

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Supplementary Budget Estimates Hearing 2010-11
20 October 2010

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: Productivity Commission's calculations – Trade and Assistance Review 2008-09 Publication

REFERENCE: Question on Notice (Hansard 20 October 2010, E42)

QUESTION No.: SI-19

Senator BUSHBY—..... When you first appeared at an estimates hearing as the minister for the portfolio in 2008 you said: We are not about wasting public money. We are about improving the financial position of the government consistent with our responsibilities as part of the government. Can you confirm the veracity of the Productivity Commission's calculations in their recent *Trade and assistance review 2008-09* publication that the government industry assistance for that financial year alone blew out to \$17.2 billion?

Senator Carr—No, I cannot confirm that, and I have found that, over the time, many of the assumptions the Productivity Commission makes are open to considerable debate.

Senator BUSHBY—Are you aware of that publication, Secretary?

Mr Paterson—Yes, I am aware of the publication.

Senator BUSHBY—Are you aware of the figure that they quote in that publication?

Mr Paterson—I would not suggest to you that I could pull it straight off the top of my head.

Senator BUSHBY—It is not something that has been brought to your attention?

Mr Paterson—I have looked at the publications, so I am aware of it, but I do not pretend that every number that passes my desk actually sticks.

Senator BUSHBY—Would you mind taking on notice having a look at that and seeing whether you agree with their conclusion, particularly in light of the minister's comments.

Mr Paterson—I am not sure about questions to us about competing judgments—whether we think something is appropriate. We are not expected to respond to questions of opinion.

Senator BUSHBY—This is a calculation that the Productivity Commission has done.

Mr Paterson—Yes, but you are asking me for an opinion about a calculation done by the Productivity Commission. I am happy for the Productivity Commission to respond to your questions as to how they reached the conclusion. I am not sure that it is for us, or for me particularly, to give an opinion.

Senator BUSHBY—No, I am not asking for your opinion. Let me ask the question slightly differently. Would you be able to indicate to me, in the 2008-09 financial year, a figure that you consider is appropriate as representing government industry assistance through your department?

Mr Paterson—The government publishes on an annual basis innovation tables which provide a very broad whole-of-government position in relation to innovation support mechanisms that are available. The Productivity Commission's report does not just look at our portfolio, it looks across the whole of government. What you are asking me to do is to pass judgment on their assessment of the value of whole-of-government assistance across many portfolios. I do not think that is appropriate.

Senator BUSHBY—The question I just asked you was just in respect of your department.

Mr Paterson—Yes, which will not be the number that you quoted.

Senator BUSHBY—No, but it will form a part of an investigation that we can look at and see how it all compares?

Mr Paterson—I am happy to take a question on notice that limits the question to this portfolio and that is not framed in the context of asking me to pass an opinion in relation to it. If you are asking us to make a calculation as to what we think that number is in relation to our portfolio, I am happy to take that on notice.

ANSWER

In response to a Productivity Commission request of 8 October 2009, seeking input in relation to their annual reporting of assistance to Australian industry; the Minister for Innovation, Industry, Science and Research, Senator the Hon Kim Carr advised that the Innovation, Industry, Science and Research Portfolio provided \$639.76 million in assistance to industry in the 2008-09 financial year.