

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Supplementary Budget Estimates Hearing – October 2009

Department of Finance and Deregulation

Finance and Deregulation Portfolio

Outcome 1, Program 1.1

Topic: 2008-09 Operating Losses – Contributing Factors

Question reference number: F28

Type of Question: Hansard F&PA 21, 10 October 2009

Date set by the committee for the return of answer: 4 December 2009

Number of Pages: 5

Senator Coonan asked:

Could you please take on notice and provide me with a list for the 70 agencies that reported loss as to the contributing factors that led to the approval.

Answer:

The Minister approved 65 agencies to budget for operating losses in the 2008-09 financial year (See Table 1 below). This includes agencies that received approval to budget for an operating loss solely due to the decrease in the government bond rate (as per answer to F27).

No.	Department/Agency	Reason
1	Administrative Appeals Tribunal	<u>Higher net expenditure</u> - Unable to maintain its level of service due to costs increasing at a rate above the level of net funding increase.
2	AusAID [M]	<u>Bond rate</u>
3	Austrade [M]	<u>Accounting, Bond rate</u> - Unrealised net foreign exchange losses on restating overseas separation benefits of staff, overseas employees' annual leave balances, and foreign currency security deposits to current exchange rates.
4	Australia Antarctic Division	<u>Accounting</u> - Valuation of estimated future costs of obligation to the Antarctic Base Restitution Liability to remove all accumulated waste from its Antarctic Territories.
5	Australia Council	<u>Timing</u> - Appropriation revenue received in one year and grant payments made in a subsequent year.
6	Australian Customs and Border Protection Service [M]	<u>Accounting, Bond rate</u> - Impairment write-downs on intangibles, asset value decrement.
7	Australian Bureau of Statistics [M]	<u>Accounting, One-off costs, Bond rate</u> - The redundancy of software assets. - Software write-off due to the vendor withdrawing product support.
8	Australian Business Arts Foundation	<u>Other</u> - Lower than expected revenue from businesses and partners.

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9	Australian Commission for Law Enforcement Integrity	<u>Timing</u> - Unanticipated workload in 2008-09. - Lease of additional space within current premises.
10	Australian Federal Police [M]	<u>Bond rate</u>
11	Australian Fisheries Management Authority	<u>Timing, One-off costs</u> - Return of prior-year over-recovered funds to industry via a levy reduction. - One-off information technology improvement projects.
12	Australian Human Rights Commission	<u>Timing</u> - Expenditure of cash reserves from unspent funds relating to complaint handling functions.
13	Australian Institute of Aboriginal and Torres Strait Islander Studies	<u>Timing, Accounting</u> - Write-back of non-cash items and error in recognition of unearned income. - Timing of revenue and expenses of funding
14	Australian Institute of Criminology	<u>Timing</u> - Undertaking additional research projects to supplement current work.
15	Australian Institute of Family Studies	<u>Bond rate</u>
16	Australian Maritime Safety Authority	<u>Accounting, Timing, Bond rate</u> - Higher than previously anticipated depreciation expenses arising from rise in the valuation of fixed assets
17	Australian National Audit Office	<u>One-off costs, Bond rate</u> - Audit changes to administrative arrangement orders, the creation of nation building funds and Government measures announced.
18	Australian National Maritime Museum	<u>Accounting</u> - Increased depreciation expenses from revaluation of buildings.
19	Australian Nuclear Science and Technology Organisation [M]	<u>One-off costs</u> - Increased expenses for the overseas shipment of spent fuel.
20	Australian Pesticides and Veterinary Medicines Authority	<u>Other</u> - Significantly lower levy revenue from poor chemical sales as a result of the drought.
21	Australian Prudential Regulation Authority	<u>Higher net expenditure</u> - Shortfall in levy revenue.
22	Australian Public Service Commission	<u>Timing, One-off costs, Accounting, Bond rate</u> - Changing IT service provider. - Reduced demand for the Commission's fee for service. - Timing of revenue and expenses of funding for the Ethics Advisory Service.
23	Australian Research Council [M]	<u>Timing, Bond rate</u> - Timing difference between appropriation received and expenditure for the Excellence in Research for Australia.
24	Australian Sports Commission [M]	<u>Bond rate</u>
25	Australian Tax Office [M]	<u>Accounting, Higher net expenditure</u> - Delay in IT change program resulting in slower than expected efficiency gains.

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26	Australian Transaction Reports and Analysis Centre	<u>One-off costs, Bond rate</u> - Higher than anticipated costs to implement Anti-Money Laundering and Counter-Terrorism reforms.
27	Australian War Memorial [M]	<u>Accounting</u> - Reduction of assets rather than current expenses to meet efficiency dividend causing a technical loss.
28	Bundanoon Trust	<u>Accounting</u> - Decline in value of financial assets, recognised as a decline in investments in the Income Statement.
29	Commonwealth Scientific and Industrial Research Organisation [M]	<u>Accounting, Bond rate</u> - Increase in depreciation expenses as a result of the revaluation of property assets.
30	ComSuper	<u>Accounting, One-off costs</u> - The impact of a voluntary redundancy process to ensure the agency can operate within its revised budget.
31	Cotton Research and Development Corporation	<u>Other</u> - Lower levy collections as a result of the prolonged drought.
32	Department of Agriculture, Fisheries and Forestry [M]	<u>Timing, Other, Bond rate</u> - Increased expenses due to Sine flu outbreak with funding received for this in 2009-10. - Reduced revenue from international trade.
33	Department of Climate Change and Water [M]	<u>Higher net expenditure, Accounting, Bond rate</u> - Resources provided for establishment and to fulfil climate change functions did not meet requirements.
34	Department of Defence [M]	<u>Accounting, Bond rate</u> - Write-down and impairment of assets and depreciation expense.
35	Department of Environment, Water, Heritage and the Arts [M]	<u>Accounting, Bond rate</u> - Increased depreciation expenses resulting from an asset revaluation. - Increased expenses resulting from the adoption of the Australian Equivalents to International Financial Reporting Standards (AEIFRS).
36	Department of Families, Housing, Community Services and Indigenous Affairs [M]	<u>Bond rate</u>
37	Department of Health and Ageing [M]	<u>Other</u> - Projected decrease in number of submissions and applications for TGA. - Decline in the number of applications, and a lower level of registration income from commercial importation for NICNAS.
38	Department of Human Services [M]	<u>Timing</u> - Increased expenses in 2008-09, with corresponding revenue remaining in previous years (Unspent Advertising retained through PM approval).
39	Department of Immigration and Citizenship [M]	<u>Accounting, One-off costs, Other</u> - Asset write-offs. - Foreign exchange (Forex) losses. - Separation costs for voluntary redundancy packages. - Underpayment of retirement benefits.

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40	Department of Innovation, Industry, Science and Research [M]	<u>Accounting, Timing</u> - Revaluations of Questacon's building and exhibitions resulting in increased depreciation. - Timing differences in recognising appropriation revenue and expenditure.
41	Department of the Senate	<u>Bond rate</u>
42	Department of Transport and Regional Services [M]	<u>Other</u> - Costs of activities associated with the APEC Transport Ministerial Meeting in September 2007. - Costs of additional rent incurred whilst leasehold improvements are being undertaken in new premises.
43	Federal Court of Australia	<u>One-off costs</u> - Redundancy costs arising from reduction of staff. - Completion of one-off information technology projects.
44	Federal Magistrates Court	<u>Higher net expenditure</u> - Increased pressures associated with operating expenditure of interpreters and transcription services.
45	Food Standards Australia and New Zealand	<u>Bond rate</u>
46	Geoscience Australia	<u>Timing & Bond rate</u> - Delay in identifying appropriate service providers for seismic data acquisition activities.
47	Grape and Wine Research & Development Corporation	<u>Accounting</u> - Reduced revenue from industry levies due to severe environmental conditions including drought and frost.
48	IP Australia	<u>Bond rate</u>
49	Land and Water Australia	<u>Timing</u> - Delayed expenditure on projects.
50	Medicare Australia [M]	<u>Other, Bond rate</u> - Lower than anticipated take up of electronic Medicare claiming.
51	National Australia Day Council	<u>One-off</u> - Expenditure of retained funds from previous years.
52	National Breast and Ovarian Cancer Centre	<u>Timing</u> - Funding of new program from prior year operating surpluses.
53	National Gallery of Australia [M]	<u>Accounting</u> - Increased depreciation expense.
54	National Library of Australia [M]	<u>Accounting</u> - Reduced interest revenue from deposits. - Decline in the value of the Australian dollar.
55	National Museum of Australia [M]	<u>Timing</u> - Accrual of cash payments from previous years.
56	Office of the Inspector-General of Intelligence and Security	<u>One-off costs</u> - Enable the agency to host a major conference.
57	Office of the Privacy Commissioner	<u>Timing</u> - Timing difference between revenue and expenses.
58	Office of the Workplace Ombudsman	<u>One-off costs</u> - Additional staff to fast-track fairness test backlog.

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59	Professional Services Review	<u>Bond rate</u>
60	Rural Industries Research and Development Corporation	<u>Other</u> - Lower levy collections as a result of the prolonged drought.
61	Screen Australia	<u>Accounting, One-off costs</u> - First year costs in operation associated with the merger. - Reduced return on film investments and administration fees
62	Sugar Research and Development Corporation	<u>Timing</u> - Decreased sugar cane production as a result of Cyclone Larry and hence a decrease in revenue from levies.
63	Sydney Harbour Federation Trust	<u>Other</u> - Building cost escalation and unforeseen infrastructure works
64	The Office of the Commonwealth Ombudsman	<u>Timing</u> - Timing difference between revenue and expenses.
65	Wheat Export Australia	<u>Other</u> - Establishment and transitional costs.

[M] represents a Material Agency