

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 231
Hearing: Budget Estimates
Outcome: Corporate
Programme: Corporate Strategies Division (CSD)
Topic: Voluntary Redundancies 2014-15
Hansard Page: 15
Question Date: 26 May 2014
Question Type: Spoken

Senator Waters asked:

Senator WATERS: Okay. I thought that I jotted down earlier that you said you were not expecting any further voluntary redundancies in 2014–15, but that you were expecting further reductions in 2015–16. Can I just couch that in the context of some reports that there were going to be 500 job losses over the next three years? Is that in relation to those later years and which precisely are we talking about in terms of the years?

Ms Carlos: The 250 voluntary redundancies—the program that we are targeting now—will ensure that we can live within our 2014–15 budget and start our 2015–16 financial year with an affordable staffing level going forward. If we were to start that financial year above our affordable level, it would be quite problematic because we would have to reduce staff through the course of the year for it to be affordable. There are further reductions in 2016–17, and that is what I was referring to before. So we will have to reduce some staff. Presumably to start the 2016–17 year we will have to reduce some further staffing in 2015-16. Now, that may occur through natural attrition. It is a little bit far out to try and estimate that.

Senator WATERS: What was the number on the 2016–17 reduction?

Ms Carlos: The overall departmental operating budget reduces from 2015–16 to 2016–17 by about \$27 million.

Senator WATERS: How many staff? Do we have a staff number?

Ms Carlos: We have not forecast out that far with staffing levels yet.

Senator WATERS: So where do those 500 jobs come from, then?

Ms Carlos: It will be in a large part across that forward estimates period. I just don't have that data with me, Senator.

Senator WATERS: Okay. So we don't know the numbers but we do know that it will add up to 500. Is that right?

Ms Carlos: I do have a rough estimate that goes with that dollar profile. I just do not have it with me.

Senator WATERS: Would you mind tabling that at your earliest convenience

Answer:

Structural change in the Department's operating budget will see a reduction in departmental funding of \$101.9m over four years from \$462.6m in 2013-14 to \$360.7m in 2017-18. The Department undertook a review of staff affordability toward the end of the 2013 calendar year. The following table of estimated staff affordability reductions is the estimate referred to by Ms Carlos.

Financial year	Total Departmental Budget \$M	Affordable ASL	Notional Reduction Required	Cumulative % Reduction	Cumulative ASL Reduction
2013-14	\$460	2620	290*	-11%	290
2014-15	\$421	2328	140	-16%	430
2015-16	\$404	2184	160	-23%	590
2016-17	\$378	2021	80	-26%	670
2017-18	\$361	1946	0	-26%	670

The total estimated reduction was 670 staff. Of the 290 to be reduced in 2013-14, 190 staff were already scheduled to exit the Department. This left the required reduction still to be made at 480.

The redundancy program that the Department is currently undertaking is focused on the reductions required by the commencement of the 2015-16 year.