

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2010-11
31 May 2010

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: Staffing-Efficiency Dividends/Budget Cuts

REFERENCE: Written Question – Senator Barnett

QUESTION No.: BI-65

Have staffing numbers been reduced as a result of the efficiency dividend and/or other budget cuts?

- Since the efficiency dividend was introduced?
- Since additional estimates?

Is so, where and at what level?

Are there any plans for staff reduction? Is so, please advise details i.e. Reduction target, how this will be achieved, services/programs to be cut etc.

If your department has been identified in the budget as delivering further efficiencies (savings), how will these be delivered? (for example if the budget papers say ‘improvement to strategic work practices’ or similar, what are these and how will they be delivered?)

What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.

ANSWER

Innovation

Staffing numbers were reduced in 2008-09. The Portfolio Budget Statement 2008-09 reported an Average Staffing Level (ASL) reduction of 142 which included staff movements associated with the transfer of functions resulting from the machinery of government changes. The reduction in staffing levels was achieved as per the table below:

State	APS2	APS4	APS5	APS6	EL1	EL2	SES	Total
ACT	1	5	6	13	21	5	3	54
VIC					2			2
NSW			1		6	3		10
QLD				2				2
WA					2			2
SA				2				2
TAS			1					1
Total	1	5	8	17	31	8	3	73

There has been no reduction of staffing numbers since additional estimates and there are no plans for further staff reductions.

There are no plans to reduce or increase the graduate recruitment or cadetship programs in operation in the Department.

CSIRO

It is not possible to separate changes in staffing levels as a result of changes to the efficiency dividend and other adjustments to CSIRO funding levels and changing demand for research services.

As noted in table 2.1 of CSIRO's entry in the Portfolio Budget Statement, CSIRO's ASL is projected to decline by 129 in 2010-11. The majority of the reduction will be in support areas.

CSIRO does not run Australian Public Service style entry-level graduate programs. CSIRO does run Postgraduate Scholarship programs and a Postdoctoral Fellowship program and in 2009-10, a new Honours Scholarship program was introduced to complement the Postgraduate Scholarship programs. There are currently no plans to reduce these programs and it is envisaged their intake will increase.

AIMS

No staff have been cut due to the efficiency dividend since additional estimates however ongoing application of this measure does impact AIMS' ability to meet rising costs. The current level of the efficiency dividend equates to approximately 0.5 FTE.

IP Australia

The efficiency dividend does not apply to IP Australia given they are fully cost recovered. The 2010-11 Budget did not require IP Australia to provide any efficiencies / savings.

IP Australia plans to engage three Indigenous Cadets through the APSC Pathways program in 2011. This is an initiative in our Indigenous Employment Strategy. IP Australia also plans to engage 2 ICT cadets in response to the Gershon Review Recommendations however not until the 2011-2012 financial year.

ANSTO

1. *Have staffing numbers been reduced as a result of the efficiency dividend and/or other budget cuts?*

- Since the efficiency dividend was introduced?

See response to Senate Additional Estimates question AI-75 (February 2010).

Since additional estimates?

No.

If so, where and at what level?

Not applicable.

2. Are there any plans for staff reduction? If so, please advise details i.e. reduction target, how this will be achieved, services/programs to be cut etc.

There are no current plans for staff reduction related to the efficiency dividend as applied in ANSTO.

3. If your agency has been identified in the Budget as delivering further efficiencies (savings), how will these be delivered? (for example, if the budget papers say 'improvement to strategic work practices' or similar, what are these and how will they be delivered?)

An ongoing efficiency dividend, based on ANSTO's Corporate or Administration expense base, will commence from 2010-11. As advised by ANSTO CEO, Dr Paterson at the Estimates Committee hearing (Hansard, pages E9-E10):

Dr Paterson—The efficiency dividend is applied to our administrative functions, which constitute approximately 15 per cent of our budget. We have worked hard to understand how we can streamline the activities of ANSTO, which are primarily based on a set of enterprise applications. By the effective deployment of those, we will become a more flexible and agile organisation, and it will allow us to make the savings that are intended in the efficiency dividend...

Senator COLBECK—There must be a limit to the extent that you can bear that, though. You can only become so flexible and so more nimble and agile. You are taking out \$2.5 million over this current four years. Where is the limit to that?

Dr Paterson—We have not determined a limit at this point. We had very fruitful discussions with the department about this efficiency dividend. We think it is appropriate for us to be careful with taxpayers' resources and to seek efficiencies where we can. These are obviously best achieved in the administrative functions. I think the efficiency dividends are currently applied in an area where they can be affected and where it can only lead to improvements in the responsiveness and agility of ANSTO.

Senator COLBECK—Where will they be applied in this coming financial year?

Dr Paterson—In this coming financial year we are undertaking an upgrade of our SAP system, which is the system we use to manage a lot of our operations. This will allow us to simplify the procurement processes in the organisation. It will allow us to organise and operate our travel more efficiently and reduce the costs that are attendant to that. It will also allow us to review our business planning process and bring efficiencies in that as well.

Senator COLBECK—Do you have plans for this on an annual basis? Do you have a plan for what you intend to do in each of the coming years?

Dr Paterson—We are currently concluding the last year of a four-year strategic plan for our IT systems, and the IT strategy for the next four years is currently under development and consultation with all of the users internally and the stakeholders externally. It is certainly my hope that we can continue to find more effective ways to deploy ANSTO resources and to do our business. This efficiency dividend of \$2.5 million is the first time that it has been applied in recent times in ANSTO and I think it is a useful test for us to apply our minds to achieving these efficiencies.

4. What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.

A re-designed ANSTO Graduate Development Programme is commencing in 2011, after the learning from the introductory (2008) pilot programme. ANSTO is completing recruitment of 26 graduates for the in 2011 intake, compared to the 2008 intake, where 14 graduates were recruited.

ANSTO's post-doctoral programme is being retained at the same level, where ANSTO funds 20 post-doctoral positions on a rolling basis.

ARC, AIATSIS

There has not been a reduction of staffing numbers as a result of the efficiency dividend and/or budget cuts or current plans for staff reduction. There are no changes planned for graduate recruitment, cadetships of similar programs.