

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Senate Estimates

31 May 2011

Question: BR11
Topic: Land and Buildings
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Senator Eggleston asked:

Senator EGGLESTON: I welcome Tourism Australia here. Tourism is a very exciting activity in Australia. To go back to our last lot of estimates, I asked Mr Le Loux whether you owned any land or buildings. At the time I was told the answer was no. Yet the budget papers say, on page 146 for DRET, that the tourism portfolio has lands and buildings worth \$1.416 million; property, plant and equipment at \$578,000; intangibles at \$6,871,000; and other at \$977,000. Perhaps you could explain what those things are.

Mr Le Loux: I am just trying to find the detail. I can confirm that we do not own any land and buildings. It is most likely to be about fit-outs of leased premises. I will confirm that.

Senator EGGLESTON: Perhaps if you take it on notice and clear up the inconsistency for the shadow minister and me. The shadow minister, Mr Baldwin, asked a question in the House of Representatives on 25 November, 2010 about what corporate cost savings initiatives were identified but were not, and will not, be implemented. He eventually asked five questions. The last one was about the efficiency dividend, which I have just referred to, and it says 'nil'. Is there no efficiency dividend within your department—corporate cost savings initiatives?

Answer:

The budget papers provide an accurate reflection of Tourism Australia's (TA) balance sheet. This information is also consistent with the published annual report for 2009-10.

Land and Buildings – includes the depreciated cost (net book value) of leasehold improvements in premises leased by TA in Australia and overseas. Leasehold improvements typically comprise of fixtures and fittings added to the premises and depending on the lease agreement may also incur an allowance for make-good at the end of the leases.

Property, plant and equipment – includes computer and office equipment and furniture.

Intangibles – this includes software (both off the shelf and internally developed) and cost of campaign production, image and video footage. The development of consumer websites is also included as intangibles.

Other – includes prepayments made in one financial year relating to the next financial year.

In terms of corporate cost savings, TA reviews all costs on a regular basis and allocates realised savings to marketing projects.