

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Additional Estimates Hearing 2007-08
21 February 2008

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: Funding of National ICT Australia Ltd

REFERENCE: Question on Notice (Hansard 21/2/08, Page E52)

QUESTION No. A1-8

Senator ABETZ—Because there is persistent talk or speculation of razor gangs and funding cuts and there has been concern that that this might impact on NICTA. I was just wondering which minister would be responsible to seek to ensure that no cuts were inflicted on NICTA, whether that would be Senator Conroy or Senator Carr, or in a wonderful marriage they might both advocate the same thing for a change to cabinet. But I just wanted to know who would be responsible for advocating for NICTA in the cabinet room in the face of potential budget cuts.

Mr Paterson—We clearly do not make any comments in relation to the budget process and this is a contract between NICTA, the ARC and the Department of Broadband.

Senator ABETZ—So there are contractual obligations on the Commonwealth to continue the funding stream as is?

Mr Paterson—There is a contract on foot, as I understand it. If you want further detail—

Senator ABETZ—Yes. Does that contract require the Commonwealth, or the taxpayer, to keep on with the funding stream as is so that, in other words, there cannot be cuts.

Mr Paterson—You are now stepping into an area where I cannot respond. That is a matter that the ARC would need to comment on.

Senator ABETZ—All right. If we can take that on notice on the Hansard and, as I said before, if we get into that depth then we will put it on notice.

ANSWER

A Funding Agreement was executed on 15 May 2006 between the Commonwealth of Australia, as represented by the then Department of Communications, Information Technology and the Arts (now known as the Department of Broadband, Communications and the Digital Economy (DBCDE)) and the Australian Research Council (ARC), and National ICT Australia Ltd (NICTA). The Funding Agreement binds the Australian Government for the continuation of funding to NICTA to 2011, unless Commonwealth funds for the Program become unavailable or NICTA fails to comply with the requirements of the Deed.

The Funding Agreement (Subclause 4.1) states:

‘Subject to sufficient funds being available for the Program, the provisions of the ARC Act and compliance by You with this Agreement We will provide You with the Funds at the times and in the manner specified in the schedule’.

Under the schedule of the Agreement, funding will be provided until 2011, with DBCDE and ARC alternating payments. Funding appropriations under the *Australian Research Council Act 2001* have been confirmed to 2011. Funding under DBCDE is subject to departmental appropriations.

The program funding for the period 2001-2011 totals \$379 million. Attachment A provides details of the funding by agency across financial years.

Funding

Figures exclude GST and include departmental funding – expressed on a financial year basis.

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m	Total 5 year \$m
DBCDE*		10.3**	11.3	17.2	23.5	62.3
ARC		8.8	12.0	17.7	24.0	62.5
Admin (DBCDE)	1.5	1.5	0.7	0.5	0.5	4.7
Total to NICTA	-	19.1	23.3	34.9	47.5	124.8
TOTAL incl. Admin	1.5	20.6	24.0	35.4	48.0	129.5

*Formerly the Department of Communications, Information Technology and the Arts (DCITA)

**Includes the initial \$3 million unspent in 2001-02 and reappropriated in 2002-03.

	2006-07 \$m	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Total 5 year \$m
DBCDE*	24.0	26.8	27.3	25.4	25.9	129.5
ARC	24.0	24.4	24.9	25.4	25.9	124.7
Admin (DBCDE)	0.3	0.4	0.4	0.3	0.3	1.6
Total to NICTA	47.9	51.3	52.3	50.9	51.9	254.3
TOTAL incl. Admin	48.2	51.7	52.6	51.2	52.2	255.9

* Formerly the Department of Communications, Information Technology and the Arts (DCITA)

Source – PBS 2004-05, Table 1.2, page 31 and BAA2 Funding Summary (figures may not add due to rounding).

Updated to include additional \$4.8m (\$2.4m pa) in 2007-08 - 2008-09 from DBCDE (announced October 2007 – see Mid-year Economic and Fiscal Outlook 2007-08, page 115).