

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

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: Innovation Funding Grants

REFERENCE: Question on Notice (Hansard 1 June 2009, Page E110)

QUESTION No.: BI-92

Senator Abetz - Was Carl Zeiss Vision granted any money from the federal government's innovation funding and, if so, under what program? As I understand it, the money actually did not go out the door. If you cannot locate it, that is fine. Can you please take on notice whether Carl Zeiss was granted \$1 million from state and federal government innovation funding? If we do not have an answer now, I am more than happy for this to be taken on notice. I refer to the *Adelaide Advertiser* of 6 March 2009, page 19, with the heading 'Optical company slashes jobs'. I want to know whether the assertions in that article about money being provided and so on are correct or not. Have you still not found it?

Mr Jones – I am sorry, I do not have the details of that individual grant offer with me. I will have to take that on notice.

ANSWER

On 9 February 2009, Minister Carr approved \$1 million of funding, of which the Commonwealth contribution was \$916,700, to Carl Zeiss Vision Australia Group under the South Australia Innovation and Investment Fund (SAIIF) to expand their customised prescription lens manufacturing capability, resulting in the creation of 20 new jobs.

Following the public announcement of the successful SAIIF grantees, Carl Zeiss announced on 5 March 2009 it would retrench 95 Lonsdale based staff and move part of its low cost mass manufacturing facilities to China by the end of 2009.

The two issues are unrelated. The SAIIF grant will be used to grow capacity and capability in state of the art, freeform production equipment for prescription freeform manufacturing and expand a sustainable business in the Australian market. The specialised freeform manufacturing business currently employs 340 people.

The State and Federal Governments are currently in the process of finalising a SAIIF Deed with Carl Zeiss Vision Australia Group Pty Ltd and no money will be paid to the company until the deed, which contains payment milestones, is signed.