

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Additional Estimates 2011-2012**

Cross Portfolio

DEEWR Question No. EW0997_12

Senator Humphries provided in writing.

Question

Efficiency Dividend

"What is the effect of the efficiency dividend increase from 1.5 percent to 4 percent on the department/agency's budget bottom line during financial years 2012/13, 13/14, 14/15? What percentage of the department/agency's budget is designated to staffing? What is the size of the department/agency's staffing establishment? Include figures for FTE, PT, casual, contractors, and consultants. What specific strategies will the department/agency adopt to ensure continued operation within budget? Will or has consideration been made to reducing staffing compliment including contractors, and consultants?"

Answer

The impact of the increase in the efficiency dividend is detailed in the Department's 2011-12 Portfolio Additional Estimates Statements (page 17) and is as follows:

2012-13: \$18.097m
2013-14: \$17.877m
2014-15: \$17.767m

Direct employee expenses represent approximately 64 per cent of the department's operating budget.

As at 31 January 2012, the department had an FTE of 5220 and 159 ICT contractors. Note that these figures include staff who are in the process of transferring to the Department of Innovation, Industry, Science, Research and Tertiary Education under the Machinery of Government changes announced in December 2011.

Based on current forward estimates the Department expects to reduce staff numbers by 500 from 2011-12 to 2012-13. The reduction will be achieved through a combination of natural attrition and voluntary redundancies. The reductions are the result of the finishing of budget measures, application of the increased efficiency dividend to both operating and capital budgets, government decisions to absorb workload and increasing costs. The Department will carefully work through a planning process that considers workload and priorities to manage the staff reductions and deliverables of the department.