

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 BUDGET ESTIMATES HEARING

Outcome: AIATSIS
Output Group: AIATSIS

DEST Question No. E039_07

Senator Wong provided in writing.

Question:

In relation to the Institute's Financial Statements Table on p.135 of the PBS:

- a. Revenues from Govt line indicates that actual expenditure for the current FY is exactly that budgeted in last year's PBS (\$10.699m), but there are slight reductions for forward estimates for each of the next 3 years – what is the reason for these downwards revisions?
- b. The 06/07 PBS shows some increase in total revenues in 06/07 and 07/08, but significant falls to 08/09 and 09/10, reflecting major falls in revenues from govt (a cut of some 30%). Why is this the case?
- c. What is the reason for the significant fluctuations in budgeted and actual revenues from Goods and Services, actual in 04/05 was \$2.365m and budgeted for 05/06 was \$0.355m, but actual was \$0.826, budgeted to fall to \$0.5m?
- d. Why was Other Revenue not listed in the forward estimates in last year's PBS, but significant (in AIATSIS terms at least) revenues are listed for this and future years in this year's PBS (more than a quarter of Govt revenues)? What are Other Revenues for AIATSIS?
- e. Why is there such a significant increase in employee costs from 05/06 to 06/07 and 07/08, followed by significant falls in the following 2 out-years? Are there specific projects timed to conclude then, or will we see significant redundancies from the organisation in 07/08?

Answer:

AIATSIS - PBS

AIATSIS has provided the following response.

- a. Revenues from Government figures included in the 2005 PBS included an allowance for future inflation. The figures have been revised downwards to reflect expected lower inflation over the forward estimates period, compared with the estimates used in the 2005 Budget calculations.
- b. In the 2005 Budget, the government provided \$9.8m over three years (2005-06 to 2007-08) for the operational component of a digitisation program. The drop in 2008-09 reflects the end of this program and a return to normal funding levels.

- c. Comparing individual components of revenue can be misleading due to changes in classifications over time. A more accurate comparison is total non-appropriation revenue.

Total non-appropriation revenue in 2004-05 was \$3.8m and was estimated to be \$2.5m in 2005-06. The estimate for 2006-07 is \$2.6m. The 2004-05 result included a one-off grant of \$1.5m from ATSI for a digitisation program in that year; after adjusting for that grant, non-appropriation revenue shows consistent growth.

The budget estimate for 2005-06 was based only on known income streams at the time budget estimates were finalised, in line with convention at the time. For the 2006 Budget onwards, a less conservative approach has been adopted whereby amounts are included for contracts expected to be negotiated in the future. AIATSIS' view is that this presents a more accurate reflection of our budget position.

- d. See response to (c) above regarding changes to classifications. "Other revenue" is mainly income from grants including family history tracing, native title and other research which doesn't properly fit within the "goods and services" classification.
- e. The digitisation program was only funded for part-year salaries during 2005-06, due to the lead time needed to recruit additional staff; the increase in 2006-07 reflects the full-year funding of this program. Nearly all staff engaged for this program are on fixed-term contracts which end in June 2008.

After removing the effects of the digitisation program, there is an underlying trend of increasing salaries. This reflects expected increased revenue from consultancy services over the forward estimates.