

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

Portfolio

Question No. 74

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

Efficiency Dividend

1. What is the effect of the efficiency dividend increase from 1.5 percent to 4 percent on the department/agency's budget bottom line during financial years 2012/13, 13/14, 14/15?
2. What percentage of the department/agency's budget is designated to staffing?
3. What is the size of the department/agency's staffing establishment? Include figures for FTE, PT, casual, contractors, and consultants.
4. What specific strategies will the department/agency adopt to ensure continued operation within budget?
5. Will or has consideration been made to reducing staffing compliment including contractors, and consultants?

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

See tables below.

Attorney Generals Department

1.	<p>The additional one-off 2.5% Efficiency Dividend (ED) will be to reduce appropriation funding by \$15.4m over the forward estimates from 2012-13 to 2014-15. The following table provides the specific annual impact on Attorney-General's Department funding from 2012-13 to 2014-15:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #cccccc;">Funding (\$m)</th> <th style="background-color: #cccccc;">2011-12 (\$m)</th> <th style="background-color: #cccccc;">2012-13 (\$m)</th> <th style="background-color: #cccccc;">2013-14 (\$m)</th> <th style="background-color: #cccccc;">2014-15 (\$m)</th> </tr> </thead> <tbody> <tr> <td>Total departmental operating</td> <td style="text-align: center;">(0.0)</td> <td style="text-align: center;">(5.1)</td> <td style="text-align: center;">(5.2)</td> <td style="text-align: center;">(5.1)</td> </tr> </tbody> </table>	Funding (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)	2014-15 (\$m)	Total departmental operating	(0.0)	(5.1)	(5.2)	(5.1)
Funding (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)	2014-15 (\$m)							
Total departmental operating	(0.0)	(5.1)	(5.2)	(5.1)							
2.	On average for the years 2012-13 to 2014-15 approximately 66.4% of the department's budget is designated to staffing.										
3.	Please see attachment A.										

4.	Specific strategies to ensure the department operates within budget are currently being investigated and developed as part of the 2012-13 business planning process. Strategies include reducing suppliers expenses in the areas such as training, meetings and venue hire, consultants, overseas travel, domestic travel, office expenses, contractors, printing and publications, legal expenses and more efficient staff training.
5.	Consideration will be made to reducing staffing complement including contractors, and consultants as part of the 2012-13 business planning process.

Attorney General's Department: Attachment A

Current Staffing Levels

The data below presents our current staffing numbers on an FTE basis, categorised by type of employment as at 2 March 2012:

Row Labels	FTE
Contractors	15.27
Full Time	15.00
Part Time	0.27
Non-Ongoing - Spec Task	3.40
Full Time	3.00
Part Time	0.40
Non-Ongoing - Spec Term	113.18
Full Time	102.00
Part Time	11.18
Ongoing	1446.67
Full Time	1341.71
Part Time	104.96
Ongoing Temporary Transf.	16.64
Full Time	16.00
Part Time	0.64
Secondment	1.00
Full Time	1.00
Grand Total	1596.16

Please note that:

- We do not record casual employees on FTE basis however we currently have 36 casual employees (majority of whom are employed on the National Security Hotline).
- ‘Ongoing Temporary Transf.’ refers to ongoing APS employees who are normally employed in another APS agency but have temporarily transferred to Attorney-General’s Department. For reporting purposes we would normally include these employees under the ‘Ongoing’ category.

Australian Law Reform Commission

1.	2012/13 (\$73,000), 2013/14 (\$74,000), 2014/15 (\$74,000)
2.	67%
3.	15.28FTE, 4 employees are Part Time and 11 are Full Time. There are no contractors or consultants.
4.	The Agency will seek productivity savings directed to reducing operational costs including reduction in travel expenditure, sharing services, .and reducing printing costs by providing more material online.
5.	Consideration has been made to reducing staff.

Insolvency and Trustee Service Australia

1.	The increase in efficiency dividend has impacted ITSA’s bottom line as follows: \$1,174m in 2012-13, \$1,242m in 2013-14 and \$1,314m in 2014-15.
2.	In 2011-12 approximately 51% of total expenses (excluding depreciation) are designated to staffing.
3.	ITSA’s headcount in February 2012 is 429 FTE’s. This figure includes PT, causal and contractors. ITSA does not consider consultants as part of its staffing establishment.
4.	Until the internal budget for 2012-13 is finalised, ITSA cannot detail how it will cut its spending to meet the efficiency dividend.
5.	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 (GBE) 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.	AGS does not receive any appropriations and does not have a budget in the way that APS departments and agencies do. Like other GBEs, AGS incurs expenses in operating its business. For 2010-11, AGS's employee related costs (salaries, superannuation, leave and other entitlements, state payroll tax equivalent payments) were 78.5% of its total operating expenses.
3.	As at 29 February 2012, AGS's workforce numbered 621 full-time equivalent (FTE) employees which included 155 part-time employees and 65 engaged on a term or casual basis. In addition, 5 contractors were engaged by AGS. AGS does not engage consultants as part of its workforce.
4.	As noted in the responses to parts 1 and 2, AGS does not receive any budgetary appropriations. As a GBE, AGS continually strives to increase efficiency and reduce its operating costs.
5.	In recent years, a tighter budgetary environment for our clients is one of several factors that has contributed to declining revenue for AGS which has resulted in some reductions to AGS's workforce, as well as the implementation of cost-cutting measures and efficiencies in other areas of AGS's operating expenditure. AGS will continue to review and adjust its workforce structure and profile to meet its business needs in the light of ongoing developments in the legal services market.

Family Court of Australia

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
5.	N/A

Federal Court of Australia

1.	Efficiency Dividend increase did not apply to the Federal Court of Australia
2.	Not applicable
3.	Not applicable
4.	Not applicable
5.	Not applicable

Australian Human Rights Commission

1.	2012-13 (\$422,000),2013-14(\$425,000),2014-15(\$429,000)
2.	Employee expenses make up approximately 65% of the Commissions operating expenses
3.	The ASL as at 29 Feb is 124.79 FTE as at 29 Feb is 128.42 (94.95 Ongoing Staff, 32.47 Non-Ongoing Staff. 0.82 Casual)
4.	The Commission will be reviewing its activities to ensure that it continues to operate within the approved budgeted resources.
5.	The Commission is currently working through how best operational needs will be met with the application of the dividend. All options including decreasing staff are being considered.

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
5.	N/A

Australian Transaction Reports and Analysis Centre (AUSTRAC)

1.	2012-13 \$1.376m 2013-14 \$1.395m 2014-15 \$1.409m
2.	Approximately 65 per cent of AUSTRAC's budget is currently designated to staff.
3.	FTE as at 31 January 2012: 302 (full-time) 18 (part time and casual) Number of contracted staff as at 31 January 2012: 61 Consultants: Nil
4.	AUSTRAC is using a range of strategies to meet the necessary savings, 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.
5.	Yes.

Office of the Australian Information Commissioner

1.	2012-13 (\$278,000), 2013-14 (\$276,000), 2014-15 (\$277,000)
2.	Employee expenses make up approximately 61% of budgeted operating expenses.
3.	The budgeted ASL for 2011-12 is 81. ASL as at 29 February 2012 is 77.32 FTE as at 29 February 2012 is 81.28 (76.75 ongoing Staff, 4.53 Non-Ongoing Staff. There are no casual staff and no consultants.)
4.	The Office will be reviewing its activities to ensure that it continues to operate within the approved budgeted resources.
5.	The Office will direct resources to best meet its operational needs.

Administrative Appeals Tribunal

1.	Courts and Tribunals were exempt from the additional 2.5% efficiency dividend.
2.	Approximately 60% of the AAT's budget is designated for member and staff costs.
3.	N/A

4.	N/A
5	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.	For 2011/12, 39.98% of the CrimTrac's budget is for employee benefits.
3.	The CrimTrac 2011/12 budget includes staff (FTE) of 204, with 190 full-time staff and 14 (FTE) part-time staff. The 2011/12 budget includes an average of 7 contractors and \$650,000 (excluding GST) for consultancy expense.
4.	The efficiency dividend does not apply to CrimTrac as it relates to program appropriation funding only. CrimTrac's only appropriation is for interest equivalency.
5.	The efficiency dividend does not apply to CrimTrac as it relates to program appropriation funding only. CrimTrac's only appropriation is for interest equivalency.

Australian Commission for Law Enforcement Integrity (ACLEI)

1.	Refer table below:															
	<table border="1"> <thead> <tr> <th></th> <th>2012-13</th> <th>2013-14</th> <th>2014-15</th> <th>2015-16</th> </tr> </thead> <tbody> <tr> <td>Saving</td> <td>(\$127,675)</td> <td>(\$129,500)</td> <td>(\$130,675)</td> <td>(\$132,225)</td> </tr> <tr> <td>Revised Appropriation at December 2011</td> <td>\$4,979,325</td> <td>\$5,050,500</td> <td>\$5,096,325</td> <td>\$5,156,775</td> </tr> </tbody> </table>		2012-13	2013-14	2014-15	2015-16	Saving	(\$127,675)	(\$129,500)	(\$130,675)	(\$132,225)	Revised Appropriation at December 2011	\$4,979,325	\$5,050,500	\$5,096,325	\$5,156,775
	2012-13	2013-14	2014-15	2015-16												
Saving	(\$127,675)	(\$129,500)	(\$130,675)	(\$132,225)												
Revised Appropriation at December 2011	\$4,979,325	\$5,050,500	\$5,096,325	\$5,156,775												
2.	60% of ACLEI's budget is assigned to employee expenses (refer page 79 of the 2011-12 Portfolio Budget Statements, Table 3.2.1).															
3.	Staffing establishment at financial year to date is 24 Full Time positions (consultants are not regarded as part of the staffing establishment).															
4.	ACLEI regularly assesses spending against resources and operational priorities. In that context, ACLEI will aim to absorb the efficiency dividend by reassessing spending on such expenses as travel, training, and temporary staff (sometimes hired to fill short-term vacancies or to conduct specific projects).															
5.	ACLEI does not anticipate that a reduction in permanent staffing numbers would be necessary. ACLEI may consider reassessing spending on temporary staff, contractors or consultants, depending on operational priorities.															

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.
5.	Not applicable: see above.

Australian Crime Commission

1.	New savings Measure	2012-13	2013-14	2014-15
	Additional 2.5% Efficiency Dividend to operating appropriation	\$2.177m	\$2.171m	\$2.184m
	20% saving to Departmental Capital Budget	\$0.321m	\$0.808m	\$1.229m
2.	The budget allocations for the 11-12 budget is 65% for PS employees, 4.2% for secondees and 2% on contractors and consultants.			
3.	As at January 2012, the ACC had 522 full time FTE, 65 Part-time (43.57 FTE), 1 casual, 15 contractors and 45 secondees (25 of who are paid by the ACC, the rest are provided by jurisdictions free of charge).			
4.	The ACC is formulating specific strategies to scale activity and capability to fit within available funding. Tasking and targets will be re-prioritised and scaled accordingly. ACC priorities are determined by the ACC Board through the establishment of special operations and special investigations. Board decisions are made in consideration of available resources at any point in time.			
5.	Yes			

Australian Institute of Criminology

1.	2012-13 \$137k, 2013-14 \$137k, 2014-15 \$139k, 2015-16 \$140k
2.	Approximately 64%, Consultants are not considered part of the agencies 'staffing establishment'
3.	Figures are as at 29 Feb 2012 FTE – 49.8, PT – 4, Casual – Nil, Contractors – 15% of cost
4.	A number of programs have been reprioritised and less frequent reporting, or reporting over longer periods, has been used to meet the Efficiency Dividend. The AIC has also continued to undertake a considerable amount of fee for service work to maintain a critical staff mass to enable the effective maintenance of the organisation's research capacity and capabilities.
5.	The AIC has had to continually review and modify the level of inputs and outputs of its research programs to ensure these can be delivered within budget. The AIC is looking at ways in which contractor costs can be reduced for major research programs (Trafficking in Persons and Drug Use Monitoring Australia) without impacting on the outputs of these programs. It is expected that use of contractors will be reduced from 2012-13 budget.

Australian Security Intelligence Organisation (ASIO)

1.	2.5% Reduction in appropriation: 2012-13 \$9.1M 2013-14 \$9.4M 2014-15 \$9.3M 2015-16 \$9.4M
2.	57% of the Organisation's budget is designated to staffing.
3.	Full Time Equivalents plus contractors total 1,763, comprised: <ul style="list-style-type: none">• 1,536 full time ongoing• 38 full time non-ongoing• 115.9 part time ongoing• 10.1 part time non-ongoing• 13.6 casual• 48 contractors.
4.	Please refer to Senate Estimates QoN 73 part 1).
5.	No cuts in staff positions have been considered.

Australian Customs and Border Protection Service

1.	<p>The effect of the additional one-off 2.5% Efficiency Dividend (ED) will be to reduce Customs and Border Protection's appropriation funding by \$48.9m over the forward estimates from 2012-13 to 2014-15. The following table provides the specific annual impact on Customs and Border Protection funding from 2012-13 to 2014-15:</p> <table border="1" data-bbox="320 551 1388 734"> <thead> <tr> <th data-bbox="320 551 651 645">Funding (\$m)</th> <th data-bbox="651 551 839 645">2011-12 (\$m)</th> <th data-bbox="839 551 1058 645">2012-13 (\$m)</th> <th data-bbox="1058 551 1214 645">2013-14 (\$m)</th> <th data-bbox="1214 551 1388 645">2014-15 (\$m)</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 645 651 734">Total departmental operating</td> <td data-bbox="651 645 839 734">(0.0)</td> <td data-bbox="839 645 1058 734">(17.1)</td> <td data-bbox="1058 645 1214 734">(16.3)</td> <td data-bbox="1214 645 1388 734">(15.5)</td> </tr> </tbody> </table> <p>In addition to the impact on the Customs and Border Protection appropriation, there is an additional reduction of \$4.4m in the revenue received under the MOU arrangements in place for the administration of Excise Equivalent Goods (EEG) from the ATO which is subject to any changes in ED.</p>	Funding (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)	2014-15 (\$m)	Total departmental operating	(0.0)	(17.1)	(16.3)	(15.5)
Funding (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)	2014-15 (\$m)							
Total departmental operating	(0.0)	(17.1)	(16.3)	(15.5)							
2.	<p>The percentage of the agency's Budget* that is designated to staffing as published in the 2011-12 Portfolio Budget Additional Estimate (PAES), is 51.1%.</p> <p>*Agency's Budget includes: Revenues from Government, s31 Revenues from the Sale of Goods and Services and Resources Received Free of Charge.</p>										
3.	<p>The number of paid full time equivalent staff (FTE) year to date (YTD) as at 29 February 2012 was 5,201 (which includes Full-time, Part-time and casuals). In addition, Customs and Border Protection employed 184 contractors and 19 consultants as at 29 February 2012. The total headcount for Customs and Border Protection is 5,554 (excluding 174 staff on Leave Without Pay and 114 Casuals), for the same period.</p>										
4.	<p>Customs and Border Protection will manage the impact of the additional 2.5% Efficiency Dividend (ED) on its departmental funding by identifying the areas in which the efficiencies will be made as part of the business planning cycle and will be determined using a risk based approach. The areas that will be affected will be lower risk, non-operational areas wherever possible. We have also put a greater focus on applying intelligence-led, risk-based approaches to our intervention strategies.</p> <p>Customs and Border Protection will adopt a number of strategies to ensure that it continues to operate within Budget. These strategies include ongoing monitoring and reporting to the Executive and ongoing review of actual results against Budget to identify areas in which there may be funding pressures. Executive review of Budgets on a monthly basis, and more formally as part of a mid-year review process, will ensure that:</p> <ul style="list-style-type: none"> • Mitigation strategies are put in place should funding pressures arise; and • Resources are prioritised and allocated to those areas that achieve the government's strategic priorities and organisations outcomes. 										

5.	Customs and Border Protection is still undertaking its 2012-13 business planning processes to determine how the impacts of the additional 2.5% increase to the efficiency dividend will be implemented. Staff reductions, including reductions in the numbers of contractors and consultants will be considered as part of this business planning process. These staff reductions would be in addition to the reductions in SES numbers that have already been announced.
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The Office of the Director of Public Prosecutions (CDPP)

1.	2012-13 reduction to operating appropriation of \$2.142m 2013-14 reduction to operating appropriation of \$2.006m 2014-15 reduction to operating appropriation of \$1.986m
2.	Approximately 60%
3.	The CDPP's FTE as at 29 February is 511.34. This includes 86 PT, 1 casual and no contractors and consultants.
4.	The CDPP will continue to review costs across a broad range of office functions rather than in relation to specific areas, services or programs.
5.	The CDPP will continue to reduce staff through natural attrition.

High Court of Australia

1.	The High Court was exempt from the one-off 2.5per cent Efficiency Dividend.
2.	2012/13 41% 2013/14 41% 2014/15 41%
3.	The High Court's staffing establishment is made up of the following: Full Time = 60 Part time = 17 Casuals = 21 Contractors and consultants are not considered part of the High Court's staffing establishment.
4.	The High Court was exempt from the one-off 2.5per cent Efficiency Dividend.
5.	No

Office of Parliamentary Counsel

1.	2012/13 \$278,000, 2013/14 \$279,000, 2014/15 \$254,000
2.	82%
3.	50 FTE (1 FTE is a non-ongoing employee backfilling for an ongoing employee on temporary transfer).
4.	OPC continuously looks for opportunities to reduce supplier expenditure and find savings through business process improvements, cooperative agency procurement of goods and services and shared services arrangements, to minimise any impact on staffing levels.
5.	To date, no consideration has been made to reduce staffing. See also response to 4 above.

Australian Federal Police

1.	The one-off 2.5% efficiency dividend will reduce appropriation funding by \$24.55m (12/13), \$22.25m (13/14) and \$22.18m (14/15)
2.	61.3% of total operating expense budget including depreciation and supplier costs.
3.	6613 including full time, part time, non ongoing and casual employees.
4.	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.
5.	The AFP is looking to limit the impact on operational staff. The AFP has a high proportion of funding allocated to staffing. A reduction of almost \$25 million next year will be an impact that the AFP will have to look to absorb where we can which may include reductions in staff numbers in areas with least impact on operations. If required, any staff reductions will be managed through natural attrition and voluntary separations.