

## EDUCATION, SCIENCE AND TRAINING

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

**Outcome:** 1  
**Output Group:** ARC

#### DEST Question No: E638\_07

Senator Wong provided in writing.

#### Question:

*ARC Annual Report 2005-06*

1. P 142 of 2006 Annual Report: What are the reasons for the variation between the 05/06 Budget administered expenses and actual expenses, a \$28.5m difference? Please provide a full breakdown of expenses that were budgeted for but did not eventuate.
2. P 142 of 2006 Annual Report: Why was there a difference between expected staffing levels, 76 expected and 68 actual? How has this affected the work of the ARC?
3. P 148 of 2006 Annual Report: Please provide reasons for departmental budget changes:
  - a) an increase of \$2m in Govt revenues 05 to 06
  - b) the significant difference in "other revenues"
  - c) "writedown and impairment of assets" going from \$959,000 in 05 to \$1,000 in 06.

Please provide a full breakdown of figures that account for the total differences outlines above.

#### Answer:

*The ARC has provided the following response.*

1. The reasons are:
  - 1) A change of timing of commencement of funding for *Federation Fellowships* (\$10m).
  - 2) Reduced expenses due to indexation funding being re-phased to 2006-07 (\$10m).
  - 3) Recovery of relinquished and other funding for research projects (\$8.5m).
2. The difference between budget and actual staff number in 2005-06 was principally a result of retirements, resignations and promotions to other Australian Public Service agencies. Staff turnover was managed by engaging additional contractors and there was no significant impact on the work of the ARC.
3. Reasons for departmental budget changes:
  - a) In the 2005-06 Budget the ARC was provided with a budget-neutral transfer of \$2m from Administered Expenses to Departmental Expenses to assist in meeting the increased activity associated with research applications and projects stimulated under the *Backing Australia's Ability* (BAA) funding ramp.

- b) "Other revenue" was higher in 2004-05 as a consequence of a review and finalisation of a software implementation project, and a one-off refund from the supplier.
- c) "Write down and impairment of assets" was higher in 2004-05 due to a write-off of software development costs (\$0.945m), a purchased software package (\$0.009m) and plant and equipment (\$0.005m), following an assessment of asset impairment as required by Australian Accounting Standards. A breakdown of these items was provided at Note 5D to the financial statements (page 170 of the *ARC Annual Report 2005-06*).