

SELECT COMMITTEE ON ESTIMATES 2010-2011

Questions on Notice

Minister for Business and Economic Development

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Strategic economic planning

MEREDITH HUNTER : To ask the Minister for Business and Economic Development

Ref: Chief Minister's Department, Budget paper no. 4, page number 42, output class 2

In relation to strategic economic planning:

1. What analysis has been done to identify key industries of future economic prosperity for the ACT?
2. What analysis has been done of fiscal policy options to protect our economy from general economic downturns as well as reduced Commonwealth spending?

Mr Stanhope: The answer to the Member's question is as follows:—

1. No specific research of that kind has been undertaken by ACT Government agencies.

However, the ACT Government is not without some understanding of these issues and it has also put in place a number of initiatives to encourage sector development:

- ScreenACT and the recently announced Screen Development Fund are important initiatives for the ACT's creative sector;
- NICTA, CollabIT and the National e-Government Cluster are important initiatives supporting ICT sector development;
- the Government is working closely with the Canberra Business Council and education institutions and companies to address opportunities and constraints in the education sector through an Education Sector Strategy; and
- the Government is working to promote emerging 'clean tech' capability in the Territory and has partnered with Austrade to deliver export and investment facilitation support to local firms.

It is important to recognise that capability development in firms -- through innovation and export program support -- is equally important and the Government has invested generously in locally delivered business programs. These include initiatives such as the Innovation Connect Program, the Lighthouse Innovation and Commercialisation Centre, Trade Connect Program, the ACT Exporters' Network, and the Canberra Business Development Fund to name a few.

2. Responsibility for the analysis of fiscal policy options rests with the Department of Treasury.

QTON - Investment facilitation program

DURING PUBLIC HEARINGS

Asked by Zed Seselja on 19 May 2010: Mr Cox took on notice the following question(s):

Ref: Hansard Transcript 19 May 2010 PAGE 630

In relation to: Investment Facilitation Program Costs

In the answer to the question on notice, can you just clarify this: I asked what the total cost of the program was in 2008-09 and the answer was nil. Surely there would be some costs. Regardless of whether there is direct assistance or not, there would be some costs with administering such a program?

Mr Stanhope: The answer to the Member's question is as follows:-

The 'nil' response was provided in the context of the cost of direct assistance provided by the Program to approved companies.

The Investment Facilitation Program (IFP) is delivered from Business and Industry Development base funding, therefore staffing and administrative on-costs are not formally allocated to the Program. This was the basis of the original answer to QON 363.

The updated total cost to deliver the IFP in 2008-09 was approximately \$24,542. This comprises:

- cost of payroll tax waiver assistance – NIL; and
- cost of Program administration – approx \$24,542. This figure has been calculated from the cost of staff time associated with the Program and its governance; provision of advice to Government; GSO advice on various issues; establishment of Panel firms to assist applicants in business case development; smartforms development; Program literature and so on.

QTON - Government funding for business

Asked by Zed Seselja on 19 May 2010: Mr Stanhope took on notice the following question(s):

Ref: Hansard Transcript 19 May 2010 PAGE 631-632

In relation to: Business funding

So why have you reduced the business budget by 10 percent?

Mr Stanhope: The answer to the Member's question is as follows:—

The attached reconciliation shows all the movements in the 2010-11 Budget for Output Class 2 – Business and Industry Development. As can be seen from the reconciliation, the large decrease in 2010-11 is due to a decrease in current commitments relating to waivers. There are also a number of movements in the level of funding provided for various initiatives funded in previous budgets, and rollovers of funding for a number of initiatives.

QTON - Business & Industry Dvp employee expenses

Asked by Brendan Smyth on 19 May 2010: Mr Cox took on notice the following question(s):

Ref: Hansard Transcript 19 May 2010 PAGE 633

In relation to: Business and Industry Development Employee Expenses

If you look at your employee expenses line in the operating statement, it is a \$2.4 million outcome for 2009-10 but drops to \$2 million, a drop of 16 per cent. One can only assume that there is a staff loss there of what—\$400,000, approximately—four jobs, four FTEs?

Mr Stanhope: The answer to the Member's question is as follows:—

The decrease (-\$0.396m) in 2010-11 from 2009-10 estimated outcome is due to

- A reduction in employee expenses due to the transfer of the Deputy Chief Executive position and support staff to the Department of Land and Property Services (\$0.198 million); and
- A decrease in corporate overheads allocated to the output class. The decrease in corporate overhead allocation does not reflect a reduction in staffing numbers.