

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE – QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY ESTIMATES HEARING

Outcome: CSIRO
Output Group: - CSIRO

DEST Question No. E546_04

Senator Carr asked on 5 November 2003.

Question:

- a) You suggest that by 2005-06 the annual rate of cost increases will outstrip revenue increases, and that despite your hypothetical increases in both government and private funding you will be running a structural deficit. Is that correct?
- b) What is the basis for calculating cost increases of 6.7% in 2005-06 and 8.2% the following year, particularly as you appear to be assuming a stable inflationary environment during those years?
- c) In what areas of expenditure are these increases concentrated?

Answer:

CSIRO has provided the following response.

Budget targets - Expenses

- a) No. The Target financial scenario estimates a balanced Operating Result for 2004/05, 2005/06 and 2006/07.
- b) These increases in expenses are not only 'cost increases'. The increase in expenses of 6.7% in 2005/06 and 8.2% in 2006/07 reflects increased expenditure on Outputs due to increased revenues as well as cost increases.
- c) These increases mainly relate to increased investment in the Flagship initiative and salary cost increases.