australian Federal Police

- a) The AFP assesses internal budget priorities each year and has allocated the efficiency dividend to business units in accordance with organisational resourcing measures.
- b) The AFP is guided by seven strategic principles of which three are eliminate duplication, reduce supplier costs and One AFP, One Corporate. These principles have aided the AFP in absorbing the efficiency dividend through a number of means including better utilisation of best fare of the day, reductions in the car fleet, renegotiating corporate contracts including telecommunications and rationalisation of property leases.

Australian Government Solicitor

AGS is not subject to the efficiency dividend.

Australian Human Rights Commission

- a) The efficiency dividend is applied as part of the parameter update process, as required by Department of Finance and Deregulation. Net changes in appropriation funding are generally absorbed within the total Commission budget.
- b) Budget reductions have generally been proportionally allocated across all operational areas

Australian Law Reform Commission

- a) The efficiency dividend has been implemented by instituting productivity savings across the organisation.
- b) The ALRC has made savings in a number of areas of operations including only publishing our inquiry discussion and consultation papers online instead of in print, instituting cost recovery for our final reports by charging for them as opposed to providing them free of charge and by reducing the number of corporate administrative staff.

Australian Security Intelligence Organisation

- a) The efficiency dividend has been implemented through greater efficiencies in ASIO's processes and support functions, consistent with ASIO's internal reform program.
- b) Savings have been realised across the organisation by eliminating duplication and refining work practices and business processes to facilitate more efficient and effective management and coordination of ASIO's work.

Commonwealth Director of Public Prosecutions

- a) The efficiency dividend has been implemented through a review of costs.
- b) Reduction has been achieved across a broad range of office functions rather than in relation to specific areas, services or programs.

CrimTrac

The efficiency dividend does not apply to CrimTrac.

High Court of Australia

- a) The Court has been able to implement the efficiency dividend without reducing staff numbers.
- b) Spending has been reduced through operating expenditure, especially contracted services.

Insolvency and Trustee Service Australia

- a) The efficiency dividend has been one of a number of factors impacting on the amount of funding available to the Insolvency and Trustee Service Australia (ITSA). ITSA has implemented the efficiency dividend while also managing additional funding to cater for long-term increases in personal insolvency activity.

ITSA re-assesses annually its internal resource mix across all its functions (information and registry, regulation, insolvency administration, investigation of offences, and a proceeds of crime trustee function) to match available funds.

- b) The reduced spending to meet the efficiency dividend has been achieved through ITSA's workforce management strategies that allow it to adjust its staffing profile for either an increase or decrease in funding, and through an examination of the geographical spread of its service provision, (allowing ITSA to reduce costs in some states/territories).

Office of Parliamentary Counsel

- a) As our agency has only one outcome and one program, the efficiency dividend is applied against the total appropriation funding.
- b) Supplier expenditure has been reduced to meet the efficiency dividend.