

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2013-14 Budget Estimates Hearings

Outcome Number: 7

Question No: 433

Topic: Funding Changes

Hansard Page: Written

Senator Payne asked:

According to the 2013-14 FAHCSIA PBS, funding for IBA's Program 1.2: Home Ownership has increased by around \$16.5 million over the forward estimates, and funding for Program 1.3: Business Development and Assistance has increased by around \$12 million over the forward estimates. Can the department explain these increases? What will the additional funding be used for?

Answer:

The amounts stated in the question actually refer to budgeted expenses for the programs, not the amount they receive in funding. In relation to funding, as set out in table 3.2.1 of the Indigenous Business Australia (IBA) Budget Statements in the FaHCSIA PBS, total Revenue from Government (Appropriation Bill 1) to IBA has only increased by \$1.378 million and as set out in Table 3.2.5 total Capital funding (Appropriation Bill 2) will decrease by \$0.99 million over the forward estimates period.

In relation to the budgeted expense amounts stated in the question,

- 1) The expenses related to Program 1.2 and 1.3 increase by around \$16.5 million and \$12 million respectively from 2012-13 budget estimates to 2013-14 budget estimates (covering the period from 2013-14 to 2015-16).
- 2) These increases in estimates of expenses are largely due to: the projected increase in the overall number of loans – this causes an increase in the concessional loan discount expense (non-cash) over the forward estimates period in accordance with Australian accounting standards; variations in other home loan related expenses associated with the increased volume of home loans resulting from the merging of IBA's two home loan programs into the Indigenous Home Ownership program in July 2012; and increases in grant expenses.