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From: John Schmidt
Sent: Tuesday, 21 August 2012 6:11 PM
To: BROADCAST_AUSTRAC_ONLY
Subject: A message from the Chief Executive Officer - Budget and Staff Strategy Update [DLM=For-Official-Use-Only]
Security Classification: UNCLASSIFIED For Official Use Only

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All,

Budget and Staff Strategy Update

Further to today's all staff meeting, this email is formal advice regarding the commencement of the "Consultation about major workplace change" provisions in the AUSTRAC Enterprise Agreement. We are now beginning a period of consultation to consider the organisational and staffing profile of AUSTRAC in the context of our current budget.

As advised at today's meeting, we are projecting an operating expenditure overspend of \$3.8 million for 2012-13, of which \$3.1 million is a projected overspend in relation to salaries.

Following my appearance at the May 2012 Estimates hearing, I advised that AUSTRAC would be looking to identify and implement cost saving measures to enable it to meet its budgetary commitments. I also noted that, despite our ongoing endeavours to find other operating savings, our total staffing numbers would need to continue to decrease to fit within our budget.

Based on past trends, I had hoped that a significant component of this staffing reduction would be achieved by natural attrition. However, over the past 12 months our rate of natural attrition has significantly reduced.

In the absence of identifying other major areas of operational savings, based on the current projected deficit, we will need to reduce our total staffing level by approximately 33 roles.

As part of the formal consultation process, I have asked General Manager Corporate and the Chief Finance Officer to commence discussions with the CPSU and ACG.

I have also asked for an AUSTRAC policy to be drafted which provides further detail and information on the process for managing excess employees. This draft policy, which draws on APSC guidelines and relevant clauses in the Enterprise Agreement, is now available on the AUSTRAC intranet page [Redeployment and Retrenchment](#). Please provide any feedback on the draft policy to your ACG representatives.

Separately, I have instructed EGMs and GMs to work with their Directors to review staffing requirements within their Branches with a view to determining staffing priorities and identifying roles that may no longer be considered essential to agency requirements.

Once this consultation and information gathering phase is concluded, ExCom will consider AUSTRAC's staffing profile and requirements.

AUSTRAC will manage this process in line with the APSC's guidelines and principles on managing excess employee situations, including through the use of the APS Redeployment Register. We will work with individuals and their representatives to consider all options such as redeployment (both internal and external to AUSTRAC) and redundancy, where necessary.

It is important to note that there are core functions which as an agency we must carry out. What we now have to do is decide how we can most efficiently and effectively carry out those core functions into the future

As always, I welcome staff's input into how we can best achieve savings and productivity savings within the agency. If you have suggestions, please email the **COST SAVING AND PRODUCTIVITY SUGGESTIONS** email account or discuss your ideas with your Director and General Manager.

This is the commencement of a consultative process. I anticipate that ExCom will meet in the next few weeks to consider the feedback and suggestions and decide a way forward. I will get back to you once I am in position to do so.

Regards,

John

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