

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2009-10
01 June 2009

AGENCY/DEPARTMENT: MINISTER FOR INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: TCF Innovation Package

REFERENCE: Question on Notice (Hansard 1 June 2009, E91)

QUESTION No.: BI-84

Senator ABETZ – There was a request from a substantial number of organisations – which I will not bother going through – that said that the TCF package requires a global funding allocation of at least \$150 million a year. Of course, if that package were to operate for at least a five-year period, that would be \$750 million, which in anybody’s language may have been a bit of an ambit claim, and I accept that. This is really or a question for the minister, which we should put on notice – as to whether the minister actually believes this to be a fair and reasonable response to Professor Green’s report, which cost nearly \$1 million to put together and we have only an extra \$10 million spent over forward estimates.

Mr Paterson – I clearly cannot speak for the minister in this context, but the fact sheet that we mentioned in relation to the TCF response is issued in the minister’s name and provides a response to all of the recommendations. Whilst there was \$10 million in additional resources, it is a package of \$401 million over the period.

Senator ABETZ – We agreed that the \$391 million was there already. That could have been taken off them, but after having \$1 million spent on a review as to how to look after the textile, clothing and footwear sector, and all the promises made by the minister to this particular sector in the lead-up to the 2007 election, I think the minister may well be aware of the sector’s concern at the lack of support. Once again, Mr Paterson, you might assess that as an observation of mine and you would be correct.

ANSWER

Professor Roy Green’s Review of the TCF Industries, *Building Innovative Capability*, set a clear direction for the future of support for this vital sector. The recommendations “foreshadow a major change in the focus of industry policy from sector-wide structural adjustment ... to the development of innovative and competitive capability at the enterprise level as part of a process of integrating ... the TCF industries into the broader policy framework.”

The Government’s response to the review accepts this direction, while also understanding that the TCF sector needs some additional support to continue developing its innovative capability. The Government’s \$401 million package includes a new \$30 million TCF Strategic Capability Program, which addresses a key shortcoming identified by Professor Green by supporting large strategic projects that will foster innovation in TCF industries at the enterprise and workplace level. Other recommendations – such as the establishment of a TCF Industries Innovation Council and a national TCF Innovation Network – are being supported from within existing programs. This will help achieve the objective of integrating the TCF sector into the broader innovation system.