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June 10, 2011

Estimates Highlights

The last round of Senate Economics Committee Estimates put the spotlight on a number of budget blunders, as the committee met with agencies from the **Innovation, Industry Science and Research , Resources Energy and Tourism and Treasury portfolio's.**

Secretary to the Treasury

Treasury talks were marred initially by a disagreement over whether the new Secretary to the Treasury would appear at fiscal as well as macroeconomic estimates sessions.

While previous Secretary Ken Henry appeared only at macroeconomics hearings, the Coalition felt that as Senate Estimates were an accountability process on behalf of Australian people, the Secretary to the Treasury should attend when requested to do so.

Accordingly, I formally requested the Secretary's presence on behalf of the Coalition, which he agreed to, but not before there were acrimonious remarks made by ALP Senators who sought to oppose the Coalition's perfectly reasonable request.

After the initial sideshow, Treasury hearings began.

Australian Securities and Investment Commission

In the May budget, ASIC revealed that it would have to cut up to 150 jobs this financial year to meet a possible \$10 million government budget cut.



ASIC Chairman Greg Medcraft

ASIC Chairman Greg Medcraft told the hearing that around 30 staff had already accepted forced redundancies, with more to come over the coming month.

A number of operational issues were also raised with ASIC, including the suggestion that they have failed to address the problems of small business or respond to complaints. The commission admitted they were now trying to address the "complex" issue of responding and keeping complainants informed.

Considering these complexities, I asked whether there would be a case for a separate body to deal with the problems of small business, to which the reply came that a 'strategy' was being developed focussed on small business issues.

However, given that during the 2010 Inquiry into Liquidators, the Economics Committee heard evidence that ASIC could take up to two years to respond to complaints and enquiries from small businesses, it is difficult to see why a separate body is not being considered.

Tourism

With a carbon tax looming large over all Australian industries, it was remarkable to hear that Tourism Research Australia has not been advised to model the impacts on the tourism industry.

While the impact of a carbon tax on tourism business' was not being explored, the committee was promised a report on the potential economic impacts of climate change on the industry would be available by October.

Tourism Australia boss Andrew Mcevoy told estimates hearings that visitors were spending less in Australia due to the strength of the Australian dollar. Tourism numbers are going up overall, buoyed by the growing Asian markets of China, Korea, Indonesia, Malaysia and Singapore.



Tourist figures from Europe and the Americas are down as their sluggish economies begin to recover from the global financial crisis.

Mcevoy said a 30% year on year increase had seen 500,000 Chinese tourists arrive in Australia, driven by the effort from tourism bodies to establish 2,000 Aussie specialist travel agents throughout China in 13 cities.

Cooperative Research Centres

The funding cut of \$33.4 million from Cooperative Research Centres was a severe casualty of the budget, leaving Australian industries worried they will be left behind without sufficient R&D support.

CRC Association chief executive Tony Peacock was "extremely disappointed" by the cuts and estimated that only three new centres could now be funded, while pre-budget there were hopes for seven.

During questioning Minister for Innovation, Industry, Science and Research Kim Carr said existing CRC projects would not have their funding reduced, however he admitted that "What this does is reduce activity in the future."

This is further evidence of a Government who has failed to recognise the vital role research and development plays in the future success of our industries, from finding a cure for cancer to developing better beef, preventing bushfires and driving cleaner cars.

The Government's R&D recklessness could damage a generation of science and puts the CRC programs future at risk— as projects continually fall through the gaps and remain inadequately funded, thereby reducing Australia's competitiveness.

Plain Packaging Proposal

Tobacco and the impact of tobacco-related disease have a significant impact on the budget, which led to a number of questions in relation to the government's plain packaging proposal.

It soon became clear that the Government had neither modelled nor assessed the impact of the plain packaging on the budget.



Following estimates, the Coalition will seek to move amendments to the proposed legislation on plain packaging, but otherwise will not be opposing it.

Office of Chief Scientist:

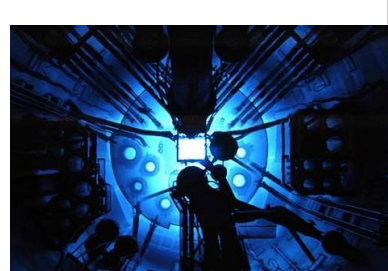


Meeting with the new Chief Scientist, Coalition Senator's took the opportunity to welcome Professor Ian Chubb to his first appearance at estimates and congratulate him on his appointment to the position.

An interesting aside were the questions as to whether Chubb's predecessor Professor Penny Sackett attended specific training on how to answer (or avoid) questions at Senate estimates. Questions were taken on notice to provide information as to what training was provided, and whether or not similar training will be provided to Professor Chubb!

Australian Nuclear Science and Technology Organisation

ANSTO was again in the hot seat following allegations it had "deliberately stonewalled" the manufacture of a vital treatment for advanced cancer sufferers. According to developer Professor Bruce Gray, ANSTO has failed to provide any reasonable explanation for their inaction.



Professor Gray's company, Sirtology provides treatment for people with late stage secondary cancer by injecting radio isotopes into the bloodstream to reduce the size of cancers and allow patients are able to have further surgery and the prospect of a longer life expectancy or cure.

Without ANSTO's support, the technology will be exported and then shipped back into Australia — a missed opportunity for Australian jobs, revenue and technological expertise.

During questioning, I pointed out ANSTO's unique responsibility as the only organisation capable of producing the new radioactive cancer treatment.

This product is a shining example of Australian research and innovation but more importantly, terminally ill cancer patients are being deprived of a treatment option merely because ANSTO has failed to engage in timely commercial negotiations.

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Kind regards,

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