

**Senate Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry, Tourism and Resources Portfolio  
Additional Estimates 2005-2006, 16 February 2006

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES  
**TOPIC:** VARIATIONS IN ADMINISTERED RECEIVABLES  
**REFERENCE:** HANSARD 16/02/06, PAGE E76

**QUESTION No. AI-5**  
(Hansard 16/02/06, p.E76)

**Senator Campbell** asked about:

Can you explain the variation in Administered Receivables as shown on pages 27 and 28 of the Portfolio Additional Estimates document?

**ANSWER**

At a later stage of the hearing, Ms McClusky (Chief Financial Officer) advised:

**Ms McClusky**—Could I come back to you with the movement in the administrative receivables we were discussing before—the \$15 million? I have the break-up of that for you. Four million dollars is associated with the IIF; \$8.7 million is associated with the Pre-Seed; \$656,000 is associated with the R&D Start loans program; and there is \$4 million in minor movements of various items.  
(Hansard 16/02/06 pE78)

The breakup of the movement that Ms McClusky quoted was in most cases the rounded amount. The individual variations, in millions of dollars to one decimal place, are as follows: Innovation Investment Fund (IIF) down \$4.3 m, R&D Start up \$0.7 m, Competitive Pre-Seed program down \$8.8 m, 'Other' down \$3.5 m.

As Ms McClusky had mentioned earlier in the proceedings (Hansard 16/02/06 p E 76), "The receivables balance will reflect the level of activity. The way we calculate our budget estimate is driven by the actual balances from the previous financial year. In some cases, it may be reflective of activity, it may be a reflection of the timing that receipts are coming in et cetera. There could be several factors that would be impacting on those balances."

The \$15.874 m variation is the difference between the initial estimate for 2005-06 receivables published in the 2005-06 Portfolio Budget Statements (PBS) and the updated estimate for 2005-06 receivables published in the 2005-06 Portfolio Additional Estimates Statements (PAES). In general, the PAES estimate will be more accurate than the PBS estimates as it is based on actual, rather than estimated, performance for 2004-05 and includes updated estimates for 2005-06 performance. Additionally, for loans programs, the difference between loan estimates and actual loans made during a financial year is generally carried forward to a subsequent year. The \$15.874 m variation reflects this, and also includes other GST related estimates variations, noting that for Pre Seed most of the variation is as a consequence of loans originally programmed for 2004-05 being carried forward to 2007-08 to 2009-10.

It should also be noted that the PAES estimate for receivables only differed by four per cent from the PBS estimate and for the reasons discussed is not considered significant, but rather reflects the volatility of the investment market.