Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2017 - 2018 Budget Estimates
31 May – 1 June 2017

AGENCY/DEPARTMENT: ANSTO

TOPIC: Funding reduction and efficiency dividend

REFERENCE: Written Question – Senator Carr

QUESTION No.: BI-89

1. The portfolio budget statement shows a reduction in the government appropriation of $5.438 million over 2017-18 to 2019-20. Is this due to the efficiency dividend? How does ANSTO plan to deal with this reduction?

2. Since MYEFO 2013-14 how much money has ANSTO "lost" from efficiency dividends?
    a. What actions has ANSTO taken to cope with these efficiency dividends?
    b. What effect have these changes had on ANSTO's operational abilities?

3. Regarding the new Nuclear Medicine Facility, the Department's response to QON AI – 3 states that the governance model has been finalised. Please provide the detail of this operating model.
    a. Are there any issues around the headcount that still need to be addressed?
    b. Will extra funding be required to employ the additional 26 people or will the cost be absorbed within existing appropriations?

4. On page 93 of the portfolio budget statements, the 2017-18 expected revenues from industry sources appears to show an increase of $2 million from what was expected in last year's estimations (up from $97,420,000). What has contributed to this adjustment?

5. On page 98 of the portfolio budget statements, grants total 5.5 million each year from 2016-17 to 2019-20, however they cease in 2020-2021. Please provide an explanation. Which grant program is this?

ANSWER

1. The 2017-18 Portfolio Budget Statement outlines ANSTO appropriation over the forward estimates, and shows an increase of $20.447 million for the period 2017-18 to 2020-21.

PBS 2017-18 ANSTO Appropriation ('000s)

	2017-18	2018-19	2019-20	2020-21
Revenue (Bill 1) per tables 2.1.1 and 3.1	198,119	206,371	211,511	218,566

2. ANSTO, like all agencies, has not 'lost' any money as a result of the application of efficiency dividends. The table below illustrates the impact to ANSTO as a result of efficiency dividends ('000s)

Impact on ANSTO from Efficiency Dividends	13-14	14-15	15-16	16-17	17-18	Total
Impact on ANSTO from Efficiency Dividends	(1,122)	(1,247)	(1,185)	(388)	(476)	(4,418)

a. ANSTO monitors expenditure and has found savings in areas such as energy costs, maintenance, consumables, travel, training, consultants and contractors. Simultaneously, there is a continued focus on maximising external revenues.
b. Combined with pressure from increasing operating costs, including nuclear fuel, electricity and other utilities, opportunities for significant further savings within ANSTO are limited.

3. The ANSTO Nuclear Medicine Facility will be operated by the ANSTO wholly owned subsidiary, ANSTO Nuclear Medicine Pty. Ltd.

a. There are no current headcount related issues that need to be addressed in 2016-17. The average staffing level (ASL) restriction poses an ongoing challenge for future commercial projects including the ANM Facility.
b. No additional funding will be required, as the positions will be self-funded from the revenues of ANM.

4. The increase is related to an expansion in sales of nuclear medicine produced in ANSTO's existing nuclear medicine production facility. That expansion is ensuring the security of supply of nuclear medicines globally is maintained as ANSTO transitions to operating the new ANSTO Nuclear Medicine facility, following the shutdown of a major international supplier due to the age of its research reactor.

5. The funding indicated under the line heading "grants" is allocated to ANSTO by the Department of Education and Training under the National Collaborative Research Infrastructure Strategy (NCRIS), and is used to fund the operations of the Centre for Accelerator Science, the National Deuteration Facility and the Australian Centre for Neutron Scattering (in part), for the benefit of researchers from Australian universities, research institutes and industry. ANSTO's current NCRIS funding agreements expire in December 2019.