

EDUCATION, SCIENCE AND TRAINING

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

Outcome: CSIRO
Output Group: - CSIRO

DEST Question No. E553_04

Senator Carr asked on 5 November 2003.

Question:

Page 141 of the Annual Report lists CSIRO research collections. You say that they cannot be valued: is there not a national accounting standard for such collections that has meant that cultural and scientific agencies have had to value their collections?

Why is CSIRO different?

Answer:

CSIRO has provided the following response.

Collections

There is no specific national accounting standard dealing with valuation of the types of research collections disclosed in CSIRO's Annual Report. In considering valuation of collections, reference is made to *Statement of Accounting Concept 4: Definition and Recognition of the Elements of Financial Statements* issued by the Australian Accounting Standards Board. For an asset (collection in this case) to be recognized in financial statements it must pass several definition tests: assets must have future economic benefits, must be controlled by the entity and must be the result of past transactions or other past events. The CSIRO research collections would meet these definition criteria.

Assets are recognized in the statement of financial position only when two conditions are met:

1. it is probable that the future economic benefits embodied in the asset will eventuate; and,
2. the asset possesses a cost or other value that can be measured reliably.

The first criterion is met as the collections are important infrastructure in supporting scientific research. It has been considered that the second criterion is not met as generally there is not a market for these research collections which could provide a basis for reliable measurement, and parts of the collections would not be replaceable. This treatment has been agreed by the ANAO.