

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: AIATSI - Budgeting

REFERENCE: Question on Notice (Hansard 21/2/08, Page E74)

QUESTION No. AI-20

Senator JOYCE—Again referring to page 65, your investing activities and cash received, you refer to '\$70,000 from the proceeds of sales of property, plant and equipment'. That is the equivalent of a \$70,000 gain in your income and expense schedule. If, by the same nature, these things are based on written-down values, that would mean their written-down value is zero. I want you to confirm exactly what is going on between those two figures. Why are they exactly the same? If the previous figure of \$106,000 in sales only equals a \$2,000 gain, why in every subsequent year does \$70,000 of sales equal a \$70,000 gain?

Mr Hobson—I will address that at the same time, if that is all right.

Senator JOYCE—Thank you. I want those answers to come back.

ANSWER

The sales of property, plant and equipment estimates are based upon a written down value of \$70,000. Under the Australian Accounting Standards the sale value, expected to be \$70,000, is offset against the written down value providing a net gain on sale of assets. For the 2007-08 Portfolio Additional Estimates Statement the written down value was incorrectly shown as the net gain. This issue will be rectified in time for 2008-09 Portfolio Budget Statements.