

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE – QUESTIONS ON NOTICE 2004-2005 BUDGET ESTIMATES HEARING

Outcome: CSIRO
Output Group: - CSIRO

DEST Question No. E239_05

Senator Stott Despoja provided in writing.

Question:

What impact will the coming staff pay rise have on the total appropriations to CSIRO?
How much funding will remain for research purposes?

Answer:

CSIRO has provided the following response.

Staff pay rise

Based on total CSIRO actual salary expenditure in 2003-04 of \$522.1m, the EBA salary increase of 5.5% payable from 1 July 2004 is estimated to have an impact of approximately \$21.4m on base salary costs and \$7.3m on salary oncosts such as recreation leave and long service leave, totalling \$28.7m. The difference between the 2003-04 actual salary expenditure of \$522.1m and the 2004-05 estimated salary budget of \$533.6m is \$11.5m.

The difference between the above figures (\$28.7m and \$11.5m) is related to factors including: the transfer of National Measurement Laboratory staff to the Department of Industry, Tourism and Resources from 1 July 2004, as part of the formation of the National Measurement Institute; the transfer to CSIRO of staff from the Victorian Government's food research authority in April 2004; the accounting treatment requiring the recognition in 2003-04 of salary oncosts associated with the EBA salary increase; and the accounting treatment required for CSIRO staff associated with the CSIRO/New Zealand Forest Research Joint Venture established on 1 July 2004. (See also answers to E231_05 and E232_05.)

The following factors relate to the amount of funding "remaining for research purposes" in 2004-05:

- The salary increases apply to all staff employed by CSIRO, most of whom are directly engaged in research projects.
- In 2004-05, the proportion of total expenditure allocated to salary costs will be marginally higher than in 2003-04 (58.5% of total expenditure will be allocated to salary costs in 2004-05 compared with 58.2% in 2003-04). There is, therefore, an increase in salary costs and a reduction in operating costs on a proportional basis.
- CSIRO's *Strategic Plan for 2003-2007* requires support cost savings of \$4 million in 2003-04 and \$15 million in 2004-05. Savings in support costs are reinvested in core science activity.

As a result of the above factors, the number of CSIRO staff engaged in research activities and the operating costs to support those activities are not expected to decrease in 2004-05.