

EDUCATION, SCIENCE AND TRAINING

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

Outcome: CSIRO
Output Group: CSIRO

DEST Question No. E461_07

Senator Wong provided in writing.

Question:

Regarding the following comments made by CSIRO at Estimates:

31 May 2006, EWRE, p.10:

Mr Whelan—No, it is not at all. It is funding from the gains we have made in the past. We could have chosen not to run a deficit. We could have chosen, given increased costs, to have gone and cut science in the organisation—\$14 million worth of science. We think that would have been very short-sighted, given the two factors that were driving the deficit: that of increased depreciation costs and that associated with increased legal costs. We are very comfortable now. The department of finance have recognised that there is an issue to be addressed around the depreciation costs, and we have correspondence from them that suggests that matter will be addressed in the additional estimates for 2006-07. So our perspective on it is that a deficit was the totally appropriate thing to do in those circumstances.

What is the reason behind the increase in depreciation costs? What is the increase and over what period?

Answer:

CSIRO has provided the following response.

Depreciation costs

CSIRO revalued its assets in June 2005 with the result that the total asset value increased. This led to an estimated increase in annual depreciation costs of \$7m.