

EDUCATION, SCIENCE AND TRAINING

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

Outcome: CSIRO
Output Group: - CSIRO

DEST Question No. E558_04

Senator Carr asked on 5 November 2003.

Question:

- a) Can you confirm your advice from the last Estimates that it is not CSIRO who carries the risk for the \$70 million of Commonwealth loans channeled to AMC through CSIRO?
- b) Have you received written confirmation of this from the Department of Industry or perhaps the Department of Finance?
- c) If so, please provide a copy of this confirmation.

Answer:

CSIRO has provided the following response.

Contingent liabilities – AMC Non recourse loan

- a) Yes. Funding was provided to CSIRO through appropriations as follows:
 - \$20 million in three stages - \$4.9m in 1992-93, \$12.3m in 1993-94 and \$2.8m in 1994-95; and
 - \$50 million in two stages - \$32.8m in 2001-02 and \$17.2m in 2002-03.

As at 30 June 2003, these loans were disclosed in CSIRO's accounts as a contingent receivable from AMC and a corresponding contingent loan payable to the Australian Government. On consolidation in the Australian Government 2002-03 Final Budget Outcome (FBO), this results in a \$70 million reduction in net worth (reflected in FBO, Part 2, Table 8, p. 20) but does not impact fiscal balance.

- b) A letter from the then Minister for Science and Technology to CSIRO dated 16 January 1992 is provided to inform on the relevant terms of the \$20 million loan. In relation to the \$50 million loan the non-recourse nature is clearly articulated in the agreement between the Australian Government and CSIRO:

10. NON-RECOURSE

Despite any other provision of this agreement, the obligation of CSIRO to repay the principle outstanding or to pay Interest or to pay the Money Owning is limited to the Royalty Payments received by CSIRO less the Costs.

- c) See response to (b) above.