



Monitors enjoy big media, travel spend

Regulator

Sophie Morris

The agency that oversees the federal bureaucracy has enjoyed a steep rise in spending on advertising and media monitoring even as federal departments tighten their belts to help the government deliver its budget surplus.

The Australian Public Service Commission has doubled its spending on advertising since 2007-08 and its media monitoring budget has grown 80 per cent in this time, according to answers to questions on notice obtained by *The Australian Financial Review*.

Although the commission has just 260 staff, who do not travel with ministers, from July 2011 until the end of March it had spent \$1.285 million on travel, which would be equal to about \$5000 per staff member.

As of February, 33 commission employees had Qantas club memberships, costing \$260 a year to renew.

Finance Minister Penny Wong has suggested that agencies could avoid retrenching staff by spending less on travel, consultants and advertising as they seek to cut administrative spending to meet the government's tougher efficiency dividend.

A string of departments has flagged plans to reduce the number of staff, with 1500 public service jobs to be cut, in order to deliver savings.

While the APSC blames the cost blowout on public service reforms and rejigged responsibilities, it has told the Senate Finance and Public Administration Committee it "is considering the source of savings for the 4 per cent efficiency dividend in 2012-13" but had not yet decided what those savings would be.

"Hard choices may need to be made to preserve the capability of the APSC, noting that consultancies, travel, official hospitality, training and legal costs are not a large portion of the ongoing appropriation funded activities of the APSC," the commission told the committee.

The chairman of the Senate committee, Scott Ryan, said the APSC's

expenditure might look like "small fry" compared to government waste in other areas. "But as every family knows, if you take care of the cents, the dollars will take care of themselves," said Senator Ryan, the shadow parliamentary secretary for Small Business and Fair Competition. "The waste and mismanagement that has characterised this government has crept into the bureaucracy as well.

"The key management body for the public service, the APSC, should be leading by example when it comes to belt-tightening."

Unlike some other departments, the commission is not responsible for providing media monitoring services to a minister's office, yet its media monitoring bill has risen from \$34,041 in 2007-08 to \$61,447 in 2010-11.

Already this financial year, it had spent \$55,750 on monitoring the media and expected the full-year cost to be less than \$100,000. The commission's spending on advertising has risen from \$187,717 in 2007-08, to \$375,105 last financial year.

The advertising was undertaken to "promote development programs, to notify tender and employment opportunities, as well as to recruit indigenous employees for the Australian Public Service as a whole," the commission said.

The commission's travel spending since July 1 included \$775,000 in airfares, \$365,000 in travel allowance, \$52,000 in travel to recruit indigenous candidates for the public service and \$94,000 for taxis and parking.

The commission said in a statement to the *AFR* yesterday its increased spending on advertising, media monitoring and travel had occurred because of changed responsibilities arising from public service reform. The increased advertising costs were due to a greater focus on indigenous employment and a one-off cost promoting a new employment portal for the public service.

"Increased costs on travel related to our AusAID-funded international activities developing and delivering programs in the Asia-Pacific region to meet the Australian government's priority of supporting countries to establish professional, impartial public sector agencies," the APSC said.

And the rise in media monitoring fees was "directly related to functions transferred to the APSC for Australian government policies for agreement-making, classification structures; the Defence Force Remuneration Tribunal; and the Remuneration Tribunal".

As the bureaucracy seeks savings, more than 1500 public servants are expected to be shed by departments and agencies, including Education, Climate Change, Regional Australia, Treasury, Resources, Veterans Affairs, the Australian Bureau of Statistics and Commsuper.

Senator Wong said in November the government would increase the efficiency dividend from 1.5 per cent to 4 per cent in 2012-13 to save \$465 million as the government seeks to return the budget to surplus.

The efficiency dividend is an annual cut in departmental budgets that is used to force bureaucrats to make savings and improve efficiency.

Labor had already increased the dividend from 1.25 per cent to 1.5 per cent in 2011-12 and 2012-13. The Coalition has pledged to get even tougher on public service spending.

On delivering the annual State of the Service report in November, Australian public service commissioner Stephen Sedgwick said the public service had grown by just 1.2 per cent in 2010-11 — the smallest increase since 2003-04.

Mr Sedgwick began a five-year term as public service commissioner in December 2009 after a long career in the bureaucracy, including as secretary to the Departments of Finance, Employment and Education, and a stint as director of the Melbourne Institute of Applied Eco-



conomic and Social Research at the
University of Melbourne

Where the money went

Total cost of services provided to the Australian Public Service Commission*

