

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry and Science Portfolio  
Budget Estimates Hearing 2015-16  
3 and 4 June 2015

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**AGENCY/DEPARTMENT:** AUSTRALIAN INSTITUTE OF MARINE SCIENCE (AIMS)

**TOPIC:** Funding Cuts

**REFERENCE:** Question on Notice (Hansard, 3 June 2015, page 98)

**QUESTION No.:** BI-17

**Senator WATERS:** Thank you. I will look forward to some more detail on the projects you have either underway or in the pipeline—to the best of your ability. On staffing matters, my recollection is that you managed to hold onto all of your staff after last year's budget. Have there been any redundancies since we last spoke or that you are anticipating as a result of this most recent budget?

**Mr Gunn:** None that are related to funding.

**Senator WATERS:** There do seem to be some cuts that are increasing. Please correct me if I am wrong, but there seems to be an additional \$100,000 cut on top of last year and I believe the cuts are projected to go to about an extra \$300,000 by 2016-17. Can you tell me first of all if I am accurate on those figures? Secondly, how will you cope with those cuts? What changes will you have to make to factor those in?

**Mr Gunn:** I will leave my general manager to answer the first question.

**Mr Mead:** I am not aware of any specific cuts other than changes to the appropriation funding indexation rate going forward. Those fluctuate up and down depending on CPI forecasts. I would have to take on notice whether your numbers are exactly correct.

**ANSWER**

Since the May 2014 budget there have been no new budget measures impacting AIMS appropriation budget.

At the time of the May 2014 budget the operating component of AIMS appropriation budget was subject to annual indexation parameters as per the following table:

2014/15	2015/16	2016/17	2017/18
2.0%	1.8%	1.9%	2.0%

Since that time the indexation parameters applied to the operating component of AIMS appropriation have changed. AIMS believes this relates to updated inflation/price index forecasts. The current values are as follows:

2014/15	2015/16	2016/17	2017/18
2.0%	1.5%	1.7%	1.7%

The indexation numbers are still positive, so AIMS operating appropriation increases each year. However, as the current indexation rates are less than those being applied in May 2014, the operating component of AIMS appropriation has been reduced by \$530k over the 2014/15 to 2017/18 period compared to the values budgeted in May 2014.