

EDUCATION, SCIENCE AND TRAINING

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

Outcome: CSIRO
Output Group: CSIRO

DEST Question No. E440_07

Senator Wong provided in writing.

Question:

31 May 2006, EWRE, p.7:

Senator WONG—*I am a little confused about one thing. Since the 2004-05 PBS, estimates of revenue from the goods and services line item have declined by over \$260 million over the three-year period of 2005-06, 2006-07, 2007-08. I note that in the PBS, I think, in 2004-05, you did not separately itemise royalties.*

Mr Whelan—*I do not have the 2004-05 figures in front of me. But I think, as we have discussed previously, probably the major factor in 2004-05 was that we withdrew from the forward estimates any revenue associated with joint ventures because we were not able to bring those to account as CSIRO revenue. But that is not a factor in any change as far as 2005-06 estimates are concerned.*

Why were joint ventures part of the 2004/05 PBS? Why were they subsequently removed?

Answer:

CSIRO has provided the following response.

Revenue from joint ventures

The 2004/05 PBS was based on CSIRO's strategic plan estimates of revenue which included revenue from its joint venture (FSA). Subsequently CSIRO entered into a further joint venture (ensis). The revenue for these entities was removed as under the applicable accounting standards, joint venture entities are accounted for as separate entities with the joint venture partners accounting for their share of the surplus/deficit using the equity method of accounting, i.e. they share the surplus/deficit in accordance with their share of the joint venture. The revenues and expenses of joint venture entities do not flow through the accounts of the joint venture partners.