

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Innovation, Science, Research and Tertiary Education Portfolio  
Additional Estimates Hearing 2011-12  
15 February 2012

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

**TOPIC:** Efficiency Dividend

**REFERENCE:** Question on Notice

**QUESTION No.:** AI - 222

- 1) How will the efficiency dividend applied in 2011-12 Mid-Year Economic and Fiscal Outlook be implemented in your agency/department?
- 2) What percentage of your budget must be cut?
- 3) Will any staff position be cut to meet the efficiency dividend? If yes, provide details of where positions are located, the classification, whether the position is ongoing or not.
- 4) Please list where and what spending has been reduced to meet the efficiency dividend.

**ANSWER**

**DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION**

- 1) This impact of the efficiency dividend will be managed as part of the department's business planning and budgeting processes. The department will seek to manage the application of the efficiency dividend by reducing spending on discretionary items and where required through the natural attrition in staffing numbers.
- 2) The department's budget funding will be reduced by 2.5%.
- 3) As this stage it is not anticipated that specific staff reductions will be required to meet the efficiency dividend.
- 4) As this stage it is anticipated that there will be reductions in expenditure in various categories. The areas targeted for reduction include travel expenditure, consultancies and other administrative costs and if required reductions in staff expenditure through natural attrition.

**AUSTRALIAN INSTITUTE OF ABORIGINAL AND TORRES STRAIT ISLANDER STUDIES (AIATSIS)**

AIATSIS is exempt from the efficiency dividend applied in the 2011-12 Mid-Year Economic and Fiscal Outlook.

### **AUSTRALIAN INSTITUTE OF MARINE SCIENCE (AIMS)**

- 1) AIMS will seek to manage the application of the efficiency dividend through reductions to administrative costs and non employee scientific budgets.
- 2) The impact on the budget is expected to be approximately 0.3%.
- 3) There will be no staff positions cut to meet the efficiency dividend.
- 4) At this stage, it is anticipated that there will be cuts to discretionary spending in administrative costs and non employee scientific costs.

### **AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION (ANSTO)**

- 1) ANSTO will manage its expenditures and revenues to offset the funding reductions. ANSTO's internal budget process for 2012-13 will reflect the reduced appropriation funding and a balanced budget will be achieved by ensuring that external revenues are maximised and also by ensuring that genuine restraint is applied when setting operating expense budgets.
- 2) The cut is approximately 0.2% of the budget.
- 3) There will be no staff positions cut to meet the efficiency dividend.
- 4) ANSTO will continue to exercise fiscal constraint. Areas such as energy costs, maintenance, consumables, travel, training, consultants and contractors are all being monitored. Simultaneously, there will be a continued focus on maximising external revenues and identifying efficiencies across the major operational activities on-site.

### **AUSTRALIAN RESEARCH COUNCIL (ARC)**

- 1) ARC will seek to manage the application of the efficiency dividend as part of the business planning and budgeting processes. This will involve reductions to administrative costs and through changes to the staffing profile (i.e. both classification and categories). In addition, some vacant positions will not be filled.
- 2) ARC's departmental budget will be reduced by 2.5% from the 2012-13 financial year.
- 3) It is possible that staff numbers will be reduced by up to three. The location and level of these positions is not yet determined and will be considered as part of the business planning and budgeting processes.
- 4) At this stage it is anticipated that there will be reductions in expenditure in various categories, including travel and committee member expenditure. In addition, Senior Executive staff numbers have been reduced in response to this efficiency dividend.

## **COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION (CSIRO)**

- 1) CSIRO will seek to manage the application of the efficiency dividend through reductions in discretionary expenditure as part of its internal budget process for 2012-13.
- 2) The cut is approximately 0.6% of the budget.
- 3) CSIRO is still developing its budget for 2012-13 and the forward estimate period. CSIRO will endeavour to achieve the impact while minimising the impact on staffing levels.
- 4) CSIRO is still developing its budget for 2012-13 and the forward estimates period. CSIRO will endeavour to meet the efficiency dividend through a reduction in spending on a range of supplier costs.

## **IP AUSTRALIA**

- 1) As a cost recovered agency that derives 97% of its funding from fees charged to customers, IP Australia is not subject to the efficiency dividend.
- 2) IP Australia is not subject to the efficiency dividend.
- 3) IP Australia is not subject to the efficiency dividend.
- 4) IP Australia is not subject to the efficiency dividend.

Please note – as this information is as at 29 February 2012 this does not include Outcome 3 and associated Agencies which is transferring from the Department of Education, Employment and Workplace Relations due to the recent Machinery of Government.