

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Additional Estimates Hearing 2007-08
21 February 2008

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: AIATSIIS – Budget Variance

REFERENCE: Question on Notice (Hansard 21/2/08, Page E73)

QUESTION No. AI-18

Senator JOYCE—I draw your attention to page 64 of the budget departmental balance sheet. My first inquiry is: in the heritage and cultural assets, your actual of \$6,569,000 becomes \$6,459,000 in the revised budget, then reverts back to \$6,569,000 as a continuum. What is the reason for that \$100,000 difference?

Mr Hobson—That would be acquisition or proposed acquisitions, and then of course there will be disposals or revaluation and changes in valuations.

Senator JOYCE—Why is there a \$100,000 difference—a \$100,000 depreciation of your heritage and cultural assets?

Mr Hobson—Heritage and cultural assets also include our library collection, manuscripts and journals et cetera, and at times their values are adjusted accordingly.

Senator JOYCE—Why is it adjusted down by \$100,000 and then straight back up to its original number?

Mr Hobson—That is in the subsequent year?

Senator JOYCE—Yes.

Mr Hobson—That could be estimates based on possible acquisitions or additions to that.

Senator JOYCE—It just seems peculiar that you have such a perfect number and you have gone down by \$100,000 and then back up to its original number as it was right at the start. Are you proposing in your revised budget to sell exactly \$100,000 worth of heritage and cultural assets and then buy back again that exact number?

Mr Hobson—No.

Mr Larkin—It is an area in which prices can fluctuate because it is quite difficult at times to place a lasting cost on some of these things. They do change. They are not actually always costed according to market values. There is also a lot of cultural value to it, but I suggest we take that on notice and provide an answer back.

Senator JOYCE—I think that would be good. It just seems peculiar. If you adjust them down, you would keep them down. Why would you adjust them back up again?

ANSWER

The variance of \$110,000 relates to the acquisition, disposals, and changes in valuations.

Heritage and cultural assets include our paintings, library collection, manuscripts and journals.

The change in value between the years relates primarily to the donated manuscripts and journals and the general library collection. On a continuous basis the Australian Institute of Aboriginal and

Torres Strait Islander Studies is progressively receiving and examining donated manuscripts and journals. In the initial stages of examination an estimated value is placed upon the items. However in this process some of the items that have been valued are found to be of little or no value. In addition the stock of library books, which are accessible by the general public, are subject to everyday wear and tear and periodically damaged stock removed. As a consequence of these factors the value of the assets fluctuates and it is not until this process is completed that a more accurate valuation is available. Out years have been budgeted for as a constant price because of this uncertainty.