

# Chapter 1

## Overview

1.1 On 8 February 2018, the Senate referred the following documents to the Senate Economics Legislation Committee (the committee) for examination and report in relation to the Industry, Innovation and Science, and Treasury portfolios:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 3) 2017–2018];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 4) 2017–2018]; and
- Final budget outcome 2016–17—Report by the Treasurer (the Hon. Scott Morrison MP) and the Minister for Finance (Senator the Hon. Mathias Cormann).<sup>1</sup>

1.2 The committee is required to report to the Senate on its consideration of 2017–18 Additional Estimates on 27 March 2018.<sup>2</sup>

### Portfolio allocation

1.3 Following the Administrative Arrangements Order of 20 December 2017,<sup>3</sup> a new portfolio called the Jobs and Innovation portfolio was created. This overarching portfolio is split into two parts: 'Industry, Innovation and Science' and 'Jobs and Small Business'.

1.4 On 12 February 2018, the Senate allocated the Industry, Innovation and Science part of the Innovation and Jobs portfolio to the committee. The committee now has responsibility for examining the expenditure and outcomes this new portfolio and the Treasury portfolio.<sup>4</sup>

1.5 Despite the name change of the Industry, Innovation and Science portfolio, no agencies or bodies within the portfolio were re-allocated to other portfolios. In this report, the committee will refer to this portfolio as the Industry, Innovation and Science portfolio.

1.6 However, the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) which was previously part of the Treasury portfolio has been re-allocated to the new Jobs and Small Business part of the Jobs and Innovation portfolio, which is allocated to the Senate Education and Employment Legislation Committee.

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1 *Journals of the Senate*, No. 83, 8 February 2018, p. 2647.

2 *Journals of the Senate*, No. 70, 15 November 2017, pp. 2227–2228.

3 Commonwealth of Australia, Amendments to the Administrative Arrangements Order, 20 December 2017, <https://www.pmc.gov.au/sites/default/files/publications/aao-amendment-20-december-2017.pdf> (accessed 5 March 2018).

4 *Journals of the Senate*, No. 84, 12 February 2018, pp. 2668–2669.

## **Portfolio Additional Estimates Statements (PAES) 2017–18**

1.7 The Portfolio Budget Statements (PBS) and the Portfolio Additional Estimates Statements (PAES) inform senators of the proposed allocation of funding to government outcomes by agencies within the portfolio. However, unlike the PBS, the PAES summarise only the changes in funding by outcome since the 2017–18 Budget. The PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

### **Hearings**

1.8 The committee held hearings on 28 February and 1 March 2018 to hear from the Department of Industry, Innovation and Science and the Department of the Treasury in relation to all outcomes as well as from relevant portfolio agencies.

1.9 The following outcomes and agencies appeared before the committee for the Treasury portfolio:

- Department of the Treasury—Secretary, Macroeconomic and Corporate Groups;
- Department of the Treasury—Markets Group (with the Foreign Investment Review Board);
- Department of the Treasury—Revenue Group;
- Australian Taxation Office;
- Australian Charities and Not-for-profits Commission;
- Department of the Treasury—Fiscal Group;
- Department of the Treasury—Structural Reform Group;
- Australian Securities and Investments Commission;
- Productivity Commission;
- Commonwealth Grants Commission;
- Australian Competition and Consumer Commission with the Australian Energy Regulator; and
- Australian Prudential Regulation Authority.

1.10 The following outcomes and agencies appeared before the committee for the Industry, Innovation and Science portfolio:

- Australian Nuclear Science and Technology Organisation;
- Anti-Dumping Commission;
- Commonwealth Scientific and Industrial Research Organisation;
- Office of Innovation and Science Australia;
- Department of Industry, Innovation and Science—Programme 1: Supporting Science and Commercialisation;

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- Department of Industry, Innovation and Science—Programme 2: Growing Business Investment and Improving Business Capability;
  - National Offshore Petroleum Titles Administrator;
  - Northern Australia Infrastructure Facility;
  - Department of Industry, Innovation and Science—Programme 3: Cross-portfolio; and
  - Ms Glenys Beauchamp PSM, former Secretary of the Department of Industry Innovation and Science.

1.11 The committee thanks the Ministers and officers who attended the hearings for their assistance.

### **Questions on notice**

1.12 In accordance with Standing Order 26, the committee has drawn the attention of the departments and their agencies to the agreed deadline of Thursday, 26 April 2018 for the receipt of answers to questions taken on notice.

1.13 As the committee is required to report to the Senate before responses to questions are due, this report has been prepared without reference to any of these responses.

1.14 Responses to questions on notice and additional information provided to the committee are tabled in the Senate and uploaded to the committee's website.

### **Public interest immunity claims**

1.15 On 13 May 2009, the Senate passed an order relating to public interest immunity claims.<sup>5</sup> The order sets out the processes to be followed if a witness declines to answer a question. The full text of this order has previously been provided to departments and agencies and was incorporated in the Chair's opening statement at the commencement of each hearing.

### **Record of proceedings**

1.16 This report does not attempt to analyse the evidence presented to the committee over the two days of hearings. However, it does include a brief explanation of the main issues that were raised during the examination of each portfolio.

1.17 Copies of the Hansard transcripts and documents tabled at the hearings are available on the committee's website.

### **Note on Hansard page referencing**

1.18 Hansard references throughout this report relate to the Proof Estimates Hansard. Please note page numbering may differ between the proof and final Hansard.

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5 *Journals of the Senate*, No. 68, 13 May 2009, pp. 1941–1942.

