

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2008-09
2-3 June 2008

AGENCY/DEPARTMENT: AUSTRALIAN INSTITUTE OF ABORIGINAL AND TORRES STRAIT ISLANDER STUDIES

TOPIC: Budget Balance Sheet - \$110,000

REFERENCE: Question on Notice (Hansard 3 June 2008, Page E41)

QUESTION No. B1-106

Senator JOYCE—It relates to the fluctuation in the valuation. When you came up with the figure for the initial valuation you would have had a list or an inventory of the items that came to that amount, then you would have had another inventory of items that came to a different amount and then you would have had another inventory of items that came to the third amount, which surprisingly enough was exactly the same as the first amount. The differentiation between those two inventories of items is the detail that I want.

Mr Hobson—I will have to take that on notice and get that information for you.

ANSWER

On thorough investigation we conclude that the \$110,000 budget variance was a correction made following an error when transcribing the Australian Valuation Office's valuation figure to the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) financial records. We apologise for the confusion this error caused.

For clarification and information; the valuation of the AIATSIS collection is mandated through the Department of Finance and Deregulation and Australian Accounting Standards. The valuation of AIATSIS' collection is carried out by the Australian Valuation Office. AIATSIS complies with the methodologies and schedules of the Australian Valuation Office.

The final figure produced by the Australian Valuation Office is not the actual value of the entire AIATSIS collection, rather, it is an estimated value of only the potentially replaceable or saleable items; artworks, rare published materials and books. It does not comprise the audiovisual collection of almost one million items which are unique and irreplaceable.

The methodology adopted by the Australian Valuation Office's valuer is to randomly choose every tenth book or so and subject these items to an evaluation using a number of resources, eg current auction records, second hand book or internet prices. This valuation is then extrapolated to the rest of the collection as an indicative value, with the exception of the Artwork and Artefact Collection items which are valued individually and not based on a random sampling.

Valuation of huge collections is an extremely inaccurate process and the value placed on the AIATSIS collection by the Australian Valuation Office does not accurately reflect the actual and cultural value of the items, such a process would be almost impossible to undertake. Further,

valuations may fluctuate, up or down by 5 per cent in any year, according to the market-driven prices an item might fetch at any given time. The valuation of the collection is, in fact, simply an estimated book value of material which will never be sold, based on a sampling process.

We have been unable to obtain from the Australian Valuation Office a detailed inventory of the actual titles which were evaluated in the random selection.

The inventory provided to AIATSIS by the Australian Valuation Office, on which the value of the collection as at 30 June 2007 was based, is as follows:

Items	Market Value
Artworks	\$3,007,750
Artefacts	\$ 454,150
Rare Books	\$1,330,250
Other Library Books	\$1,053,600
Special Collection (Peron)	\$ 35,000
Rare Pamphlets	\$ 80,700
Rare Serials	\$ 135,080
Serials	\$ 5,000
Other Library Materials (unspecified by valuer)	\$ 467,252
Total	\$6,568,782

The full listing of AIATSIS collections is available through the AIATSIS on-line catalogue *Mura* here: <http://mura.aiatsis.gov.au/>. The catalogue for the Artworks and Artefacts Collection is not available on the website but by personal application.