

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 29, 30 & 31 May 2007

Question: bet 20

Topic: R & D Investment

Hansard Page: E14

Senator CARR asked:

I see. You have said there would be an additional business R&D investment of \$222 million per annum. That is the figure that is used. Is that your figure as well? \$222 million per annum. I raised this with the industry officers last night and they told me that it came from you. It is the figure that appears in the minister's statement on budget night. The change is estimated to cost \$50 million per annum and result in additional business R&D investment of \$222 million per annum. Where did that figure come from?

Mr Brown—I would have to take that one on notice. We certainly would have estimated that the potential expenditure was greater than \$200 million. But I am not sure about the precise figure you are quoting.

Senator CARR—Well, it is very precise in the ministerial statement. Do you want a copy of that as well? I can show you a copy of it.

Mr Callaghan—No. I do not think we need a copy of it. I think what Mr Brown is saying is that you have asked us where the figure comes from within that industry statement. As we have said, he is sitting here now. We cannot answer your question. We will have to take it on notice to find out the basis. We cannot recall where the figure comes from.

Answer:

The Industry Statement released by the Prime Minister and the Minister for Industry, Tourism and Resources on 1 May 2007 stated that "More than 300 companies are expected to benefit from this change, generating more than \$200 million in new research and development each year." That estimate is consistent with the range of feasible impacts examined in costing analysis of the measure.