



Australian Government
Productivity Commission

Trade & Assistance Review 2009-10

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Annual Report Series



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The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au) or by contacting Media and Publications on (03) 9653 2244 or email: maps@pc.gov.au

Foreword

The Productivity Commission is required under its Act to report annually on industry assistance and its effects on the economy. *Trade & Assistance Review 2009-10* contains the Commission's latest quantitative estimates of Australian Government assistance to industry. It also identifies recent developments in assistance for various industries and sectors of the economy, and looks at developments in international trade policy.

Industry assistance is also provided by State and Territory governments through a diverse range of programs. The Commission has previously reported on State and Territory assistance in its 1996 inquiry report into *State, Territory and Local Government Assistance to Industry* and in *Trade & Assistance Review 2001-02*. Chapter 4 of this *Review* provides an updated picture, covering State and Territory expenditures in 2008-09 which have been identified as supporting industry policy objectives.

In preparing this report, the Commission has received helpful advice and feedback from a number of officials in Australian Government agencies as well as from the States and Territories. The Commission is grateful for their assistance.

Gary Banks AO
Chairman
May 2011

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Abbreviations

ACIS	Automotive Competitiveness and Investment Scheme
ACRE	Australian Centre for Renewable Energy
AFFRIC	Australian Future Fibres Research and Innovation Centre
ANZSIC	Australia and New Zealand Standard Industrial Classification
APEC	Asia-Pacific Economic Cooperation
ATS	Automotive Transformation Scheme
COMET	Commercialising Emerging Technologies
CRCs	Cooperative Research Centres
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DSB	Dispute Settlement Body
GCIF	Green Car Innovation Fund
IAC	Industries Assistance Commission
IC	Industry Commission
IIF	Innovation Investment Fund
IIFF	Innovation Investment Follow on Fund
LRET	Large Scale Renewable Energy Target
MFN	Most Favoured Nation
NSE	Net subsidy equivalent
PC	Productivity Commission
PTAs	Preferential Trade Agreements
QIIS	Queensland Investment Incentive Scheme
RET	Renewable Energy Target
REVC	Renewable Energy Venture Capital
RFA	Regional Forest Agreements
RIS	Regulation Impact Statement
RRA	Rural Research Australia
SRES	Small Scale Renewable Energy Scheme
STC	small-scale technology certificates
TES	Tax Expenditures Statement

OVERVIEW

Key points

- Government assistance to industry is provided by tariffs, budgetary outlays, taxation concessions, regulatory restrictions on competition and other measures.
 - Assistance generally benefits the industry receiving it, but can come at a cost to other industries, taxpayers and consumers.
 - Some assistance programs, such as those relating to R&D and environmental objectives, can deliver net community benefits if they are well designed and effectively implemented.
- For 2009-10, total measured assistance to industries was \$17.3 billion in *gross* terms and \$9.3 billion in *net* terms.
 - It comprised \$9.4 billion in tariff assistance, \$3.7 billion in budgetary outlays and \$4.1 billion in tax concessions.
 - The cost to industries of tariffs on imported inputs amounted to \$8.0 billion.
- In the 12 months prior to the May 2011 Budget, the Australian Government announced budget outlays affording industry assistance of around \$700 million, mostly to be expended within five years.
 - Nearly half of the proposed expenditure (\$370 million) relates to carbon emission reduction and energy programs.
 - The remainder (over \$300 million) relates to ‘traditional’ forms of Government support to industry, research and development and innovation.
- Following the 2010-11 floods and other natural disasters, the Australian Government announced changes in funding arrangements for existing programs and new funding to support regions and businesses affected by natural disasters.
 - Concurrently, the Australian and Queensland governments announced \$5.6 billion in support for recovery and reconstruction from floods in Queensland.
 - To help fund recovery and rehabilitation work, the Australian Government announced it would terminate certain industry programs, including the Green Car Rebate Scheme and the Green Car Innovation Fund, saving around \$1 billion.
- State and Territory government expenditures on programs and services identified as supporting industry policy objectives are estimated at around \$4.1 billion in 2008-09.
 - These expenditures include not only grants and subsidies, marketing and promotion and agricultural research but also employee and administration costs.
 - Programs relating to primary industries and resources account for about 60 per cent of this expenditure.
- In April 2011, the Australian Government released a major Trade Policy Statement that responded, amongst other things, to the Commission’s report on bilateral and regional trade agreements.
 - The Government endorsed the broad approach favouring domestic reform and non-discriminatory provisions in trade agreements, as well as transparent evaluation processes.

Overview

The Australian Government assists industries through an array of measures, including import tariffs, budgetary outlays, taxation concessions, and regulatory restrictions on competition. Although assistance generally benefits the receiving industry and businesses, it can penalise other industries, taxpayers and consumers.

Industry assistance measures are more likely to yield a net pay-off to the community when targeted at significant market failures. For instance, support for R&D funding and some measures with environmental objectives may deliver net community benefits, if well designed and implemented. Assessing whether the benefits of any particular support program exceed the costs requires detailed case-by-case consideration — a task beyond the scope of this *Review*.

The industry assistance landscape in Australia has changed considerably over the last 30 years. Tariff assistance has declined markedly, predominantly through unilateral reforms. On the other hand, there has been a trend towards greater budgetary assistance to industry, particularly over the last decade. Such assistance is provided by the Australian Government and also by State and Territory governments, as well as by local governments.

Although more difficult to quantify than tariffs and budgetary outlays, assistance to industry is also provided through measures such as marketing arrangements and restrictions on competition, government purchasing arrangements and guarantees.

Estimates of assistance to industry

For 2009-10, measured assistance to industry by the Australian Government was \$17.3 billion in *gross* terms — comprising \$9.4 billion in tariff assistance, \$3.7 billion of budgetary outlays and \$4.1 billion in estimated tax concessions.

After allowing for the cost to business of tariffs on imported inputs (\$8.0 billion), estimated *net* assistance was \$9.3 billion.

The primary sector received the majority of its assistance in the form of budgetary outlays. The level of support to this sector in 2009-10 declined from previous years with the ending of widespread drought. The manufacturing sector continued to

receive the majority of its assistance through tariffs. For the service sector, the tariff penalty on inputs significantly exceeds its measured budgetary assistance.

About one third of Australian Government budgetary assistance was for R&D and innovation, being spread across most industries. A further 18 per cent was for small business support (particularly in the form of capital gains tax concessions). About 11 per cent of total assistance was sector-specific (such as drought support for the primary sector) while a further 24 per cent was targeted at selected industries — particularly automotive, TCF, and film production.

Across the primary, mining and manufacturing industries, in 2009-10, the highest measured effective rates of assistance — net assistance per dollar of value added — were for the automotive, and textiles clothing and footwear industries. With further scheduled tariff reductions having taken effect on 1 January 2010, assistance to these industries continued to decline.

Recent industry-related announcements

Since May 2010 (and prior to the May 2011 Budget), the Australian Government announced a number of budgetary and regulatory measures relating to industry assistance, across a wide range of activities. Budget *outlays* totalling about \$700 million were announced, most of which are planned to be expended over the next five years. Nearly half of this expenditure (\$370 million) relates to carbon emission reduction and energy programs. The remainder relates to ‘traditional’ forms of Australian Government support to primary, manufacturing and service industries, research and development and innovation.

Following the 2010-11 floods and other natural disasters, the Australian Government announced changes in funding arrangements for existing programs and new funding to support regions affected by natural disasters. To help fund recovery and rehabilitation work, the Australian Government announced it would terminate certain programs — including the Green Car Rebate Scheme and the Green Car Innovation Fund — saving around \$1 billion.

Concurrently, the Australian and Queensland governments announced a \$5.6 billion package to support recovery and reconstruction following the floods in south eastern Queensland. Some of this funding will afford support to business, either as part of a targeted business support program or as part of wider community support programs.

In addition to budgetary measures, effective assistance to industry is conferred through regulatory arrangements which affect market access and competition. During the year, the Government made a number of announcements and introduced

legislation relating to the conduct of forestry and logging, broadcasting and communications and coastal shipping. To the extent that such measures provide pecuniary benefits to industry participants, they would also afford some assistance.

The *Trade & Assistance Review 2010-11* will include assistance measures announced in the 2011-12 Budget (in May 2011) along with subsequent changes to assistance.

State and Territory assistance to industry

In addition to assistance afforded to industry by the Australian Government, assistance is also provided by State and Territory governments (hereafter, ‘the States’) through a range of programs.

In 2008-09, State agencies expended around \$4.1 billion on programs and services supporting industry policy objectives. This expenditure is additional to the \$3.7 billion of budget outlays and \$4.0 billion of tax concessions made by the Australian Government on industry assistance in that year.

- Programs relating to ‘primary industries and resources’ account for about 60 per cent of the estimated State outlays on industry programs, with a major part of those outlays being for support to rural R&D and drought support.
- Of the total expenditure on industry programs, around one third was paid in grants and subsidies, or used in the provision of other direct support to industry such as marketing and promotion.
- In terms of the level of expenditure, estimated State assistance to industry is highest in the more populous jurisdictions. On a per capita basis, however, expenditure on industry programs is highest in the Northern Territory, largely due to it having the highest per capita expenditure for tourism support.

State assistance to businesses and activities, particularly local incentives and support for priority industries, will inevitably affect the structure and distribution of industries within and between jurisdictions.

A key issue is whether the forms of assistance and the interaction of (competing) measures within and across jurisdictions contribute net benefits to the community as a whole. The last full review which considered State support to industry and associated policy frameworks was conducted in 1996. It found evidence of a number of shortcomings in the frameworks for providing State assistance, including in relation to bidding for investment, transparency and review mechanisms and administration costs.

There have been many developments in the design and provision of State (and Australian Government) support to industry since that time. In view of the current scale and breadth of support to businesses, and the likely interaction of competing measures, consideration should be given to another broad review.

International trade policy developments

Despite widespread efforts, including by Australia, to achieve a conclusion to the Doha Round of multilateral trade talks, once again little progress has been made over the last year.

In addition to participating in multilateral trade talks, Australia has negotiated and maintained bilateral and regional trade agreements which provide preferential market access for a relatively small number of countries. Australia is also a member of the Asia-Pacific Economic Cooperation (APEC) group, which includes among its objectives the promotion of free and open trade and investment, the acceleration of regional economic integration, and the encouragement of economic and technical cooperation.

Further bilateral arrangements are currently being pursued with China, India, Japan, Malaysia and Korea. Indonesia and Australia have commenced the negotiation of an economic partnership agreement to cover matters relating to economic cooperation, trade and investment. The Australian Government is also pursuing a proposed Pacific Agreement on Closer Economic Relations (PACER) Plus agreement with Pacific Islands Forum members and a proposed Trans-Pacific Partnership (TPP) Agreement.

Against a background of increasing involvement by Australia and other countries in bilateral and regional agreements, in November 2009, the Government asked the Productivity Commission to review the impacts of such agreements on trade and investment barriers and, more generally, on Australia's trade and economic performance.

The Commission reported to the Government in November 2010. It found that the increase in national income from preferential trade agreements is likely to be modest and that domestic economic reform offers potentially larger economic benefits. The Commission also concluded that domestic reforms should not be delayed to retain 'bargaining coin' for trade negotiations.

The Commission made ten recommendations to help ensure that further bilateral and regional agreements entered into by Australia are in its best interests (box 1).

Box 1 Productivity Commission recommendations on bilateral and regional trade agreements

Among other things, the Commission recommended that:

- bilateral and regional agreements should only be pursued where they are likely to afford significant net economic benefits and be more cost effective than other options for reducing barriers to trade and investment;
- as far as practical, discriminatory terms and conditions should be avoided in favour of non-discriminatory (most favoured nation) provisions; and
- agreements should not include matters that would serve to increase barriers to trade, raise costs or affect established social policies without comprehensive reviews of the implications and available options for change.

The Commission also made a number of recommendations aimed at improving processes for assessing and prioritising prospective agreements, and at streamlining regulations which underpin agreements (particularly in relation to rules of origin).

As part of its April 2011 Trade Policy Statement, the Australian Government responded to the Commission's final report and recommendations. The Government endorsed the broad approach and agreed to nine of the ten recommendations.

The Trade Policy Statement outlined the Government's commitment to free trade as a way to improve employment prospects and economic prosperity in Australia. The trade strategy enunciated five main principles:

- the pursuit of unilateral trade-related economic reform without waiting for other countries to reform their trade policies;
- non-discrimination among countries in trade negotiations;
- foreign policy considerations not overriding trade policy;
- transparency in trade negotiations; and
- the seamless 'execution' of trade policy and wider economic reform.

1 Introduction

The *Productivity Commission Act 1998* defines government assistance to industry as:

... any act that, directly or indirectly, assists a person to carry on a business or activity, or confers a pecuniary benefit on, or results in a pecuniary benefit to, a person in respect of carrying on a business or activity.

Assistance thus takes many forms. It extends beyond direct government subsidies to particular firms or industries and includes tariffs, quotas, regulatory restrictions on imported goods and services and tax concessions. Assistance can also arise from the provision of services below cost by government agencies and from government procurement policies.

Although assistance generally benefits the firms or industries that receive it, it typically imposes costs on other sectors of the economy. For example, direct business subsidies increase returns to recipient firms and industries, but to fund the subsidies governments must increase taxes and charges, cut back on other spending, or borrow additional funds. Similarly, while tariffs provide some price relief to domestic producers, they result in higher input costs for other local businesses and higher prices for consumers, who then have less money to spend on other goods and services.

Governments provide assistance for many different reasons. Some types of assistance — such as for R&D and to meet environmental objectives — can deliver net community benefits. Similarly, some policies which have industry assistance effects may be justified on other grounds, such as the achievement of social or equity objectives.

In view of the costs, as well as the potential benefits, that industry assistance can entail, government measures that provide assistance need to be monitored and regularly reviewed. One of the Productivity Commission's functions under its legislation is to review industry assistance arrangements. It also has a more general statutory obligation to report annually on assistance and its effects on the economy.

This edition of *Trade & Assistance Review* contains the Commission's latest estimates of Australian Government assistance to industry (chapter 2). These estimates cover the years 2003-04 to 2009-10. They provide a broad indication of

the resource allocation effects of selective government industry policies, and highlight some of the costs of industry support. Appendix A provides additional details of the Commission's estimates of assistance.

Care is required in interpreting the estimates. Among other things, they generally cover only those government measures that selectively benefit particular firms, industries or activities, and which can be quantified, given practical constraints in measurement and data availability. Because industry assistance is discriminatory and can distort the allocation of economic resources, assessing whether the benefits of any particular industry support program exceed its costs involves case-by-case consideration — a task beyond the scope of this volume.

This *Review* also reports on a number of developments since April 2009, the reporting date of the last 2007-08 *Review*, with consequences for Australia's assistance structure generally or for particular sectors or industries.

- Chapter 3 catalogues recent policy announcements relating to: research, development and innovation; rural; manufacturing; domestic shipping; broadcasting and communications; carbon emissions reduction and energy efficiency; infrastructure provision and regional development; and flood recovery and rebuilding.
- Chapter 4 reports on selected *expenditures* by State and Territory government affording assistance to industry and discusses some strategic issues concerning the planning, impacts and assessment of State assistance to industry.
- Chapter 5 reports on selected recent developments in international trade policy, including Australia's involvement in negotiating Preferential Trade Agreements (PTAs) and complaints affecting Australia lodged through the WTO disputes resolution framework. (Appendix B provides information on recent anti-dumping and countervailing duty cases in Australia.)

2 Assistance estimates

Industry is assisted through a wide array of government programs, regulatory instruments and policies. Each year, the Commission updates and publishes estimates of the assistance afforded by:

- import tariffs, which mainly assist the manufacturing sector while raising costs to consumers and to industries that use manufactured and other tariff-assisted inputs;
- Australian Government budgetary measures — divided into government outlays and tax concessions — applying to the agricultural, mining, manufacturing and service sectors; and
- certain agricultural pricing and regulatory measures.

As well as providing estimates for these three categories, the Commission aggregates them to yield an estimate of the ‘combined’ assistance for four broad sectors of the Australian economy — ‘primary production’, ‘mining’, ‘manufacturing’ and ‘services’ — along with effective rates of assistance for primary, mining and manufacturing industries. For each category of assistance, the Commission provides more detailed estimates of assistance by 35 industry groupings.

The Commission also disaggregates its estimates of budgetary assistance into categories (such as R&D, export assistance and small business) to facilitate more detailed assessments of changes in the composition and nature of assistance.

While the estimates cover a broad range of measures that afford support to industry, the estimates do not aim to capture all Australian Government support for industry (box 2.1), nor State government assistance. In particular, the assistance provided through government regulation is not represented in the estimates.

The following sections outline the coverage of the Commission’s assistance estimates, present the most recent (2009-10) estimates and report on broad changes in the structure of industry assistance over the last three decades.

Box 2.1 Coverage of the Commission's assistance estimates

The Commission's assistance estimates cover only those measures which selectively benefit particular firms, industries or activities, and which can be quantified given practical constraints in measurement and data availability. Arrangements that may have assistance implications but are not part of the estimates include:

- for agricultural industries, any assistance effects that may be associated with quarantine restrictions and the allocation and pricing of water resources;
- the effects of government purchasing preferences and local content arrangements — for example, as they affect the manufacturing sector, IT industries and broadcasting;
- regulatory restrictions on competition — for example, relating to pharmacy, air services, importation of books and media and broadcasting;
- anti-dumping and countervailing measures;
- certain differential tax arrangements, including in relation to excises, the GST and superannuation;
- State and Territory government assistance to industry, other than designated agricultural marketing arrangements and rural support programs;
- government programs affecting a range of service industries, mainly relating to the provision of health, education, and community services;
- government programs affecting national security and public safety, including police and defence programs;
- government programs and taxation concessions affecting professional sport and the arts;
- government programs affecting the labour market; and
- resource access arrangements relating to mining, forestry and fisheries.

2.1 Tariff assistance

Tariffs have direct effects on the returns received by Australian producers. The Commission's estimates of tariff assistance are divided into three main categories — 'output' assistance, 'input' assistance and 'net' assistance.

- Tariffs on imported goods increase the price at which those goods are sold on the Australian market, and thus allow scope for domestic producers of competing products to increase their prices. These effects are captured by the Commission's estimates of output assistance.
- On the other hand, tariffs also increase the price of local and imported goods that are used as inputs and thus penalise local user industries. This 'penalty' is

reduced if tariff concessions are available to Australian producers. The penalties are reflected in the Commission's estimates of input assistance.

- Net assistance represents the 'effective' tariff assistance provided to industry, and is calculated as output tariff assistance less the input penalty imposed by tariffs.

The Commission estimates that the gross value of tariff assistance to domestic production was around \$9.4 billion in 2009-10 (table 2.1). The rise in the nominal aggregate value of tariff assistance on output over the seven-year period to 2009-10 reflects growth in domestic industries and not an increase in tariff rates. Significant reductions in tariffs on passenger motor vehicles and parts and textiles, clothing and footwear products occurred in January 2010. These changes are reflected in the 2009-10 estimates.

Table 2.1 Tariff assistance, 2003-04 to 2009-10^a
\$ million (nominal)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Output assistance	9278.1	9000.3	8845.9	9164.1	9799.8	9714.7	9421.6
Input penalty	-7252.6	-7218.1	-6849.2	-7362.6	-7929.4	-8253.3	-8009.1
Net tariff assistance	2025.5	1782.2	1996.7	1801.5	1870.4	1461.5	1412.5

^a Nominal tariff assistance estimates are derived by re-indexing a reference series based on 2004-05 ABS input-output data, using ABS Industry Gross Value Added at current prices data. This information is subject to periodic revision by the ABS.

Source: Commission estimates.

The estimated cost penalty on inputs to user industries (including primary, manufacturing and service industries) arising from tariffs, was estimated to be around \$8 billion for 2009-10. This compares with a cost of nearly \$7.3 billion for 2003-04. The estimated cost penalty has increased in nominal terms with the general growth in the economy and rising price levels. This increase was moderated by a number of changes in the tariff:

- the removal, in May 2005, of the 3 per cent duty on a range of imports for which there was no competing domestic production, much of which were used as business inputs; and
- reductions in tariffs on passenger motor vehicles and parts, and textiles, clothing and footwear products in January 2005 and 2010.

The declines in the estimated tariff penalty on inputs in 2004-05 and 2005-06, and 2009-10 were mainly due to reductions in automotive and textile, clothing and footwear tariffs.

After deducting the tariff input penalty from the output assistance, *net* tariff assistance (for the Australian economy) was estimated to be around \$1.4 billion in 2009-10, down from \$2 billion in 2003-04. This is equivalent to a decline of around 30 per cent in nominal terms and around 45 per cent in real terms.¹

In the Commission's tariff assistance estimates, preferences granted under Australia's preferential trading agreements are treated on the basis that domestic prices in Australia remain unchanged (box 2.2).

Box 2.2 Treatment of preferential tariffs in assistance estimates

The tariff preferences provided under Australia's preferential trading agreements (PTAs) need not result in any change in prices in the domestic market and, thus, in assistance to Australian industry provided by the general (Most Favoured Nation (MFN)) tariff regime. This would be the case if producers in the partner country effectively 'pocketed' the tariff concessions, rather than reduced their prices below the prevailing (tariff-inflated) price of rival imports.

However, to the extent that tariff concessions provided by PTAs reduce the prices of imported products in the Australian market, assistance to the relevant industry's outputs would be lower than that implied by the MFN rate. At the same time though, where the price of imported inputs falls as a result of PTA preferences, the penalties (or negative assistance) on the industry's inputs will also be lower than implied by the MFN rate. Whether this leads to a net overstatement or understatement of assistance to the Australian industry in question would depend on trade patterns with the PTA partner countries, which products are subject to price reductions, and their relative magnitudes.

Sources: PC (2004a; 2004b; 2008).

Tariff assistance by sector and industry

Although in aggregate net tariff assistance remains positive, the sectoral experience varies. Most tariff assistance on outputs is directed towards the manufacturing sector, and in particular the *Food, beverages & tobacco* (\$1.7 billion), *Metal product manufacturing* (\$1.9 billion), and *Motor vehicles & parts* (\$1.4 billion) industry groups (table 2.2 left hand column).

¹ The nominal value series (see footnote (a) in table 2.1) was converted to a 'real value' series, indexed to the reference year 2004-05, using the GDP deflator.

Table 2.2 Tariff assistance by industry grouping, 2009-10^{ab}

\$ million (nominal)

<i>Industry grouping</i>	<i>Output assistance</i>	<i>Input cost penalty</i>	<i>Net tariff assistance</i>
Primary production	143.2	-61.7	81.5
Dairy cattle farming	—	-3.0	-3.0
Grain, sheep & beef cattle farming	—	-19.5	-19.5
Horticulture & fruit growing	100.3	-6.0	94.3
Other crop growing	—	-5.7	-5.7
Other livestock farming	—	-1.8	-1.8
Fisheries	—	-11.4	-11.4
Forestry & logging	42.9	-7.4	35.5
Other primary production ^c	—	-7.0	-7.0
Mining	1.6	-308.4	-306.8
Manufacturing	9276.8	-2824.1	6452.6
Food, beverages & tobacco	1717.3	-485.5	1231.8
Textiles, clothing, footwear & leather	415.6	-89.6	326.0
Wood & paper products	572.6	-149.4	423.2
Printing, publishing & recorded media	305.4	-123.1	182.3
Petroleum, coal, chemical & ass. Products	1089.6	-311.4	778.2
Non-metallic mineral products	293.1	-78.1	214.9
Metal product manufacturing	1921.0	-506.3	1414.6
Motor vehicles & parts	1364.9	-461.3	903.5
Other transport equipment	155.9	-106.5	49.4
Other machinery & equipment	950.8	-330.2	620.6
Other manufacturing	490.7	-182.6	308.1
Services	—	-4814.9	-4814.9
Electricity, gas & water supply	—	-70.6	-70.6
Construction	—	-1690.3	-1690.3
Wholesale trade	—	-361.5	-361.5
Retail trade	—	-618.7	-618.7
Accommodation, cafes & restaurants	—	-395.5	-395.5
Transport & storage	—	-274.3	-274.3
Communication services	—	-151.7	-151.7
Finance & insurance	—	-25.2	-25.2
Property & business services	—	-488.0	-488.0
Government administration & defence	—	-314.5	-314.5
Education	—	-90.3	-90.3
Health & community services	—	-127.9	-127.9
Cultural & recreational services	—	-131.2	-131.2
Personal & other services	—	-75.3	-75.3

— Nil. ^a See footnote (a) in table 2.1. ^b Totals may not add due to rounding. ^c Other primary production includes *Services to agriculture* (including *Hunting & trapping*) and *Poultry farming*.

Source: Commission estimates.

Mining and primary production industries receive little tariff assistance on outputs, and tariffs are not levied on services. On the other hand, tariffs impose input-cost penalties on *all* industries (because of their cost-raising effects on inputs) (table 2.2 middle column), so that mining, and the construction and other service industries incurred negative net tariff assistance.

All manufacturing industries are estimated to receive positive net tariff assistance, as the value of tariff assistance on outputs outweighs the cost imposts of tariffs on inputs for each industry group (table 2.2 right hand column).

Outside the manufacturing sector, the *Horticulture & fruit growing* and *Forestry & logging* industries are also estimated to have received positive net tariff assistance in 2009-10. Some imported products in these two particular industry groupings attract tariffs (for example, grapes and softwood conifers). All other primary, mining and service industries incur a net penalty from the level and structure of tariffs in Australia.

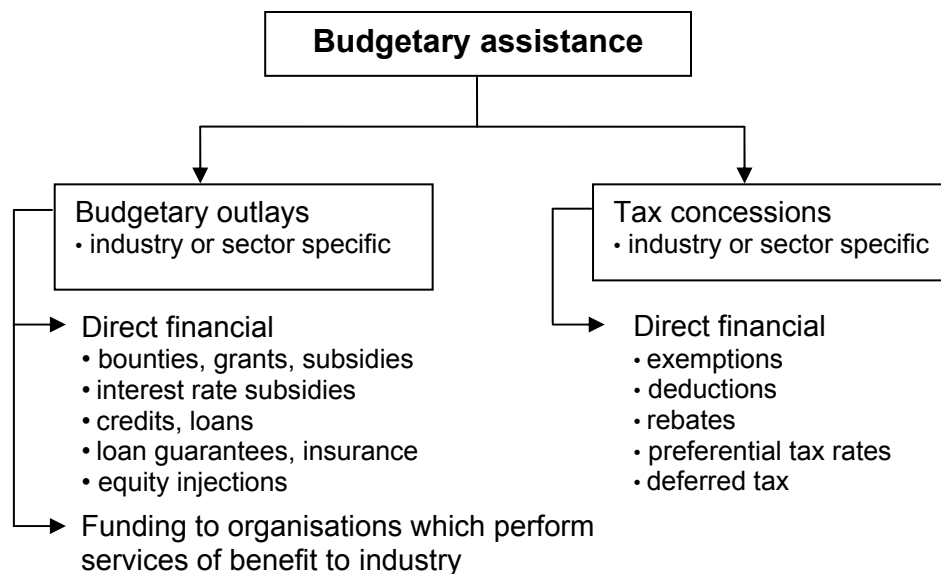
Since 2003-04, the value of net tariff assistance for the manufacturing sector has increased by 5 per cent in nominal terms, reflecting the general growth in manufacturing output. At the same time, the net tariff penalty on the service sector has increased by 20 per cent (to over \$4.8 billion), reflecting the stronger growth of that sector (compared with manufacturing). The value of tariff assistance to primary production has varied from year to year with changes in the value of activity in the sector, including changes as a consequence of drought.

2.2 Australian Government budgetary assistance

Budgetary assistance includes actual payments (outlays) and tax concessions (figure 2.1). Some measures provide assistance directly to firms, such as the Automotive Competitiveness and Investment Scheme, while other budgetary support measures deliver benefits indirectly to an industry via intermediate organisations such as the Rural Industries Research and Development Corporations and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

The budgetary assistance estimates are derived primarily from actual expenditures shown in departmental and agency annual reports, and the Australian Treasury Tax Expenditures Statement (TES). Industry and sectoral disaggregations are based primarily on supplementary information provided by relevant departments or agencies.

Figure 2.1 **Forms of budgetary assistance**



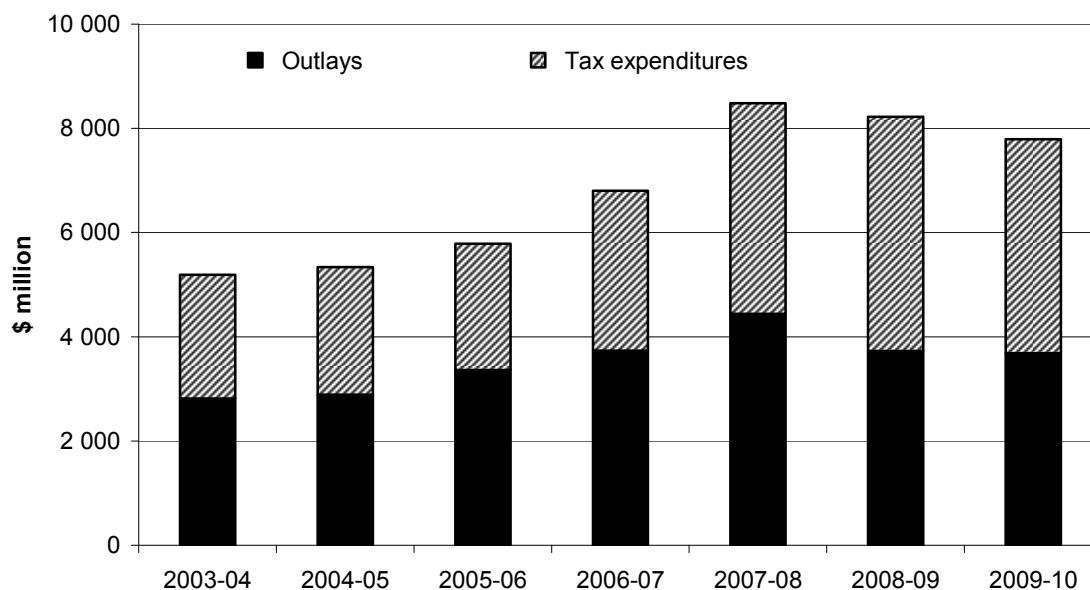
Aggregate budgetary assistance

The estimated gross value of budgetary assistance to Australian industry was around \$7.9 billion in 2009-10, compared with \$8.2 billion in 2008-09 and \$5.2 billion in 2003-04 in nominal terms (figure 2.2). In *real* terms, this represents a decline of 4 per cent since 2008-09, but an increase of 21 per cent since 2003-04.

The main reasons for the reduction in aggregate budgetary assistance in the last 12 months were:

- a decrease of around \$800 million for small business capital gains tax concession programs;
- decreases in other on-going programs of around \$780 million, including reductions of \$178 million for exceptional circumstances relating to drought, \$111 million for the LPG Vehicle Scheme and \$110 million for the Farm Management Deposits Scheme; and
- the cessation of other programs that had amounted to about \$65 million in 2008-09, the largest being the Tasmanian Community Forest Agreement (\$35 million).

Figure 2.2 Budgetary assistance to industry, 2003-04 to 2009-10
\$ million (nominal)



Sources: Commonwealth Budget and Budget related papers (various year), departmental annual reports (various years); Australian Government (2011); Commission estimates.

On the other hand, there were some increases in budgetary assistance totalling around \$1.3 billion in 2009-10. They include:

- around \$300 million under the R&D tax concession, Premium R&D tax concession and the R&D tax offset for small companies;
- \$200 million for the refundable tax off-set for the large scale film production scheme;
- around \$110 million for the Green Car Innovation Fund;
- increases of about \$405 million in other on-going programs; and
- around \$380 million with the introduction of new programs, including around \$117 million under the Australian Screen and Production Incentive (Producer offset) and \$62 million for the Carbon Capture and Storage Flagships Program.

In addition, not all taxation concessions affording assistance to industry are quantified in the annual TES and included in the assistance estimates. In cases where quantification is not practicable, the TES provides indicative ranges within which the value of the concession may fall. The published ranges suggest that gross budgetary assistance to industry could be substantially higher than the assistance estimates reported in this *Review*.

Activities targeted

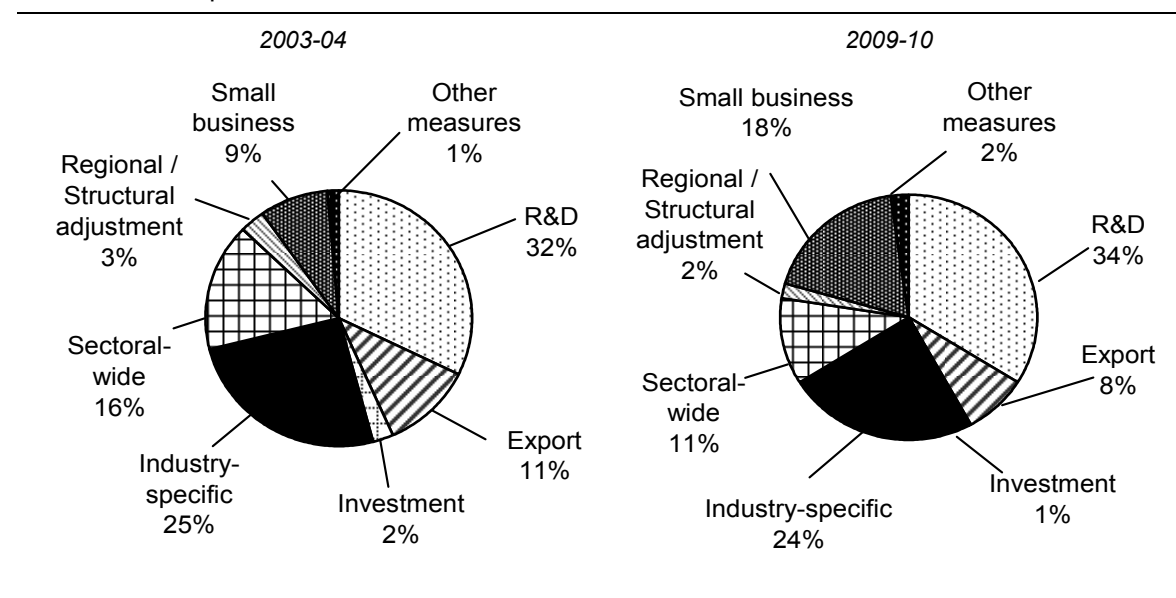
Budgetary assistance is often designed to encourage particular activities (such as R&D or exports) or to support particular firms, industries or sectors. To provide an indication of the distribution of assistance among activities and to facilitate more detailed assessments of changes in the composition and nature of assistance, the Commission classifies its estimates of Australian Government budgetary assistance into several categories:

- R&D, including that undertaken by CSIRO, CRCs and rural R&D corporations, as well as the R&D taxation concessions;
- Export measures, including through Export Market Development Grants, import duty drawback, TRADEX and Austrade;
- Investment, including development allowances and several former investment attraction packages;
- Industry-specific measures, including the Automotive Competitiveness and Investment Scheme, the Textiles, Clothing and Footwear Strategic Investment Program, film industry measures and the Offshore Banking Unit taxation concession;
- Sector-wide measures, such as ‘exceptional circumstances’ drought relief payments and the tax concessions under the Farm Management Deposits Scheme, in the case of the primary sector;
- Small business programs such as the small business capital gains tax concessions, the 25 per cent Entrepreneurs’ Tax Offset and the Small Business Advisory Services Program;
- Regional assistance including the Tasmanian Freight Equalisation Scheme, Regional Partnerships Program and various structural adjustment programs with a regional focus; and
- a residual ‘other’ category, which includes measures such as the Venture Capital Limited Partnerships Program, Pooled Development Funds Program and the TQUAL (tourism) grants program.

Budgetary assistance is largely directed towards R&D (34 per cent), with most of the remainder spread between sectoral assistance (11 per cent), industry-specific assistance (24 per cent) and small business assistance (18 per cent) (figure 2.3, right hand panel). The structure of budgetary assistance to industry has been evolving. In particular, support for small business has increased in recent years as a proportion of total budgetary assistance. It has risen from 9 per cent of budgetary assistance in 2003-04 (figure 2.3, left hand panel) to an estimated 18 per cent of measured

assistance in 2009-10 (right hand panel). At the same time, the importance of sectoral and export programs has declined relative to other programs.

Figure 2.3 Budgetary assistance by category, 2003-04 and 2009-10
per cent



Source: Commission estimates.

A number of the budgetary measures included in the estimates relate to carbon pollution reduction, renewable energy and energy efficiency goals. These measures support a range of activities that span R&D, industry-specific and other measures. The measures amounted to around \$221 million (3 per cent) of estimated budgetary assistance in 2009-10.

Some caution is required when interpreting these estimates. While programs have been allocated to one category only (based on the main activities assessed as receiving program support), some have characteristics that relate to more than one category. For example, the R&D category includes rural R&D, which could also be considered sector specific.

Sectoral and industry distribution

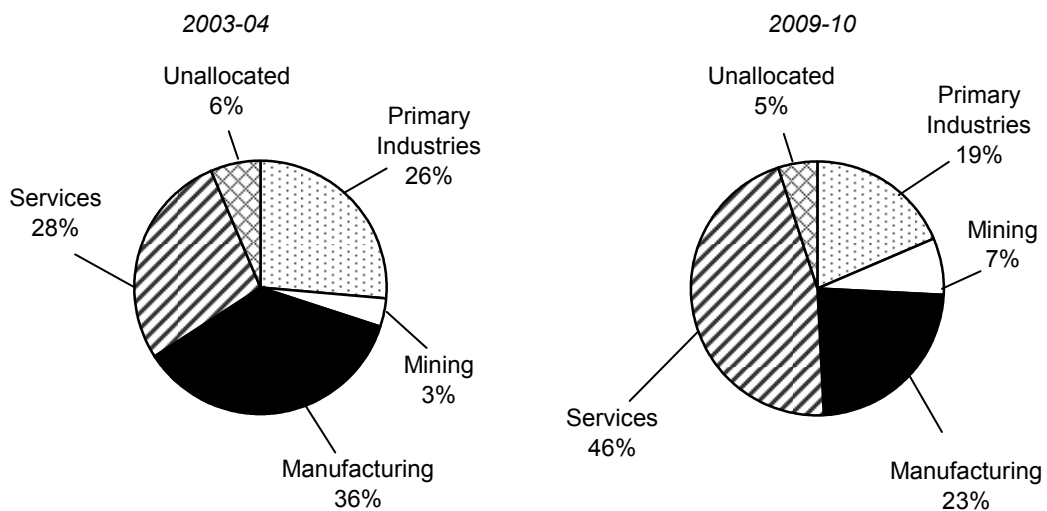
The Commission records the incidence of budgetary assistance by the initial benefiting industry, that is, the industry which receives the assistance first.² Estimates are presented for 35 industry groupings, while four ‘unallocated’

² While the Commission has used detailed information to make allocations, the need for judgment means that there remains some scope for imprecision. More detailed discussion of the budgetary assistance methodology is available in a methodological annex to last year’s *Review*.

categories are used for programs for which it has not been possible to confidently identify the initial benefiting industry or sector.³

In 2009-10, the services sector is estimated to have received around 45 per cent of estimated budgetary assistance; up from around 28 per cent in 2003-04 (figure 2.4). The main reason for the reported increase is due to significant increases in revenue foregone estimates of various small business tax concessions, a large proportion of which primarily benefit the services sector.

Figure 2.4 Budgetary assistance by sector, 2003-04 and 2009-10
per cent



Source: Commission estimates.

³ The 35 industry groupings are based on the 1993 Australia and New Zealand Standard Industrial Classification (ANZSIC).

The smaller manufacturing and primary production sectors together, received just under half of total estimated budgetary assistance in 2009-10, while the mining sector received relatively little measured assistance. For the primary sector, most budget assistance was afforded through outlays, while for manufacturing, assistance was relatively evenly divided between budget outlays and taxation concessions. The mining sector received most of its assistance in the form of general & specific tax concessions.

At the industry group level, estimated budgetary assistance was highest for *Property & businesses services* (\$799 million), mainly in the form of R&D tax concession programs and Small Business Capital Gains Tax concession measures. *Finance & insurance* (\$794 million) and *Motor vehicles and parts* (\$721 million) were the next largest recipient industries, mainly through the Offshore Banking Unit Taxation concession and Automotive Competitiveness and Investment Scheme, respectively (table 2.3).⁴

Forestry & logging taxation concessions were estimated to afford positive assistance. This reflects the value of accelerated write-offs associated with forestry managed investments exceeding tax imposts associated with the payback phase of the concessional arrangements. For 2008-09, tax imposts associated with the payback phase of the concessional arrangements exceeded the value of accelerated write-offs, resulting in estimated negative assistance from concession taxation arrangements (see appendix table A.4).

⁴ The Commission estimates assistance as occurring in the year in which the budgetary outlay (receipt) occurs.

Table 2.3 Budgetary assistance by industry grouping, 2009-10

\$ million (nominal)

	<i>Outlays</i>	<i>Tax concessions</i>	<i>Total budgetary assistance</i>
Primary production	1262.3	196.3	1458.5
Dairy cattle farming	99.1	17.8	116.9
Grain, sheep & beef cattle farming	592.6	112.4	705.0
Horticulture & fruit growing	123.0	24.9	147.9
Other crop growing	58.1	9.1	67.2
Other livestock farming	17.6	3.8	21.4
Fisheries	66.9	10.8	77.7
Forestry & logging	18.0	4.7	22.7
Other primary production ^a	12.0	11.5	23.5
Unallocated primary production ^b	274.9	1.3	276.2
Mining	132.2	416.9	549.1
Manufacturing	802.4	1027.6	1830.0
Food, beverages & tobacco	42.7	38.9	81.6
Textile, clothing, footwear & leather	120.4	13.5	133.8
Wood & paper products	14.2	13.1	27.3
Printing, publishing & recorded media	3.9	5.4	9.3
Petroleum, coal, chemical & associated products	147.1	53.0	200.2
Non-metallic mineral products	5.3	23.4	28.7
Metal products	53.9	67.4	121.3
Motor vehicles & parts	146.4	575.0	721.4
Other transport equipment	21.8	16.8	38.7
Other machinery & equipment	91.1	86.1	177.1
Other manufacturing	19.2	16.7	35.9
Unallocated manufacturing ^b	136.4	118.4	254.8
Services	1234.9	2387.9	3622.9
Electricity, gas & water supply	99.9	27.0	127.0
Construction	14.7	145.7	160.4
Wholesale trade	42.0	124.2	166.2
Retail trade	78.4	125.1	203.4
Accommodation, cafes & restaurants	7.9	130.6	138.5
Transport & storage	50.2	73.9	124.1
Communication services	99.5	65.9	165.4
Finance & insurance	93.2	701.2	794.4
Property & business services	319.2	480.1	799.3
Government administration & defence	28.6	3.1	31.7
Education	19.2	15.6	34.8
Health & community services	94.3	55.3	149.6
Cultural & recreational services	105.1	392.9	498.0
Personal & other services	11.9	47.3	59.2
Unallocated services ^b	170.8	0.0	170.8
Unallocated other^b	293.8	112.8	406.6
TOTAL	3725.7	4141.4	7867.1

– Nil. ^a Other primary production includes Services to agriculture, Hunting & trapping and Poultry farming.

^b Unallocated includes programs where details of the initial benefiting industry cannot be readily identified.

Source: Commission estimates.

2.3 Combined assistance

This section presents the results of combined tariff, budgetary assistance, and agricultural pricing and regulatory assistance. Combined assistance is reported in terms of the net value of assistance and its components, and the effective rate of assistance (box 2.3).

Box 2.3 Summary measures of combined assistance

In reporting its estimates of combined net assistance, the Commission adopts two summary measures. First, it reports total net assistance (also referred to in assistance methodologies as the *net subsidy equivalent* (NSE)), which is the dollar value of net assistance to the land, labour and capital resources used in a particular industry or activity. It indicates the level of transfers of income to benefiting producers from consumers, taxpayers and other firms, although it does not indicate the ultimate 'economic welfare' costs or benefits to the community of the assistance. NSE estimates are reported for the four sectors and 35 industry groupings.

The second summary measure is the *effective rate of assistance* (ERA). It measures the NSE of combined assistance to a particular industry in proportion to that industry's unassisted net output (value added). It provides an indication of the extent to which assistance to an industry enables it to attract and hold economic resources relative to other sectors. That is, where there is some competition between industries for resources, those industries with relatively high effective rates of assistance are more likely, as a result of their assistance, to be able to attract resources away from those with lower rates of effective assistance. ERA estimates are reported for industries in the primary production, mining and manufacturing sectors. Effective rates of assistance are not published for the services sector.

Aggregate assistance

Total estimated gross assistance was \$17.3 billion in 2009-10, a decline of around \$0.6 billion from 2008-09 in nominal terms (table 2.4). This represents a decline of around 4 per cent in both nominal and real terms.

Table 2.4 Combined assistance, 2003-04 to 2009-10

\$ million (nominal)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Tariff output assistance	9278.1	9000.3	8845.9	9164.1	9799.8	9714.7	9421.6
Budgetary outlays	2794.7	2865.3	3338.3	3695.7	4405.3	3669.0	3725.7
Tax concessions	2393.1	2471.4	2445.9	3103.6	4074.4	4552.6	4141.4
Agricultural pricing assistance	165.9	148.7	141.2	124.3	120.1	0.2	–
Gross combined assistance	14631.7	14485.7	14771.3	16087.7	18399.6	17936.5	17288.7
Tariff input assistance	-7252.6	-7218.1	-6849.2	-7362.6	-7929.4	-8253.3	-8009.1
Net combined assistance	7379.1	7267.6	7922.1	8725.1	10470.2	9683.2	9279.6

– Nil. ^a Further information on the estimation and interpretation of net combined assistance is provided in the methodological annex to *Trade & Assistance Review 2008-09*.

Source: Commission estimates.

After considering the negative effects of tariff assistance on industry inputs, total estimated *net* assistance amounted to around \$9.3 billion in 2009-10, a decrease of around \$0.4 billion (in nominal terms) from 2008-09. The main reasons for the decline is associated with reductions in tariff assistance, winding down of agricultural pricing arrangements, and the winding back of drought assistance. Nevertheless, as indicated above, there has been an increase in certain budgetary assistance. Between 2003-04 and 2009-10, total estimated net assistance to industry has increased by 26 per cent in nominal terms but increased by less than 1 per cent in real terms.

Sectoral and industry estimates

Value of assistance

Table 2.5 summarises, at the industry level, tariff and budgetary assistance information for 2009-10. Reflecting the earlier discussion on individual elements, the manufacturing sector receives the highest level of combined industry assistance because of the tariff assistance on its outputs. Although the services sector receives the most budgetary assistance (over \$3.6 billion in identifiable support), such assistance is outweighed by the estimated input tariff penalty (\$4.8 billion). A time series of net combined assistance (column 7) for the period 2003-04 to 2009-10 is presented in appendix A.

Table 2.5 Combined assistance by industry grouping, 2009-10^a

\$ million (nominal)

Industry grouping	Tariffs		Net tariff assistance	Budgetary		Net combined assistance
	Output	Input penalty		Outlays	Tax concess	
Primary production	143.2	-61.7	81.5	1262.3	196.3	1540.0
Dairy cattle farming	—	-3.0	-3.0	99.1	17.8	113.8
Grain, sheep & beef cattle	—	-19.5	-19.5	592.6	112.4	685.6
Horticulture & fruit growing	100.3	-6.0	94.3	123.0	24.9	242.2
Other crop growing	—	-5.7	-5.7	58.1	9.1	61.6
Other livestock farming	—	-1.8	-1.8	17.6	3.8	19.6
Fisheries	—	-11.4	-11.4	66.9	10.8	66.3
Forestry & logging	42.9	-7.4	35.5	18.0	4.7	58.3
Other primary production	—	-7.0	-7.0	12.0	11.5	16.5
Unallocated primary	—	—	—	274.9	1.3	276.2
Mining	1.6	-308.4	-306.8	132.2	416.9	242.3
Manufacturing	9276.8	-2824.1	6452.6	802.4	1027.6	8282.6
Food, beverages & tobacco	1717.3	-485.5	1231.8	42.7	38.9	1313.4
Textiles, clothing & footwear	415.6	-89.6	326.0	120.4	13.5	459.8
Wood & paper products	572.6	-149.4	423.2	14.2	13.1	450.5
Printing, publishing & media	305.4	-123.1	182.3	3.9	5.4	191.5
Petroleum, coal & chemicals	1089.6	-311.4	778.2	147.1	53.0	978.4
Non-metallic mineral prod.	293.1	-78.1	214.9	5.3	23.4	243.6
Metal product manufacturing	1921.0	-506.3	1414.6	53.9	67.4	1535.9
Motor vehicles & parts	1364.9	-461.3	903.5	146.4	575.0	1624.9
Other transport equipment	155.9	-106.5	49.4	21.8	16.8	88.0
Other machinery & equip.	950.8	-330.2	620.6	91.1	86.1	797.8
Other manufacturing	490.7	-182.6	308.1	19.2	16.7	344.0
Unallocated manufacturing	—	—	—	136.4	118.4	254.8
Services	—	-4814.9	-4814.9	1234.9	2387.9	-1192.0
Electricity, gas & water	—	-70.6	-70.6	99.9	27.0	56.4
Construction	—	-1690.3	-1690.3	14.7	145.7	-1529.9
Wholesale trade	—	-361.5	-361.5	42.0	124.2	-195.3
Retail trade	—	-618.7	-618.7	78.4	125.1	-415.2
Accom., cafes & restaurants	—	-395.5	-395.5	7.9	130.6	-256.9
Transport & storage	—	-274.3	-274.3	50.2	73.9	-150.2
Communication services	—	-151.7	-151.7	99.5	65.9	13.7
Finance & insurance	—	-25.2	-25.2	93.2	701.2	769.2
Property & business services	—	-488.0	-488.0	319.2	480.1	311.3
Govt. admin. & defence	—	-314.5	-314.5	28.6	3.1	-282.8
Education	—	-90.3	-90.3	19.2	15.6	-55.6
Health & community services	—	-127.9	-127.9	94.3	55.3	21.7
Cultural & recreational	—	-131.2	-131.2	105.1	392.9	366.8
Personal & other services	—	-75.3	-75.3	11.9	47.3	-16.1
Unallocated services	—	—	—	170.8	—	170.8
Unallocated other	—	—	—	293.8	112.8	406.6
TOTAL	9421.6	-8009.1	1412.5	3725.7	4141.4	9279.6

— Nil. ^a Read in conjunction with notes to tables 2.2 and 2.3.

Source: Commission estimates.

Effective rates of (combined) assistance

Estimated effective rates of combined assistance by sector and industry

For the manufacturing sector, the estimated effective rate of assistance — dollar value of assistance as a proportion of (unassisted) value added — was 4.4 per cent in 2009-10, down from 4.6 per cent in 2008-09 and the preceding three years (table 2.6). The effective rate for the primary sector in 2009-10 was 4.7 per cent, but up to 7.6 per cent (reflecting assistance for drought relief). The estimated effective rate of assistance from tariff and budgetary assistance for mining has been negligible.

Table 2.6 Effective rate of combined assistance by industry grouping, 2003-04 to 2009-10^a
per cent

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Primary production^b	4.9	4.6	4.9	7.1	7.6	5.3	4.7
Dairy cattle farming	13.7	10.3	11.1	15.7	15.0	5.1	4.9
Grain, sheep & beef cattle	4.3	3.4	4.0	7.3	8.1	6.8	5.3
Horticulture & fruit	5.2	4.9	5.0	4.9	5.1	6.4	5.5
Other crop growing	6.1	6.3	6.9	5.8	4.7	1.5	1.5
Other livestock farming	3.0	1.8	2.3	2.6	3.5	2.5	1.6
Fisheries	2.1	5.6	4.7	18.7	10.6	4.7	4.4
Forestry & logging	4.7	8.2	7.2	5.1	4.7	-2.4	3.8
Other primary production ^c	0.7	0.5	0.4	0.5	0.6	0.4	0.3
Mining	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Manufacturing^b	5.1	4.7	4.6	4.6	4.6	4.6	4.4
Food, beverage & tobacco	3.3	3.2	3.4	3.3	3.3	3.3	3.2
Textile, clothing & footwear	19.6	17.4	15.3	14.7	14.4	14.5	12.7
Wood & paper products	4.7	4.7	4.9	4.9	5.2	5.2	4.7
Printing, publishing & media	1.4	1.3	1.4	1.5	1.5	1.5	1.5
Petroleum, coal & chemicals	3.6	3.3	3.5	3.6	3.7	3.7	3.7
Non-metallic mineral prod.	2.4	2.5	2.5	2.6	2.7	2.6	2.6
Metal products	4.8	4.7	4.7	4.7	4.5	4.4	4.4
Motor vehicles & parts	16.9	14.5	12.1	12.4	11.8	11.6	11.1
Other transport equipment	1.6	1.4	2.0	1.8	1.8	2.0	2.0
Other machinery & equipment	3.5	3.4	3.7	3.7	3.6	3.6	3.5
Other manufacturing	5.5	4.8	5.3	5.2	5.5	5.2	5.1

^a Combined assistance' comprises budgetary, tariff and agricultural pricing and regulatory assistance.

^b Sectoral estimates include assistance to the sector that has not been allocated to specific industry groupings. ^c Other primary production includes *Services to agriculture* (including *Hunting & trapping*) and *Poultry farming*.

Source: Commission estimates.

Textiles, clothing, footwear & leather and Motor vehicles & parts

The *Textiles, clothing, footwear & leather* and *Motor vehicles & parts* industry groupings continue to have higher effective rates of combined assistance than other manufacturing activities — almost three times the manufacturing sector average in 2009-10. While remaining relatively high, the estimated effective rates of assistance to both industry groups have declined significantly over recent decades following significant reductions in tariffs and the removal of import quotas.⁵ While effective rates for these industries declined in 2009-10, in-line with legislated tariff cuts in January 2010, changes to the effective rate also depends on changes in the level of budgetary assistance relative to previous years (such as funding under the new automotive assistance arrangements).

Dairy cattle farming and Grain, sheep & beef cattle farming

The estimated effective rate of assistance for *Dairy cattle farming* declined markedly from 2007-08 to 2009-10 — from 15 per cent to 4.9 per cent. This reflects a decline in Exceptional Circumstances drought support and the cessation of payments under the Dairy Structural Adjustment Program in April 2008. Prior to the dairy industry's deregulation in July 2000, the effective rate of combined assistance was estimated to exceed 30 per cent.

Also reflecting lower claims for Exceptional Circumstances drought support, the effective rate of assistance for the *Grain, sheep & beef cattle* group declined from 8.1 per cent in 2007-08 to 5.3 per cent in 2009-10.

Fisheries and Forestry & logging

The estimated effective assistance to *Fisheries* and *Forestry & logging* has changed markedly over recent years. A decline in annual expenditure under the Fisheries Structural Adjustment Program has seen the estimated effective rates for *Fisheries* decrease from 18.7 per cent in 2006-07 to 4.4 per cent in 2009-10.

The change in effective assistance to *Forestry & logging* from 4.7 per cent in 2007-08 to a negative 2.4 per cent for 2008-09 and then back to 3.8 per cent in 2009-10, as indicated above, reflects the reversal in the estimate for the accelerated

⁵ Whereas in 2010 automotive tariffs were 5 per cent, and the highest tariffs on TCF imports were 10 per cent, in the late-1980s, automotive tariffs were 45 per cent, and the highest tariff rate for any one TCF line item (inclusive of the effect of tariff quotas) was 125 per cent. The effective rates of assistance for the automotive industry and TCF were 140 per cent and 157 per cent, respectively, in 1984-85 (using the 1983-84 input-output series).

write-offs on forestry-managed investments from positive assistance in 2007-08 (the acceleration stage) to increased taxation in 2008-09 (the pay-back stage) and then to no assistance in 2009-10.

2.4 Effective rates of industry assistance since 1970

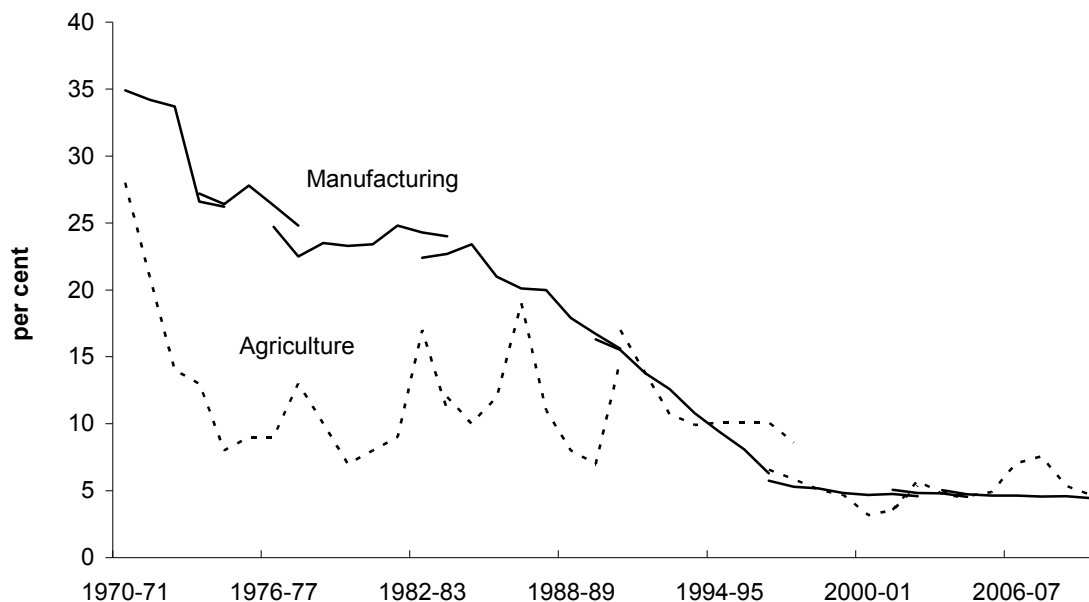
The Commission has estimated assistance to the manufacturing and agricultural sectors since the early 1970s. The estimates have been derived in several ‘series’, each spanning a number of consecutive years, with each series retaining a common methodology, coverage of measures and data sources across those years. Nevertheless, some caution is required when comparing estimates from the different series, as there have been changes in the coverage of assistance measures, and in methodologies and data sources. Despite such changes, taken together, the series provide a broad indication of directions and trends in assistance at the sectoral level.

Figure 2.5 presents effective rate estimates from the different series since 1970-71. Breaks in the series are represented by gaps in the chart, and overlaps are included to show the effects of the changes made in moving between series.

The estimates indicate a marked decline in measured assistance to the manufacturing sector over the last 35 years. The estimated effective rate of assistance for manufacturing as a whole (as calculated in the first series) was around 35 per cent in 1970-71, whereas since 2000, the rate (as calculated in the new 2004-05 series, and the previous 2001-02 series) has been around 5 per cent. Major influences on this decline over the past four decades have been the 25 per cent across-the-board tariff cut of 1973, the abolition of (subsequent) tariff quotas and the broad programs of tariff reductions that commenced in the late 1980s. Recent declines have been associated mainly with reductions in tariff assistance to the TCF and passenger motor vehicle industries. A five percent tariff, levied on over 50 per cent of manufactured items of merchandise trade, continues to provide some assistance to manufacturing activities, in addition to its associated impost on consumers and industry and costs to government administration.

For agriculture, the estimated effective rate of assistance (as calculated in the first series) was over 25 per cent in 1970-71 and, by 1974-75, it had fallen to about 8 per cent. The subsequent volatility in the agricultural estimates, particularly through the 1970s and 1980s, reflects variation in differences between domestic support prices and world prices (used for assistance benchmarks) as well as the impact of drought and other factors on output.

Figure 2.5 Effective rates of assistance to manufacturing and agriculture, 1970-71 to 2009-10



Source: Commission estimates.

The rise in the effective rate of assistance to agricultural in 2006-07 and 2007-08 reflects significant increases in Exceptional Circumstances drought relief payments and interest rate subsidies at the height of the drought through much of Australia. Such assistance declined in 2008-09 and the estimated assistance to the sector overall has declined to around 5 per cent.

2.5 Summing up

In real terms, estimated net assistance to Australian industries increased by less than 1 per cent over the period 2003-04 to 2009-10.

The mix of industry assistance has changed considerably over these seven years. Net tariff assistance continued to decline in both nominal and real terms, and agricultural pricing and marketing assistance has fallen to negligible levels. At the same time, estimated budgetary assistance increased by around 21 per cent in real terms between 2003-04 and 2009-10.

The nature of budgetary assistance to industry has also been evolving. Tax concessions, particularly to small business, have increased since 2003-04 and now account for a larger proportion of total budgetary assistance. On the other hand, support designated as specific to an industry grouping has tended to decline as a proportion of total assistance.

Chapter 3 reports on additional budgetary measures that have been announced in 2010-11 and, thus, are not captured in estimates in this *Review*, but which will influence future estimates of budgetary assistance to industry.

3 Recent developments in industry assistance

This chapter provides an overview of Australian Government announcements and related developments pertaining to industry assistance, since April 2010, the reporting date for *Trade & Assistance Review 2008-09*.

The Australian Government announced a number of new programs and adjustments to existing programs through the past twelve months. A number of programs were also discontinued or capped to help fund recovery and rebuilding after the 2010-11 floods. There were also a number of regulatory changes with assistance implications particularly in the areas of forestry and logging, broadcasting and communications, and coastal shipping.

Developments in industry assistance or with assistance implications are reported in this chapter in the following groupings: research, development and innovation; rural; manufacturing; domestic shipping; broadcasting and communications; carbon emissions reduction and energy efficiency; infrastructure provision and regional development; and flood recovery and rebuilding.

3.1 Research, development and innovation

Trade & Assistance Review 2008-09 outlined a number of changes to Australia's national innovation system following the Review of the National Innovation System (the Cutler review). Changes included the establishment of a new \$196 million Commercialisation Australia program to replace the pre-existing Commercialising Emerging Technologies (COMET) program. This section outlines the further developments in programs to support research, development and innovation.

Venture Capital

Between August 2009 and March 2010 the Australian Government committed more than \$100 million to 13 fund managers for investment in venture capital in Australia (PC 2010a, p. 26). This commitment was split between the Innovation Investment

Follow on Fund (IIFF) (\$64 million) and the Innovation Investment Fund (IIF) (\$40 million).

The IIFF program was instigated as a temporary measure (from 2009 to 2012) to support innovative companies with high potential through the Global Financial Crisis (11 fund managers participated).

The IIF program licenses new fund managers to invest in venture capital with each fund running for a period of 10 years. This commitment enabled two new fund managers to be licensed (Yuuwa Capital and OneVentures).

In November 2010, the Minister for Innovation, Industry, Science and Research announced that a further \$80 million would be made available under the IIF program to four new funds (\$20 million per fund): Carnegie Venture Capital, MRCF, Southern Cross Venture Partners and Start-up Australia, provided matching capital is raised from private investors (Carr 2010a).

Cooperative Research Centres

Cooperative Research Centres (CRCs) are a collaborative arrangement between government (including the CSIRO), universities, industry and other end-users (including small to medium sized enterprises). The CRC program was reviewed as part of the broader Cutler review of innovation in 2008 and new guidelines were introduced based on the recommendations of the review (PC 2010a, p. 27). Round 13 of the CRC program provided \$100 million to four CRCs including \$20 million to help pork producers improve production techniques while improving pig welfare. The other CRCs covered mental health, young people, technology and wellbeing and environmental contamination assessment and remediation (Carr 2010b).

Round 14 of the CRC program was announced in November 2010. The round opened on 28 February 2011 and closes on 1 July 2011. Clean manufacturing, social innovation and sustainable regional communities were identified as the priority areas for this round (Carr 2010c).

Specific industry and activity-based research support

Australian Future Fibres Research Centre

In May 2010, the Australian Government announced that it intended to outlay \$37 million to develop the Australian Future Fibres Research and Innovation Centre (AFFRIC) at Deakin University (Carr et al. 2010).

The centre will have four research platforms: Carbon Fibre Manufacture and Materials Technology; Nano-Fibre Discovery — Characterization and Application; Green Natural Fibres; and Smart and Functional Fibrous Materials. The Centre's research will have applications in a range of industries, including textile, automotive and aviation. There are around 950 firms manufacturing fibre composites in Australia.

The \$102 million AFFRIC is also receiving funding support from Deakin University, CSIRO and the Victorian Centre for Advanced Material Manufacturing. It will also have collaborative arrangements with regional and industry development organisations such as the City of Greater Geelong and the Technical Textiles and Nonwoven Association.

Newcastle Institute for Energy and Resources

In June 2010, the Government announced it will contribute \$30 million to establish the Newcastle Institute for Energy and Resources at the University of Newcastle (Carr and Grierson 2010). The Institute will help Australian industry by researching:

- the reduction of energy and water consumption in coal and minerals processing and transport;
- the reduction of carbon emissions through next-generation carbon capture and storage technologies;
- alternative energy sources, including geothermal and polymer solar cells;
- efficiency in power generation; and
- more efficient grids for distributed electricity generation.

The University will develop the Institute by purchasing and extending the former BHP Billiton Newcastle Technology Centre.

CSL Limited

CSL Limited produces vaccines, anti-venoms, blood products and diagnostic health products. It started as the Commonwealth Serum Laboratories in 1916 and was privatised as CSL Limited in 1994. In July 2010, CSL Limited received \$30 million from the Government to expand its R&D facility in Broadmeadows, Victoria (Carr and Vamvakinou 2010).

3.2 Rural

In 2009-10, Australian Government support for the rural sector is estimated to be around 19 per cent of budgetary support to industry — slightly less than estimated in the previous financial year due to the winding down of drought support (chapter 2). A number of developments affecting forestry and logging, the delivery of drought assistance, and other measures have occurred during the year.

Forestry and forest products

Regional Forestry Agreements

Regional Forest Agreements (RFA) relate to the management and use of forest resources and are intended to provide certainty for private investment. Under RFAs, the Australian and State governments established native forest conservation reserves and provided industry access to forest resources in designated locations outside the reserve areas.

In 2010, the Australian and Tasmanian governments issued a joint response to the second five yearly review of the Tasmanian Regional Forestry Agreement. As part of their response, the governments committed to facilitate the development of a revised industry development policy by industry and confirmed a commitment to funding for industry development projects. The governments will consider extending the RFA as part of the 2012 review (Burke 2010a).

The Australian and New South Wales governments released an independent report into the five yearly review of the NSW Regional Forestry Agreements (Burke 2010b). The report made 18 recommendations primarily relating to refining the process for future reviews, completion of management plans and improving data collection and monitoring.

The Independent Review on Progress with Implementation of the Victorian Regional Forest Agreements (RFAs) Final Report (May 2010) was tabled in the Australian Parliament on 28 September 2010 (Wallace 2010).

The review covers two periods, from the date the RFAs were signed up to 30 June 2004 and from 1 July 2004 to 30 June 2009. The report included 28 recommendations, 13 on progress with implementation of the Victorian RFAs and 15 on additional issues that should be considered by the Parties for the continued implementation of the RFAs. The Parties are preparing a response.

Forest Industries Development Fund

In January 2009, the Australian Government announced it would introduce a \$9 million Forest Industries Development Fund, over three years, to support industry initiatives that add value to forest resources and improve employment growth and retention (Burke 2009). There were two funding rounds and a total of 137 responses were received from forest industry companies. Twenty projects were offered funding under the two rounds.

In October 2010, the Minister for Agriculture, Fisheries and Forestry announced that the Australian Government provided \$843 000 (exclusive of GST) in funding to Australian Solar Timbers to improve its timber processing facility at Kempsey in New South Wales (Ludwig 2010a).

Australian Solar Timbers received three grants to install: a pressurised timber treatment facility to allow for local treatment of timber; a new end-matching system to allow for the end matching of shorter lengths of strip flooring that had previously been sent to waste; and a new three dimensional scanning system to allow for more efficient grading of timber flooring.

Government assistance to Tasmanian forest contractors

In November 2010, the Minister for Agriculture, Fisheries and Forestry announced a \$22.4 million package intended to provide exit assistance and ongoing business support to Tasmanian native forest harvest and haulage contractors:

- \$17 million was allocated for exit assistance; and
- \$5.4 million was allocated to viable businesses remaining in the industry and 53 contractors accepted offers made to them. (Ludwig 2010b).

Measures to combat logging designated as ‘illegal’

In December 2010, the Minister for Agriculture, Fisheries and Forestry announced that the Government would implement key aspects of its illegal logging policy by introducing legislation that would make it an offence to import a timber product that contains illegally logged timber (Ludwig 2010c).

The proposed legislation forms part of the Government’s ongoing policy intended to combat illegal logging and will be accompanied by continued bilateral and multilateral cooperation on forestry, including engagement with Asia–Pacific countries, to encourage sustainable forest management and the legal verification of timber products (Ludwig 2011). This approach will complement international

efforts including the work of the United States under the Lacey Act and the European Union, by requiring the legal origins of wood to be verified.

Drought Support

Drought Support Trial

In July 2010, the Australian and Western Australian governments commenced a 12 month trial of new drought support measures (Burke 2010c). The measures trialled in Western Australia include:

- Farm Family Support — income support to help farmers meet basic household expenses;
- Farm Social Support — stronger social support networks to meet mental health, counselling and other social needs of farming families and communities;
- Building Farm Businesses — grants of up to \$60 000 to help farm businesses prepare for the impacts of drought, reduced water availability and a changing climate, and on-farm Landcare activities;
- Farm Planning — support for farmers to undertake training to develop or update a strategic plan for their farm business with a focus on preparing for future challenges;
- Stronger Rural Communities — grants to local government for activities that make rural communities more resilient during agricultural downturns;
- Farm Exit Support — grants of up to \$170 000 to support farmers who make the difficult decision to sell the farm business; and
- Beyond Farming — a new measure that puts current farmers in touch with former farmers to work through the opportunities outside of farming.

In February 2011, the Australian Government announced a review of the pilot of drought reform measures. The review panel will report its findings by 30 September 2011 (Ludwig 2011).

Ongoing Drought Assistance Measures

In addition to the Western Australian trial, a number of on-going drought assistance measures continued to be provided by the Australian Government. These include:

- Exceptional Circumstances assistance — comprising Relief Payments to provide income support to farmers and small business owners who are experiencing

difficulty in meeting living expenses, and Interest Rate Subsidies to farming and agriculturally dependant small businesses that are viable in the long term, but are in financial difficulties due to an Exceptional Circumstances event;

- Transitional Income Support — to assist any producer, including those not located in an Exceptional Circumstances declared area, which is experiencing financial hardship through payments that are limited in duration to 12 months;
- Professional Advice and Planning Grants — up to \$5 500 for eligible farm enterprises to access professional business, planning and financial advice;
- Re-establishment Assistance — an exit grant of up to \$150 000 for farmers who have decided to leave the land and have sold their farm;
- Mental Health Support for Drought-Affected Communities — provides crisis counselling services and helps to train clinicians and community leaders;
- Family Support Drought Response Teams — offers support to rural areas affected by drought and a changing climate;
- Rural Support Services — mobile offices, Rural Service Officers and on-going Centrelink outreach services to drought-affected communities; and
- Assistance to Isolated Children — streamlined access to payments to assist those families with children who are unable to attend an appropriate state school due to geographical isolation.

Extension of the Rural Financial Counselling Service

In April 2010, the Australian Government announced an additional \$2.4 million in funding for the Rural Financial Counselling Service (Burke 2010d). Commencing in June 2010, this funding enables rural financial counsellors to provide a greater focus on issues surrounding succession planning. The Government has also confirmed that it will extend funding for the service for another four years until 30 June 2015.

Fourteen not-for-profit organisations deliver rural financial counselling services on behalf of the Government. These organisations employ more than 190 individuals, of which approximately 119 work as financial counsellors. In 2009-10, these organisations provided services to more than 10 280 farming, fishing and small rural businesses.

Northern Australia Beef Industry Strategy — Indigenous engagement measure

In the 2010-11 Mid Year Fiscal Economic Outlook, the Australian Government allocated \$500 000 to increasing Indigenous engagement in the northern Australia pastoral industry under the beef industry strategy (Australian Government 2010a). The strategy has three elements:

- assessing the risks and opportunities for the industry;
- building capacity and partnerships for sustainability in the Indigenous pastoral industry in northern Australia; and
- assessing the sustainability of, and prospects for, mosaic agriculture and its application to the northern beef industry (Ludwig 2010d).¹

Kangaroo Harvester Training Program

In February 2010, the Government allocated an additional \$400 000 intended to upskill workers in the kangaroo industry to help producers maintain and gain access to international markets (Burke 2010e).

The funding extended the Rural Industries Research and Development Corporation's existing kangaroo harvester training program. The additional funding will be used to accelerate training delivery, update and enhance training materials, and develop a competency-based qualification and an on-the-job assessment framework.

Supporting More Efficient Irrigation in Tasmania

The Australian Government has committed funding of up to \$140 million, over the period 2009-10 to 2016-17, intended to promote the development of modern and efficient irrigation in Tasmania (DSEWPC 2011). Funding of \$20.3 million was allocated for 2009-10. The Tasmanian Government has also committed funding of up to \$80 million towards the program, with the remainder of funding being provided by irrigators who benefit from individual projects.

¹ Mosaic farming creates agricultural landscapes made up of 'patches' of annual crops and pastures interspersed with deep-rooted perennial vegetation such as lucerne and trees. Each vegetation type is located so that its requirements are matched to landscape and soil characteristics to achieve long term economic and environmental benefit (CSIRO 2003).

The Supporting More Efficient Irrigation in Tasmania Program is intended to contribute to the outcomes of the Water for the Future Plan:

- using water wisely and securing future water supplies;
- securing a long-term sustainable future for irrigation communities in the context of climate change and reduced water availability into the future; and
- accelerating Tasmania's implementation of National Water Initiative commitments.

Productivity Commission inquiry into Rural Research and Development Corporation arrangements

In September 2010, the Productivity Commission released a draft report on Rural Research and Development Corporations (RDC) which invest around \$490 million a year from the Australian Government and rural industries in research and development (PC 2010b). The Commission found that although the model has important strengths, as it is currently configured, a significant part of the Government's funding contribution appears to have supported R&D that primary producers would have had sound financial reasons to fund themselves. In terms of buying additional research, the draft report suggested that the Government contributions appear to have been of more limited value.

In its draft report, the Commission proposed two inter-related changes to the broad configuration of the RDC model:

- the creation of a new, government-funded, RDC — Rural Research Australia (RRA) to sponsor broader rural research that is likely to be under-provided by industry-specific RDCs.
- allowing industry RDCs to focus predominantly on R&D of direct benefit to their levy payers — but with the cap on the Government's funding contribution gradually reduced to half its current level over 10 years.

The Commission's final report and recommendations were sent to the government on 15 February 2011.

3.3 Manufacturing

Australian Government support for the manufacturing sector comprised around 23 per cent of total budgetary assistance in 2009-10 — around the same level as in 2008-09 (chapter 2). The main changes affecting assistance to manufacturing during

2009-10 were in the areas of textiles, clothing and footwear, automotive, and paper and paper products.

Textiles, Clothing and Footwear

In the May 2009 Budget, the Australian Government announced a \$401 million TCF Innovation Package in response to Professor Roy Green's Review of the TCF industry (PC 2010a, p. 38). The implementation of this package by the Australian Government resulted in the:

- introduction of a new \$30 million TCF Strategic Capability Program;
- establishment of a \$112.5 million Clothing and Household Textile (Building Innovative Capability) Scheme;
- establishment of a TCF Industries Innovation Council;
- establishment of a National TCF Innovation Network within Enterprise Connect; and
- reduction of TCF tariffs that were already legislated.

In addition to proposed outlays under the package, the 2010 Budget provided an additional \$5 million in 2010-11 for the TCF Strategic Capability Program, bringing the total value to \$35 million over five years (from 2010-11 to 2014-15) (Carr 2010d). The program will now also be able to support smaller projects, with the eligibility threshold reduced from \$1 million to \$500 000.

Automotive industry

Automotive Competitiveness and Investment Scheme

The Automotive Competitiveness and Investment Scheme (ACIS) was introduced by the Australian Government to guide the development of the automotive industry post 2000. ACIS was directed towards encouraging new investment and innovation in the automotive industry. The scheme, which commenced on 1 January 2001, concluded on 31 December 2010 when it was replaced by the Automotive Transformation Scheme (ATS).

In addition to (remaining) support available under ACIS, the Australian Government is separately providing \$11.8 million for further design and engineering for Ford Australia's Euro IV Territory (Carr, Brumby and Allen 2010). The Government's support will form part of a broader expansion and upgrade of

Ford's Geelong casting plant. The upgrade will enable increased production of engine blocks for the existing Ford Falcon and Territory vehicles, as well as production of engine blocks for Ford's new Euro IV compliant I6 petrol engine. In addition, the upgrade will enable Ford to manufacture one million brake rotor components each year under a new agreement with Bosch Chassis Systems. Although undisclosed, the Victorian Government is also providing support towards the Ford casting plant upgrade.

Automotive Transformation Scheme

The Automotive Transformation Scheme commenced funding on 1 January 2011. The \$3.4 billion scheme is part of the Australian Government's *A New Car Plan for a Greener Future* announced in 2008. Under the Scheme, participants are entitled to receive assistance for the production of motor vehicles and for investment in research and development, to a maximum rate of 50 per cent, and investment in plant and equipment, to a maximum rate of 15 per cent.

Assistance is capped at \$1.5 billion for Stage 1 (2011 to 2015) and \$1 billion for Stage 2 (2016 to 2020), complemented by an estimated \$847 million in uncapped assistance for the production of vehicles from 2011 to 2017 (Carr 2011a).

Green Car Innovation Fund

The Green Car Innovation Fund (GCIF) was part of the Government's *A New Car Plan for a Greener Future* announced in 2008. The ten year program was to have provided \$1.3 billion to Australian companies for projects that enhance the research, development and commercialisation of technologies that reduce fuel consumption and/or greenhouse gas emissions of passenger motor vehicles.

Grants made under the GCIF in 2009 included: \$35 million for the Toyota hybrid Camry; \$149 million for the Holden small car project; and \$42 million for Ford Australia's EcoBoost engine (PC 2010a, p. 38). The 2010-11 grants included: \$63 million to bring production of Toyota's four cylinder engine for the Camry and Hybrid Camry to Australia; \$3.5 million for Alternative Fuel Innovations to develop a new LPG liquid injection system for vehicles; \$2.4 million for SMR Automotive Australia to produce lightweight automotive mirrors; and \$440 000 for Orbital Australia to develop greener engine technology for Chinese automaker Changan Automobile.

On 27 January 2011, the Government announced it would close the Green Car Innovation Fund from 2011-12, realising savings of \$234 million from uncommitted

funds over the forward estimates and \$401 million over the life of the program (see box 3.4 below).

Pulp and Paper Industry Strategy Group report

The Pulp and Paper Industry Strategy Group report was released in April 2010 by the Minister for Innovation, Industry, Science and Research (Carr 2010e). The report provided 18 recommendations to the Australian Government that are intended to improve the international competitiveness, profitability, investment, innovation and development of the pulp and paper industry, the forest products supply chain and other related manufacturing industries. In particular, the Strategy Group's recommendations are designed to encourage:

- expansion of timber plantations;
- use of recognised forest certification schemes;
- reduction of greenhouse gas emissions;
- increased renewable energy;
- maintenance of competitively priced energy;
- ethical standards for procurement of paper products;
- reduced product dumping;
- improved transport logistics; and
- investment support similar to other countries.

In an initial response to the report, the Australian Government accepted the Strategy Group's recommendation to establish a Pulp and Paper Industry Innovation Council to ensure the industry remains engaged with the Government while its response is being finalised.

The Council will provide the Minister with strategic advice on priorities for innovation, in particular, opportunities in water and energy efficiency, fibre production and product development. The Council will also develop terms of reference for an appropriately funded Biorefinery Research Institute, focusing ensuing research and development on fibre-based biofuels.

3.4 Broadcasting and communications

Reforms to Australia's telecommunications regulations

The *Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Act 2010* was passed by the Australian Parliament in November 2010. The reforms contained in the Act are intended to promote competition and strengthen consumer safeguards in the telecommunications sector, by:

- encouraging Telstra to structurally separate its fixed-line infrastructure and retail arms on a voluntary and cooperative basis;
- streamlining, simplifying and improving the competition regime;
- strengthening consumer safeguards such as the Universal Service Obligation, Customer Service Guarantee and Priority Assistance, to ensure consumers are protected and service standards are maintained at a high level; and
- removing redundant and inefficient regulatory red tape with a view to reducing the regulatory burden on the industry.

Changes to the Anti-siphoning Scheme

The Anti-siphoning Scheme aims to ensure that television coverage of events deemed to be of national importance and cultural significance are not 'siphoned off' exclusively to pay television. While the scheme is not limited to sporting events, non-sporting events have not been listed. The current anti-siphoning list comprises domestic and international sporting events such as cricket, tennis, golf, motor sports and the football codes.

A number of previous reviews, including two by the Productivity Commission, have recommended reforms to the anti-siphoning list. Most recently, the *Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure Services* (PC 2009a) found that the anti-siphoning list appeared to be unnecessary to meet the objectives of wide consumer access to sports broadcasts (and may actually reduce consumer access to sports broadcasts) and imposed substantial regulatory burdens and competitive disadvantages on subscription television networks. It recommended a substantial reduction in the anti-siphoning list.

In November 2010, the Government released *Sport on Television: A review of the anti-siphoning scheme in the contemporary digital environment*. As part of this review, the Government announced that it would retain the anti-siphoning scheme,

but make some changes to the list (Conroy 2010a). The major change is the introduction of two tiers of events on the anti-siphoning list:

- Tier A will comprise major events such as the Melbourne Cup, Bathurst 1000 and finals of the NRL and AFL Premiership — free-to-air broadcasters will be required to broadcast these events live and in-full, with limited exceptions; and
- Tier B will comprise events such as the regular games of the AFL and NRL premierships seasons, and non-finals games of the Australian Open tennis — free-to-air broadcasters will have the flexibility to televise these events on digital multi-channels.

The list has been updated with some sports added, such as Twenty20 cricket, and others removed such as non-Australian group games of the Rugby Union World Cup and the French Open Tennis. The scheme will also be amended to introduce ‘must offer’ obligations on the free-to-air broadcasters, requiring them to televise anti-siphoning listed events they acquire or offer those rights to another broadcaster.

Radio frequency spectrum licences

In the late 1990s, the Australian Government initiated a market-based approach to licensing radio frequency spectrum by auctioning a number of spectrum licences. The licences have a tenure of 15 years, flexible conditions and are fully tradable. The licences are predominately used by telecommunications carriers to provide 2G and 3G mobile phone and wireless services. The first key spectrum licences are due to expire in 2013.

In March 2010, the Minister for Broadband, Communications and the Digital Economy announced the Australian Government’s approach to the existing 15 year spectrum licensees (Conroy 2010b). The Government announced that it would consider reissuing spectrum licences (as provided for under section 82 of the *Radiocommunications Act 1992*) to those telecommunications incumbents who already use their spectrum licences to provide services to significant numbers of Australian consumers, or who have in place networks capable of providing services to significant numbers of consumers, provided they also meet public interest criteria.

The public interest criteria, developed by the Department of Broadband, Communications and the Digital Economy, were released in 2009 as part of a public consultation paper. The criteria are:

- promoting the highest value use for spectrum;
- investment and innovation;

-
- competition;
 - consumer convenience; and
 - determining an appropriate rate of return to the community.²

To the extent that the price ultimately paid by communications businesses for licenses granted under the allocation process differs from the scarcity value of such licenses, the arrangements may have implications for assistance to industry.

The digital dividend

In June 2010, the Australian Government announced that it would release 126 Megahertz (MHz) of spectrum in the 694-820 MHz frequency range as Australia's digital dividend (DBCDE 2011a). The digital dividend refers to spectrum that will become available as a result of the switch to digital-only television broadcasting in Australia. This is scheduled to be completed by 31 December 2013.

To release this spectrum, however, broadcasting services will need to be relocated out of the digital dividend spectrum range and organised more efficiently within their remaining spectrum allocation. This process is known as 'restacking'.

The digital dividend has the potential to provide a range of new communications services including the next generation of mobile broadband services. The Government expects to auction the digital dividend spectrum in late 2012 and to make it available to new users as soon as possible after the switch-off of analog TV is completed.

Industry reviews

Review of local content requirements for regional commercial radio

In March 2010, the Minister for Broadband, Communications and the Digital Economy announced a review of the local content requirements under the *Broadcasting Services Act 1992* (Conroy 2010c). The requirements, which were

² The Government further stated that while each public interest criteria is equally weighted, an important consideration will be price and that the Government will seek a fee that reflects the scarcity and value of the resource. Where agreement is not reached on a price assessed as appropriate for the spectrum licences, there is scope under the *Radiocommunications Act 1992* for the licenses to be auctioned.

introduced in 2007, include obligations on regional commercial radio stations relating to local content, as well as requirements for a local presence.

As part of the review, the Government released a discussion paper, *Local content requirements for regional commercial radio*, and called for public comment. In announcing the review, it was indicated that any potential changes will not lead to an overall reduction in current levels of local content on regional commercial radio (DBCDE 2011b).

Fifteen submissions were received from the public, organisations and the broadcasting industry and a report of the review was tabled in Parliament in early March 2011. The review will inform Government decisions on the local content requirements.

Convergence Review

In March 2011, the Minister for Broadband, Communications and the Digital Economy released terms of reference for a review of Australia's communications and media regulation (Conroy 2010d).

The review will examine Australia's communications and media legislation and recommend potential amendments to keep the regulatory framework effective and appropriate in response to on-going changes in media technology in light of the National Broadband Network.

3.5 Carbon emissions reduction and energy efficiency

Trade & Assistance Review 2007-08 reported a stocktake of current and prospective Australian, State and Territory government measures intended to reduce carbon emissions. It identified \$342 million in Australian Government budgetary outlays in 2007-08 with further significant outlays in prospect. Australian Government outlays for 2009-10 were estimated at \$221 million (chapter 2). This section reports some Australian Government announcements with assistance implications since April 2010.

Green Loans Program

The Green Loans Program was established with the intention of reducing energy and water use by providing homeowners access to interest free loans to purchase recommended items, as well as access to information and advice on how to be more

energy and water efficient. The program was established in 2008-09 with an original budget of \$300 million to undertake 360 000 household assessments and provide 200 000 loan subsidies. The budget was later reduced to approximately \$175 million for 360 000 assessments and up to 75 000 loans (Australian Government 2008 and 2009).

In July 2010, the Minister for Climate Change, Energy Efficiency and Water released three reports reviewing the Green Loans Program: Independent Inquiry into the Green Loans Program — Review of procurement processes and contractual arrangements (Ms Patricia Faulkner AO); Internal Audit Review of the Procurement Practices in the Green Loans Program (Protiviti); and Review of the Green Loans Program (Resolution Consulting Services) (Wong 2010). The reviews found:

- a lack of control over the number of assessors, poor financial controls that allowed regulatory breaches, poor management and procurement controls and faulty program design; and
- widespread lack of compliance with the principles, guidelines and regulations relating to the procurement for the program.

The Minister also announced that the Green Loans Program would transition to a new Green Start Program, which would fund the delivery of energy assessments for households through grants to accredited assessors and organisations. A second round of the program would seek proposals from community and welfare sector NGOs and other organisations to provide practical help to low-income and disadvantaged Australians to improve their energy efficiency.

In December 2010, the Government announced it would not be proceeding with the Green Start Program and that the Green Loans Program would close in February 2011 (Combet 2010a). The decision was informed by advice from the Department of Climate Change and Energy Efficiency that the program may not deliver value for money and may face implementation problems. As part of the announcement, the Government also introduced a package of transitional measures, including:

- \$10 million to extend Green loans to February 2011;
- \$18.5 million for financial assistance for assessors including up to \$3 000 for training costs and other costs incurred in preparing to become Green Loans assessors; and
- \$18 million for a training assistance scheme, the Certificate Level IV Home Sustainability Assessment course.

Renewable Energy Venture Capital Fund

In July 2010, the Australian Government announced that it would establish a Renewable Energy Venture Capital (REVC) Fund (Gillard et al. 2010). The REVC will provide \$100 million for selected venture capital funds to make early-stage investments to leverage private investment intended to help commercialise emerging renewable energy technologies. The REVC will be administered by the Australian Centre for Renewable Energy (ACRE) — a statutory advisory board supported by staff from the Department of Energy, Resources and Tourism.

The REVC Fund is part of a total of \$690 million administered by ACRE intended to support the development of renewable energy in Australia.

In November 2010, ACRE released a consultation paper to seek stakeholder feedback on how the fund may best be administered. The ACRE Board intends to begin a process to identify appropriate fund managers to deliver the initiative in the first half of 2011.

Renewable Energy Target Scheme

In August 2009, the Government implemented the Renewable Energy Target (RET) scheme with the intention that the equivalent of 20 per cent of Australia's electricity supply be from designated 'renewable' energy sources by 2020. Under the scheme, liable entities need to meet annual obligations by acquiring and surrendering renewable energy certificates created from the generation of renewable energy. The RET expands on the previous Mandatory Renewable Energy Target (MRET), which began operation in 2001 and would have required an additional 9 500 gigawatt-hours of electricity generation from renewable energy sources by 2010. The additional renewable energy under the MRET would have equated to less than 5 per cent of projected total electricity in 2020.

In June 2010, the Parliament passed legislation to separate the RET into two parts from 1 January 2011 — the Large Scale Renewable Energy Target (LRET) and the Small Scale Renewable Energy Scheme (SRES).

The SRES provides households, small business and community groups with up to \$40 for each certificate, called a small-scale technology certificate (STC), created by small-scale technologies like solar panels and solar water heaters. The Renewable Energy Regulator has established a voluntary 'clearing house' for the sale of STCs at a price of \$40. There is no cap on the number of STCs that can be created. In most cases, householders receive the value of STCs immediately, as an upfront discount on the cost of installing a solar water heater or solar PV system.

The LRET supports large-scale renewable energy projects such as wind farms, commercial solar and geothermal, and will deliver the majority of the 2020 target. The LRET includes legislated annual targets and operates much the same as the current RET, but as a separate scheme to the SRES.

The Solar Credits mechanism (within the SRES scheme) increases support for households, businesses and community groups that install small renewable energy generation units, such as rooftop solar panels, and small-scale wind and hydro electricity systems by multiplying the number of STCs able to be allocated to these systems. The multiplier was designed to phase out over time reflecting expected reductions in solar panels technology costs (Combet 2010b).

In May 2011, the Government announced changes to the Solar Credits multiplier which will apply from 1 July 2011 to bring the phase-out forward. For systems installed from 1 July 2011 to 30 June 2012, the multiplier is reduced to three and reduces by one each financial year until phased out for systems installed from 1 July 2013 (Combet 2011a).

The changes are in addition to a previous reduction to the Solar Credits multiplier in December 2010 (Combet 2010b), and respond to the continued strong growth in the industry, and incentives such as Solar Credits and state and territory feed-in tariff schemes. The reduction in the multiplier also responds to the impact that the high number of STCs has created on electricity prices (Combet 2011a). For systems installed after 1 July 2011, with the multiplier reduced from five to three, support for a 1.5 kilowatt system in Sydney, Brisbane, Perth or Adelaide would be reduced from a maximum of about \$6 200 to a maximum of about \$3 700.

Carbon Farming Initiative

The Carbon Farming Initiative is a carbon offsets scheme established by the Australian Government which is intended to provide economic opportunities for farmers, forest growers and landholders to reduce carbon pollution. The Carbon Farming Initiative includes:

- legislation to establish a carbon crediting mechanism;
- the development of methodologies for offset projects (the detailed rules for implementing and monitoring specific abatement activities and generating carbon credits); and
- information and tools to help farmers and landholders benefit from carbon markets.

Legislation to establish the scheme was introduced to the Australian Parliament on 24 March 2011 (Combet 2011b). The Government will provide \$45.6 million over the four years from 2010 for the initiative.

Smart Grid, Smart City Project

The Australian Government's Smart Grid Project will establish Australia's first commercial-scale smart grid in Newcastle. Smart grids give households a greater ability to manage their own energy use by giving consumers information about how much energy they are using and the costs at any time.

In June 2010, the Government announced a successful bidder for the \$100 million project, a consortium lead by Energy Australia (Wong et al. 2010). The consortium also includes CSIRO, IBM Australia, AGL, GE Energy, TransGrid, Newcastle City Council and the NSW Government.³

Green Building Fund

The Green Building Fund is intended to reduce the impact of Australia's built environment on carbon emissions by reducing the energy consumed in the operation of existing commercial office buildings. In 2010, the Government awarded over \$17 million in grants for 39 commercial office buildings (37 of which are privately owned) to: upgrade or retrofit building management systems; upgrade heating, ventilation and air-conditioning systems; install external shading; and install energy efficient lighting (Carr 2010f).

Tax Breaks for Green Buildings

The Tax Breaks for Green Buildings Program, announced in July 2010, is intended to support businesses that invest in eligible assets or capital works to improve the energy efficiency of an existing building. The total cost of the scheme is estimated at around \$1 billion over 8 years (DCCEE 2011).

A consultation paper was released in January 2011 to explain the key features of the proposed program design, the eligibility criteria, and assessment and certification

³ The commitment to this project will have impacts on industries, some of which may constitute positive or negative industry assistance. The level of assistance ultimately conferred on industry would depend on factors such as the level of government contributions (if any), risk sharing to business investment and the user charges relative to the economic cost of service provision.

processes (Dreyfus and Shorten 2011a). Sixty one submissions were received from a broad range of stakeholders.

In April 2011, the Government announced that it would conduct further consultation on the program in order to consider stakeholder comments on the most effective way to implement the program (Dreyfus and Shorten 2011b). Issues raised during the initial consultation phase included:

- whether the benefit should be provided as a bonus deduction (as originally proposed) or as a refundable tax credit;
- whether the program should support retrofits for buildings already rated above two stars on the NABERS rating system; and
- whether the program should provide more tailored support for retrofits for hotels.

The program will commence on 1 July 2012.

Insulation Industry Assistance Package

In May 2010, the Government announced a \$15 million Insulation Industry Assistance Package to support the insulation industry following the termination of the Home Insulation Program (box 3.1). Eligible home insulation businesses will be able to seek a one-off cash payment of 15 per cent of the dollar value of their inventory holding at 30 April 2010 (Carr and Combet 2010).

The Insulation Industry Assistance Package is in addition to the \$41 million Insulation Workers' Adjustment Package announced in February 2010 (PC 2010a, p. 51), which brings the total amount of direct government assistance to the insulation industry to \$56 million. The Government has also deferred GST payment obligations for eligible insulation companies.

Box 3.1 Home Insulation Program

The Home Insulation Program was one of a series of fiscal stimulus measures introduced in February 2009. The \$2.4 billion program provided financial incentives for homeowner-occupiers to have insulation installed. The program was to have continued for two and a half years, but was terminated prematurely on 19 February 2010 following safety and compliance concerns.

Following the termination of the program, the Government introduced several remediation programs, at an estimated cost of \$425 million, involving safety inspections, removal and/or repair of insulation. It also provided industry with \$56 million in adjustment assistance.

A number of reviews of the program have been undertaken: a review commissioned by Prime Minister and Cabinet (conducted by Dr Alan Hawke); a Senate inquiry; and a performance audit by the Australian National Audit Office. While finding some positive features, all reports identified significant problems with program design and governance as well as instances of non-compliance and potential fraud. Since the closure of the program, around 4000 potential cases of fraud have been identified, with 100 cases having been referred to the Department of Climate Change and Energy Efficiency's Investigations and Intelligence Branch.

Source: ANAO (2010a).

Program savings to fund flood recovery

In January 2011, the Government announced its intention to terminate or scale back a number of support programs associated with carbon emissions reductions, including:

- Cleaner Car Rebate Scheme;
- Green Car Innovation Fund;
- Carbon Capture and Storage Flagships program;
- Solar Flagships program;
- Global Carbon Capture and Storage Institute;
- Renewable Energy Bonus Scheme — Solar Hot Water Rebate; and
- Solar Homes and Communities Plan (see box 3.4 below).

These changes are intended to help pay for recovery and reconstruction after the 2010-11 floods.

3.6 Infrastructure provision and regional development

This section reports on a number of program developments involving Australian Government funding with assistance implications for firms and activities in particular regions. Federal support is typically associated with co-contributions by relevant state jurisdictions.

Biotechnology manufacturing in Queensland

In May 2010, the Australian Government announced that DSM Biologics would operate Australia's first major manufacturing facility for biologic drugs and therapeutics in Queensland (Carr and Bligh 2010). The Australian Government provided \$10 million and the Queensland Government provided \$7 million through its ten-year Biotechnology Strategic Plan. The remaining \$45 million required to build the \$62 million facility will come from the investment funding pool of the Translational Research Fund Institute, which includes \$140 million from the Australian Government, \$100 million from the Queensland Government as well as contributions from philanthropic and institutional partners.

Square Kilometre Array bid assistance

In June 2010, the Government announced that it will outlay \$47.3 million in two energy projects (a solar energy system and geothermal power demonstrator) to support Australia's bid to host the Square Kilometre Array (SKA) telescope (Carr 2010g).

To date, the Government has outlaid over \$280 million to support the SKA bid including \$100 million for the SKA Pathfinder, \$80 million for high performance computing and \$25 million for an optical fibre backbone broadband link from Perth to Geraldton. The Government of Western Australia has outlaid a further \$30 million.

Regional and Local Community Infrastructure Program

The Regional and Local Community Infrastructure Program (RLCIP) was introduced by the Australian Government in response to the global financial crisis. The program, announced on 12 November 2008, had two components:

- \$250 million allocated amongst all councils (Council Allocation component); and

-
- \$50 million to fund high priority infrastructure projects with a value of more than \$2 million (Strategic Projects component).

The Strategic Projects component of the RLCIP was intended to create local jobs and stimulate local economies in the short and medium term by directing funds towards a limited number of large strategic projects that were ready to proceed. Projects were to be allocated funding on a nationally competitive basis through an application process open to all local councils. Although the program was initially allocated funding of \$50 million, this was increased to \$550 million in January 2009 (Albanese 2009).

The Australian National Audit Office released a review of the Strategic Projects component of the program in July 2010 (box 3.2). A separate performance audit of the Council Allocation component is expected to be finalised in 2011.

South Australian Innovation and Investment Fund

The South Australian Innovation and Investment Fund is a joint initiative between the Australian and South Australian Governments established after the closure of Mitsubishi's Tonsley Park assembly plant. The \$30 million fund has allocated \$18.5 million to 17 South Australian companies.

In January 2011, the Australian Government announced a new \$17 million fund after Kimberly Clark announced it would restructure its operations in South Australia (Carr 2011b). The South East South Australian Innovation Investment Fund will provide grants to manufacturing and manufacturing services in the region. The Australian Government will provide \$10 million for the fund and the South Australian Government will provide \$7 million.

Box 3.2 ANAO audit of Strategic Projects — Regional and Local Community Infrastructure Program (RLCIP)

- The administration of the Strategic Projects component of the RLCIP did not comply with the Government's 2008 decision to accept all recommendations made in the Strategic Review of Grants, the November 2008 Interim Report of the House Standing Committee, the instructions issued by the Finance Minister in December 2007 and the findings and recommendations of earlier ANAO audit reports.
 - An eligibility and compliance checking process was abandoned part-way through its implementation. As a result, rather than ineligible and incomplete applications being excluded, all applications received were considered to be shortlisted for risk assessment.
 - The program guidelines did not outline the criteria that would be used to select the successful applications.
 - While risk assessments were provided to the Minister, the Department did not provide recommendations about which projects should be approved within the available funding of \$550 million, as required under the grants administration framework.
- On 21 April 2009, the Minister's Office advised the Department of a list of 137 projects the Minister intended to recommend to Cabinet for approval; and this list had been derived taking into account one or more of the following factors:
 - geographic distribution of projects;
 - likely economic stimulus and community impact, drawing on population sizes, capacity within local government authorities, percentage of partnership funding, and nature of projects; and
 - whether alternative funding sources are available or have been provided.
- These criteria had not been published or otherwise advised to councils and other stakeholders. Further, there was no documented assessment of each application against the criteria including: the extent to which each application had been assessed as satisfying each criterion; the information relied upon in making the assessment; or an overall assessment and ranking of each application. The process casts doubt on whether funding has been allocated based on merit, without bias towards certain electoral seats.
- The Minister's recommendations were finalised on 22 April 2009 and endorsed by Cabinet. The projects recommended for funding were identical in most respects to the list provided to the Department one day earlier.
- A key requirement was that projects should be ready to commence (i.e. 'shovel ready') in order to provide economic stimulus. Yet a large proportion of the projects approved for funding were not ready to proceed. At 30 June 2010, almost 70 per cent of funds were yet to be spent by councils.

Source: ANAO (2010b).

3.7 Industry assistance related to recent natural disasters

Following the 2010-11 Queensland floods, and other natural disasters in both Queensland and other parts of Australia, the Australian Government announced changes to the funding arrangements for a number of existing programs together with new funding to support businesses and communities in regions affected by the natural disasters.⁴

Recovery from natural disasters is the primary responsibility of the States and Territory governments. The Australian Government provides financial assistance through partial reimbursement to the States and Territories to help pay for natural disaster relief and recovery costs under the Natural Disaster Relief and Recovery Arrangements (NDRRA) (box 3.3).

In January 2011, the Australian Government announced that assistance provided through the NDRRA would be funded primarily by spending cuts to existing programs (box 3.4) and the introduction of a one year levy on individuals earning over \$50 000 per annum with flood levy exemptions for those impacted by the natural disasters (Gillard 2011a).

In passing the levy legislation through Parliament, agreement was also reached on modifications to the NDRRA guidelines for *future* natural disasters (Gillard 2011c). The NDRRA was amended to ensure State and Territory Governments have adequate capital or insurance to fund the rebuilding of essential public infrastructure. More specifically, States and Territory Governments will not be eligible to receive the maximum level of Commonwealth support unless they undergo regular assessments of their insurance arrangements by an independent specialist such as the state Auditor-General in the first instance. The Department of Finance and Deregulation will assess these reports when they are submitted to the Australian Government (Gillard 2011d).

⁴ Australian Government budgetary support to business, either as part of a targeted business support program or as part of a wider community support program that involved direct funding to business, would typically be included in the Commission's estimates of assistance to industry in the year in which the payments to business occur.

Box 3.3 Australian Government assistance for natural disaster relief and recovery**Natural Disaster Relief and Recovery Arrangements**

Support to communities and businesses following a natural disaster is primarily available through the Natural Disaster Relief and Recovery Arrangements (NDRRA). Under the arrangements available support includes:

- emergency assistance given to individuals to alleviate immediate personal hardship or distress;
- funding for the restoration or replacement of certain essential public infrastructure;
- loans, subsidies (both freight and interest rate subsidies) or grants to alleviate the financial burden of costs incurred by certain businesses, primary producers, not-for-profit organisations and individuals;
- a community recovery package designed to support a holistic approach to the recovery of regions, communities and sectors, including recovery grants for communities, primary producers and small businesses; and
- other measures to alleviate distress or damage in circumstances that are, in the opinion of the Minister, deemed exceptional.

Other disaster relief and recovery assistance arrangements

In addition to the NDRRA, further support is also provided through the Australian Government Disaster Recovery Payment and the Disaster Income Recovery Subsidy. Support to businesses through grants and subsidies would normally be recorded in the Commission's estimates of assistance to industry in the period in which the payment is made.

Source: AGD (2011).

Box 3.4 Selected changes to Australian Government programs to help pay for recovery and reconstruction after the 2011 natural disasters

- Not proceeding with the Cleaner Car Rebate Scheme. This scheme was to provide grants of \$2 000 to motorists who scrap their pre-1995 passenger vehicles and purchase new, low emission vehicles. This will provide savings of \$429 million over the forward estimates.
- Abolishing the Green Car Innovation Fund from 2011-12, realising savings of \$234 million from uncommitted funds over the forward estimates and \$401 million over the life of the program.
- Reducing and deferring spending on the Carbon Capture and Storage Flagships and Solar Flagships programs and the Global Carbon Capture and Storage Institute. Subsequently, the Government announced that it would return the announced savings of \$60 million to the Solar Flagships program and also add an additional \$40 million for the period to 30 June 2015 that was previously allocated to a later period.
- Redirecting funds from the Priority Regional Infrastructure Program and Building Better Regional Cities Program.
- Capping annual claims under the Liquefied Petroleum Gas (LPG) Vehicle Scheme. This scheme provides grants for factory conversions and post factory conversions to LPG fuel systems. The scheme will be capped at 25 000 claims per annum for the life of the scheme from 2011-12. This will provide savings of \$96 million over three years.
- Capping funding for the Renewable Energy Bonus Scheme — Solar Hot Water Rebate. This program provides a rebate of \$1 000 for a solar hot water system or \$600 for a heat pump hot water system and is available to help eligible homeowners, landlords or tenants to replace their electric storage hot water systems. Funding for this program will be capped resulting in a saving of \$160 million over two years.
- Redirecting savings from the abolition of the Green Start Program. The Government announced on 21 December 2010 that it would not proceed with the Green Start Program. Savings will amount to \$129 million.
- Capping funding for the Solar Homes and Communities Plan. This Plan provided rebates of up to \$8 000 for the installation of solar photovoltaic systems. The program ended in June 2009 and residual rebates are still being processed. The Government will cap the amount remaining available for outstanding claims, providing a saving of \$85 million.

In addition to these funding measures, the Australian Government also delayed or deferred a number of other programs including, among other things, the Ipswich Motorway upgrade in Queensland and the Victorian regional railway upgrade.

Source: Gillard (2011a),

In February 2011, the Australian Government announced further measures to assist communities and businesses impacted by Cyclone Yasi in Far North Queensland (Swan, Bligh and Ludwig 2011). The package is jointly funded by the Commonwealth (75 per cent) and Queensland (25 per cent) Governments and includes:

- special concessional loans of up to \$650 000, with a grant component up to \$50 000, for eligible businesses, primary producers and not-for-profit organisations;
- wage subsidies for employers, including primary producers, equivalent to the Newstart Allowance for up to 13 weeks, which was subsequently extended to a total of 26 weeks (Swan, Ludwig and McLucas 2011);
- a \$20 million Rural Resilience Fund, jointly funded by the Commonwealth and Queensland Governments, to help fund business and community support activities, such as farm clean-ups, counselling and social support measures; and
- an upfront payment of \$50 million to the Queensland Government as an advance on future liabilities under the NDRRA.⁵

In March 2011, the Australian Government announced further measures to support the environmental recovery and agricultural activities in the flood, cyclone and bushfire affected areas across Australia (Ludwig and Burke 2011). The package provides more than \$8 million in funding and includes:

- \$4.9 million to regional natural resource management organisations in disaster affected areas to undertake environmental recovery works including the restoration of wildlife corridors, removal of debris spread by flood waters and weed and pest animal control;
- around \$1.4 million for Conservation Volunteers Australia to coordinate and deliver assistance from volunteers for environmental recovery; and
- \$785 000 for restoration activities in the Gondwana and Wet Tropics World Heritage Areas.

⁵ In late February, the Australian and Queensland Governments entered into a National Partnership Agreement to enable the provision of a \$2 billion advance payment, to be paid in the 2010-11 financial year, to the Queensland Government under the NDRRA.

3.8 Other developments

Domestic shipping

In December 2010, the Minister for Infrastructure and Transport released a discussion paper outlining changes intended to ‘revitalise’ Australia's domestic shipping industry (Albanese 2010).

These initiatives followed an Inquiry into coastal shipping policy and regulation by the House of Representatives Standing Committee for Infrastructure, Transport, Regional Development and Local Government which recommended, amongst other things, that the Government ‘... complete the 2000 review of the *Navigation Act 1912* and then amend Part VI to clarify language in the Act. This will better align coastal shipping legislation with government’s policy to foster a viable coastal shipping industry in a competitive domestic transport sector’ (House of Representatives 2008, p. 34).⁶

The proposed package focuses on three main areas:

- arrangements to replace Part VI of the *Navigation Act 1912*;
- changes to tax provisions; and
- maritime workforce development (DIT 2010).

The discussion paper says the Government will consider:

- measures intended to reduce costs for Australian ships and place the industry on a sustainable footing with its international competitors;
- measures to enable Australian companies using Australian registered ships to pay a new tonnage tax (to be linked to mandatory training obligations) or remain with the current tax regime which will be bolstered through accelerated depreciation arrangements;
- exemption from the payment of Royalty Withholding Tax for owners of vessels where the vessel is leased under a bareboat charter to an Australian company;
- changes to income tax arrangements for Australian resident international seafarers intended to remove disincentives for companies employing Australians;

⁶ These arrangements supersede a commitment to conduct a legislative review of cabotage restrictions administered under Part VI of the *Navigation Act 1912* — a key piece of unfinished business under the legislation review program of Australia’s National Competition Policy reforms (PC 2005).

-
- establishing an Australian International Shipping Register intended to facilitate Australian participation in international shipping;
 - working with industry, unions and education providers to consider ways intended to improve maritime skills development and training; and
 - changes to the current licence and permit system under Part VI of the *Navigation Act 1912* that could incorporate two basic forms of licence (general licences and temporary licences) and also include abolition of continuing voyage permits and a reduction in the use of single voyage permits.

Comments on the discussion paper were sought by the end of January 2011 and stakeholder involvement in the implementation arrangements was scheduled to conclude by the end of May 2011. A full Regulation Impact Statement will be developed for the regulatory changes associated with the proposed changes.

The discussion paper states that implementation of the announced shipping reform package would be conditional on a compact between industry and unions to deliver productivity and efficiency reforms to better align practices in the Australian shipping industry with international best practice. In the assessment of proposed changes, consideration would be given to:

- ship-based cost reduction targets, including work practice productivity and efficiency gains;
- a process to review minimum manning levels by shipowners, the maritime unions and the Australian Maritime Safety Authority, to determine the optimum operational crewing levels on board vessels that do not compromise safety or environmental outcomes; and
- the introduction of riding gangs on board vessels involved in the coastal trade to undertake additional maintenance on terms and conditions of employment established under the Fair Work Act.

The Commission notes that to the extent that changes arising from the review provided pecuniary benefits to domestic shipping operators or their employees, they could also have assistance implications for the industry. The level of any assistance would depend on factors such as the level of Government contributions, and restrictions on foreign-carrier service provision.

Any assistance to the domestic shipping industry that raised costs of shipping services in Australia (including through limitations on access to foreign providers of shipping services) could also impose costs on users of transport services (that is, negative assistance).

Anti-dumping

In March 2009, the Australian Government requested the Productivity Commission to undertake an inquiry into Australia's anti-dumping and countervailing system. The Commission's final report was provided to Government in December 2009.

Information on the number and nature of recent anti-dumping and countervailing cases in Australia is presented in appendix B.

3.9 Summing up

Since May 2010, the Australian Government has announced a number of budget and regulatory measures relating to industry assistance across a range of activities.

This chapter identified proposals for budgetary outlays totalling nearly \$700 million, much of which is planned to be expended over the next five years. Over half of this total is committed to carbon emission reduction programs and a further one quarter to research and development activities.

The Government also announced its intention to terminate or cap certain programs including the Cleaner Car Rebate Scheme and the Green Car Innovation Fund. These measures are intended to reduce government outlays by around \$1 billion and help fund recovery and rehabilitation work following the 2010-11 floods.

In addition to budgetary measures, effective assistance to industry is conferred through regulatory arrangements affecting market access and structure. During the year, the Government made a number of announcements and introduced legislation relating to forestry and logging, broadcasting and communications and coastal shipping. To the extent that such measures confer pecuniary benefits on industry participants, they would also afford a level of assistance to affected activities.

4 State and Territory assistance to industry

In addition to assistance afforded to industry by the Australian Government, State and Territory governments (hereafter, ‘the States’) also assist industry through a range of programs.

The Commission has previously reported on State assistance through its inquiry into *State, Territory and Local Government Assistance to Industry* (IC 1996) and in *Trade & Assistance Review 2001-02* (PC 2002). This chapter presents estimates of expenditures in 2008-09 by the States which have been identified as supporting industry policy objectives. Due to informational limitations, any comparison between jurisdictions and over time should be treated with caution.

The methodology used in this *Review* is outlined in section 4.2. Differences in the approach between this and earlier Commission studies are noted. The resulting estimates from this study are then presented in section 4.3. Some of the factors that currently shape industry assistance provided by States are identified in section 4.4 while some key points and implications are summarised in section 4.5.

Inclusion of an expenditure item as affording assistance, or having assistance implications, does not mean it is unwarranted or inappropriate. As noted in chapter one, industry assistance measures may deliver net community benefits, particularly where targeted cost effectively at addressing information gaps and other market inefficiencies. The primary purpose of listing State expenditures on industry programs is to highlight the level and distribution of State outlays intended to shape industry and to draw attention to some of the budgetary costs that need to be considered when assessing the community-wide impacts of policies. In this respect, it is necessary to ensure that outlays are no greater than the benefits that they are intended to deliver.

4.1 The role of State and Territory governments in industry assistance

Under Australia’s federal system, the States have retained constitutional responsibility for a number of functions that affect the development of businesses and industries in their jurisdiction. They supply or regulate many essential services,

and plan and fund much general infrastructure. They develop and enforce many forms of social, economic and environmental regulation that affect business practices, and levy taxes such as on land and payrolls. The States are also responsible for, and in many cases deliver, health care, schooling, vocational education and other community services that, as well as being of direct importance for wellbeing, affect economic development and the attractiveness of a location as a place for doing business.

As part of their activities, the States operate a number of programs that are intended to support business, industry and regional development. They include various grants and loans, tax concessions, support for research and development, promotional activities, and assistance for industry adjustment. Local producers may also benefit from less transparent measures such as restrictions on competition, local industry participation policies, subsidised public infrastructure and services (sometimes at no cost to the user) such as information, advice and the facilitation of planning approvals. Certain regional development programs directly support regional firms or are intended to enhance the economic viability of business in particular locations.

Some assistance to businesses also arises indirectly, as a by-product of the pursuit of other goals, such as in social, cultural or environmental policies. For example, certain indigenous business support is primarily intended to achieve social objectives, and assistance to arts businesses and professionals can arise from cultural development programs.

4.2 Coverage and approach

To provide indicative estimates of the level of State and Territory budgetary assistance to industry, this chapter reports on *expenditure* by departments with industry and business responsibilities. Non-budgetary outlay forms of State assistance to industry (such as land and payroll tax concessions and infrastructure pricing) have not been included in this report.¹ Also, assistance provided by local governments (such as council rate reductions, providing land or buildings at a ‘peppercorn’ rental or cost, cash incentives, provision of infrastructure and information and facilitation services) have not been included.

The Commission has used actual expenditure for the year ended 30 June 2009 as documented in the financial statements of department annual reports. The financial statements provide departmental aggregate expenditures as well as expenditures for

¹ Assistance delivered through payroll tax rebates (rather than revenue forgone) have been included (for example, the NSW Payroll Tax Incentive Scheme).

each performance reporting sub-group.² Expenditures reported are gross and can differ from the annual budget appropriations which are net of any associated income (including interest, industry and Australian Government contributions).

The Commission has focussed on those expenditures by departments and agencies likely to account for the bulk of each States' budgetary assistance to industry. Those expenditures include gross outlays relating to agriculture, fisheries, mining, manufacturing, tourism, innovation, small business and regional development. Portfolio coverage and financial account reporting structures, however, vary substantially across jurisdictions. Thus, it has not been practicable to classify the available information according to the industry and assistance categories adopted in chapter 2. However, it has been possible to delineate State assistance to industry by four portfolio groups: 'primary industries and resources', 'industry, innovation and regional development', 'tourism' and 'film'.

The estimated expenditures include both direct payments (grants and subsidies) and other industry support (such as agricultural research and development, promotion, advertising, and facilitation) as well as administrative and employee expenditures incurred by departments in the delivery of programs.

While much of the spending covered is assessed as providing assistance to industry, either directly or indirectly, a number of borderline cases have been encountered. In particular:

- Expenditures relating to corporate functions, general policy advice and regulation are not normally included in the estimates of assistance to industry. Separate information on these items is often not distinguished in the relevant financial statements and therefore is subsumed in the estimates.
- Some departmental reporting of regional industry development expenditures includes some grants which are of a community nature but which are not readily excludable.
- Similarly, some research and development support is for medical science and higher education research and not generally considered assistance to business but which is not readily excludable on a consistent basis across jurisdictions.
- Expenditures on professional sport, the arts and Indigenous business have not been included.

² The sub groups are variously called 'service group', 'output', 'activity' and the like and comprise broad groupings of programs and departmental activities that are intended to achieve a certain (common) objective. For example, the service group 'State Development' of the NSW Department of State and Regional Development (2008-09) has the objective of 'facilitating and encouraging business investment in the State'.

The approach and coverage of industry assistance in this chapter is similar to that adopted for the 2002 study (and the earlier 1996 inquiry), although there are some differences (box 4.1).

Box 4.1 Some differences in approach and coverage

The approach and coverage of the new estimates differ from that used for the earlier estimates reported in *Trade & Assistance Review 2001-02* in the following respects:

- *Data source.* The previous studies were based on appropriations by program contained in State Budget Papers. This study is based on actual expenditures as reported in departmental annual reports.
- *User charges.* The previous studies reported the 'net cost of services' — that is, exclusive of user charges, industry contributions and Commonwealth grants. The present study uses actual expenditures which does not net out any industry contributions or other related revenues.
- *Grants and subsidies.* The 2002 study did not separate outlays into sub-categories (grants and subsidies, administration and employee costs). This study does.
- *Resource management expenses.* Information gathering and resource management expenditures of fisheries were included in the 2002 study, whereas resource assessment expenditures relating to minerals and forests were excluded, as the costs of the latter were assumed to be met by industry through royalty arrangements. This study includes identified outlays relating to fishery and mining.
- *The arts.* The 2002 study included a range of programs that supported the arts industry, including programs that directly supported producers of works of art and films, and expenditure on art galleries and museums. Funding of galleries and museums (about 10 per cent of estimated assistance) was included partly on the basis that such expenditure incidentally assists the tourism industry. At the time, the Commission noted that a proportion of this expenditure could well be excluded because, for example, it might be deemed to have primarily an educative value or be part of domestic consumption. For the current study, the Commission has only included State support to the film industry but has excluded expenditure on galleries and museums and support for artists.
- *Professional sport.* The 2002 study included support for professional sport, whereas the current exercise has not examined such support.
- *Indigenous business support programs.* The 2002 study included support for Indigenous business support programs when separately identified. The current study does not include such programs when delivered by agencies other than the industry departments covered.

4.3 Estimated State government expenditure on industry support

State and Territory government agencies expended around \$4.1 billion in 2008-09 on programs and services that provide assistance to industry. This equates to around \$184 per person, Australia wide. This expenditure is additional to the \$3.7 billion of budget outlays and \$4.0 billion of tax concessions made by the Australian Government on industry assistance (chapter 2).

Details for each State are provided in appendix B.

A disaggregated picture

Programs relating to ‘primary industries and resources’ account for about 60 per cent of estimated industry assistance (table 4.1) A significant proportion of the primary and resources total expenditure is for rural R&D support.³ In addition, there was state government drought support, including interest rate and transport subsidies, of over \$170 million.⁴

Table 4.1 Estimated State and Territory government assistance to industry, by portfolio group and expenditure type, 2008-09

<i>Portfolio grouping</i>	<i>Grants and other support</i>	<i>Employee expenses</i>	<i>Other operating expenses</i>	<i>Total expenditure</i>
	\$ million	\$ million	\$ million	\$ million
Primary industry and resources ^a	639.7	1078.5	758.1	2476.3
Industry, innovation and regional development	570.7	290.1	267.5	1128.3
Tourism	231.8	89.1	78.9	399.5
Film and screen	49.2	11.6	8.0	70.5
Total	1493.1	1469.3	1111.9	4074.6

^a Employee expenses includes wages and salaries paid to agricultural research staff.

Source: Commission estimates.

³ Estimated State government support for to rural R&D was \$420 million in 2008-09 (PC 2007), that is, 28 per cent of total rural R&D funding by all levels of government and industry.

⁴ Drought support varies significantly over time, for instance, in the preceding year (2007-08) State payments for interest rate subsidies were \$595 million (PC 2009b, p. 339).

Of the total expenditure on industry programs, around one third was paid in grants and subsidies or used in the provision of other direct support to industry such as marketing and promotion. Additional information suggests that in some portfolios or jurisdictions about half paid in grants.⁵ It also indicated that a substantial portion of grants may not be only to private businesses.⁶

A further third was used to meet employee expenses associated with program delivery including for agricultural research staff in the primary industry and resources portfolio category. The remainder is attributable to other operating costs such as travel and the provision of information technology to support portfolio services.

Support across jurisdictions

In terms of the level of actual expenditure, estimated State assistance to industry is highest in the more populous jurisdictions. Victoria estimated to have the largest expenditure on industry programs overall (table 4.2), as well as the highest identified expenditure in each of the four broad portfolio groupings.

Table 4.2 Estimated State and Territory government assistance to industry by jurisdiction, 2008-09

<i>Jurisdiction</i>	<i>Expenditure</i>	<i>Per capita (state)^a</i>
	\$ million	\$ per person
New South Wales	722.8	101
Victoria	1059.5	193
Queensland	849.5	190
South Australia	516.1	315
Western Australia	591.6	261
Tasmania	160.6	318
Northern Territory	160.1	703
Australian Capital Territory	14.6	41
TOTAL	4074.8	184

^a Estimated using State populations at 30 June 2009.

Sources: ABS 3101.0 (release 24 June 2010); Commission estimates.

⁵ For example, for the NSW Department of State and Regional Development, grants and subsidies were \$62.3 million while other industry support was \$59.8 million (table B.1).

⁶ For example, for Queensland Department of Tourism Regional Development and Industry in 2007-08, grants to private enterprise comprised \$27.3 million of total grants and subsidies of \$86.1 million. Other grant recipients include: universities; charities and community groups; and Australian, Queensland and Local government agencies.

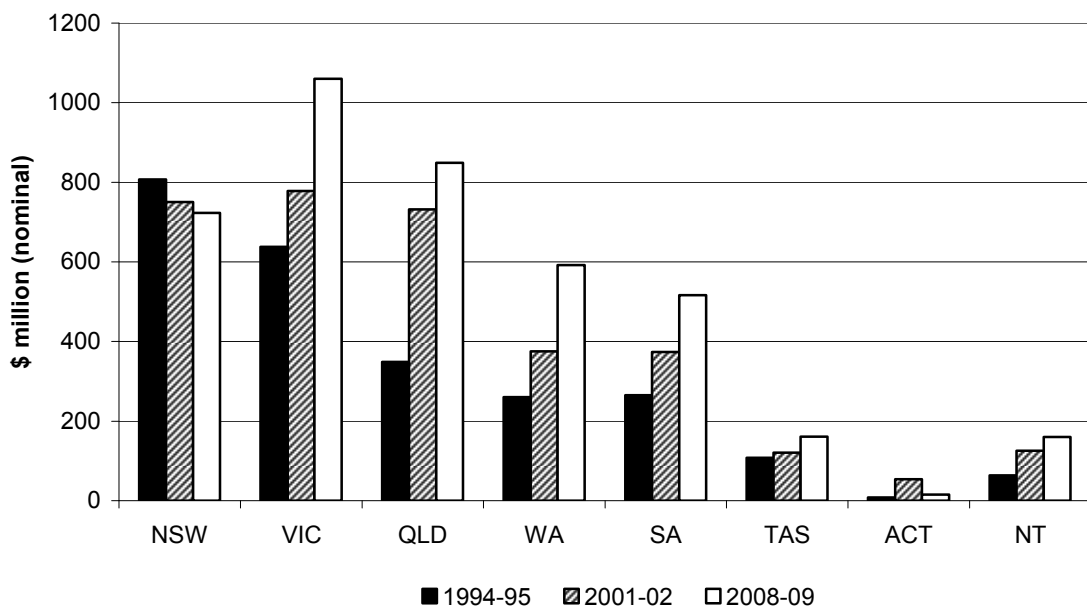
On a per capita basis, expenditure on industry programs is highest in the Northern Territory, largely due to it having the highest per capita expenditure for tourism support (table 4.4).

Details of the support to industry by portfolio group are provided for each jurisdiction in appendix C.

Comparison of estimates with earlier studies

While differences in coverage and approach between studies reduce the comparability, the total expenditures (in nominal terms) identified for 2008-09 are about 20 per cent above the total identified for the 2001-02 total. The expenditures for most States have increased (in nominal terms) from 2001-02 (figure 4.1). For New South Wales, the expenditures are estimated to have declined (in nominal terms) from 2001-02 — a year influenced by one-off expenditures relating to the 2000 Sydney Olympics.

Figure 4.1 Snapshot of successive estimates of State and Territory government assistance to industry



Sources: IC (1996); *Trade & Assistance Review 2001-02*; Commission estimates 2008-09.

Other than possible effects from methodological differences and changes in general activity and price levels, variations in estimated industry support over time could be due to changes in policy (for instance, an increased or decreased emphasis on a major area such as innovation, regional development or biosecurity), as well as ‘natural’ variations in demand-driven programs as with drought support. Variations in expenditures may reflect differences in grants and other support as well as in employee and administration costs.

4.4 Some considerations that currently shape state assistance to industry

State assistance has been variously shaped by several broad factors including:

- a general link to State strategic plans;
- innovation strategies;
- identification of priority industries;
- regional development objectives; and
- business location incentives and support for events.

These considerations do not set the design and precise quantum of the assistance but operate as an overarching framework, particularly in relation to what industries or activities to target.

A general link to State strategic plans

The activities of industry departments in 2008-09 were informed by State strategic plans in operation at the time.⁷ Those State plans set out certain economic and social goals, priorities and targets. State plans have been periodically revised and further changes will influence future activities and expenditures of industry departments.⁸

⁷ New South Wales 2006 (NSW State Plan 2006); Victoria 2005 (Growing Victoria Together, 2005 statement); Queensland 2008 (Towards Q2 – Tomorrow’s Queensland); South Australia 2007 (South Australian Strategic Plan); Western Australia 2006 (Better Planning Better Futures – a framework for the Strategic Management of the Western Australian Public Sector); Tasmania 2005 (Tasmania Together 2020); Northern Territory 2009 (Territory 2030 Strategy) and Australian Capital Territory 2008 (The Canberra Plan: Towards our Second Century).

⁸ In 2010, the (former) New South Wales Government updated the 2006 State plan. The updated plan *NSW State Plan: Investing in a Better Future*, retained about 75 per cent of the priorities and targets of the 2006 plan and added 10 priorities and 20 targets (NSW 2010, p. 7).

While the objectives of these plans are generally broad, they nevertheless provide a backdrop for the activities of industry departments and the provision of programs to assist industry. For example, in its 2008-09 annual report, the New South Wales Department of State and Regional Development reported that its activities were informed by the NSW State Plan 2006 (NSWDSRD 2009). That Plan comprises six priorities for State development, two of which are directly relevant to NSWDSRD — increased business investment and increased investment in rural and regional New South Wales. Similarly, the South Australian Department of Trade and Economic Development (SADTED) was charged in 2008-09 with responsibility for 14 targets in the South Australian Strategic Plan relating to economic growth, business climate, business investment, innovation, trade, small business, and regional development (SADTED 2009, p.1).

Innovation strategies

Innovation is widely recognised as a potential means of achieving higher productivity. Policies to encourage innovation and achieve productivity growth are articulated as objectives in State innovation strategies as well as in broad strategic plans. In line with these policies and strategies, most states have numerous R&D and innovation programs.

The development and maintenance of State research and development and innovation programs is occurring in parallel with related programs delivered at the Commonwealth level. While these parallel programs are collectively directed at encouraging research and development and innovation, substantial overlap and duplication between State and Australian Government support was reported both in the Productivity Commission's 2007 research report on Public Support for Science and Innovation (PC 2007) and in the subsequent 2008 National Review of Innovation (Cutler 2008). The Commission's draft report on the funding and operation of rural R&D organisations, also found overlap in funding arrangements for rural R&D and scope for rationalisation (PC 2010c).⁹

The Commission identified research (particularly agricultural) as at 'risk of wasteful duplication of research effort across spheres of government' (PC 2007, p.427).¹⁰ The Cutler review recommended that government should adopt a framework of common principles for innovation interventions to enhance consistency and

⁹ The Commission's final report has been provided to the Australian Government (see also chapter 3).

¹⁰ Work is underway on a national agreement to develop a national R&D framework for agriculture 'to make best use of state and Commonwealth funding'. (Victorian Department of Primary Industries 2009, p.14)

improve overall accessibility and efficiency of the suite of interventions (recommendation 12.5).

Identification of priority industries

Against the backdrop of State strategic plans and innovation policies, most 'industry' departments nominate 'priority' or 'target' industries (table 4.3).

The lists tend to cover a broad range of activities and are selected on the basis of considerations such as: representing 'significant value to and opportunities for Victoria' (Victorian Department of Innovation, Industry and Regional Development (VDIIRD) 2009, p.x); 'priority sectors where WA has a sustainable competitive advantage' (Western Australian Department of Industry and Resources 2008, p.38), and to 'further define opportunities [for the ACT] around the emerging green economy (Chief Minister's Department, Annual Report 2009, p. 41).

Implicit in the listings is a level of preferment in granting support or government services to some activities over others.

While the range of activities that are given priority status across jurisdictions vary, tourism and film production are listed as priority activities in a number of jurisdictions and each State and Territory has a tourism and a film and screen agency (or business unit). Expenditure by these agencies supporting these activities amounted to nearly \$400 million and \$70 million, respectively (tables 4.4 and 4.5). This is additional to the expenditures of \$165 million and \$122 million by Tourism Australia and Screen Australia, respectively, to afford total outlays by agencies supporting tourism and film production of over \$750 million in 2008-09. There is also substantial support for tourism and film activity in Australia beyond that delivered by the 'agencies'.¹¹

¹¹ Australian Government tax concessions and offset payments for film industry activity is substantial. The estimated value of such support is \$130.2 million for 2008-09, increasing to \$377.7 million in 2009-10 (Appendix A). Also, State and Territory governments afford payroll tax exemptions and salary rebate schemes to support film activity (DEWHA 2010, p.14). Australian Government support for Tourism, beyond Tourism Australia includes the Tasmanian Forest Tourism Initiative of \$15.2 million in 2008-09.

Table 4.3 Priority industries and activities of State industry departments

<i>Jurisdiction</i>	<i>Priority industries and activities</i>
New South Wales	Advanced manufacturing; agri-food; creative industries; defence and aerospace; finance, insurance and business services; information and communications technology; mining; transport and logistics (Department of Industry and Investment, website, accessed March 2011).
Victoria	Automotive; aviation; biotechnology; defence; energy; financial services; food; information and communications technology; international education; science; small business; and tourism (Department of Innovation, Industry and Regional Development Annual Report 2008-09, p.14).
Queensland	Advanced manufacturing; alternative fuels; aviation; biotechnology; creative industries; environmental and mining services and technology; marine; processed foods; therapeutic medicines and devices; tourism; wine (Department of Tourism, Regional Development and Industry Annual Report 2007-08 p.8).
South Australia	'Regional development and the growth of our small business sector and manufacturing base were key priorities'. (Department of Trade and Economic Development Annual Report 2008-09, p.4). Defence South Australia — the only stand-alone state defence organisation — was established in 2007 with lead responsibility for defence industry performance indicators contained in the South Australian Strategic Plan.
Western Australia	In 2007-08, the Department of Industry and Resources announced it would develop an Investment Attraction Strategy which would identify priority sectors where WA has a sustainable competitive advantage (Department of Industry and Resources 2007-08 Annual Report, p.38). It also announced it would promote further development of specific industries including digital media, information and communications technology, biotechnology and titanium.
Tasmania	Has as an objective (numbered 1.5) of 'encouraging reinvestment and expansion by existing priority industries'. Against this objective the annual report specifically reports on departmental involvement in film and screen, food, natural gas, broadband, digital, forest, controlled waste management, mining and mineral processing, alternative energy and manufacturing (Department of Economic Development and Tourism Annual Report 2008-09, pp.14-16) .
Northern Territory	None specifically listed. Nevertheless, there are specific departmental divisions and programs focussed on mining, defence and agriculture, forestry and fishing. (Department of Business and Employment Annual Report 2008-09; Department of Regional Development, Primary Industry, Fisheries and Resources Annual Report 2008-09)
Australian Capital Territory	In 2009-10, the Business and Industry Development Branch activities will include establishing the CollBIT program to link local SMEs with multinational companies in the ICT sector and further define opportunities around the emerging green economy (Chief Minister's Department Annual Report 2008-09, p.41).

With respect to tourism, almost 60 per cent of total State government support is accounted for by grants and promotional spending, with the remainder accounted for by agency employment and administrative spending (table 4.4). The benefits of tourism are commonly interpreted by jurisdictions as being reflected in visitor nights and expenditure per visit. Information on the cost-effectiveness of support in *adding* to tourism activity would be one requirement when assessing the net benefits to the community of government assistance to tourism. Such information would need to differentiate between the effects of government support and those of other factors (for instance, exchange rate changes, and global and domestic economic conditions).

Table 4.4 Tourism agencies' expenditure, 2008-09

Agency	Industry support			Other operating expenses	Total	Per state capita ^b
	Grants	Promotion	Employee			
	\$m	\$m	\$m	\$m	\$m	dollars
Tourism NSW ^a	4.5	25.9	12.7	4.4	47.5	7
Tourism Victoria	20.4	34.1	9.1	4.9	68.5	12
Tourism Queensland	5.4	40.3	15.3	6.5	67.5	15
South Australia Tourism Commission	12.6	18.2	12.9	21.2	64.8	40
Tourism WA	0.1	23.2	14.8	23.7	61.8	27
Tourism Tasmania	9.1	–	12.1	16.5	37.8	75
Tourism NT	6.2	30.1	12.2	1.7	50.0	220
Australian Capital Tourism ^a	1.7	n.a.	n.a.	n.a.	1.7	5
States & Territories	60.0	171.8	89.1	78.9	399.5	18
Tourism Australia		100.4	31.8	32.3	164.5	7

– Nil. n.a. not available. ^a Unit within a Department. ^b Population at 30 June 2009.

Sources: Agency annual reports; ABS 3101.0 (release 24 June 2010).

States accounted for over 20 per cent of the total budgetary support of \$323 million for the film and screen industry in 2008-09 (that is, Commonwealth and State) (table 4.5). This support is equivalent to around 16 per cent of the value of output of the ANZSIC *Film and video production and post-productions services* industry — the industry class covering the main activities target by the support measures. This is broadly comparable to the rate of output assistance provided by the Australian Government to the relatively highly assisted TCF and motor vehicle industries. Moreover, while substantial in relation to overall industry activity levels, because the bulk of assistance is directed at qualifying ventures, the effective support provided to specific *recipient projects* is likely to be higher again.

Table 4.5 Film and screen agencies expenditure, 2008-09

<i>Organisation</i>	<i>Project costs</i>	<i>Employee</i>	<i>Other operating expenses</i>	<i>Total</i>
	\$m	\$m	\$m	\$m
New South Wales Film and Television Office	6.6	2.4	2.1	11.1
Film Victoria	19.5	3.7	2.7	25.9
Screen Queensland ^a	9.8	2.8	0.7	13.3
South Australian Film Corporation	3.5	1.4	1.8	6.7
ScreenWest	9.7	1.3	0.7	11.7
Screen Tasmania ^b	1.4	n.a	n.a	1.4
NT Film Office ^b	0.4	n.a	n.a	0.4
ScreenACT ^c	n.a	n.a	n.a	na
States & Territories	50.9	11.6	8.0	70.5
Screen Australia	83.5	20.7	18.0	122.2
Film tax offset payments and concessions ^d	130.2	—	—	130.2
AUSTRALIA	264.6	32.3	26.0	322.8

— Nil. n.a. not available. ^a Known as Pacific Film and Television Commission in 2008-09. ^b Unit within a Department. The totals are not disaggregated in the financial statements. The Commission has recorded it as project costs. ^c Administered by Canberra Business Council since 2007. ^d Appendix A (table A.4, Culture and recreational services).

Source: Agency annual reports.

Assistance to priority activities and industries, including tourism and film support, may result in high and variable levels of effective assistance to individual recipients.

Regional development

Regional development objectives are included in each State plan and each of New South Wales, Victoria, South Australia and Northern Territory have a service group called 'regional development' within the 'industry, innovation and regional development' portfolio grouping. Aggregate identifiable expenditure of these service groups was \$165 million of which around \$100 million was provided as grants and other support to business. Although Queensland does not report a separate regional development service group, regional development is a designated strategic focus of the department.

Typically, designation of a program as having predominantly a 'regional development' objective is based on whether the recipients of the support would still be entitled to that support if, hypothetically, they were engaged in the activity in a metropolitan area. Examples of programs that fall within this definition are

investment incentives for regional development, regional tourism marketing programs and regional business networking programs.

Some programs that are aimed at industry development also have a regional impact due to the location of the target industry. For example, assistance to the agriculture or mining industries has its main effect in regional areas. However, as this primarily reflects the natural location of the industry, rather than a regional development objective, the Commission considers such programs to be general industry development.

Business location incentives and support for events

Over many years each jurisdiction has offered or provided incentives for particular businesses to establish within its borders and has provided support for major events. The Commission's inquiry in 1996 concluded that much of the *selective* assistance provided to industry by States, up until that time, had little or no positive effect on the economic welfare of Australian as a whole.

In particular, jurisdictional rivalry in attracting specific investment/business/events seems to add little, if anything, to aggregate investment and employment, involves a costly transfer of funds from taxpayers and ratepayers to selected businesses and can result in a misallocation of resources which is harmful to economic growth. (IC 1996, p. x)

In recognition of the potential for granting excessively costly location incentives and interstate bidding wars, in 2001, New South Wales and Victoria agreed not to poach business investment from each other (*Trade & Assistance Review 2001-02*, p. 5-17). This was followed by a broader Interstate Investment Co-operation Agreement in 2003 between the jurisdictions (except Queensland and initially the Northern Territory) to end investment bidding wars (box 4.2). The 2003 agreement was renewed in 2006 for five years and is again due for renewal in 2011.

Box 4.2 The Interstate Investment Co-operation Agreement

In September 2003 six State and Territory Governments — New South Wales, Victoria, South Australia, Western Australia, Tasmania and the ACT — signed the *Interstate Investment Co-operation Agreement*, intended to reduce cross-border bidding for investment and events, and to restrict the use of financial incentives to attract investment.

The Queensland and Northern Territory governments declined to join the initial agreement.

The Agreement comprises three components.

- Financial incentives — state governments will cooperate (a) with a view to declining to offer any incentive in relation to footloose investment where there is no national benefit (such as relocation of business between states) and (b) to minimise incentives when it is clear that investment projects and major events are already committed to Australia.
- International markets — state governments will support joint measures to promote Australia as an investment destination. This will include the exchange of information, co-location of international offices and promotion of Australia in international markets.
- Communication and coordination — the agreement provides for annual reports on investment and event attraction activities to be provided to State Treasurers; nomination of a day-to-day point of contact; and periodic reviews of co-operation.

In announcing the Agreement, the Victorian Treasurer said that under preliminary arrangements before the Agreement Victoria and NSW had already exchanged information on 30 projects, and had found companies had overstated the incentives offered by the potential 'rival' location. It was estimated that that this action alone has already saved taxpayers around \$20 million (Brumby 2003).

The Agreement was to apply for three years from September 2003.

In March 2006, all State and Territory Governments, except Queensland, renewed the Agreement (for another five years), largely carrying forward the commitments under the previous Agreement. It made provision for a formal review in 2010.

Governments publish certain information on location incentives programs, although the level of detail, and hence the scrutiny that can be given to the provision of government incentives, varies between jurisdictions. For example, Industry and Investment NSW publishes the aggregate of payments (and forward commitments) under the Major Investment Attraction Scheme in its annual report financial statements. However, there is no single list of recipient businesses or specific payments (or other non-grant specific help). Nevertheless, the annual report text contains examples of companies helped by the Department. The Victorian Department of Innovation, Industry and Regional Development publishes a list of

recipient companies and the aggregate of financial assistance, although details of individual deals are deemed commercial in confidence and not published.

For Queensland, in addition to aggregate information, detailed information on locational support provided by the Queensland Investment Incentive Scheme (QIIS) is publicly released after an eight year period. This transparency scheme was announced in 2004 (replacing the usual 30 year Cabinet rule) with the first details being publicly released in March 2007 in relation to incentives offered in 2000 and 2001.

Whereas business location deals seek ‘permanent’ presence of business, States also offer support for major events (particularly major sporting and cultural events). Major events are often iconic in nature and are perceived to afford prestige to the host jurisdiction and in some cases the nation as a whole. However, claims of the potential benefits can be elevated above levels that can be justified or not fully assessed (box 4.3).

The concerns raised in respect of particular cases illustrate some of the risks associated with the pursuit of selective deals and events and, more broadly, the need for sound *ex ante* and *ex post* cost-benefit analysis and the importance of transparency throughout the process.

4.5 Some implications

Support for industry by the States is substantial (estimated to be around \$4.1 billion) — collectively being a little more than the estimated \$3.7 billion Australian Government budget outlays supporting industry (chapter 2).

Assistance provided by State governments applies to many different industries, with some assistance involving direct payments to businesses while other support is provided through the provision of government services, as well as tax concessions and waivers and other measures. The direction of support is guided by policy directives such as State Plans and the designation of priority industries and activities.

Box 4.3 **Some issues in assessing major events**

Claims of potential benefits can be elevated

In 1999, the ACT Government decided to stage the V8 Super Car event in Canberra. Its decision was based on an 'economic evaluation' contained in a (confidential) Cabinet submission that the event would produce significant economic benefits for the Territory. However, the ACT Auditor-General found that the pre-event analysis of benefits from staging the race suffered from several deficiencies:

The economic benefit evaluation contained simple arithmetical errors, double counting, did not systematically allow for inflation, and did not discount future benefit and cost flows. The forecasts of interstate visitor impact, publicity value, jobs created and ticket sales are all overstated. The submission did not adequately deal with the financial risks associated with the race. The actual net financial cost of the race has been far above the predictions made in the submission, the indirect benefits much less. (ACT Auditor-General 2002, para 1.25)

It was found that, contrary to public proclamations at the time, subsidising the race actually yielded a *net loss* to the ACT community of more than \$11 million over three years.

Improving assessment frameworks

In 2007, the Victorian Auditor General reported on State Investment in Major Events (Victorian Auditor General 2007). This audit concluded that major events had 'added economic value to Victoria'. The report also identified areas for improvement such as 'having a more analytical and evidence-based justification for the level of government funding requested'. In this vein, the audit suggested:

...the government will be best placed to take decisions on financially supporting major events only when it has the most reliable and comprehensive information at its disposal. To that end, the audit makes out a powerful case that the economic assessments models currently used now warrant concerted re-evaluation and further development. (Victorian Auditor General 2007, p. vi)

The audit also made a number of findings relating to event evaluation at the time of the audit, including:

The approach currently taken by agencies when conducting post event assessments did not directly assess costs and benefits.

There is scope for greater transparency in economic assessments, particularly with regard to: the workings of economic models and the basis of assumptions used [and] the safeguards over the reliability of data collected from surveys of attendees at major events. (Victorian Auditor General 2007, p. 2)

While support is of benefit to the business or activity receiving it and the location of activities, more fundamentally that support should also be beneficial for the community. Assistance enjoyed by selected businesses or activities typically comes at a cost to other industries and activities across the economy as labour and financial resources are channelled to the activity receiving support. In addition, the provision

of assistance can in itself entail costs — including tax raising, administration and compliance costs.

State assistance to business and activities, particularly local incentives and priority industry support, will inevitably affect the structure and distribution of industries within and between jurisdictions. The ultimate community-wide effects of assistance structure depend on the extent of overlap and competition of measures between programs and jurisdictions. Assistance can also divert attention from getting the fundamental business climate right (including State tax and regulatory regimes).

The key issues are whether the assistance structure, the interaction of (competing) measures, and the frameworks for providing and evaluating support are cost effective and contribute net benefits to the community as a whole. The last full review which considered these broader issues was conducted in 1996. The review found, at the time, evidence of a number of shortcomings in the frameworks for providing State assistance including in relation to bidding wars, transparency and review mechanisms and administration costs (box 4.4).

Clearly, there have been many developments in the design and provision of State (and Australian Government) support to industry since that time. In view of the current scale and breadth of support to businesses and activities, and the likely interaction of competing measures, consideration should be given to another broad review. Such a review could examine matters such as: the budgetary and other forms of assistance afforded to individual businesses and activities; the community-wide effects (impacts and benefits) of that support; the extent of overlap between State and Australian Government programs and the implications of these for business; and the scope for improvement in transparency and in evaluation frameworks. In reaching its conclusions, a broad review could also examine the impact of the assistance structure relative to other factors influencing business investment and location decisions.

Box 4.4 Some conclusions in the 1996 Commission Inquiry into State Assistance to Industry

The Commission concluded that much of the considerable selective assistance provided to industry by State and local governments had little or no positive effect on the economic welfare of Australians as a whole. In particular, it said that most selective assistance is part of harmful State and local government rivalry for economic development and jobs, which at best shuffles jobs between regions and at worst reduces overall activity.

However, the Commission recognised that not all state assistance was likely to result in a misallocation of resources. For instance, where it clearly targets market failures such as a less than efficient level of activity in research and development, and where such assistance is delivered efficiently and effectively, it can enhance economic development. However, this form of assistance typically affects all States. Where this is the case, the Commission suggested that accordingly such assistance should be provided at the national level.

The Commission also identified concerns with institutional arrangements. Prominent was the lack of transparency, particularly secrecy surrounding discretionary and selective 'deals'. Another institutional weakness was deficient program evaluation — both *ex-ante* and *ex-post* — particularly the conceptual understanding of benefits and costs and the use of optimistic multiplier analysis. Moreover, there is 'moral hazard', whereby the agency with the interest in the project proceeding undertakes or commissions the analysis.

Relatively high administration and compliance were also a concern. Such 'delivery' costs were estimated to average 28 per cent of the assistance provided and were over 80 per cent for some programs.

Source: IC (1996).

5 Recent developments in trade policy

This chapter reports on selected developments in Australia's trade policy since mid-2010, including:

- continued efforts to conclude the Doha Round of multilateral trade negotiations;
- ongoing negotiation of preferential bilateral and regional trade agreements, and the intention to initiate further agreements;
- economic integration of Australia and New Zealand;
- WTO Trade Policy Review of Australia;
- the Commission's review of bilateral and regional trade agreements and the Australian Government's response;
- the Australian Government's Trade Policy Statement; and
- international trade disputes at the WTO that involve Australia.

5.1 Trade agreements

Membership of the GATT (and, since 1995, the WTO) has grown from 23 countries in 1947 to more than 150 countries today. Collectively, these countries now account for most of world merchandise trade (WTO 2010a).¹ The WTO provides a multilateral, rules-based system for the conduct of international trade. In all, eight rounds of negotiations have been concluded under the GATT/WTO framework, covering: goods, services, non-tariff trade barriers and certain trade-related issues such as intellectual property protection (see *Trade & Assistance Review 2008-09*).

Doha Round

The latest round of multilateral negotiations (the Doha Round) was launched in 2001. The Round set an ambitious negotiating agenda. The original deadline for the

¹ The coverage of merchandise trade by WTO members, as reported by the WTO, varies from year to year. In more recent years, the WTO has reported that member countries account for 90 per cent and above of world merchandise trade.

Round's completion was 1 January 2005, but six years later a conclusion is still to be achieved.

The Round was said to have nearly concluded in 2008 when agreement was reached on a number of topics, but the meeting collapsed due to a disagreement over agriculture (WTO 2008). While there have been some subsequent negotiations on technical aspects relating to agriculture, no formal agreements or commitments have emerged (WTO 2010a).

In November 2010, G20 and APEC Leaders stated that 2011 presented an important opportunity to conclude the Doha Round (DFAT 2011a). Further, commitment to conclude the Round was renewed by Trade Ministers in January 2011 at the World Economic Forum, where an informal meeting was held to discuss how this objective could be achieved (DFAT 2011a).

By March 2011, however, the Director General of the WTO expressed concern that WTO members risked failing to deliver a breakthrough needed in the negotiations in order to conclude the Doha Round in 2011 (WTO 2011a). The Director General stated that the breadth of differences on a number of issues prevented revised draft texts being produced for consideration by WTO members.

In April 2011 at a meeting of the Trade Negotiations Committee, the Director General warned WTO Members that the Round is on the brink of failure (WTO 2011b). It was noted at the meeting that the cost of failure would be the lost opportunity of boosting trade and development, increased protectionism and erosion of faith in the multilateral trading system. The Director General therefore urged Members to begin a process of serious, active reflection and has launched a process of consultations on the way forward for the Round.

Preferential trade agreements

Since the formation of the GATT, development of Australia's international trading relations has mainly been undertaken on a most-favoured-nation (MFN) basis within the multilateral GATT/WTO framework. In addition, Australia has also negotiated and maintained bilateral and regional trade agreements which provide preferential market access, on a bilateral basis, between Australia and the relatively small number of agreement partners (see PC 2010a). In addition to providing tariff preferences on trade in goods and liberalisation of trade in services, these agreements cover other areas such as intellectual property, government procurement

and investment.² Australia is also a member of the Asia-Pacific Economic Cooperation (APEC) group, which includes amongst its objectives the promotion of free and open trade and investment, the acceleration of regional economic integration and the encouragement of economic and technical cooperation (APEC 2011).

Further bilateral arrangements are currently being pursued with China, Japan, Malaysia and Korea. In addition:

- Indonesia and Australia agreed in November 2010 to commence the negotiation of an Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) (DFAT 2011c) which is intended to cover, amongst other things, economic cooperation, trade and investment; and
- In May 2011, the Australian Minister for Trade and the Indian Minister for Commerce and Industry announced the commencement of negotiations towards a Free Trade Agreement (FTA) between Australia and India. A primary aim of the agreement is to achieve greater economic integration between the two countries (Emerson 2011a).

As well as these bilateral arrangements, the Australian Government is pursuing a proposed Pacific Agreement on Closer Economic Relations (PACER) Plus agreement with Pacific Islands Forum members and a proposed Trans-Pacific Partnership (TPP) Agreement that would expand on the current Trans-Pacific Strategic Economic Partnership Agreement.³

Economic integration of Australia and New Zealand

During the year a number of measures were announced to further the integration of the Australian and New Zealand economies under the Closer Economic Relations agreement (box 5.1).

Under bilateral arrangements, the customs services of each nation have a joint charter to identify and pursue opportunities to streamline trans-Tasman trade. Under these arrangements, the Australian Customs and Border Protection Service and the New Zealand Customs Service undertook a joint study to assess the performance of

² Australia's preferential trade agreements in force are with New Zealand, the South Pacific Forum Island countries, Papua New Guinea, Canada, Singapore, Thailand; the United States; Chile and a regional agreement with ASEAN and New Zealand (DFAT 2011b).

³ The current agreement is between Brunei Darussalam, Chile, New Zealand and Singapore, and entered into force in 2006. Australia, Peru, the United States and Vietnam joined negotiations for an expanded agreement in March 2010.

the import and export clearance processes of each country (Australian Government 2010b). The joint study used the time release study methodology developed by the World Customs Organization(WCO 2002).

Box 5.1 Trans-Tasman economic integration

In February 2011, the Prime Ministers of Australia and New Zealand announced the signing of the Closer Economic Relations Investment Protocol (Gillard 2011e). Under this protocol, Australia will increase the threshold under which New Zealand investment will not require foreign investment screening from \$231 million to just over \$1 billion — the same threshold level applying to investors from the United States for access to the Australian investment market. Australian investors will receive a screening threshold to the New Zealand investment market of NZ\$477 million, up from NZ\$100 million (FIRB 2011). The new screening thresholds are intended to reduce compliance costs for investors through a reduction in application preparation costs and fees.

In a joint statement, the Prime Ministers of Australia and New Zealand, in addition to recognising the new investment protocol, also:

- committed to work towards establishing a joint patents examination system, more competitive mobile roaming charges and accelerated cooperation on joint trade and investment initiatives;
- reiterated a commitment to maintaining the free flow of people between Australia and New Zealand; and
- welcomed the positive steps aimed at making travel across the Tasman a domestic-like experience, including the roll-out of SmartGate and joint studies looking at further improvements to trans-Tasman travel (Gillard 2011f).

The Prime Ministers also noted the recent decision by the Council of Australian Governments to invite New Zealand to be a member of relevant standing councils, select councils and legislative and governance forums in the reformed ministerial council system. The Prime Ministers further noted on-going involvement of New Zealand in COAG's Business Regulation and Competition Working Group (BRCWG).

The findings of the study included:

- that overall clearance performance is high on both sides of the Tasman for imports and exports;
- trans-Tasman trade is processed in Australia and New Zealand faster than trade between Australia and New Zealand and other countries;
- there is a positive correlation between the provision of advance information and the early release and clearance of cargo by the border authorities;
- larger traders achieved earlier clearance from biosecurity and food safety authorities; and

-
- differences remain between trans-Tasman border systems in areas of reporting, revenue and payment requirements, and the management of release and clearance.

The study also found that there were opportunities for further improvement in clearance performance in trans-Tasman trade including through: advance reporting, regulatory and data harmonisation, information to SME traders, and risk and performance management.

In December 2009, the Productivity Commission released a research report into regulatory burdens imposed on businesses by food safety regulations — Performance Benchmarking of Australia and New Zealand Business Regulation: Food Safety (PC 2009c). The Commission found that although there are many similarities in the regulations and their application in Australia and New Zealand, there are a number of areas where there are procedural and cost differences. For instance, New Zealand has more consistency in its primary production food safety standards and their implementation than does Australia. On the other hand, New Zealand hygiene standards for consumer food safety are much more prescriptive than Australia's standards. The study also found Australia's charges for internationally traded food are generally higher, and its fee structure more complex than in New Zealand.

WTO Trade Policy Review of Australia

In April 2011, the WTO Secretariat submitted its report on Australia's trade policies and practices after a review meeting among WTO members. The chairperson's concluding remarks from the meeting highlighted many positives acknowledged by WTO members regarding Australia's trade policies and practices, including, among other things, Australia's role as a catalyst for unilateral reforms and Australia's efforts in promoting open markets through multilateral, regional and bilateral trade initiatives (WTO 2011c). WTO members also identified a number of policies and practices that they considered could be improved, including:

- Australia's strict sanitary and phytosanitary (SPS) requirements and the absence of a cost-benefit approach;
- remaining foreign investment restrictions in sensitive sectors;
- the use of government procurement as an instrument of industry policy, mostly at the state and territory level of government; and
- Australia's anti-dumping and countervailing duty system.

Productivity Commission Review of Bilateral and Regional Trade Agreements

In November 2009, the Productivity Commission was requested to report on the impact of bilateral and regional trade agreements on trade and investment barriers and, more generally, on Australia's trade and economic performance (Crean and Sherry 2009).

The Commission reported in November 2010 (PC 2010b). It found that the increase in national income from preferential trade agreements is likely to be modest and that domestic economic reform offers relatively larger economic benefits. The Commission also concluded that domestic reforms should not be delayed to retain 'bargaining coin' for trade negotiations.

The Commission also made ten recommendations to help ensure that further bilateral and regional agreements entered into by Australia are in its best interests. Among other things, the Commission recommended that:

- bilateral and regional agreements should only be pursued where they are likely to afford significant net economic benefits and be more cost effective than other options for reducing barriers to trade and investment;
- as far as practical, discriminatory terms and conditions should be avoided in favour of non-discriminatory (most favoured nation) provisions;
- agreements should not include matters that would serve to increase barriers to trade, raise costs or affect established social policies without comprehensive reviews of the implications and available options for change.

The Commission also made a number of recommendations aimed at improving processes for assessing and prioritising prospective agreements, and at streamlining regulations which underpin agreements (particularly in relation to rules of origin).

As part of its April 2011 Trade Policy Statement, the Australian Government responded to the Commission's final report and recommendations. The Government endorsed the broad approach and agreed to nine of the ten recommendations. The Government did not agree in full with the recommendation to improve the scrutiny of potential impacts of prospective trade agreements (recommendation 5), particularly in relation to the provision of independent and transparent assessments of the final text of an agreement, at the conclusion of negotiations. The Government

stated that agreements would be presented to the Joint Standing Committee on Treaties for consideration, prior to ratification by the Government.⁴

Australian Government's Trade Policy Statement

In April 2011, the Australian Government released a Trade Policy Statement outlining its commitment to free trade as a pathway to improved employment prospects and economic prosperity in Australia (Emerson 2011b). The Government's trade strategy announced in that Policy Statement adopts five main principles:

- the pursuit of ongoing unilateral trade-related economic reform without waiting for other countries to reform their trade policies;
- non-discrimination among countries in trade negotiations;
- foreign policy considerations should not override trade policy;
- transparency in free trade negotiations; and
- the seamless execution of trade policy and wider economic reform (Emerson 2011b).

To pursue these principles, the Government also announced a set of disciplines that would govern the negotiation and content of international trade agreements, namely:

- multilateral agreements offer the largest benefits;
- bilateral and regional agreements must not weaken the multilateral system;
- Australia will not seek to entrench preferential access to markets in trade negotiations, simply an opportunity to compete on terms as favourable as other nations; and
- the Australian public is to be informed about trade negotiations and to have an opportunity for input (Emerson 2011b).

The Government also announced its intention to press ahead with trade-related economic reform irrespective of other country's reform policies.

⁴ The Joint Standing Committee on Treaties was established in 1996 by the Commonwealth Parliament. Its role is to review and report on all treaty actions proposed by the Government before action is taken that binds Australia to the terms of the treaty.

5.2 Dispute settlement in the global trading system

Dispute settlement is central to the multilateral trading system under the WTO to help make the global trading system more secure and predictable. The arrangements are the responsibility of the Dispute Settlement Body (DSB) and are based on clearly-defined rules, with specified timetables for completing a case. The first rulings of a case are made by a panel. Appeals are heard by three members of a permanent seven-member Appellate Body established under the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). An appeal can uphold, modify or reverse the panel's legal findings and conclusions. A panel's rulings, as varied through an appeal, are endorsed (or rejected) by the WTO's full membership. Since the WTO's inception in 1995, 424 disputes have been initiated under the dispute settlement system (WTO 2011d).

Complaints initiated by Australia

Australia has been a complainant in seven cases since the commencement of the WTO in 1995. Australia has successfully litigated five WTO complaints through the full process of the DSU.

Australia successfully brought two complaints against the European Community regarding export subsidies for its sugar sector, and the protection of trademarks and the registration and protection of geographical indications for foodstuffs and agricultural products in the European Community.

Australia also:

- took successful action against the United States on a safeguard measure imposed on imports of lamb, and on an issue regarding the Continued Dumping and Subsidy Offset Act of 2000;⁵ and
- successfully challenged Korea's regulatory scheme which discriminated against imported beef.

Two of the disputes have been resolved through mutual agreement (WTO 2011d). Australia's complaint against Hungary for providing subsidies in respect of agricultural products not specified in its Schedule, and providing agricultural export subsidies in excess of its commitment levels, was resolved through a mutually agreed settlement in 1997. Likewise, Australia's complaint against India's

⁵ The Act authorised the US Government to distribute the anti-dumping and anti-subsidies to the US companies that brought forward the cases.

quantitative restrictions on imports of agricultural, textile and industrial products was settled by mutual agreement in 1998.

In addition to initiating actions, Australia has appeared as a third party in 55 disputes between other WTO Members. In each case Australia has had a systemic or legal interest.

Complaints against Australia

Ten complaints have been lodged against Australia since the commencement of the WTO in 1995 (WTO 2011d). Six cases relate to agricultural and food products — salmon, beef, pineapples, fresh fruit and vegetables and apples. The United States has made the most complaints (four), of which three related to leather products.

Seven of the ten cases have been resolved — two were upheld by the WTO, and the others resolved by mutual agreement. Of the three cases outstanding, the two complaints by the Philippines relating to imports of fresh food, vegetable and pineapples date from 2002. The remaining case concerns measures affecting imports of apples from New Zealand. In November 2010 the WTO ruled that Australia's current biosecurity measures to protect Australian apples from imported diseases were not based on a proper risk assessment and therefore were inconsistent with parts of the Sanitary and Phytosanitary Measures (SPS) agreement. This followed an appeal by New Zealand against the ban on the export of its apples to Australia (WTO 2011e).

Subsequently, the Australian Government Minister for Agriculture, Fisheries and Forestry announced that the Government had noted the WTO Appellate Body's decision in favour of New Zealand and that it would accept the WTO ruling and proceed with a science-based review of the import risk analysis for New Zealand apples (Ludwig 2010d). The Government stated that no trade in New Zealand apples could occur until quarantine measures that appropriately protect Australia and agricultural producers have been determined. The review is being conducted by Biosecurity Australia. A draft report of the science-based review was released for public comment in early May 2011.

In January 2011, Australia and New Zealand informed the Dispute Settlement Body (DSB) that they would implement the Appellate Body's recommendations and rulings by 17 August 2011 (WTO 2011e).

A Detailed estimates of Australian Government assistance to industry

Chapter 2 provides an overview of the Commission's estimates of Australian Government assistance to industry. This appendix provides supporting details of those estimates for the period 2004-05 to 2009-10.

Tables A.1 to A.3 provide estimates of net tariff assistance, budgetary assistance and net combined assistance by industry.

Tables A.4 to A.7 detail budgetary assistance to primary, mining, manufacturing and services industry groupings, respectively, by budgetary measure. For each industry, budgetary assistance measures are also identified according to the activity assisted, such as exports and R&D. Table A.8 covers budgetary measures for which information about the industry benefiting is not available.

The budgetary assistance estimates are derived primarily from actual expenditures shown in departmental and agency annual reports, and the Australian Treasury Tax Expenditures Statement. Industry and sectoral disaggregations are based primarily on supplementary information provided by relevant departments or agencies.¹

Further information on the assistance estimation methodology, program coverage, industry allocation and implementation of the new input-output series is provided in a forthcoming Methodological Annex.

Tables in this appendix are also available on the Commission's website (<http://www.pc.gov.au/annualreports/trade-assistance>).

¹ The TES estimates used for this TAR of revenue foregone for the R&D tax incentive programs (comprising the R&D Tax Concession, Premium R&D Tax Concession, R&D Tax Offset, Venture Capital Limited Partnerships, Early Stage Venture Capital Limited Partnerships and Pooled Development Funds) total \$1656 million. This is \$90 million lower than reported in the 2011-12 Science, Research and Innovation Budget Tables. It is proposed to re-examine the source data and methods for the compilation of future *Reviews*.

Table A.1 Net tariff assistance by industry grouping, 2004-05 to 2009-10^a
\$ million (nominal)

<i>Industry grouping</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Primary production	63.4	81.1	89.0	79.5	75.0	81.5
Dairy cattle farming	-3.7	-3.3	-2.8	-3.9	-3.7	-3.0
Grain, sheep & beef cattle farming	-26.9	-22.7	-16.6	-20.3	-22.1	-19.5
Horticulture & fruit growing	95.9	97.9	98.2	93.2	92.4	94.3
Other crop growing	-5.4	-4.5	-4.5	-4.9	-5.2	-5.7
Other livestock farming	-2.3	-1.9	-1.8	-1.6	-1.8	-1.8
Fisheries	-15.7	-12.1	-12.2	-13.0	-12.4	-11.4
Forestry & logging	29.3	34.3	34.6	36.6	35.1	35.5
Other primary production ^b	-7.8	-6.5	-5.8	-6.7	-7.3	-7.0
Mining	-170.3	-212.0	-246.7	-267.4	-365.6	-306.8
Manufacturing	5953.1	6049.4	6274.4	6722.7	6668.4	6452.6
Food, beverages & tobacco	1011.0	1054.2	1085.5	1115.8	1142.4	1231.8
Textiles, clothing & footwear	641.2	494.8	498.4	537.8	507.3	326.0
Wood & paper products	423.3	427.7	421.7	415.4	404.5	423.2
Printing, publishing & media	193.0	200.8	206.1	216.9	187.5	182.3
Petroleum, coal & chemicals	759.1	770.5	768.6	810.3	767.4	778.2
Non-metallic mineral products	150.8	183.1	191.6	207.1	217.8	214.9
Metal product manufacturing	1002.9	1085.5	1231.9	1425.8	1458.7	1414.6
Motor vehicles & parts	1026.9	965.4	982.6	1046.8	1041.8	903.5
Other transport equipment	31.0	41.2	41.9	44.7	44.4	49.4
Other machinery & equipment	459.7	552.2	562.0	598.8	595.9	620.6
Other manufacturing	254.2	274.2	284.0	303.5	300.5	308.1
Services	-4063.9	-3921.8	-4315.2	-4664.4	-4916.3	-4814.9
Electricity, gas & water	-75.8	-67.9	-70.4	-73.7	-75.5	-70.6
Construction	-1223.4	-1227.0	-1409.2	-1555.6	-1653.8	-1690.3
Wholesale trade	-324.0	-297.3	-315.3	-346.6	-365.6	-361.5
Retail trade	-616.9	-569.2	-623.3	-671.7	-703.1	-618.7
Accomm., cafes & restaurants	-344.8	-354.3	-376.3	-389.7	-395.9	-395.5
Transport & storage	-271.2	-242.9	-282.0	-298.9	-303.0	-274.3
Communication services	-149.0	-134.3	-142.2	-150.4	-160.2	-151.7
Finance & insurance	-17.6	-18.5	-22.3	-25.8	-25.8	-25.2
Property & business services	-367.2	-360.4	-389.7	-431.3	-466.7	-488.0
Government admin. & defence	-284.7	-280.5	-299.8	-310.0	-332.1	-314.5
Education	-76.6	-76.3	-81.0	-83.9	-90.4	-90.3
Health & community services	-104.9	-102.8	-112.5	-123.3	-130.5	-127.9
Cultural & recreational	-128.8	-118.6	-120.1	-129.6	-134.6	-131.2
Personal & other services	-78.9	-71.9	-70.9	-73.9	-78.9	-75.3

Figures may not add to totals due to rounding. ^a Tariff assistance estimates are derived using ABS Industry Gross Value Added at current prices data. This information is subject to periodic revision by the ABS. ^b Other primary production includes Services to agriculture (including Hunting & trapping) and Poultry farming.

Source: Commission estimates.

Table A.2 Budgetary assistance by industry grouping, 2004-05 to 2009-10
\$ million (nominal)

<i>Industry grouping</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Primary production	1270.7	1396.6	1779.9	2216.8	1709.1	1458.5
Dairy cattle farming	98.0	132.4	198.2	301.4	137.4	116.9
Grain, sheep & beef cattle & cattle farming	481.3	579.7	762.8	1034.4	957.7	705.0
Horticulture & fruit growing	126.0	129.7	125.2	129.0	183.2	147.9
Other crop growing	205.7	226.9	190.0	171.0	59.7	67.2
Other livestock farming	23.9	29.5	30.9	37.3	29.3	21.4
Fisheries	106.4	80.9	285.9	178.0	82.1	77.7
Forestry & logging	78.6	74.1	43.2	38.0	-72.6	22.7
Other primary production ^a	30.0	25.1	25.7	34.8	28.2	23.5
Unallocated primary ^b	120.7	118.2	117.9	293.1	304.1	276.2
Mining	202.4	260.0	319.7	397.1	461.5	549.1
Manufacturing	1655.4	1648.9	1706.4	1693.2	1677.4	1830.0
Food, beverages & tobacco	88.1	124.4	115.8	101.1	103.7	81.6
Textiles, clothing & footwear	152.3	159.3	133.5	131.3	126.6	133.8
Wood & paper products	35.2	44.7	44.2	72.5	74.5	27.3
Printing, publishing & media	8.9	11.7	14.3	20.2	11.1	9.3
Petroleum, coal & chemicals	100.3	130.5	155.1	180.8	183.7	200.2
Non-metallic mineral products	14.2	17.6	20.6	30.2	28.2	28.7
Metal product manufacturing	211.9	164.7	206.5	157.3	133.0	121.3
Motor vehicles & parts	677.4	580.2	621.8	582.5	555.2	721.4
Other transport equipment	24.1	35.6	28.6	27.9	36.3	38.7
Other machinery & equipment	148.2	171.9	175.7	169.2	175.0	177.1
Other manufacturing	29.8	46.6	41.4	60.1	41.0	35.9
Unallocated manufacturing ^b	164.9	161.7	148.8	160.2	209.1	254.8
Services	1846.3	1956.8	2620.7	3723.3	4078.9	3622.9
Electricity, gas & water supply	69.2	100.4	76.6	107.3	110.3	127.0
Construction	52.4	75.0	151.1	163.8	195.3	160.4
Wholesale trade	111.9	110.8	147.0	157.5	194.0	166.2
Retail trade	82.3	100.2	264.8	335.4	388.9	203.4
Accomm., cafes & restaurants	92.6	100.2	116.0	176.0	224.8	138.5
Transport & storage	106.3	106.4	112.0	129.3	147.0	124.1
Communication services	121.6	138.4	156.6	183.0	165.6	165.4
Finance & insurance	263.3	259.2	382.8	777.4	970.5	794.4
Property & business services	362.2	382.4	523.9	773.8	937.3	799.3
Government admin. & defence	12.6	14.9	21.6	18.3	31.0	31.7
Education	19.1	23.5	23.6	29.6	37.8	34.8
Health & community services	145.9	144.8	216.2	179.6	174.4	149.6
Cultural & recreational services	216.5	192.8	205.8	481.5	264.9	498.0
Personal & other services	21.8	37.1	60.3	64.8	76.8	59.2
Unallocated services ^b	168.7	171.0	162.7	146.0	160.2	170.8
Unallocated other ^b	362.0	521.9	372.5	449.3	294.6	406.6
TOTAL	5336.7	5784.2	6799.3	8479.7	8221.5	7867.1

^a Other primary production includes *Services to agriculture* (including *Hunting & trapping*) and *Poultry farming*.

^b Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates.

Table A.3 Net combined assistance by industry grouping, 2004-05 to 2009-10
\$ million (nominal)

<i>Industry grouping</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Primary production	1482.7	1618.8	1993.2	2416.4	1784.3	1540.0
Dairy cattle farming	237.8	265.6	319.7	417.6	133.9	113.8
Grain, sheep & beef cattle cattle farming	459.6	561.6	746.2	1014.1	935.6	685.6
Horticulture & fruit growing	221.9	227.7	223.4	222.2	275.6	242.2
Other crop growing	200.3	222.4	185.5	166.0	54.5	61.6
Other livestock farming	21.6	27.6	29.1	35.7	27.5	19.6
Fisheries	90.7	68.8	273.7	165.0	69.7	66.3
Forestry & logging	108.0	108.4	77.8	74.6	-37.5	58.3
Other primary production ^a	22.1	18.6	19.9	28.1	20.9	16.5
Unallocated primary ^b	120.7	118.2	117.9	293.1	304.1	276.2
Mining	32.1	48.0	73.0	129.6	95.9	242.3
Manufacturing	7608.4	7698.2	7980.8	8415.9	8345.8	8282.6
Food, beverages & tobacco	1099.2	1178.6	1201.3	1216.8	1246.2	1313.4
Textiles, clothing & footwear	793.4	654.1	632.0	669.0	634.0	459.8
Wood & paper products	458.5	472.4	465.9	487.9	479.0	450.5
Printing, publishing & media	201.9	212.5	220.4	237.1	198.6	191.5
Petroleum, coal & chemicals	859.4	901.0	923.7	991.1	951.1	978.4
Non-metallic mineral products	165.0	200.7	212.2	237.3	246.1	243.6
Metal product manufacturing	1214.7	1250.1	1438.4	1583.1	1591.7	1535.9
Motor vehicles & parts	1704.3	1545.5	1604.4	1629.4	1597.0	1624.9
Other transport equipment	55.2	76.8	70.6	72.5	80.7	88.0
Other machinery & equipment	607.9	724.1	737.8	768.0	770.9	797.8
Other manufacturing	284.0	320.7	325.4	363.6	341.5	344.0
Unallocated manufacturing ^b	164.9	161.7	148.8	160.2	209.1	254.8
Services	-2217.6	-1965.0	-1694.4	-941.1	-837.4	-1192.0
Electricity, gas & water supply	-6.7	32.5	6.1	33.7	34.8	56.4
Construction	-1171.0	-1152.0	-1258.2	-1391.8	-1458.6	-1529.9
Wholesale trade	-212.1	-186.5	-168.3	-189.1	-171.6	-195.3
Retail trade	-534.6	-469.0	-358.6	-336.3	-314.2	-415.2
Accomm., cafes & restaurants	-252.3	-254.0	-260.3	-213.7	-171.0	-256.9
Transport & storage	-164.9	-136.5	-170.0	-169.6	-156.1	-150.2
Communication services	-27.4	4.0	14.5	32.6	5.4	13.7
Finance & insurance	245.7	240.7	360.4	751.6	944.7	769.2
Property & business services	-4.9	22.0	134.2	342.5	470.6	311.3
Government admin. & defence	-272.0	-265.7	-278.2	-291.7	-301.1	-282.8
Education	-57.6	-52.8	-57.5	-54.3	-52.6	-55.6
Health & community services	41.0	42.0	103.7	56.2	43.9	21.7
Cultural & recreational services	87.7	74.2	85.7	351.9	130.3	366.8
Personal & other services	-57.1	-34.8	-10.6	-9.1	-2.1	-16.1
Unallocated services ^b	168.7	171.0	162.7	146.0	160.2	170.8
Unallocated other ^b	362.0	521.9	372.5	449.3	294.6	406.6
TOTAL	7267.6	7922.1	8725.1	10470.2	9683.2	9279.6

^a Other primary production includes *Services to agriculture* (including *Hunting & trapping*) and *Poultry farming*.

^b Unallocated includes general programs where industry details of beneficiaries are unknown.

Source: Commission estimates.

Table A.4 Australian Government budgetary assistance to primary industry groups, 2004-05 to 2009-10^a

\$ million (nominal)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Horticulture & fruit growing						
<i>Industry-specific measures</i>						
Assistance to the vegetable industry	–	0.3	1.0	1.1	<0.1	–
Citrus Canker Eradication Programme	3.5	9.8	0.6	0.6	–	–
Tax deduction for grape vines	9.0	7.0	3.0	–1.0	–4.0	–6.0
Tax deduction for horticultural plantations	5.0	4.0	4.0	4.0	5.0	5.0
<i>Sector-specific measures</i>						
Agricultural development partnership	1.1	–	–	–	–	–
Drought Relief Package	<0.1	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	2.1	4.9	8.7	13.5	34.0	27.6
Exceptional Circumstances – relief payments	–	–	–	–	26.6	23.2
Farm Bis Program	2.7	1.1	0.9	1.4	–	–
Farm Help	1.4	2.5	2.4	0.4	0.3	<0.1
Interim Income Support	–	–	–	–	–	0.1
Industry partnerships program	3.5	2.7	3.0	2.8	0.9	–
Rural Financial Counselling Service	0.7	0.7	1.1	2.0	2.1	2.1
Farm Management Deposits Scheme	10.1	13.5	10.3	14.4	20.5	3.9
Income tax averaging provisions	10.4	9.7	9.5	10.9	9.9	7.4
Tax deduction for conserving or conveying water	7.5	5.0	3.8	3.0	3.0	2.5
<i>Rural R&D measures</i>						
Grape and Wine R&D Corporation	8.1	12.0	14.5	11.4	11.7	13.7
Horticulture Australia Limited – R&D	32.9	33.6	34.6	34.5	39.8	40.5
Rural Industries R&D Corporation	1.9	2.3	2.3	2.5	2.8	3.2
<i>General export measures</i>						
Export Market Development Grants Scheme	1.4	0.9	0.9	0.9	1.4	1.0
TRADEX	<0.1	–	–	–	–	–
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
Biotechnology Innovation Fund	0.1	0.1	<0.1	–	–	–
COMET Program	0.1	<0.1	0.1	<0.1	<0.1	0.1
Commercial Ready Program	–	1.0	1.3	0.6	0.5	0.1
Cooperative Research Centres	3.7	1.6	–	–	–	–
CSIRO	13.1	11.5	12.6	9.2	8.1	8.6
Major national research facilities	1.3	1.3	–	–	–	–
New Industries Development Program	1.2	0.9	0.6	0.3	<0.1	–
Preseed fund	0.3	–	0.1	<0.1	–	–
R&D Start	0.4	0.2	<0.1	–	–	–
R&D tax offset for small companies	1.7	0.7	2.8	1.0	1.2	1.6
R&D tax concession	0.9	0.9	0.9	0.9	1.2	1.4

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	0.1	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	1.0
Scottsdale Industry and Community Development Fund	–	–	–	0.3	0.5	0.3
Small business CG tax asset exemption	–	0.1	–	0.6	0.7	0.5
Small business CG tax retirement exemption	–	–	0.8	4.7	5.6	3.4
Small business CG tax 50 percent reduction	1.9	1.4	4.8	8.4	10.7	6.3
25 per cent entrepreneurs' tax offset	–	–	0.4	0.5	0.6	0.6
Total	125.9	129.7	125.1	128.9	183.1	147.9
Grain, sheep and beef cattle farming						
<i>Industry-specific measures</i>						
Australian Wool Innovation grant	–	–	15.0	–	–	–
National Livestock Identification System	5.0	5.0	5.0	4.7	0.2	0.2
Ovine Johnes Disease Control Programme	0.3	0.3	–	–	–	–
Tuberculosis Freedom Assurance Programme	0.6	–	–	–	–	–
Tasmanian wheat freight subsidy	0.4	–	–	–	–	–
Wheat Export Authority Supplementation	–	–	–	2.0	–	–
<i>Sector-specific measures</i>						
Agricultural development partnership	0.5	–	–	–	–	–
Drought Relief Package	1.6	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	70.9	165.9	296.4	457.7	359.1	256.2
Exceptional Circumstances – relief payments	70.9	94.4	154.3	229.3	230.3	168.3
Farm Bis Program	6.9	6.5	5.5	7.2	–	–
Farm Help	7.1	6.2	6.3	1.5	1.0	–
Interim Income Support	1.1	0.3	7.0	4.8	1.0	0.4
Industry partnerships program	0.1	0.3	0.4	0.8	0.2	–
Rural Financial Counselling Service	1.9	2.5	5.7	6.1	7.8	7.8
Farm Management Deposits Scheme	67.8	81.7	46.7	64.0	80.4	15.1
Income tax averaging provisions	61.5	41.8	36.3	59.8	54.4	40.8
Tax deduction for conserving or conveying water	7.3	8.8	16.7	20.0	20.0	16.7
<i>Rural R&D measures</i>						
Wool R&D	13.5	11.0	11.6	12.3	11.4	10.5
Grains R&D Corporation	35.7	43.1	35.8	28.9	36.9	50.1
Harvesting Productivity Initiative	–	–	–	–	–	1.1
Meat and Livestock Australia R&D	39.0	40.3	35.7	34.5	31.4	34.5
Rural Industries R&D Corporation	2.2	1.8	2.4	1.7	1.0	1.1

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General export measures</i>						
EFIC national interest business ^b	3.9	3.4	4.0	1.0	0.9	0.4
Export Market Development Grants Scheme	0.4	0.4	0.5	0.5	0.6	0.8
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
Biotechnology Innovation Fund	<0.1	–	–	–	–	–
COMET Program	–	0.1	<0.1	0.1	<0.1	<0.1
Commercial Ready Program	0.2	–	–	–	–	–
Cooperative Research Centres	8.7	10.7	11.4	13.0	12.4	11.5
CSIRO	50.4	34.0	40.2	34.3	45.3	47.8
Innovation investment fund	1.0	–	–	–	–	–
New Industries Development Program	0.3	0.2	0.1	0.1	<0.1	–
R&D tax offset for small companies	1.0	1.3	1.2	0.8	1.0	1.2
R&D tax concession	0.6	0.7	1.1	0.8	1.1	1.3
<i>Other measures</i>						
Tasmanian Freight Equalisation Scheme	–	–	–	–	–	0.8
Small business capital gains tax exemption	6.3	4.7	5.4	2.7	4.6	2.6
Small business CG tax asset exemption	1.3	2.1	3.7	14.4	18.0	12.2
Small business CG tax retirement exemption	4.2	5.2	2.8	13.0	15.4	9.3
Small business CG tax 50 percent reduction	8.7	7.0	10.4	16.9	21.7	12.7
25 per cent entrepreneurs' tax offset	–	–	1.2	1.6	1.7	1.8
Total^c	481.2	579.7	762.8	1034.4	957.7	705.0
Dairy cattle farming						
<i>Sector-specific measures</i>						
Agricultural development partnership	0.5	–	–	–	–	–
Drought Relief Package	0.5	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	21.2	49.5	88.4	136.5	45.3	38.1
Exceptional Circumstances – relief payments	33.6	44.8	73.2	108.8	36.5	35.0
Farm Bis Program	0.5	0.3	0.4	0.4	–	–
Farm Help	1.2	1.0	0.9	0.2	0.2	–
Interim Income Support	0.5	0.1	3.3	2.3	0.5	0.1
Rural Financial Counselling Service	0.4	0.4	1.4	1.7	1.3	1.7
Farm Management Deposits Scheme	5.6	8.6	4.8	8.3	11.4	1.9
Income tax averaging provisions	11.4	8.2	4.7	16.5	15.0	11.3
Tax deduction for conserving or conveying water	0.7	1.2	1.8	1.9	1.9	1.6
<i>Rural R&D measures</i>						
Dairy Research and Development	14.5	15.4	16.0	18.3	19.2	19.6

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General export measures</i>						
Export Market Development Grants Scheme	<0.1	<0.1	<0.1	0.1	–	<0.1
TRADEX	0.4	0.5	0.6	0.6	0.5	0.5
<i>General R&D measures</i>						
Cooperative Research Centres	–	–	–	–	–	3.0
CSIRO	5.1	2.2	2.1	2.3	1.4	1.4
New Industries Development Program	0.3	0.2	0.1	0.1	<0.1	–
<i>Other measures</i>						
Scottsdale Industry and Community Development Fund	–	–	–	–	0.1	<0.1
Small business CG tax 50 percent reduction	1.6	–	–	3.1	4.0	2.3
25 per cent entrepreneurs' tax offset	–	–	0.2	0.2	0.2	0.2
Total^d	98.0	132.4	198.2	301.4	137.4	116.9
Poultry farming						
<i>Sector-specific measures</i>						
Drought Relief Package	<0.1	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	<0.1	0.1	0.1	0.2	0.5	0.4
Exceptional Circumstances – relief payments	1.5	2.0	3.3	4.9	0.2	0.2
Farm Bis Program	<0.1	<0.1	<0.1	<0.1	–	–
Farm Help	–	<0.1	0.1	0.4	<0.1	–
Interim Income Support	<0.1	<0.1	0.2	0.1	<0.1	<0.1
Industry partnerships program	0.1	0.2	1.0	1.0	0.3	–
Rural Financial Counselling Service	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Farm Management Deposits Scheme	0.3	0.4	0.3	–	–	–
Income tax averaging provisions	0.8	0.5	0.5	0.7	0.6	0.5
Tax deduction for conserving or conveying water	0.1	0.2	0.3	1.4	1.4	1.2
<i>Rural R&D measures</i>						
Egg Research and Development	0.8	1.0	1.2	1.0	1.0	1.0
Rural Industries R&D Corporation	2.1	2.0	1.8	2.3	2.9	3.5
<i>General export measures</i>						
Export Market Development Grants Scheme	<0.1	<0.1	<0.1	0.1	0.1	<0.1
<i>General R&D measures</i>						
Cooperative Research Centres	3.5	3.4	3.4	3.4	3.3	2.6
CSIRO	9.5	4.0	3.9	3.9	0.8	0.9
New Industries Development Program	0.1	0.1	0.1	<0.1	<0.1	–
<i>Other measures</i>						
25 per cent entrepreneurs' tax offset	–	–	<0.1	<0.1	<0.1	<0.1
Total	18.6	14.0	16.3	19.4	11.2	10.2

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Other livestock farming						
<i>Sector-specific measures</i>						
Drought Relief Package	<0.1	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	1.3	3.0	5.4	8.4	5.4	3.0
Exceptional Circumstances – relief payments	0.9	1.2	1.9	2.9	4.1	1.8
Farm Bis Program	0.1	0.1	0.1	0.2	–	–
Farm Help	0.2	0.2	0.2	–	<0.1	–
Interim Income Support	<0.1	<0.1	0.1	0.1	<0.1	<0.1
Industry partnerships program	0.1	<0.1	<0.1	<0.1	<0.1	–
Rural Financial Counselling Service	0.3	0.3	0.2	0.2	0.2	0.2
Farm Management Deposits Scheme	5.0	7.0	4.2	5.1	6.1	1.1
Income tax averaging provisions	3.0	1.9	2.2	3.4	3.1	2.3
Tax deduction for conserving or conveying water	0.2	0.3	0.5	0.3	0.3	0.2
<i>Rural R&D measures</i>						
Pig Research and Development	4.2	3.6	3.4	3.7	2.8	4.0
Rural Industries R&D Corporation	1.2	1.2	1.8	2.4	2.1	2.4
<i>General export measures</i>						
Export Market Development Grants Scheme	0.5	0.5	0.6	0.5	0.8	0.6
<i>General R&D measures</i>						
Cooperative Research Centres	–	3.3	3.6	3.8	4.1	5.4
CSIRO	6.5	6.4	6.4	6.1	0.1	0.1
New Industries Development Program	0.3	0.2	0.1	0.1	<0.1	–
<i>Other measures</i>						
25 per cent entrepreneurs' tax offset	–	–	0.1	0.2	0.2	0.2
Total	23.9	29.5	30.9	37.3	29.2	21.4
Other crop growing						
<i>Industry-specific measures</i>						
Sugar Industry Reform Program	129.4	140.0	39.1	35.6	4.5	–
Tobacco Grower Adjustment Assistance	–	–	39.3	14.4	0.3	–

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Sector-specific measures</i>						
Drought Relief Package	0.1	—	—	—	—	—
Exceptional Circumstances – interest rate subsidy	3.7	8.6	15.4	23.8	7.8	31.8
Exceptional Circumstances – relief payments	10.2	13.5	22.1	32.8	0.9	<0.1
Farm Bis Program	0.1	0.1	0.1	0.2	—	—
Farm Help	1.4	0.9	0.7	0.2	0.2	—
Interim Income Support	0.2	<0.1	1.0	0.7	0.1	<0.1
Industry partnerships program	0.1	—	—	—	—	—
Rural Financial Counselling Service	0.1	0.1	0.7	0.6	0.8	0.9
Farm Management Deposits Scheme	5.5	7.8	6.7	8.9	9.0	1.7
Income tax averaging provisions	5.7	7.7	6.2	3.8	3.4	2.6
Tax deduction for conserving or conveying water	2.7	2.9	5.0	2.8	2.8	2.3
<i>Rural R&D measures</i>						
Cotton R&D Corporation	4.3	4.9	4.6	3.1	2.4	3.0
Rural Industries R&D Corporation	0.6	0.8	0.8	0.9	0.8	2.0
Sugar R&D Corporation	3.8	5.2	5.5	6.3	6.1	5.8
<i>General export measures</i>						
Export Market Development Grants Scheme	0.1	0.2	0.2	0.2	0.4	0.6
<i>General R&D measures</i>						
Biotechnology Innovation Fund	0.2	0.1	—	—	—	—
COMET Program	<0.1	<0.1	—	0.1	0.2	<0.1
Commercial Ready Program	—	0.1	<0.1	0.6	—	—
Cooperative Research Centres	6.6	8.1	8.8	9.0	8.5	6.5
CSIRO	30.4	25.1	31.3	23.3	7.1	7.5
New Industries Development Program	0.1	0.1	0.1	<0.1	<0.1	—
R&D Start	<0.1	—	—	—	—	—
R&D tax concession	0.4	0.3	—	—	—	—
<i>Other measures</i>						
Scottsdale Industry and Community Development Fund	—	—	—	0.3	—	—
Small business CG tax asset exemption	—	—	0.6	—	—	—
Small business CG tax retirement exemption	—	—	1.9	—	—	—
Small business CG tax 50 percent reduction	—	0.3	—	3.2	4.1	2.4
25 per cent entrepreneurs' tax offset	—	—	0.1	0.1	0.1	0.1
Total^e	205.7	226.9	190.0	170.9	59.7	67.2
Services to agriculture (inc hunting and trapping)						
<i>Industry-specific measures</i>						
Renewable Energy Equity Fund	—	0.5	—	—	—	—

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Sector-specific measures</i>						
Drought Relief Package	<0.1	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	<0.1	<0.1	<0.1	<0.1	1.2	1.6
FarmBis Program	–	<0.1	<0.1	<0.1	–	–
Income tax averaging provisions	4.0	3.0	2.6	5.7	5.2	3.9
Tax deduction for conserving or conveying water	0.7	1.5	1.4	0.4	0.4	0.4
<i>General export measures</i>						
Export Market Development Grants Scheme	0.1	0.3	0.3	0.5	0.7	0.7
TRADEX	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
<i>General R&D measures</i>						
Biotechnology Innovation Fund	0.5	0.2	<0.1	–	–	–
COMET Program	0.2	0.3	0.1	0.1	0.1	0.1
Commercial Ready Program	0.1	1.0	1.1	1.2	0.9	0.3
R&D Start	1.1	0.2	<0.1	–	–	–
R&D tax offset for small companies	1.1	1.4	1.6	0.4	0.5	0.7
R&D tax concession	1.8	1.2	0.5	0.4	0.5	0.5
<i>Other measures</i>						
Industry Cooperative Innovation Program	–	–	0.3	<0.1	–	–
Innovation Investment Fund for South Australia	–	–	–	0.2	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.1
Small business programs	–	0.4	–	–	–	–
Scottsdale Industry and Community Development Fund	–	–	–	0.1	–	–
Small business CG tax retirement exemption	–	–	–	2.9	3.5	2.1
Small business CG tax 50 percent reduction	1.6	0.7	0.6	2.3	3.0	1.7
25 per cent entrepreneurs' tax offset	–	–	0.8	1.0	1.1	1.2
Total	11.2	10.9	9.3	15.2	16.9	13.2
Forestry and logging						
<i>Industry-specific measures</i>						
Forest Industry Structural Adjustment	21.3	9.7	30.6	–	–	–
12-month prepayment rule	40.0	40.0	–5.0	5.0	–95.0	–
<i>Sector-specific measures</i>						
Exceptional Circumstances – interest rate subsidy	–	–	–	–	<0.1	–
Industry partnerships program	0.1	–	0.4	0.1	<0.1	–
Rural Financial Counselling Service	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Farm Management Deposits Scheme	0.1	0.2	1.3	–	–	–
Income tax averaging provisions	2.4	2.0	1.9	3.4	3.1	2.3
Tax deduction for conserving or conveying water	0.8	0.1	0.4	0.2	0.2	0.2

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Rural R&D measures</i>						
Forest and Wood Products R&D	1.4	1.4	1.8	2.0	2.1	1.8
Rural Industries R&D Corporation	1.3	1.8	1.0	0.9	1.1	–
<i>General export measures</i>						
Export Market Development Grants Scheme	–	<0.1	<0.1	<0.1	<0.1	0.1
<i>General R&D measures</i>						
COMET Program	<0.1	–	–	–	–	–
Commercial Ready Program	–	0.6	1.1	0.6	0.4	–
Cooperative Research Centres	0.4	2.7	3.3	4.2	4.7	4.8
CSIRO	10.0	13.3	4.6	18.0	6.3	6.7
R&D tax offset for small companies	–	1.6	1.3	0.6	0.7	0.9
R&D tax concession	0.2	0.4	0.2	0.1	0.2	0.2
<i>Other measures</i>						
Scottsdale Industry and Community Development Fund	–	–	–	0.4	0.2	0.1
Tasmanian Freight Equalisation Scheme	–	–	–	–	0.3	3.7
Small business CG tax asset exemption	–	–	–	0.6	0.8	0.5
Small business CG tax 50 percent reduction	0.5	0.3	–	1.5	2.0	1.2
25 per cent entrepreneurs' tax offset	–	–	0.2	0.3	0.3	0.3
Total	78.6	74.0	43.2	38.0	–72.7	22.7
Commercial fishing						
<i>Industry-specific measures</i>						
Aquaculture Industry Action Agenda	1.0	–	–	–	–	–
Fisheries Structural Adjustment Package	–	1.3	159.9	25.3	16.7	9.6
Fishing Structural Adjustment Package – Management Levy Subsidy	–	–	–	5.0	–	–
Great Barrier Reef Structural Adjustment	49.1	32.6	65.9	67.8	–	–
<i>Sector-specific measures</i>						
Exceptional Circumstances – interest rate subsidy	–	–	–	–	0.1	0.1
Exceptional Circumstances – relief payments	–	–	–	–	0.2	0.2
Farm Bis Program	1.6	0.3	0.5	0.8	–	–
Farm Help	1.2	0.1	0.1	–	<0.1	–
Interim Income Support	–	–	–	–	–	<0.1
Industry partnerships program	0.4	0.4	0.5	0.2	0.1	–
Rural Financial Counselling Service	0.1	0.1	0.1	0.1	0.1	0.1
Farm Management Deposits Scheme	0.6	0.7	0.6	–	–	–
Income tax averaging provisions	5.9	5.3	6.2	5.9	5.4	4.0
Tax deduction for conserving or conveying water	–	<0.1	–	–	–	–

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Rural R&D measures</i>						
Fishing industry R&D	16.9	16.0	16.0	16.3	16.3	16.3
Fisheries Research Program	–	–	–	–	1.9	2.2
Fisheries Resources Research Fund	3.8	3.1	3.1	3.1	3.2	3.8
Torres Strait Prawn Fisheries Program	–	–	0.6	21.1	0.2	–
<i>General export measures</i>						
Export Market Development Grants Scheme	0.4	0.5	0.5	0.3	0.5	0.9
TRADEX	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
<i>General investment measures</i>						
Development allowance	0.3	0.2	0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	0.1	0.1	0.1	0.1	–	–
Commercial Ready Program	0.1	1.6	3.0	3.4	1.9	1.2
Cooperative Research Centres	2.6	2.6	2.6	6.5	5.2	5.4
CSIRO	9.7	7.4	9.2	10.8	15.9	16.8
New Industries Development Program	0.3	0.3	0.2	0.1	<0.1	–
R&D Start	1.8	1.1	0.3	0.1	–	–
R&D Start Loans	–	0.1	–	–	–	–
R&D tax offset for small companies	4.9	5.2	5.2	4.0	5.0	6.2
Premium R&D tax concession	–	<0.1	0.1	0.1	0.1	0.2
R&D tax concession	1.0	1.3	1.8	1.5	2.0	2.3
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	<0.1	–	–
Industry Cooperative Innovation Program	–	0.1	0.2	0.2	0.3	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.5
Tasmanian Freight Equalisation Scheme	–	–	–	–	0.7	3.6
Small business capital gains tax exemption	1.9	–	–	–	–	–
Small business CG tax retirement exemption	–	–	2.7	3.2	3.8	2.3
Small business CG tax 50 percent reduction	2.8	0.6	5.9	1.5	1.9	1.1
25 per cent entrepreneurs' tax offset	–	–	0.8	0.8	0.8	0.9
<i>Total</i>	<i>106.4</i>	<i>80.9</i>	<i>285.9</i>	<i>178.0</i>	<i>82.0</i>	<i>77.7</i>

(continued next page)

Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Unallocated primary production						
<i>Industry-specific measures</i>						
Australian Animal Health Laboratory	6.8	6.9	7.0	7.2	7.1	7.2
Exotic Disease Preparedness program	1.2	0.8	0.9	0.9	1.0	1.7
<i>Sector-specific measures</i>						
Agricultural development partnership	1.0	–	–	–	–	–
Climate Change Adjustment Program	–	–	–	–	3.5	12.4
Caring for our country – Landcare	–	–	–	9.0	35.2	32.1
Drought assistance – Murray Darling Basin grants to irrigators	–	–	–	144.3	60.4	0.8
Drought assistance – professional advice	–	–	–	6.2	14.2	12.5
Drought assistance – re-establishment assistance	–	–	–	4.6	17.6	20.0
Drought assistance – technical information workshop	–	–	–	6.1	–	–
Drought Relief Package	<0.1	–	–	–	–	–
Exceptional Circumstances – interest rate subsidy	<0.1	<0.1	<0.1	<0.1	3.9	–
Exceptional Circumstances – relief payments	–	–	–	–	22.8	13.9
Farm Bis Program	0.3	0.1	0.1	0.2	–	–
Farm Help	0.4	0.3	0.3	0.1	–	0.1
Interim Income Support	–	–	–	–	–	<0.1
Industry Partnerships Program	0.2	0.2	–	0.3	0.1	–
National Landcare Program	39.3	37.0	37.0	35.5	–	–
Promoting Australian Produce Program	–	–	–	–	3.0	1.3
Rural Financial Counselling Service	1.0	1.0	2.1	2.8	2.3	2.2
Regional assistance	–	–	0.5	0.1	–	–
Sustainable Rural Water Use and Infrastructure Program	–	–	–	0.1	17.3	54.2
Farm Management Deposits Scheme	–	–	–	4.4	7.6	1.3
<i>Rural R&D measures</i>						
Climate Change Adaptation Partnerships Program	–	–	–	–	10.1	19.3
Climate Change and Productivity Research Program	–	–	–	–	10.0	15.0
Land and water resources R&D	12.5	12.5	12.8	13.0	13.0	5.7
National Weeds and Productivity Research Program	–	–	–	–	3.1	4.1
Rural Industries R&D Corporation	5.2	5.4	5.8	5.4	5.9	7.2
<i>General R&D measures</i>						
Cooperative Research Centres	20.7	22.0	23.2	23.8	23.1	19.1
CSIRO	21.7	22.3	18.8	17.5	30.3	31.9
Major national research facilities	1.3	1.3	–	–	–	–

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Table A.4 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Tasmanian Freight Equalisation Scheme	9.2	8.4	9.3	11.6	12.6	14.1
<i>Total</i>	<i>120.7</i>	<i>118.2</i>	<i>117.9</i>	<i>293.1</i>	<i>304.1</i>	<i>276.2</i>
Total outlays	960.2	1097.5	1554.2	1875.5	1427.8	1262.3
Total tax expenditures	310.5	299.1	225.8	341.4	281.3	196.3
Total budgetary assistance	1270.7	1396.6	1779.9	2216.8	1709.1	1458.5

– Nil. Figures may not add to totals due to rounding. ^a The estimates are derived primarily from Australian Government departmental annual reports and Treasury's Tax Expenditure Statements and unpublished information provided by relevant agencies. ^b The estimates reported in this item are net National Interest Business outlays. These payments are insurance pay-outs. Because any difference between the National Interest Business scheme's borrowing and lending rates is underwritten by the Australian Government, the scheme may provide assistance to agricultural exporters. However, net National Interest Business outlays provide only a weak indication of any assistance provided. ^c Excludes assistance derived from NSW statutory marketing arrangements for rice, which the Commission categorises as 'agricultural pricing and regulatory assistance' rather than budgetary assistance. The arrangements ended on 1 July 2006. ^d Does not include funding provided under the Australian Government's Dairy Industry Adjustment Package, which has been included in the estimates of 'agricultural pricing and regulatory assistance' reported in recent *Reviews*. The Commission estimates that the package provided dairy farmers remaining in the industry with assistance totalling \$120.1 million in 2007-08. ^e Does not include funding of \$18 million and \$9 million in 2002-03 and 2003-04, respectively, provided under the Australian Government's 2002 Sugar Industry Reform Program. This assistance has been included in the estimates of 'agricultural pricing and regulatory assistance'.

Source: Commission estimates.

Table A.5 Australian Government budgetary assistance to mining, 2004-05 to 2009-10^a

\$ million (nominal)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Industry-specific measures</i>						
Greenhouse gas abatement program	0.6	0.6	0.9	0.4	0.1	–
National Low Emissions Coal Initiative	–	–	–	–	8.7	32.3
Renewable Energy Development Initiative	–	–	0.3	0.5	0.8	0.3
Regional minerals program	0.3	–	–	–	–	–
<i>Sector-specific measures</i>						
Capital expenditure deduction for mining	30.0	25.0	25.0	20.0	15.0	10.0
<i>General export measures</i>						
Export Market Development Grants Scheme	1.4	1.3	1.4	1.6	1.6	2.2
TRADEX	0.2	0.5	0.6	0.6	0.5	0.5
<i>General investment measures</i>						
Development allowance	14.3	8.9	3.6	0.2	–	–
<i>General R&D measures</i>						
Biotechnology Innovation Fund	0.1	<0.1	–	–	–	–
COMET Program	0.2	0.1	0.1	0.1	0.1	0.3
Commercial Ready Program	0.1	2.4	6.3	9.2	3.7	0.2
Cooperative Research Centres	10.5	10.9	9.3	8.1	3.6	6.7
CSIRO	42.1	39.7	47.0	47.6	60.4	63.8
Innovation Investment Fund	–	0.9	0.6	0.3	0.4	–
Major national research facilities	1.3	1.3	–	–	–	–
New Industries Development Program	0.1	0.1	0.1	<0.1	<0.1	–
R&D Start	1.6	2.7	1.2	0.1	0.1	–
R&D Start Loans	–	0.1	–	–	–	–
R&D tax offset for small companies	11.4	18.7	16.9	16.6	20.7	25.9
Premium R&D tax concession	22.3	55.9	85.7	120.9	121.8	150.2
R&D tax concession	64.3	87.7	112.6	160.0	209.9	248.0

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Table A.5 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Beaconsfield Community Fund	–	–	3.2	–	–	–
Innovation Investment Fund for South Australia	–	–	–	–	0.3	0.3
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.2
Tasmanian Freight Equalisation Scheme	–	–	–	–	0.1	0.2
Small business CG tax retirement exemption	–	0.9	1.6	3.9	4.6	2.8
Small business CG tax 50 percent reduction	1.5	2.2	3.2	6.9	8.8	5.2
25 per cent entrepreneurs' tax offset	–	–	0.2	0.2	0.2	0.2
<i>Total</i>	<i>202.4</i>	<i>260.0</i>	<i>319.7</i>	<i>397.0</i>	<i>461.5</i>	<i>549.1</i>
Total outlays	69.8	78.9	87.2	84.4	100.7	132.2
Total tax expenditures	132.6	181.2	232.5	312.6	360.8	416.9
Total budgetary assistance	202.4	260.0	319.7	397.1	461.5	549.1

– Nil. Figures may not add to totals due to rounding. ^a The estimates are derived primarily from Australian Government departmental annual reports and Treasury's Tax Expenditure Statements and unpublished information provided by relevant agencies.

Source: Commission estimates.

Table A.6 Australian Government budgetary assistance to manufacturing industry groups, 2004-05 to 2009-10^a

\$ million (nominal)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Food, beverages and tobacco						
<i>Industry-specific measures</i>						
Food Processing in Regional Australia	–	3.6	4.2	2.3	–	–
National food industry strategy	14.5	18.0	15.6	0.5	–	–
Renewable Energy Development Initiative	–	–	0.8	–	1.8	0.2
Tasmanian wheat freight subsidy	0.2	–	–	–	–	–
Brandy preferential excise rate	4.0	4.0	4.0	5.0	5.0	4.0
<i>Sector-specific measures</i>						
Rural Financial Counselling Service	0.2	0.3	–	–	–	–
<i>General export measures</i>						
Export Market Development Grants Scheme	11.6	15.2	16.1	13.8	16.0	14.4
TRADEX	1.2	0.8	0.9	0.9	0.8	0.7
<i>General investment measures</i>						
Development allowance	0.5	0.3	0.1	<0.1	–	–
<i>General R&D measures</i>						
Biotechnology Innovation Fund	<0.1	–	–	–	–	–
COMET Program	<0.1	<0.1	<0.1	0.1	0.1	<0.1
Commercial Ready Program	0.1	0.8	1.1	1.6	2.0	0.3
Cooperative Research Centres	2.6	2.6	2.6	2.6	0.4	0.3
CSIRO	7.3	27.8	10.3	18.6	18.2	19.2
Innovation Investment Fund	–	–	0.2	–	–	–
New Industries Development Program	0.4	0.3	0.2	0.1	<0.1	–
R&D Start	0.6	0.1	2.3	0.2	0.3	–
R&D Start Loans	–	0.7	–	–	–	–
R&D tax offset for small companies	2.7	2.1	3.1	2.5	3.1	3.9
Premium R&D tax concession	2.7	2.9	2.8	5.4	5.4	6.7
R&D tax concession	8.7	9.9	11.9	9.5	12.4	14.7

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Australia HomeGrown Campaign	–	0.5	1.8	0.9	–	–
Australian Tourism Development Program	–	–	–	0.1	–	–
Commercialisation Australia	–	–	–	–	–	0.1
Innovation Investment Fund for South Australia	–	–	–	2.3	1.6	1.4
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	2.5
South Australia Innovation and Investment Fund	–	–	–	–	0.3	0.5
Small business programs	–	0.6	–	–	–	–
Scottsdale Industry and Community Development Fund	–	–	–	0.1	–	–
Tasmanian Freight Equalisation Scheme	15.7	16.8	16.3	17.5	14.8	–
Small business capital gains tax rollover deferral	4.3	3.6	3.9	0.4	0.6	0.4
Small business capital gains tax exemption	–	–	–	0.4	0.4	0.3
Small business CG tax retirement exemption	1.6	3.0	6.1	5.0	6.0	3.6
Small business CG tax 50 percent reduction	9.1	10.4	11.1	11.2	14.3	8.3
25 per cent entrepreneurs' tax offset	–	–	0.1	0.2	0.2	0.2
Total	88.1	124.4	115.8	101.0	103.7	81.6
Textiles, clothing, footwear and leather						
<i>Industry-specific measures</i>						
Howe leather – loan repayment	-2.5	-2.4	-3.2	-3.4	-3.1	–
TCF Strategic Capability Program	–	–	–	–	–	<0.1
TCF Strategic Investment Program	123.7	123.8	–	–	–	–
TCF Development	–	0.5	–	–	–	–
TCF Structural Adjustment Scheme	–	2.8	3.0	2.3	1.3	5.9
TCF Small Business Program	–	–	2.2	2.0	2.1	1.7
TCF Strategic Investment Program – Post 2005	–	4.3	96.2	97.4	96.5	98.5
TCF Project Diversification Scheme	–	–	5.0	5.0	4.5	4.6
<i>General export measures</i>						
Export Market Development Grants Scheme	3.5	4.2	4.5	5.4	8.0	6.9
TRADEX	8.3	5.9	7.2	7.2	6.1	5.5

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
COMET Program	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Commercial Ready Program	–	–	–	0.7	0.9	0.7
CSIRO	15.0	13.4	13.8	9.8	5.0	5.3
R&D Start	<0.1	–	–	–	–	–
R&D tax offset for small companies	1.6	2.3	0.7	0.7	0.9	1.1
Premium R&D tax concession	0.1	–	0.1	0.1	0.1	0.1
R&D tax concession	0.5	0.5	0.4	0.4	0.5	0.6
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	<0.1	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.2
Tasmanian Freight Equalisation Scheme	0.5	0.5	0.5	0.4	0.2	–
Small business capital gains tax rollover deferral	–	0.4	–	–	–	–
Small business CG tax retirement exemption	–	1.4	1.9	1.4	1.7	1.0
Small business CG tax 50 percent reduction	1.4	1.6	0.6	0.9	1.2	0.7
25 per cent entrepreneurs' tax offset	–	–	0.7	0.8	0.9	1.0
Total	152.2	159.3	133.5	131.2	126.6	133.8
Wood and paper products						
<i>Industry-specific measures</i>						
Australia's Forest Industry – Preparing for the Future	–	–	–	–	3.3	6.9
Integrated Forest Products Grant	–	–	–	4.0	–	–
Tasmanian Community Forest Agreement	–	–	–	26.0	35.3	–
<i>Rural R&D measures</i>						
Forest and Wood Products R&D Corporation	1.5	1.6	1.2	1.4	1.7	1.7
<i>General export measures</i>						
Export Market Development Grants Scheme	0.9	0.8	0.9	1.0	0.9	0.8
TRADEX	0.1	0.6	0.7	0.7	0.6	0.5
<i>General investment measures</i>						
Development allowance	0.2	0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	<0.1	–	<0.1	0.1	<0.1	–
Commercial Ready Program	0.2	–	1.8	2.4	0.4	<0.1
Cooperative Research Centres	5.4	5.3	3.5	2.3	–	–
CSIRO	1.5	2.1	6.9	0.4	2.3	2.4
R&D Start	0.2	0.3	0.1	–	–	–
R&D tax offset for small companies	1.6	2.1	1.0	1.1	1.3	1.7
Premium R&D tax concession	–	0.7	2.5	1.3	1.3	1.6
R&D tax concession	2.5	2.5	4.8	4.0	5.2	6.2

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Scottsdale Industry and Community Development Fund	–	–	–	2.4	1.1	0.7
Tasmanian Freight Equalisation Scheme	19.4	21.5	18.8	19.3	13.2	–
Small business capital gains tax retirement exemption	0.5	4.5	–	–	–	–
Small business CG tax 50 percent reduction	1.3	2.7	1.7	5.9	7.6	4.4
25 per cent entrepreneurs' tax offset	–	–	0.3	0.3	0.4	0.4
Total	35.2	44.7	44.1	72.5	74.5	27.3
Printing, publishing and recorded media						
<i>Industry-specific measures</i>						
TCF Small Business Program	–	–	–	–	–	<0.1
<i>General export measures</i>						
Export Market Development Grants Scheme	2.2	3.4	3.6	0.8	0.6	0.4
TRADEX	0.2	0.2	0.3	0.3	0.2	0.2
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	<0.1	<0.1	0.2	0.2	<0.1	–
Commercial Ready Program	–	0.1	0.8	11.0	1.1	0.3
CSIRO	0.3	0.5	2.2	–	0.6	0.7
R&D Start	0.3	0.4	0.3	0.9	–	–
R&D tax offset for small companies	2.2	2.1	1.8	1.6	2.0	2.4
Premium R&D tax concession	–	0.2	0.4	0.6	0.6	0.8
R&D tax concession	0.8	0.7	0.9	0.9	1.2	1.4
<i>Other measures</i>						
Scottsdale Industry and Community Development Fund	–	–	–	0.3	–	–
Small business capital gains tax exemption	–	–	–	1.1	1.4	1.0
Small business CG tax retirement exemption	0.6	2.5	0.9	–	–	–
Small business CG tax 50 percent reduction	2.4	1.6	2.9	2.4	3.1	1.8
25 per cent entrepreneurs' tax offset	–	–	0.2	0.2	0.3	0.3
Total	8.9	11.7	14.3	20.2	11.0	9.3

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Petroleum, coal, chemical and associated products						
<i>Industry-specific measures</i>						
Biofuels Infrastructure Grants	2.1	11.5	3.7	7.2	—	—
Ethanol production subsidy	8.6	15.4	31.9	56.7	79.8	102.7
Greenhouse gas abatement program	2.7	2.9	3.9	1.6	0.3	—
Pharmaceutical industry development program	0.4	—	—	—	—	—
Pharmaceutical Partnerships Program	4.2	12.4	18.4	18.5	8.1	1.7
Product Stewardship (Oil) program	5.5	5.4	4.4	—	—	—
Renewable Energy Development Initiative	—	—	—	1.6	0.7	—
Renewable Energy Equity Fund	0.8	2.8	0.2	0.1	—	—
<i>General export measures</i>						
Export Market Development Grants Scheme	4.8	4.5	4.8	7.2	8.2	9.7
TRADEX	2.0	2.1	2.6	2.6	2.2	2.0
<i>General investment measures</i>						
Development allowance	1.2	0.8	0.3	<0.1	—	—
<i>General R&D measures</i>						
Biotechnology Innovation Fund	0.6	0.8	0.1	—	—	—
Biotechnology Australia	5.0	3.1	3.0	—	—	—
COMET Program	0.2	0.2	0.3	0.6	0.5	0.5
Commercial Ready Program	0.1	10.6	12.6	9.2	5.9	1.1
Cooperative Research Centres	7.3	9.1	9.1	13.9	8.5	9.0
CSIRO	5.4	5.0	4.2	3.8	1.8	1.9
Innovation Investment Fund	0.6	—	—	—	—	0.5
New Industries Development Program	0.3	0.2	0.1	0.1	<0.1	—
National Stem Cell Centre	5.8	7.1	6.5	6.0	5.5	5.0
Preseed fund	0.5	—	—	0.5	—	—
R&D Start	9.3	4.9	1.7	0.4	0.1	—
R&D tax offset for small companies	11.7	12.5	11.7	9.1	11.4	14.2
Premium R&D tax concession	3.1	4.6	12.4	11.6	11.7	14.4
R&D tax concession	12.3	12.9	15.7	17.7	23.2	27.5

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Commercialisation Australia	–	–	–	–	–	0.5
Industry Cooperative Innovation Program	–	0.2	0.6	–	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.3
Structural Adjustment Fund for South Australia	2.7	–	–	–	–	–
Scottsdale Industry and Community Development Fund	–	–	–	–	0.1	0.1
Small business CG tax retirement exemption	1.2	–	2.5	3.6	4.3	2.6
Small business CG tax 50 percent reduction	1.9	1.4	4.2	8.6	11.0	6.5
25 per cent entrepreneurs' tax offset	–	–	0.1	0.2	0.2	0.2
Total	100.3	130.5	155.1	180.8	183.7	200.2
Non-metallic mineral products						
<i>Industry-specific measures</i>						
Renewable Energy Development Initiative	–	–	–	4.9	–	–
<i>General export measures</i>						
Export Market Development Grants Scheme	0.6	0.9	1.0	0.9	0.5	0.7
TRADEX	0.4	0.2	0.3	0.3	0.2	0.2
<i>General investment measures</i>						
Development allowance	0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	–	<0.1	0.1	0.5	0.2	0.1
Commercial Ready Program	–	1.0	1.2	1.2	0.4	<0.1
CSIRO	3.0	2.8	2.5	0.1	0.4	0.4
Preseed fund	–	0.2	0.8	–	–	–
R&D Start	0.8	0.6	1.2	0.1	<0.1	–
R&D tax offset for small companies	2.2	4.7	4.0	2.4	3.0	3.7
Premium R&D tax concession	0.2	0.7	2.2	6.6	6.7	8.2
R&D tax concession	4.2	5.5	4.4	6.3	8.3	9.8
<i>Other measures</i>						
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.4
Small business capital gains tax rollover deferral	0.9	–	–	–	–	–
Small business CG tax retirement exemption	–	–	1.2	2.1	2.5	1.5
Small business CG tax 50 percent reduction	1.9	0.8	1.5	4.5	5.8	3.4
25 per cent entrepreneurs' tax offset	–	–	0.2	0.2	0.2	0.2
Total	14.2	17.5	20.5	30.2	28.2	28.7

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Metal products						
<i>Industry-specific measures</i>						
Greenhouse gas abatement program	1.8	1.9	2.6	1.1	0.2	–
Investment incentives to Hismelt – grant	50.0	50.0	55.0	20.0	–	–
Investment incentives to Hismelt – loan	45.7	–	–	–	–	–
<i>General export measures</i>						
Export Market Development Grants Scheme	2.0	1.5	1.6	3.4	3.8	3.0
TRADEX	1.4	1.8	2.2	2.2	1.9	1.7
<i>General investment measures</i>						
Development allowance	7.3	4.6	1.8	0.1	–	–
<i>General R&D measures</i>						
COMET Program	0.1	0.4	0.3	0.5	0.3	0.2
Commercial Ready Program	0.1	2.1	3.6	2.4	2.4	2.4
Cooperative Research Centres	7.2	8.0	8.1	8.3	8.5	8.1
CSIRO	44.5	41.9	47.1	47.3	27.1	28.6
Innovation Investment Fund	–	–	–	–	–	0.1
R&D Start	1.5	1.3	1.4	1.1	–	–
R&D tax offset for small companies	7.1	6.4	5.5	5.1	6.4	7.9
Premium R&D tax concession	12.0	9.0	28.5	11.9	12.0	14.8
R&D tax concession	18.6	25.7	35.0	16.3	21.4	25.3
<i>Other measures</i>						
Industry Cooperative Innovation Program	–	–	<0.1	0.1	–	–
Innovation Investment Fund for South Australia	–	–	–	–	0.3	0.3
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.8
South Australia Innovation and Investment Fund	–	–	–	–	1.6	2.5
Tasmanian Freight Equalisation Scheme	3.7	2.4	2.9	3.4	4.8	–
Small business capital gains tax rollover deferral	0.6	2.9	–	1.1	1.8	1.0
Small business CG tax asset exemption	0.4	0.3	0.4	–	–	–
Small business CG tax retirement exemption	3.0	–	3.0	15.5	18.3	11.1
Small business CG tax 50 percent reduction	4.7	4.4	6.3	16.5	21.0	12.3
25 per cent entrepreneurs' tax offset	–	–	1.1	1.1	1.2	1.3
Total	211.9	164.7	206.5	157.3	133.0	121.3

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Motor vehicles and parts						
<i>Industry-specific measures</i>						
ACL Bearings	–	–	–	2.0	–	–
Automotive competitiveness and investment scheme – Stage 1	568.8	479.8	–	–	–	–
Automotive competitiveness and investment scheme – Stage 2	0.9	–	537.0	506.9	479.1	520.9
Green Car Innovation Fund	–	–	–	–	–	108.1
Automotive incentives – Ford	–	32.5	–	–	–	–
Automotive Industry Structural Adjustment Program	–	–	–	–	7.9	18.1
Automotive Supply Chain Development Program	–	–	–	–	0.1	3.9
Investment incentive for Holden	–	–	2.0	2.0	–	2.7
<i>General export measures</i>						
Export Market Development Grants Scheme	1.4	1.5	1.6	1.1	1.6	2.0
TRADEX	60.5	38.3	46.9	46.8	39.7	35.7
<i>General investment measures</i>						
Development allowance	1.6	1.0	0.4	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	0.1	<0.1	0.1	0.4	0.2	0.2
Commercial Ready Program	–	1.3	2.2	0.8	0.5	0.2
Cooperative Research Centres	–	4.6	5.1	6.4	6.2	6.1
CSIRO	1.4	1.2	1.4	1.1	0.5	0.6
Preseed fund	–	0.3	–	0.1	0.1	–
R&D Start	0.4	<0.1	–	–	<0.1	–
R&D Start Loans	–	<0.1	–	–	–	–
R&D tax offset for small companies	4.5	6.3	4.3	2.9	3.6	4.5
Premium R&D tax concession	9.4	1.0	4.3	0.8	0.8	1.0
R&D tax concession	26.2	12.1	13.5	11.1	14.6	17.2
<i>Other measures</i>						
Industry Cooperative Innovation Program	–	–	0.1	<0.1	–	–
Small business CG tax 50 percent reduction	2.2	–	3.0	–	–	–
25 per cent entrepreneurs' tax offset	–	–	0.1	0.1	0.1	0.1
Total	677.4	580.1	621.8	582.5	555.2	721.4
Other transport equipment						
<i>Industry-specific measures</i>						
Aerospace incentives – Hawker de Havilland	–	10.0	2.5	–	–	–
Shipbuilding bounty	0.8	–	–	–	–	–
Shipbuilding innovation scheme	2.1	–	–	–	–	–

(continued next page)

Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General export measures</i>						
Export Market Development Grants Scheme	1.2	1.4	1.5	1.3	1.2	1.3
TRADEX	0.2	0.2	0.2	0.2	0.2	0.2
<i>General R&D measures</i>						
COMET Program	0.2	<0.1	<0.1	0.2	0.2	0.1
Commercial Ready Program	–	0.1	0.9	0.1	0.3	<0.1
Cooperative Research Centres	4.7	4.3	3.7	5.7	6.9	7.4
CSIRO	2.6	2.2	2.6	2.6	5.4	5.6
Innovation Investment Fund	–	–	0.3	0.7	0.2	–
Major national research facilities	1.3	1.3	–	–	–	–
R&D Start	1.6	1.2	0.1	0.1	–	–
R&D tax offset for small companies	2.9	3.6	3.5	3.4	4.2	5.3
Premium R&D tax concession	0.3	4.0	3.5	3.3	3.3	4.1
R&D tax concession	5.4	5.8	6.1	6.0	7.8	9.3
<i>Other measures</i>						
Industry Cooperative Innovation Program	–	–	–	–	0.3	0.3
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.1
South Australia Innovation and Investment Fund	–	–	–	–	0.9	1.5
Scottsdale Industry and Community Development Fund	–	–	–	–	0.2	0.1
Small business CG tax retirement exemption	–	–	–	2.2	2.6	1.6
Small business CG tax 50 percent reduction	1.2	1.4	3.2	1.6	2.0	1.2
25 per cent entrepreneurs' tax offset	–	–	0.4	0.5	0.5	0.6
Total	24.1	35.5	28.6	27.9	36.3	38.7
Other machinery and equipment						
<i>Industry-specific measures</i>						
Renewable Energy Development Initiative	0.2	0.2	1.1	1.9	0.2	0.1
Renewable Energy Equity Fund	0.3	0.1	<0.1	–	–	–
Wind turbine industry assistance	–	–	0.7	–	–	–
<i>General export measures</i>						
Export Market Development Grants Scheme	12.8	13.2	13.9	13.8	16.3	19.5
TRADEX	4.3	4.7	5.8	5.7	4.9	4.4
<i>General investment measures</i>						
Development allowance	0.1	0.1	<0.1	<0.1	–	–

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
Biotechnology Innovation Fund	1.1	0.7	<0.1	–	–	–
COMET Program	1.4	1.4	1.6	2.2	1.8	1.7
Commercial Ready Program	0.4	14.7	36.5	28.2	17.0	4.5
Cooperative Research Centres	11.7	8.3	5.5	2.5	3.9	2.8
CSIRO	14.8	17.6	15.6	13.9	19.6	20.6
Innovation Investment Fund	1.7	1.4	1.0	1.4	0.3	–
Major national research facilities	4.0	4.0	–	–	–	–
New Industries Development Program	0.1	0.1	0.1	<0.1	<0.1	–
Preseed fund	–	1.3	0.2	1.8	0.3	0.8
R&D Start	30.0	26.3	11.3	4.3	<0.1	–
R&D Start Loans	–	0.2	–	–	–	–
R&D tax offset for small companies	33.2	40.4	34.9	24.2	30.3	37.8
Premium R&D tax concession	4.3	5.4	9.1	19.0	19.2	23.7
R&D tax concession	24.9	25.3	26.2	29.7	39.0	46.1
<i>Other measures</i>						
Commercialisation Australia	–	–	–	–	–	0.1
Industry Cooperative Innovation Program	–	0.2	0.3	<0.1	–	–
Innovation Investment Fund for South Australia	–	–	–	4.2	2.6	2.2
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.9
Small business programs	0.2	–	–	–	–	–
Scottsdale Industry and Community Development Fund	–	–	–	0.1	–	–
Small business capital gains tax rollover deferral	–	1.3	–	–	–	–
Small business CG tax asset exemption	–	–	0.8	0.7	0.9	0.6
Small business CG tax retirement exemption	0.5	1.0	3.9	9.3	11.0	6.6
Small business CG tax 50 percent reduction	2.2	4.1	6.9	5.8	7.4	4.3
25 per cent entrepreneurs' tax offset	–	–	0.3	0.3	0.4	0.4
Total	148.2	171.9	175.6	169.2	175.0	177.1
Other manufacturing						
<i>Industry-specific measures</i>						
Renewable Energy Development Initiative	–	–	0.5	0.7	–	–
<i>General export measures</i>						
Export Market Development Grants Scheme	8.1	6.0	6.4	4.0	6.0	7.6
TRADEX	4.5	1.9	2.3	2.3	1.9	1.7
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
Biotechnology Innovation Fund	–	0.1	<0.1	–	–	–
COMET Program	0.9	0.7	0.6	0.7	0.3	0.6
Commercial Ready Program	–	6.4	6.9	8.1	0.9	0.5
Cooperative Research Centres	–	–	–	2.5	4.1	6.0
CSIRO	9.2	10.0	10.0	15.7	–	–
Preseed fund	–	–	–	–	–	0.2
R&D Start	0.1	11.2	4.5	2.8	0.1	0.1
R&D Start Loans	–	0.3	–	–	–	–
R&D tax offset for small companies	3.2	3.2	3.8	2.6	3.3	4.1
Premium R&D tax concession	0.2	0.2	0.1	0.2	0.2	0.2
R&D tax concession	1.1	0.9	0.9	1.0	1.3	1.5
<i>Other measures</i>						
Commercialisation Australia	–	–	–	–	–	0.1
Industry Cooperative Innovation Program	–	0.1	0.2	0.2	–	–
Innovation Investment Fund for South Australia	–	–	–	0.3	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.1
Structural Adjustment Fund for South Australia	–	–	–	–	<0.1	–
Tasmanian Freight Equalisation Scheme	2.0	1.4	1.4	1.4	1.1	–
Small business CG tax retirement exemption	–	2.3	0.8	7.4	8.8	5.3
Small business CG tax 50 percent reduction	0.7	2.0	2.3	9.5	12.2	7.1
25 per cent entrepreneurs' tax offset	–	–	0.5	0.6	0.7	0.7
Total	29.8	46.6	41.4	60.1	41.0	35.9
Unallocated manufacturing						
<i>Industry-specific measures</i>						
Advanced electricity storage	–	–	0.5	2.8	8.7	–
<i>General export measures</i>						
Duty Drawback	121.1	117.0	103.9	107.2	118.4	118.4
<i>General R&D measures</i>						
Cooperative Research Centres	4.6	4.0	3.5	3.5	2.6	2.0
CSIRO	0.5	0.5	0.4	0.3	12.8	13.5
Energy Innovation Fund	–	–	–	–	5.8	49.8

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Table A.6 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Intermediary Access Program	–	–	1.1	–	–	–
Innovation Investment Fund for South Australia	–	–	–	–	0.2	0.2
Structural Adjustment Fund for South Australia	–	–	–	–	0.3	–
South Australia Innovation and Investment Fund	–	–	–	–	1.2	2.0
Tasmanian Freight Equalisation Scheme	38.7	40.3	39.4	46.4	59.1	69.0
<i>Total</i>	<i>164.9</i>	<i>161.7</i>	<i>148.8</i>	<i>160.2</i>	<i>209.1</i>	<i>254.8</i>
Total outlays	687.4	800.5	725.5	714.3	664.5	802.4
Total tax expenditures	968.0	848.3	980.9	978.9	1012.9	1027.6
Total budgetary assistance	1655.4	1648.9	1706.4	1693.2	1677.4	1830.0

– Nil. Figures may not add to totals due to rounding. ^a The estimates are derived primarily from Australian Government departmental annual reports and Treasury's Tax Expenditure Statements and unpublished information provided by relevant agencies.

Source: Commission estimates.

Table A.7 Australian Government budgetary assistance to services industry groups, 2004-05 to 2009-10^a

\$ million (nominal)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Electricity, gas and water supply						
<i>Industry-specific measures</i>						
Carbon Capture and Solar Flagships Program	–	–	–	–	–	61.8
Greenhouse gas abatement program	6.7	7.2	9.8	4.1	0.7	–
Low emission technology development fund	–	–	–	3.1	1.6	–
Renewable energy commercialisation	1.4	1.7	1.5	–	–	–
Renewable Energy Development Initiative	2.2	3.3	5.0	1.8	6.1	2.3
Renewable Energy Equity Fund	0.5	0.3	–	–	–	–
Remote renewable power generation program	–	28.7	13.8	29.9	39.1	4.4
Solar Flagships Programs	–	–	–	–	–	0.1
<i>General export measures</i>						
Export Market Development Grants Scheme	0.4	0.5	0.6	0.6	0.6	0.8
TRADEX	<0.1	0.1	0.1	0.1	0.1	0.1
<i>General investment measures</i>						
Development allowance	0.8	0.5	0.2	<0.1	–	–
Infrastructure bonds scheme	10.4	10.4	7.8	2.6	2.6	0.3
Infrastructure borrowing's tax offsets scheme	2.9	1.0	–	–	–	–
<i>General R&D measures</i>						
COMET Program	0.2	0.2	0.2	0.7	0.6	0.3
Commercial Ready Program	–	0.5	1.1	0.9	0.7	0.3
Cooperative Research Centres	6.8	5.6	4.5	4.0	–	–
CSIRO	19.9	22.8	19.8	28.0	22.3	23.6
Innovation Investment Fund	–	–	–	2.2	–	1.2
Preseed fund	–	0.1	0.4	–	–	–
R&D Start	1.6	0.1	–	–	–	–
R&D tax offset for small companies	4.7	4.8	2.4	2.9	3.7	4.6
Premium R&D tax concession	3.3	1.9	2.0	6.9	6.9	8.6
R&D tax concession	3.7	3.2	2.8	4.4	5.8	6.8
<i>Other measures</i>						
Industry Cooperative Innovation Program	–	–	0.1	<0.1	0.1	0.1
Innovation Investment Fund for South Australia	–	–	–	–	0.4	0.4
Small business capital gains tax rollover deferral	–	1.4	–	0.5	0.9	0.5
Small business CG tax retirement exemption	2.1	2.4	1.1	6.1	7.2	4.3
Small business CG tax 50 percent reduction	1.7	3.9	2.9	8.2	10.5	6.2
25 per cent entrepreneurs' tax offset	–	–	0.2	0.2	0.3	0.3
Total	69.2	100.4	76.6	107.3	110.3	127.0

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Construction						
<i>General export measures</i>						
Export Market Development Grants Scheme	1.1	1.2	1.3	1.1	1.6	1.1
TRADEX	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	0.2	0.2	0.2	0.3	<0.1	0.2
Commercial Ready Program	–	–	2.5	1.8	1.8	0.9
Cooperative Research Centres	2.5	2.3	1.8	1.5	–	0.4
CSIRO	3.8	4.6	3.4	1.4	1.3	1.3
Innovation Investment Fund	–	–	–	<0.1	–	–
R&D Start	0.3	0.2	–	–	0.4	0.3
R&D tax offset for small companies	8.3	8.8	8.6	6.1	7.6	9.5
Premium R&D tax concession	0.4	0.8	1.4	4.3	4.4	5.4
R&D tax concession	3.2	11.4	10.5	13.9	18.3	21.6
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	<0.1	–	–
Industry Cooperative Innovation Program	–	0.3	0.2	0.2	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.9
Small business programs	–	0.1	0.9	–	0.1	0.1
Scottsdale Industry and Community Development Fund	–	–	–	0.1	–	–
Small business capital gains tax rollover deferral	8.2	9.8	15.0	4.7	7.8	4.4
Small business CG tax asset exemption	0.5	0.3	–	1.6	2.0	1.4
Small business CG tax retirement exemption	7.5	9.0	15.2	27.6	32.7	19.7
Small business CG tax 50 percent reduction	16.2	26.1	47.8	50.6	64.7	37.8
25 per cent entrepreneurs' tax offset	–	–	42.2	48.5	52.6	55.4
Total	52.3	74.9	151.0	163.7	195.2	160.4
Wholesale trade						
<i>Industry-specific measures</i>						
Ethanol Distribution Program	–	–	–	1.7	2.0	–
TCF Small Business Program	–	–	–	–	–	0.2
<i>General export measures</i>						
Export Market Development Grants Scheme	10.2	11.0	11.6	12.5	14.3	13.8
TRADEX	4.8	2.8	3.5	3.5	2.9	2.6
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
Biotechnology Innovation Fund	–	<0.1	–	–	–	–
COMET Program	0.1	0.1	0.1	0.3	0.2	0.1
Commercial Ready Program	–	0.1	0.2	–	1.6	0.8
R&D Start	0.8	1.4	0.2	0.2	–	–
R&D tax offset for small companies	25.1	24.2	23.3	17.2	21.5	26.9
Premium R&D tax concession	5.8	6.0	9.9	17.0	17.1	21.1
R&D tax concession	19.7	20.5	21.4	26.1	34.2	40.4
<i>Other measures</i>						
Industry Cooperative Innovation Program	–	–	0.1	–	–	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.2
Small business capital gains tax rollover deferral	5.4	4.4	7.1	5.2	8.6	4.9
Small business CG tax asset exemption	1.7	1.0	1.5	3.3	4.2	2.8
Small business CG tax retirement exemption	15.8	11.9	26.5	27.2	32.2	19.4
Small business CG tax 50 percent reduction	22.5	27.3	40.7	42.3	54.0	31.6
25 per cent entrepreneurs' tax offset	–	–	0.9	1.1	1.2	1.2
Total	111.9	110.8	146.9	157.5	194.0	166.2
Retail trade						
<i>Industry-specific measures</i>						
Ethanol Distribution Program	–	–	0.7	4.5	5.0	–
Greenhouse gas abatement program	0.3	0.4	0.5	0.2	<0.1	–
LPG Vehicle Scheme	–	–	121.8	163.2	175.8	65.2
TCF Small Business Program	–	–	–	–	–	<0.1
<i>General export measures</i>						
Export Market Development Grants Scheme	0.7	1.3	1.3	1.5	2.1	1.4
TRADEX	1.6	3.6	4.4	4.4	3.7	3.4
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	–	<0.1	0.1	0.2	0.1	0.1
Commercial Ready Program	–	–	–	–	0.2	<0.1
R&D tax offset for small companies	7.2	7.3	9.3	7.2	9.0	11.3
Premium R&D tax concession	0.7	1.1	2.4	1.9	2.0	2.4
R&D tax concession	2.6	2.8	4.7	6.2	8.1	9.5

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.3
Small business capital gains tax rollover deferral	11.7	13.7	24.7	5.9	9.8	5.6
Small business CG tax asset exemption	3.3	4.7	5.4	3.8	4.7	3.2
Small business CG tax retirement exemption	19.8	22.5	26.3	58.4	69.2	41.7
Small business CG tax 50 percent reduction	34.4	42.7	61.3	75.5	96.5	56.4
25 per cent entrepreneurs' tax offset	–	–	1.9	2.5	2.7	2.8
Total	82.2	100.1	264.8	335.4	388.9	203.4
Accommodation, cafes and restaurants						
<i>General export measures</i>						
Export Market Development Grants Scheme	4.7	4.8	5.0	4.1	5.0	6.5
<i>General R&D measures</i>						
COMET Program	–	–	–	–	–	0.1
CSIRO	0.2	<0.1	0.1	–	–	–
R&D tax offset for small companies	–	–	0.5	0.8	1.0	1.3
R&D tax concession	0.5	1.0	1.0	1.1	1.4	1.7
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	0.2	–	–
Small business programs	0.1	0.2	–	–	–	–
Small business capital gains tax rollover deferral	18.5	16.6	26.1	12.0	20.0	11.4
Small business CG tax asset exemption	1.8	–	3.1	6.6	8.3	5.6
Small business CG tax retirement exemption	24.8	20.4	20.0	41.7	49.4	29.8
Small business CG tax 50 percent reduction	42.0	57.4	59.5	108.5	138.8	81.1
25 per cent entrepreneurs' tax offset	–	–	0.7	0.9	0.9	1.0
Total	92.6	100.2	116.0	176.0	224.8	138.5
Transport and Storage						
<i>Industry-specific measures</i>						
Bass Straight Passenger Vehicle Equalisation	32.4	31.1	28.4	30.1	35.1	36.5
<i>General export measures</i>						
Export Market Development Grants Scheme	5.4	5.2	5.5	5.9	6.0	8.3
TRADEX	1.1	0.4	0.5	0.5	0.5	0.4

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General investment measures</i>						
Development allowance	1.9	1.2	0.5	<0.1	–	–
Infrastructure bonds scheme	9.6	9.6	7.2	2.4	2.4	0.2
Infrastructure borrowing's tax offset scheme	8.4	6.5	3.8	3.8	0.4	–
<i>General R&D measures</i>						
COMET Program	0.2	0.2	0.1	0.1	0.1	0.1
Commercial Ready Program	–	0.2	0.8	1.3	–	–
CSIRO	3.7	4.7	3.3	2.7	1.1	1.2
R&D Start	1.7	0.7	<0.1	–	–	–
R&D tax offset for small companies	1.9	2.6	3.4	2.5	3.1	3.9
Premium R&D tax concession	3.0	0.2	4.8	4.8	4.8	5.9
R&D tax concession	6.6	5.1	7.5	8.3	10.9	12.9
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	<0.1	–	–
Commercialisation Australia	–	–	–	–	–	<0.1
Industry Cooperative Innovation Program	–	–	–	–	0.2	0.2
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.1
Small business capital gains tax rollover deferral	9.7	7.0	3.8	3.5	5.8	3.3
Small business CG tax asset exemption	0.2	1.4	0.9	1.3	1.7	1.1
Small business CG tax retirement exemption	6.4	9.1	12.0	21.2	25.1	15.1
Small business CG tax 50 percent reduction	14.1	21.2	19.8	29.7	37.9	22.2
25 per cent entrepreneurs' tax offset	–	–	9.6	11.1	12.0	12.6
Total	106.3	106.4	112.0	129.2	147.0	124.1
Communication services						
<i>Industry-specific measures</i>						
ABC and SBS Digital Interference Scheme	0.1	<0.1	<0.1	<0.1	<0.1	<0.1
The Advanced Networks Program	8.0	7.0	12.5	–	–	–
Regional Equalisation Plan	24.2	24.2	24.8	23.7	0.3	1.3
<i>General export measures</i>						
Export Market Development Grants Scheme	1.7	2.4	2.5	22.4	27.7	27.8
TRADEX	<0.1	–	–	–	–	–
<i>General investment measures</i>						
Development allowance	2.2	1.4	0.5	<0.1	–	–

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
COMET Program	0.6	0.5	0.6	1.1	1.2	1.0
Commercial Ready Program	–	1.2	5.2	2.8	1.8	0.4
Cooperative Research Centres	5.8	4.6	3.5	4.4	4.5	4.4
CSIRO	22.3	24.1	32.8	35.7	18.2	19.2
ICT centre of excellence	17.2	23.5	24.0	26.8	27.3	25.4
Innovation Investment Fund	2.0	0.7	0.2	–	–	<0.1
Preseed fund	1.8	2.4	1.8	1.0	0.7	0.4
R&D Start	8.4	5.3	0.6	0.2	–	–
R&D tax offset for small companies	12.7	14.0	15.6	12.4	15.5	19.4
Premium R&D tax concession	0.5	3.6	2.0	1.9	1.9	2.3
R&D tax concession	10.1	14.2	20.1	29.9	39.2	46.3
<i>Other measures</i>						
Commercialisation Australia	–	–	–	–	–	0.4
Industry Cooperative Innovation Program	–	0.2	0.4	0.2	0.5	0.3
Innovation Investment Fund for South Australia	–	–	–	–	0.9	0.8
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.1
Small business programs	<0.1	–	–	–	–	–
Small business capital gains tax rollover deferral	–	1.1	–	1.4	2.3	1.3
Small business CG tax retirement exemption	1.1	3.6	2.3	6.3	7.5	4.5
Small business CG tax 50 percent reduction	3.0	4.5	6.1	11.5	14.7	8.6
25 per cent entrepreneurs' tax offset	–	–	1.1	1.4	1.5	1.6
Total	121.5	138.3	156.6	183.0	165.6	165.4
Finance and insurance						
<i>Industry-specific measures</i>						
High Costs Claims scheme	0.4	0.1	8.8	3.2	19.5	21.4
Renewable Energy Equity Fund	0.4	0.5	0.3	0.3	–	–
TCF Small Business Program	–	–	–	–	–	<0.1
United Medical Protection support	24.4	13.7	13.2	0.1	–	–
Offshore Banking Unit tax concession	75.0	90.0	160.0	320.0	305.0	270.0
<i>General export measures</i>						
Export Market Development Grants Scheme	0.9	1.3	1.4	0.5	0.9	1.2
TRADEX	0.1	<0.1	<0.1	<0.1	<0.1	<0.1
<i>General investment measures</i>						
Development allowance	0.1	<0.1	<0.1	<0.1	–	–
Land transport infrastructure borrowing's tax offset scheme	3.8	2.5	1.3	1.3	0.1	–

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
Biotechnology Innovation Fund	<0.1	—	—	—	—	—
COMET Program	0.1	0.2	0.1	0.1	0.2	<0.1
Commercial Ready Program	—	0.3	1.6	1.8	—	—
CSIRO	1.5	1.2	1.2	0.8	0.7	0.7
Innovation Investment Fund	5.0	4.6	3.9	3.1	1.9	3.0
Preseed fund	2.3	3.9	1.9	2.2	—	2.0
R&D Start	2.0	0.7	0.4	—	—	—
R&D tax offset for small companies	13.2	16.6	13.0	32.5	51.8	64.7
Premium R&D tax concession	10.3	11.8	19.7	28.3	36.3	44.8
R&D tax concession	34.1	33.6	37.7	47.8	79.9	94.4
<i>Other measures</i>						
Industry Cooperative Innovation Program	—	—	—	—	0.3	—
Small business programs	—	—	—	—	0.1	0.1
Early stage venture capital limited partnerships	—	—	—	—	1.0	5.0
Pooled development funds	9.0	7.0	9.0	12.0	11.0	10.0
Small business capital gains tax rollover deferral	3.9	8.3	16.6	145.6	242.7	138.7
Small business CG tax asset exemption	5.3	7.5	14.0	14.5	18.1	12.3
Small business CG tax retirement exemption	12.2	18.7	22.4	52.1	61.6	37.2
Small business CG tax 50 percent reduction	24.2	27.8	41.8	95.7	122.3	71.4
25 per cent entrepreneurs' tax offset	—	—	4.5	5.6	6.1	6.4
Venture capital limited partnerships	35.0	9.0	10.0	10.0	11.0	11.0
Total	263.3	259.1	382.7	777.4	970.5	794.4
Property and business services						
<i>Industry-specific measures</i>						
Pharmaceuticals Partnerships Program	—	—	—	—	—	0.3
Renewable Energy Development Initiative	0.2	0.3	1.1	1.0	8.8	1.4
Renewable Energy Equity Fund	—	—	0.3	1.4	—	—
Solar cities initiative	—	0.6	3.0	9.1	7.2	11.7
TCF Small Business Program	—	—	—	0.3	0.3	0.5
<i>General export measures</i>						
Export Market Development Grants Scheme	24.9	30.3	32.1	26.9	35.7	37.2
TRADEX	0.6	0.4	0.4	0.4	0.4	0.3
<i>General investment measures</i>						
Development allowance	0.3	0.2	0.1	<0.1	—	—

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General R&D measures</i>						
Biotechnology Innovation Fund	3.6	1.2	0.2	<0.1	–	–
COMET Program	2.3	2.6	3.6	6.5	3.9	3.1
Commercial Ready Program	0.3	11.4	26.9	23.3	36.2	11.6
Cooperative Research Centres	13.5	12.2	10.3	12.5	7.9	9.3
CSIRO	8.5	9.3	7.5	6.2	2.0	2.2
Innovation Investment Fund	4.8	4.9	3.8	4.4	2.3	1.3
National Enabling Technologies Strategy	–	–	–	–	–	0.2
Preseed fund	0.7	2.6	2.1	4.3	2.2	1.9
R&D Start	31.5	13.6	5.6	0.4	1.1	0.2
R&D tax offset for small companies	43.1	47.6	40.0	150.7	188.6	235.8
Premium R&D tax concession	20.4	18.2	29.1	38.8	39.1	48.3
R&D tax concession	69.1	76.3	78.6	74.8	98.1	116.0
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	1.3	–	–
Commercialisation Australia	–	–	–	–	–	1.0
Industry Cooperative Innovation Program	–	0.1	0.2	0.7	0.6	0.1
Innovation Investment Fund for South Australia	–	–	–	–	0.8	0.7
Indigenous Tourism Business Ready Program	–	–	–	–	0.4	–
Small business programs	4.8	8.3	6.8	10.6	1.2	0.6
Techfast	2.5	–	–	–	–	–
Small business capital gains tax rollover deferral	26.4	19.5	34.6	22.3	37.2	21.3
Small business CG tax asset exemption	5.7	7.1	8.8	23.3	29.1	19.8
Small business CG tax retirement exemption	33.9	41.0	74.4	129.5	153.3	92.5
Small business CG tax 50 percent reduction	65.2	74.7	126.0	189.9	242.7	141.8
25 per cent entrepreneurs' tax offset	–	–	28.4	35.1	38.1	40.2
Total	362.2	382.4	523.9	773.8	937.3	799.3
Government administration and defence						
<i>General export measures</i>						
Export Market Development Grants Scheme	–	–	–	0.3	0.4	0.3
TRADEX	0.1	0.2	0.2	0.2	0.2	0.1
<i>General R&D measures</i>						
COMET Program	0.1	–	0.1	0.1	<0.1	0.2
CSIRO	7.5	11.5	13.8	12.7	25.8	27.3
R&D Start	<0.1	–	–	–	–	–
R&D tax offset for small companies	–	–	–	0.4	0.5	0.7
R&D tax concession	0.6	0.5	0.9	0.6	0.8	1.0

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	0.1	–	–
Small business programs	3.4	1.6	4.3	1.6	0.5	0.2
Small business CG tax retirement exemption	–	–	0.9	–	–	–
Small business CG tax 50 percent reduction	0.9	1.1	0.7	1.4	1.8	1.1
25 per cent entrepreneurs' tax offset	–	–	0.7	0.8	0.9	0.9
Total	12.6	14.9	21.6	18.3	31.0	31.7
Education						
<i>General export measures</i>						
Export Market Development Grants Scheme	6.6	7.0	7.4	8.6	12.3	14.9
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
COMET Program	0.1	0.3	0.2	0.3	0.2	0.1
Commercial Ready Program	–	–	–	0.1	0.6	0.5
CSIRO	1.1	2.1	2.0	1.1	0.7	0.7
R&D Start	0.2	0.1	<0.1	–	–	–
R&D tax offset for small companies	3.1	3.3	3.3	1.6	2.0	2.5
Premium R&D tax concession	0.1	0.1	0.1	0.5	0.5	0.7
R&D tax concession	0.5	0.4	0.4	0.6	0.8	1.0
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	0.1	–	–
Indigenous Tourism Business Ready Program	–	–	–	–	0.2	–
Structural Adjustment Fund for South Australia	–	–	–	–	0.2	–
Small business programs	0.3	4.1	2.6	0.4	0.8	0.4
Tasmanian Freight Equalisation Scheme	–	–	–	–	<0.1	0.1
Small business CG tax retirement exemption	3.7	3.7	0.7	4.2	5.0	3.0
Small business CG tax 50 percent reduction	3.5	2.4	3.1	7.3	9.3	5.4
25 per cent entrepreneurs' tax offset	–	–	3.7	4.8	5.2	5.5
Total	19.0	23.5	23.5	29.6	37.8	34.8
Health and community services						
<i>Industry-specific measures</i>						
Premium Support scheme	24.4	17.1	50.0	23.5	16.1	17.2
<i>General export measures</i>						
Export Market Development Grants Scheme	1.6	2.0	2.1	1.4	1.8	2.1
TRADEX	0.2	0.3	0.3	0.3	0.3	0.2

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General investment measures</i>						
Development allowance	<0.1	<0.1	<0.1	<0.1	–	–
<i>General R&D measures</i>						
Biotechnology Innovation Fund	2.8	1.5	0.1	–	–	–
COMET Program	0.2	0.6	0.5	1.5	0.4	0.3
Commercial Ready Program	<0.1	3.5	7.0	7.8	2.3	0.2
Cooperative Research Centres	15.3	19.6	19.0	24.2	19.3	18.4
CSIRO	38.7	48.0	41.1	50.3	47.6	50.2
Innovation Investment Fund	3.9	2.3	2.4	–	0.6	0.7
Preseed fund	0.5	1.8	2.0	1.1	0.9	0.2
R&D Start	12.1	4.4	1.8	0.2	–	–
R&D tax offset for small companies	3.5	5.2	4.4	3.0	3.8	4.8
Premium R&D tax concession	0.6	0.6	0.5	0.5	0.6	0.7
R&D tax concession	1.3	2.0	1.7	1.7	2.2	2.6
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	<0.1	–	–
Commercialisation Australia	–	–	–	–	–	<0.1
Industry Cooperative Innovation Program	–	–	–	–	0.5	0.1
Small business programs	<0.1	0.2	0.1	–	–	–
Small business capital gains tax rollover deferral	7.7	4.2	15.7	1.3	2.1	1.2
Small business CG tax asset exemption	–	0.9	1.7	3.8	4.7	3.2
Small business CG tax retirement exemption	11.4	12.4	20.1	22.9	27.1	16.4
Small business CG tax 50 percent reduction	21.6	18.4	37.7	25.7	32.9	19.2
25 per cent entrepreneurs' tax offset	–	–	8.0	10.4	11.3	11.9
Total	145.8	144.8	216.2	179.5	174.4	149.6
Cultural and recreational services						
<i>Industry-specific measures</i>						
Australian Film Commission	48.6	52.0	52.4	53.0	–	–
Australian Film Finance Corporation	65.5	70.5	70.5	70.5	–	–
Equine Influenza Emergency Assistance Package	–	–	–	256.8	–	–
Film Australia	10.8	13.0	13.2	13.3	–	–
Screen Australia	–	–	–	–	102.9	93.6
Film industry tax incentives – 10B & 10A	-1.0	-2.0	-13.0	-13.0	-16.0	-22.0
Exemption of film tax offset payments	16.0	7.0	10.0	3.0	18.0	40.0
Producer offset	–	–	–	–	85.2	117.7
Refundable tax offset for large scale film production	53.0	22.0	29.0	69.0	43.0	242.0
<i>General export measures</i>						
Export Market Development Grants Scheme	11.3	12.1	12.8	5.6	5.9	6.5
TRADEX	<0.1	–	–	–	–	–

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>General investment measures</i>						
Development allowance	0.1	<0.1	<0.1	<0.1	-	-
<i>General R&D measures</i>						
COMET Program	0.2	0.1	0.2	0.4	0.1	0.2
Commercial Ready Program	-	0.2	0.2	0.2	-	-
Cooperative Research Centres	4.8	4.7	4.7	3.5	3.1	2.0
CSIRO	0.7	0.6	0.5	0.8	1.5	1.6
R&D Start	0.1	-	-	-	-	-
R&D tax offset for small companies	1.6	2.2	1.2	0.7	0.9	1.1
R&D tax concession	0.4	0.3	0.2	0.2	0.3	0.4
<i>Other measures</i>						
Australian Tourism Development Program	-	-	-	0.9	-	-
Industry Cooperative Innovation Program	-	-	0.7	-	-	-
Small business programs	<0.1	-	0.7	-	-	-
Tasmanian Freight Equalisation Scheme	-	-	-	-	<0.1	0.2
Small business capital gains tax rollover deferral	-	1.6	3.0	1.3	2.2	1.3
Small business CG tax retirement exemption	1.3	3.8	3.7	5.9	6.9	4.2
Small business CG tax 50 percent reduction	3.2	4.8	11.4	3.5	4.5	2.6
25 per cent entrepreneurs' tax offset	-	-	4.4	5.9	6.5	6.8
Total	216.5	192.8	205.8	481.5	264.9	498.0
Personal and other services						
<i>Industry-specific measures</i>						
Renewable Energy Development Initiative	-	-	0.7	1.5	-	-
TCF Small Business Program	-	-	-	-	-	<0.1
<i>General export measures</i>						
Export Market Development Grants Scheme	0.9	1.2	1.3	1.7	2.4	3.1
<i>General R&D measures</i>						
COMET Program	0.1	0.1	0.1	<0.1	0.1	<0.1
Commercial Ready Program	-	0.6	0.1	<0.1	<0.1	-
CSIRO	-	0.8	1.2	1.3	<0.1	<0.1
R&D Start	<0.1	-	-	-	-	-
R&D tax offset for small companies	4.3	7.7	5.3	3.7	4.6	5.7
Premium R&D tax concession	0.3	0.6	0.9	1.8	1.8	2.2
R&D tax concession	2.0	2.5	2.8	2.9	3.8	4.5

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Australian Tourism Development Program	–	–	–	1.7	–	–
Industry Cooperative Innovation Program	–	–	0.5	<0.1	2.2	2.6
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	0.1
Small business programs	0.9	1.2	1.6	0.8	0.7	0.4
Small business capital gains tax rollover deferral	1.7	3.8	10.5	2.2	3.7	2.1
Small business CG tax asset exemption	0.1	0.9	1.2	1.8	2.3	1.5
Small business CG tax retirement exemption	2.2	5.4	8.8	12.5	14.9	9.0
Small business CG tax 50 percent reduction	9.4	12.2	18.4	24.2	30.9	18.1
25 per cent entrepreneurs' tax offset	–	–	6.9	8.6	9.4	9.9
<i>Total</i>	<i>21.8</i>	<i>37.1</i>	<i>60.3</i>	<i>64.7</i>	<i>76.8</i>	<i>59.2</i>
Unallocated services						
<i>Industry-specific measures</i>						
Building IT strengths	12.6	10.6	7.5	–	–	–
ICT Incubators Program	–	–	–	1.7	–	–
<i>General export measures</i>						
Tourism Australia	138.4	137.8	133.8	135.8	137.6	141.6
<i>General R&D measures</i>						
CSIRO	0.4	2.9	3.3	3.7	2.4	2.5

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Table A.7 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
See Australia Domestic Tourism Initiative	2.4	–	–	–	–	–
Australian Tourism Development Program	4.0	7.0	6.8	–	–	–
Cairns Foreshore Promenade Development	2.0	2.9	–	–	–	–
Cairns Esplanade Development	2.9	3.0	1.9	–	–	–
Fairbridge Village Redevelopment	0.7	–	–	–	–	–
The Great Green Way - Tourism Initiative	1.9	1.9	1.9	–	–	–
Indigenous Tourism Business Ready Program	0.2	0.8	1.1	0.4	0.6	–
Kimberley Cultural Tourism Promotion	0.1	0.1	–	–	–	–
Lancefield Visitor Information Centre & Reserve	0.2	–	–	–	–	–
North East Chinese Heritage Trail	–	0.5	1.2	–	–	–
National Tourism Accreditation Framework	0.7	0.8	0.5	–	–	–
Oatlands Callington Mill upgrade	0.1	0.1	–	–	–	–
Queensland Tourism Assistance Package	–	–	–	–	0.3	–
Stockman's Hall of Fame	–	–	0.5	0.4	–	–
Tasmanian Forest Tourism Initiative	–	–	–	–	15.2	18.1
Tasmanian Infrastructure Initiative	–	0.7	–	–	–	–
Tourism in Protected Areas	1.9	1.7	–	–	–	–
TQUAL grants	–	–	–	–	4.2	8.6
Willow Court Restoration of 'The Barracks'	<0.1	0.3	–	–	–	–
Woodend Bike Trail	0.2	–	–	–	–	–
Film Licensed Investment Company Scheme	–	–	4.0	4.0	–	–
Total	168.6	171.0	162.7	146.0	160.2	170.8
Total outlays	871.1	936.1	1074.2	1457.3	1267.2	1234.9
Total tax expenditures	975.2	1020.7	1546.6	2266.0	2811.8	2387.9
Total budgetary assistance	1846.3	1956.8	2620.7	3723.3	4078.9	3622.9

– Nil. Figures may not add to totals due to rounding. ^a The estimates are derived primarily from Australian Government departmental annual reports and Treasury's Tax Expenditure Statements and unpublished information provided by relevant agencies.

Source: Commission estimates.

Table A.8 Australian Government budgetary assistance, Unallocated other, 2004-05 to 2009-10^{ab}

\$ million (nominal)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Industry-specific measures</i>						
Australian Seafood Industry Council	0.1	0.1	–	0.1	–	–
Indigenous Broadcasting Program	12.8	13.3	13.6	14.0	13.7	14.4
National Urban Water and Desalination Plan	–	–	–	–	10.0	16.2
Pharmaceuticals Partnerships Program	–	–	–	16.6	7.3	–
Renewable Energy Development Initiative	–	–	–	3.4	–	–
Tasmanian wheat freight subsidy	–	–	0.6	0.9	0.3	0.1
<i>General export measures</i>						
Austrade ^C	89.3	96.2	99.0	98.0	109.2	111.4
Clean Energy Trade and Investment Strategy	–	–	–	–	–	5.0
EFIC national interest business	10.4	9.1	10.9	8.2	7.4	3.1
International Food and Agricultural Service	30.7	30.5	30.5	36.7	–	–
TRADEX	1.5	–	–	–	–	–
<i>General investment measures</i>						
Invest Australia	22.3	22.0	24.0	–	–	–
Development allowance	8.9	5.6	2.2	0.1	–	–
Regional headquarters program	0.5	0.5	0.5	0.5	0.5	0.5
<i>General R&D measures</i>						
Australian Centre for Renewable Energy	–	–	–	–	–	15.5
Biotechnology Innovation Fund	1.2	0.3	<0.1	–	–	–
COMET Program	<0.1	–	–	–	0.1	<0.1
Commercial Ready Program	0.8	1.3	0.4	24.3	0.1	–
Innovation Access Program	5.8	9.3	0.8	1.1	–	–
Innovation Investment Fund	0.5	–	–	–	2.6	–
Innovation Investment Follow-on Fund	–	–	–	–	–	40.9
Major national research facilities	11.9	11.9	–	–	–	–
National Enabling Technologies Strategy	–	–	–	–	–	0.1
Preseed fund	0.1	–	–	–	2.7	–
R&D Start	28.2	4.6	2.2	1.5	–	–
R&D Start Loans	–	0.1	–	–	–	–
R&D tax offset for small companies	5.5	8.3	11.3	12.6	15.7	19.7
Premium R&D tax concession	0.2	0.5	0.4	1.4	1.4	1.7
R&D tax concession	1.4	2.0	2.8	4.8	6.3	7.5
R&D tax offset payments – exemption	2.0	5.0	-30.0	-55.0	-70.0	-55.0

(continued next page)

Table A.8 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures</i>						
Australian Made Campaign – export strategy	0.9	0.7	0.5	0.9	0.4	1.1
Beaconsfield Community Fund	–	–	1.0	2.4	–	–
Tropical Cyclones Larry and Monica – business assistance	–	136.5	11.8	–	–	–
Enterprise Connect Innovation Centres	–	–	–	5.3	5.3	21.5
Fishing Structural Adjustment Package – Onshore Business Restructure Program	–	–	–	5.7	–	–
Geelong Innovation and Investment Fund	–	–	–	–	2.0	7.0
Home Based Business Seminars	–	–	0.4	0.3	–	–
Intermediary Access Program	–	–	–	1.9	–	–
Industry Cooperative Innovation Program	–	–	–	2.7	–	–
Innovation Investment Fund for South Australia	–	–	–	0.1	<0.1	<0.1
Low Emissions Technology and Abatement Program	–	2.0	6.7	3.1	1.7	–
North West and Northern Tasmania Innovation and Investment Fund	–	–	–	–	–	<0.1
Port Kembla Industry Facilitation Fund	–	–	2.4	2.6	–	–
Regional partnerships program	30.4	26.8	17.3	18.6	14.5	6.2
Structural Adjustment Fund for South Australia	–	13.1	10.5	7.0	–	–
Industry Capability Network Limited	1.8	1.5	2.3	–	–	–
Small Business Advisory Services Program	–	–	–	–	11.9	16.4
Small business interest rate subsidy	0.5	–	–	–	–	–
Small business Online Program	–	–	–	–	–	7.2
Small business programs	0.1	–	0.5	–	0.3	0.2
Small business Support Line	–	–	–	–	–	1.3
Sustainable regions program	22.6	36.8	7.1	4.7	0.9	–

(continued next page)

Table A.8 (continued)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<i>Other measures (continued)</i>						
Tasmanian Freight Equalisation Scheme	0.9	0.9	1.0	1.2	2.5	6.6
Capital gains tax relief for statutory licences	–	–	20.0	90.0	–	–
Small business capital gains tax rollover deferral	2.9	5.7	3.6	–	–	–
The Small and General Business Tax Break	–	–	–	–	–	1.5
Small business CG tax asset exemption	4.8	8.7	12.9	22.2	27.7	18.8
Small business CG tax retirement exemption	6.5	5.3	5.5	–	–	–
Small business CG tax 50 percent reduction	10.5	12.5	14.1	5.2	6.6	3.9
25 per cent entrepreneurs' tax offset	–	–	18.5	28.8	31.2	32.9
Taxation assistance for victims of Australian natural disasters	–	–	11.0	11.0	8.0	8.0
TCF Corporate Wear Program	46.0	50.9	56.4	66.6	74.1	93.1
Total	361.9	521.9	372.4	449.3	294.6	406.6
Total outlays	276.9	425.3	254.6	273.8	208.8	293.8
Total tax expenditures	85.1	96.6	117.9	175.5	85.8	112.8
Total budgetary assistance	362.0	521.9	372.5	449.3	294.6	406.6

– Nil. Figures may not add to totals due to rounding. ^a The estimates are derived primarily from Australian Government departmental annual reports and Treasury's Tax Expenditure Statements and unpublished information provided by relevant agencies. ^b Includes programs or amounts of funding where the initial benefiting industry is not stated and/or has not been ascertained. ^c For 2008-09 and 2009-10, Austrade provided information about the proportion of its total appropriation pertaining to 'industry assistance' (as distinct from corporate overhead, consular and public diplomatic responsibilities and general policy work). The 2008-09 proportion has been applied to earlier years. In previous editions of *Trade and Assistance Review* the full Austrade departmental appropriation had been included as 'industry assistance'.

Source: Commission estimates.

B Anti-dumping and countervailing activity

Dumping is said to occur when an overseas supplier exports a good to Australia at a price below its ‘normal value’ in the supplier’s home market. If dumping causes, or threatens to cause, material injury to local producers of like goods, then remedial action — mainly the imposition of special customs duties — can be taken against the imported goods concerned.

Similarly, countervailing duties can be imposed on imports which benefit from certain subsidies from an overseas government and which cause or threaten injury to a local industry producing like goods.

Australia’s anti-dumping and countervailing legislation (contained in the *Customs Act 1901*, the *Customs Tariff (Anti-Dumping) Act 1975* and the Customs Regulations 1926), is based on WTO agreements that, amongst other things, aim to discipline the use of anti-dumping measures as an alternative form of protection. Though WTO members are not obliged to enact such legislation, they are required to comply with the agreed requirements should they wish to take action against dumped imports.

Australia’s anti-dumping system is administered by the Australian Customs and Border Protection Service (Customs and Border Protection). It investigates claims of dumping and makes recommendations to the Minister, and also oversees anti-dumping and countervailing measures in force. The investigation process goes through several, time-limited, stages and includes appeal processes.

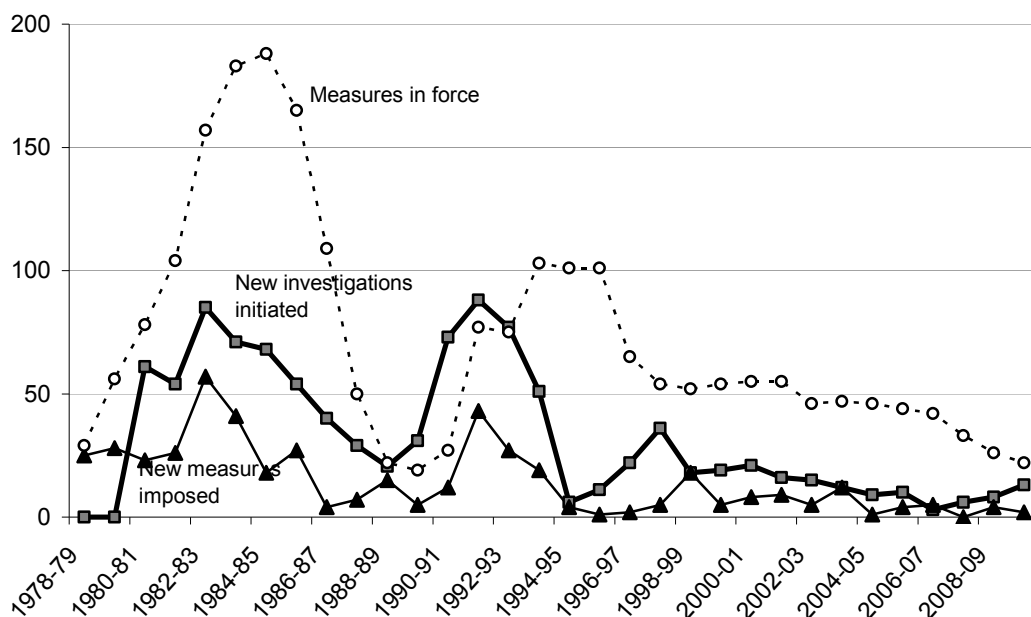
Under Australia’s anti-dumping rules, anti-dumping duties may be imposed up to the level of the assessed dumping margin (or the subsidy provided by an overseas government). However, under the ‘lesser duty rule’, a smaller duty sufficient to increase the price of the overseas good to a ‘non-injurious’ level may sometimes be imposed. Alternatively, the overseas supplier (and also the overseas government in countervailing cases) can make a formal price undertaking on terms that would remove the injury or the threat of injury.

Once in place, anti-dumping measures typically remain in force for five years, with scope for extensions for additional five-year periods, following further review.

B.1 Australian anti-dumping and countervailing activity

Over the decade to 2009-10, antidumping and countervailing activity has declined. *Initiations* of new investigations fell from 21 in 2000-01 to 3 in 2006-07, followed by an increase to 13 in 2009-10 (figure B.1). Measures *in force* fell steadily from 55 in 2000-01 to 22 in 2009-10. Over the decade, new measures were *imposed* about 50 per cent of the time in response to investigations.

Figure B.1 **Australian anti-dumping and countervailing activity, 1978-79 to 2009-10^{ab}**



^a An investigation or measure is recorded as an action applying to one commodity from one economy. If multiple economies are involved, they are treated as separate actions. ^b New investigations refer to investigations by Customs of complaint cases that have met the screening requirements. The number of complaints raised by industry may be greater.

Source: ACS (2010).

During 2009-10, 13 new investigations were *initiated* by Customs and Border Protection (table B.1). Also during the year, two new measures were *imposed* by the Government and six measures expired.

Table B.1 Australian anti-dumping and countervailing initiations, 2009-10^a

<i>Commodity</i>	<i>Industry grouping</i>	<i>Exporting economy</i>
Biodiesel	Petroleum, coal, chemical and associated products	United States
Plywood	Wood and paper products	Brazil
Plywood	Wood and paper products	Chile
Plywood	Wood and paper products	Malaysia
Plywood	Wood and paper products	China
Clear float glass	Non-metallic mineral products	China
Clear float glass	Non-metallic mineral products	Indonesia
Clear float glass	Non-metallic mineral products	Thailand
Hollow structural sections	Metal products	China
Greyback carton board	Wood and paper products	Korea
Sodium hydrogen carbonate	Petroleum, coal chemical and associated products	China
Preserved mushrooms	Food, beverages and tobacco	China
Geosynthetic clay liners	Non-metallic mineral products	Germany

^a Formal investigations by Customs. Complaints by industry must meet certain requirement before investigations are initiated. Initiations are recorded as actions applying to one commodity from one economy.

Source: ACS (2010).

Of the 22 measures *in force* in 2009-10, over 80 per cent related to a relatively narrow range of basic industrial chemicals and plastics, metal products and food and beverages, many of which are inputs to further manufacturing processes. Over the decade to 2009-10, around one-third of initiated investigations related to products in the *Petroleum, coal, chemical and associated products* industry grouping (table B.2). The second largest number of initiations related to *Metal products*.

Table B.2 Australian anti-dumping and countervailing new investigations, 2000-01 to 2009-10^a

<i>Industry grouping</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2000-01 to 2009-10</i>	
				<i>Number of cases</i>	<i>Per cent of total</i>
Food, beverages and tobacco	1	1	1	18	16
Textiles, clothing, footwear and leather	–	–	–	–	–
Wood and paper products	2	–	5	12	11
Printing, publishing and recorded media	–	–	–	–	–
Petroleum, coal, chemical and associated products	1	2	2	36	32
Non-metallic mineral products	–	1	4	8	7
Metal product manufacturing	1	4	1	26	23
Machinery and equipment manufacturing	1	–	–	11	10
Other manufacturing	–	–	–	2	2
Total	6	8	13	113	100

– Nil. ^a Formal investigations by Customs. Complaints by industry must meet certain requirements before investigations are initiated. Initiations are recorded as investigations of one commodity from one economy. Cases where dumping and subsidisation are alleged for the same economy and commodity are counted as two distinct initiations.

Source: ACS (2010).

The anti-dumping and countervailing activity initiated over the decade to 2009-10 was against more than 25 countries (table B.3). Over this period, there has been an increasing concentration of initiations and measures against suppliers from the Asian region. Of the eight countries subject to initiations in 2009-10, five are in Asia.

B.2 International anti-dumping and countervailing activity

In 2008-09, there were 209 anti-dumping and countervailing cases initiated worldwide (WTO 2010b). The most were by India (31), followed by Argentina (28), Pakistan (26), the United States (20) and China (17). Over 2300 measures were in force at 30 June 2009, of which the United States, India and the European Union accounted for roughly 40 per cent (WTO 2010c). Australia ranked eleventh in measures in force, compared with tenth at 30 June 2007.

Table B.3 Australian initiations of anti-dumping and countervailing cases by trading region and economy, 2000-01 to 2009-10^a

<i>Region/economy</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2000-01 to 2009-10</i>	
				<i>Total</i>	<i>Per cent^b</i>
North America	–	2	1	8	7
Canada	–	1	–	3	3
United States	–	1	1	5	4
South America	–	–	2	2	2
Brazil	–	–	1	1	1
Chile	–	–	1	1	1
European Union	1	2	1	23	20
Austria	–	–	–	–	–
Belgium/Luxembourg	–	–	–	1	1
Finland	–	–	–	–	–
France	–	–	–	2	2
Germany	–	1	1	5	4
Greece	1	1	–	3	3
Italy	–	–	–	6	5
Sweden	–	–	–	2	2
United Kingdom	–	–	–	2	2
Other European Union	–	–	–	2	2
Asia	5	4	9	77	68
China	2	3	5	27	24
Hong Kong	–	–	–	–	–
India	–	–	–	1	1
Indonesia	1	–	1	8	7
Japan	–	–	–	3	3
Korea	–	–	1	1	1
South Korea	–	–	–	12	11
Malaysia	–	–	1	6	5
Philippines	–	–	–	1	1
Singapore	–	–	–	2	2
Thailand	2	1	1	13	12
Taiwan	–	–	–	3	3
Other	–	–	–	3	3
Saudi Arabia	–	–	–	–	–
South Africa	–	–	–	1	1
Other	–	–	–	2	2
Total	6	8	13	113	100

– Nil. ^a Cases are defined as actions applying to one commodity from one economy. Cases where dumping and subsidisation are alleged for the same economy and commodity are counted as two distinct initiations.

^b The sum of the percentages for the individual economies may not add to the regional totals due to rounding.

Source: ACS (2010).

C Details of State and Territory government outlays supporting industry

This appendix provides details of selected *expenditures* by State and Territory (hereafter State) governments that are likely to afford support to industry. It expands on the coverage of Commission reporting on the level and extent of government support to industry provided in appendix A which, among other things, details Australian Government budgetary assistance to industry. Chapter 4 provides a summary of the expenditures included in this appendix and discussion of some strategic issues concerning the planning, impacts and assessment of State assistance to industry.

As noted in the body of this *Review*, inclusion in Commission reporting of an expenditure item as affording assistance, or having assistance implications, does not mean that it is unwarranted or inappropriate. Industry assistance measures may deliver net community benefits, particularly when targeted cost effectively at addressing market inefficiencies or information gaps. The primary purpose of listing State expenditures on industry programs is to highlight the level and distribution of State outlays intended to shape industry and to draw attention to some of the budgetary costs that need to be considered when assessing the community-wide impacts of policies. In this respect, it is necessary to ensure that outlays are no greater than the benefits that they are intended to deliver.

C.1 Coverage and approach

In order to provide indicative estimates of the level of State and Territory budgetary assistance to industry, this appendix draws on *expenditure* by departments with industry and business responsibilities.

Other forms of State assistance to industry (such as land and payroll tax concessions¹ and infrastructure provision) have not been included. Also, assistance

¹ Payroll tax assistance that is delivered as budgetary outlays (rather than as revenue forgone) have been included for example, rebates under the NSW Payroll Tax Incentive Scheme.

provided by local governments (such as through council rate reductions, the provision of land or buildings at ‘peppercorn’ rental or cost, cash incentives, provision of infrastructure and information and facilitation services) have not been included.

In determining the coverage of agencies and expenditure groupings, the Commission has focussed on expenditures by departments and agencies likely to account for the bulk of the States’ budgetary assistance to industry. Those expenditures include gross outlays relating to agriculture, fisheries, mining, manufacturing, tourism, innovation, small business and regional development. Portfolio coverage and financial account reporting structures, however, vary substantially across jurisdictions. The presentation of underlying expenditure information reflects these differences.

In collating the information from State departmental reports, the Commission has adopted the following conventions:

- Actual expenditure for the year ended 30 June 2009 have provided the basis of the estimates.
- Departmental expenditures of relevance have been disaggregated according to departmental performance reporting sub-groups. The sub groups are variously called ‘service group’, ‘output’, ‘activity’ and the like in departmental reports, and comprise broad groupings of programs and departmental activities that are intended to achieve a certain (common) objective.
- The departmental aggregates and subgroups information have been arranged according to four broad groupings for presentation:
 - primary industry and resources;
 - industry, innovation and regional development;
 - tourism; and
 - film and screen.
- Expenditures are reported on a gross basis. Expenditures can differ from the annual State budget appropriations where departments receive other income (such as interest receipts, industry contributions and Australian Government contributions).
- The estimated expenditures include both direct payments (grants and subsidies) and other industry support (such as agricultural research and development, promotion, advertising, and facilitation) as well as administrative and employee expenditures incurred by departments in the delivery of programs. These components are reported separately in this appendix and chapter 4.

C.2 Identifying measures affording assistance or with assistance implications

While much of the spending covered is assessed as providing assistance to industry, either directly or indirectly, a number of borderline cases have been encountered. In particular:

- Expenditures relating to corporate functions, general policy advice and regulation are not normally included in the estimates of assistance to industry. Separate information on these items is often not distinguished in relevant accounts and therefore is subsumed in many of the estimates reported.
- Some departmental reporting of regional industry development expenditures includes some grants which are of a community nature but which are not readily excludable.
- Similarly, some research and development support is for medical science and higher education research and not generally considered assistance to business but which is not readily excludable on a consistent basis across jurisdictions.
- Expenditures on sport, the arts and culture involve a mixture of industry assistance and social objectives. These expenditures have not been examined in the current study, other than assistance to the film and screen industry.
- Indigenous business support has not been included when delivered by agencies other than the industry departments covered.

In addition, outlays on infrastructure and workforce programs are normally outside of the scope of the Commission's assistance calculations. Nevertheless, to the extent that such programs benefit particular activities over others, or confer benefits to particular service providers, they may have assistance implications. In accordance with Commission reporting conventions, outlays on infrastructure and workforce programs undertaken by departments and agencies with industry and business responsibilities have not been included in the aggregate measures of expenditures reported in this appendix or chapter 4.

C.3 Reporting of measures

The following tables report on the identified expenditures of departments and agencies with industry responsibilities in each State. The Commission circulated a draft of the tables to State Premier and Chief Minister departments, which coordinated checking by relevant officials.

Table C.1 New South Wales Department of State and Regional Development expenditure by service group, 2008-09

<i>Service Group</i>	<i>Objectives</i>	<i>Program support</i>			<i>Administration</i>		
		<i>Grants and subsidies</i>	<i>Other expenses</i>	<i>Employee expenses</i>	<i>Other expenses</i>	<i>Total</i>	
		\$m	\$m	\$m	\$m	\$m	\$m
	<i>Included in assistance estimates</i>						
State Development	Facilitating and encouraging business investment in the State. It includes innovation and industry development in growth sectors of the NSW economy to increase business growth, internationalisation and investment in metropolitan and regional areas.	7.1	9.5	16.5	12.5		45.6
Regional Development	Facilitating and encouraging increased business investment in regional NSW, including working with domestic and international firms to start-up, expand in, or relocate to regional NSW.	15.4	15.7	9.3	3.9		44.3
Small Business	Encouraging growth of the small business sector by reducing red tap, promoting innovation and expanding sales into international markets.	–	8.1	6.5	3.1		17.7
Science & Medical Research	Create a dynamic research and development sector by attracting increased investment from the Commonwealth, industry and international sources, and aligning these with business strengths and broader health and environmental outcomes.	35.2	0.7	2.4	1.2		39.5
Tourism	Promoting NSW to domestic and international tourism markets and providing opportunities for an increase in jobs and tourist expenditure.	4.5	25.9	12.7	4.4		47.5
Estimated assistance		62.3 (see table C.2)	59.8 (see table C.2)	47.3	25.1		194.6

– Nil.

Source: New South Wales Department of State and Regional Development, *Annual Report 2008-09*.

Table C.2 New South Wales Department of State and Regional Development grants and other program support, 2008-09

<i>Support</i>	<i>Expenditure 2008-09</i>
	\$m
<i>Grants and subsidies</i>	
Industry Capability Network	1.5
ICT Centre for Excellence	5.4
Katoomba/Echo Point Development	0.2
Hunter Valley Research Foundation	0.2
Illawarra Regional Information Service	0.2
Hunter Advantage Fund ^a	0.8
Regional Development Boards	1.8
Illawarra Advantage Fund ^a	1.6
Payroll Tax Incentive Scheme ^b	10.9
Science Leveraging Fund	10.0
Science and Medical Research Grants	25.3
Tourism Grants	4.5
Total (see table C.1)	62.4
<i>Other support</i>	
Small Business Development	7.3
Biotechnology Initiatives	4.2
Regional Development Assistance	15.7
Tourism Industry	25.9
Australian Technology Showcase	1.0
Assistance to Industry	5.7
Total (see table C.1)	59.8
Total grants and other support	112.1

^a The program can provide payroll relief to companies, as one element of assistance. ^b Provides payroll tax rebates. Tax concessions to industry that operate through reduced rates and exemptions (and therefore represent revenue forgone, rather than budgetary outlays) have not been included in the study (chapter 4).

Source: New South Wales Department of State and Regional Development, *Annual Report 2008-09*.

Table C.3 New South Wales Department of Primary Industries expenditure by service group, 2008-09

Service Group	Objectives	Administration			Total
		Grants and subsidies	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
	<i>Included in assistance estimates</i>				
Agriculture, Biosecurity & Mine Safety	Development and delivery of services such as extension, education and promotion of animal welfare to drive sustainable development of agriculture and private forestry, as well as development and implementation of industry safety, biosecurity and related emergency response plans.	57.9	71.2	42.3	171.5
Mineral Resources	Assessment of States' geology and mineral resources, their allocation to private interests for exploration and mining, and regulation of mining for safety and environmental performance.	0.1	39.2	34.7	74.1
Fisheries Compliance & Regional Relations	Development and delivery of compliance, regulatory programs, and services to protect primary industries from pests, diseases and contaminants and drive sustainable development of aquaculture, commercial and recreational fishing.	0.5	45.3	27.0	72.8
Science & Research	Provision of science, research and innovative technologies to increase the international competitiveness of the States' primary industries in an environmentally sustainable way, as well as the provision of science to underpin effective biosecurity policy.	0.4	101.0	52.1	153.8
Estimated assistance		58.9 (see table C.4)	256.8	156.2	471.9

Source: New South Wales Department of Primary Industries, *Annual Report 2008-09*.

Table C.4 **New South Wales Department of Primary Industries grants and subsidies, 2008-09**

<i>Support</i>	<i>Expenditure</i>
	\$m
Destruction of noxious weeds	7.5
Wild Dog Destruction Board	0.1
Animal Welfare Organisations	0.5
Rural Lands Protection Boards	0.6
Rural Counsellors Contribution	0.8
Grants to Government Bodies	16.0
Safe Food Production	11.7
Brigalow Structural Adjustment	4.2
Drought Transport Subsidies	17.4
Total (see table C.3)	58.9

Source: New South Wales Department of Primary Industries *Annual Report 2008-09*.

Table C.5 New South Wales Rural Assistance Authority expenditure by service group, 2008-09

Service group	Objectives	Grants & subsidies ^a	Administration			Total
			Employee expenses	Other expenses		
		\$m	\$m	\$m		\$m
<i>Included in assistance estimates</i>						
Financial Assistance to Farmers and Small Business	Financial assistance by way of loans to farmers and small business to allow them to continue their operations following natural disaster. It also involves loans to farmers aimed at promoting improved land management practices and various other grants schemes (Annual Report p.33).	33.1	3.0	9.1		45.2
<i>Of which:</i>						
	Rural Adjustment Scheme (State)	26.4				
	West 2000 Plus	0.2				
	Forging Partnerships	0.5				
	Agstart	1.6				
	Natural Disaster Relief Grants	0.8				
	Grant expense on low interest loans	3.7				
Estimated assistance		33.1	3.0	9.1		45.2
<i>Excluded from assistance estimates</i>						
	Rural Adjustment Scheme (Commonwealth)	237.4				

- Nil. ^a Excludes Natural Disaster Relief Assistance loans (\$10.7 million approved in 2008-09) and Special Conservation Scheme concessional loans (\$18.6 million approved in 2008-09).

Source: New South Wales Rural Assistance Authority, *Annual Report 2008-09*.

Table C.6 **New South Wales Film and Television Office expenditure, 2008-09**

Output group	Objectives	Grants & subsidies	Administration			Total
			Employee expenses	Other expenses		
	<i>Included in assistance estimates</i>	\$m	\$m	\$m		\$m
New South Wales Film and Television Office	New and Strengthened Partnerships (Objective 1); Expanded Industry Access to Finance (Objective 2); Enhanced Creativity and Innovation (Objective 3); Industry Skills Development and Training (Objective 4); Information Exchange (Objective 5); Improvements to FTO Internal Processes and Staff Skill Sets (Objective 6).	6.6	2.4	2.0		11.1
Estimated assistance		6.6	2.4	2.0		11.1

Source: New South Wales Film and Television Office, *Annual Report 2008-09*.

Table C.7 Victorian Department of Innovation, Industry and Regional Development expenditure by output groups, 2008-09

Output group	Objectives	Administration				Total
		Grants & other transfers	Employee expenses	Other operating expenses		
				\$m	\$m	
Included in assistance estimates						
Investment & Trade	To position Victoria as a world-class investment location, and optimise trade opportunities through investment attraction and facilitation services, export development initiatives and assistance.	42.2	14.5	15.2		71.9
Industry & Innovation ^a	To drive sustainable and enduring economic growth in industries across Victoria through programs that support research, innovation, commercialisation and a thriving small business sector.	89.9	33.1	61.1		184.1
Marketing Victoria ^b	To effectively market Victoria in a global economy. Tourism plays a leading role in the delivery of this output.	14.5	2.0	17.2		33.7
Regional Development	To ensure sustained economic and industry development of provincial Victoria.	83.3	12.2	11.7		107.2
Estimated assistance		229.9	61.8	105.2		397.0
Excluded from assistance estimates						
Major Projects	Infrastructure investment to ensure that future generations of Victorians enjoy high levels of improved services, stronger economic growth and increased job opportunities.	–	5.8	73.0		78.8
Skills & Workforce	To respond to the labour and skills needs of industry, through the purchasing of vocational education and training services.	962.7	16.1	192.7		1171.5

– Nil. ^a Excludes grants of \$16.1 million to Film Victoria (see table C.10). ^b Excludes grants of \$57.1 million to Tourism Victoria (see table C.9).

Source: Victorian Department of Innovation, Industry and Regional Development, *Annual Report 2008-09*.

Table C.8 Victorian Department of Primary Industries expenditure by output groups, 2008-09

Output group	Objectives	Administration				Total
		Grants & other transfers	Employee expenses	Other operating expenses		
		\$m	\$m	\$m	\$m	
	Included in assistance estimates					
Primary Industries Policy	Develop policy frameworks and legislative reforms that aim to improve investment in, and protection of, energy and resources and primary industries through the establishment of efficient and equitable resource definition, allocation and management processes.	14.9	22.4	23.8		61.1
Regulation & Compliance	Protect the sustainability of Victoria's primary and energy industries by regulating natural resource use in the public interest. Building Victoria's capability to monitor, detect and respond to disease, pest and residue incidents, outbreaks and biosecurity threats.	10.2	52.9	46.6		109.7
Strategic & Applied Scientific Research	Use science and innovation to increase the productivity, profitability, sustainability, international competitiveness and export value of primary and energy industries.	115.7	75.2	86.3		277.2
Sustainable Practice Change	Facilitate the adoption of new ideas and practices, and assist industries and communities to understand, manage and adapt to change driven by economic, social and environmental pressures. Promote trade by enhancing access to markets.	34.6	42.8	42.8		120.2
Estimated assistance		175.4	193.2	199.5		568.1

Source: Victorian Department of Primary Industries, *Annual Report 2008-09*.

Table C.9 Tourism Victoria expenditure, 2008-09

Output	Objectives	Industry support		Administration		Total
		Grants & other payments	Supplies & services	Employee expenses	Other operating expenses	
		\$m	\$m	\$m	\$m	\$m
Included in assistance estimates						
Tourism Victoria	Marketing the State, nationally and internationally, as well as contributing to the development of a sustainable tourism industry. (Annual Report p.78)	20.4	34.1	9.1	4.9	68.5
Estimated assistance		20.4	34.1	9.1	4.9	68.5

Source: Tourism Victoria, *Annual Report 2008-09*.

Table C.10 Film Victoria expenditure, 2008-09

Output	Objectives	Administration			Total
		Project costs	Employee expenses	Other operating expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Film Victoria	Strategic leadership and assistance to the film, television and multimedia industry of Victoria to encourage innovation and the creation of new projects of high quality that are of economic or cultural benefit to Victoria. (Annual Report p.10)	19.5	3.7	2.7	25.9
Estimated assistance		19.5	3.7	2.7	25.9

Source: Film Victoria, *Annual Report 2008-09*.

Table C.11 **Queensland Department of Tourism, Regional Development and Industry expenditure by output, 2007-08^a**

Output	Objectives	Grants & subsidies	Administration				Total
			Other support	Employee expenses	Other expenses	\$m	
		\$m	\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>							
Business and Market Development Services and Innovation	Its object is to attract major domestic and international firms to Queensland through providing information and intelligence on emerging markets and opportunities, and on accurately representing Queensland's competitive advantage across a range of industry growth sectors and regional strengths (QDTRDI 2008, p.130). ^b	86.1	8.3	67.4	61.3		205.8
Estimated assistance		86.1 (see table C.12)	8.3	67.4	44.0		205.8
<i>Excluded from assistance estimates</i>							
Corporate services ^c		n.a.	n.a.	n.a.	17.3		17.3

n.a. not available. ^a Full year results are not available for 2008-09: in March 2009 the activities of the department were variously assumed by the new departments (Department of Employment, Economic Development and Innovation, and Department of Regional Development, Primary Industry, Fisheries and Resources). ^b Other support relates to consultants and contractors (p.133). All other 'supplies and services' (such as motor vehicles, maintenance and computing) have been classified in the table as 'other operating'. ^c Total as per Annual Report p. 125. No split given between employee and operating costs.

Source: Queensland Department of Tourism, Regional Development and Industry, *Annual Report 2007-08*.

**Table C.12 Queensland Department of Tourism, Regional Development and Industry grants and subsidies
by recipient category, 2007-08**

<i>Recipient</i>	<i>Recurrent grants</i>	<i>Capital grants</i>	<i>Total</i>
	\$m	\$m	\$m
Private enterprises	27.3	1.7	29.0
Other recipients			
Universities	33.5	—	33.5
Charities/community groups	0.3	9.1	9.4
Commonwealth agencies	1.9	—	1.9
Qld Government and Local Government	5.0	—	5.0
Contributions	7.4	—	7.4
Total	70.0	10.8	86.1
			(see table C.11)
Forward commitments^a			
Not later than one year			95.0
Later than one year and not later than five years			76.2
Later than five years			1.4
Total forward commitments			—
			172.7

—Nil. ^a At 30 June 2008 the Department had formal agreements for grants for which payment depended on prospective recipients meeting performance criteria.

Source: Queensland Department of Tourism, Regional Development and Industry, *Annual Report 2007-08* p. 134.

Table C.13 Queensland Department of Primary Industries and Fisheries expenditure by output, 2007-08^a

Output	Objectives	Grants & subsidies	Administration			Total
			Other support	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>						
Industry Development	This output encompasses the majority of DPI&F's research and development, technology extension, and trade, industry and business development activities. The focus is on using smart science to develop new technologies and practices for industry.	18.1	n.a.	127.1	n.a.	217.7
Fisheries	Through this output DPI&F implements management arrangements for profitable and sustainable commercial fisheries and their value chains, and manages the state's recreational fisheries for future generations.	2.2	n.a.	27.1	n.a.	47.0
Biosecurity	This output strengthens the primary industries sector's access to global markets by ensuring Queensland's reputation for safe, clean and environmentally sustainable production is maintained.	8.5	n.a.	62.0	n.a.	127.3
Estimated assistance ^b		28.8	42.8	216.2	104.2	392.1

(see table C.14)

n.a. not available. ^a Full year results are not available for 2008-09: in March 2009 the activities of DPI&F were assumed by a new department (Department of Primary Industry, Fisheries and Resources). ^b Other support relates to consultants and contractors; and service delivery costs (part of 'supplies and services' in the financial report).

Source: Queensland Department of Primary Industries and Fisheries, *Annual Report 2007-08*.

Table C.14 Queensland Department of Primary Industries and Fisheries grants and subsidies, 2007-08

<i>Support</i>	<i>Amount</i>
	\$m
Animal welfare organisations	0.2
Australian Centre for international Agricultural Research projects	1.5
Blueprint for the Bush-Pest Offensive	2.4
BSES Limited	4.0
Cooperative Research Centres (CRC)	0.4
Drought Relief Freight Subsidy	10.5
Farm and rural financial counsellors' subsidies	0.3
Farmbis T11	0.8
Fish stocking associations & societies	0.8
Fisheries Research & Development Corporation	0.5
Toadbusters-Cane Toad Research	0.2
Murray Darling Basin Commission	0.3
National Livestock Identification System (NLIS)	2.2
Private Forestry Development Committees	0.5
Queensland Government Departments	0.5
Safe Food Production Queensland (SFPQ)	1.9
Sunfish Queensland Inc	0.2
Sugercane Smut Emergency Response	..
Darling Downs Moreton Rabbit Board	1.0
Other	0.8
Total grants & subsidies (see table C.13)	28.8

.. less than \$50 000.

Source: Queensland Department of Primary Industries and Fisheries, *Annual Report 2007-08*.

Table C.15 Queensland Rural Assistance Authority expenditure, 2008-09

Service group	Objectives	Grants & subsidies ^a	Administration		Total
			Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Queensland Rural Assistance Authority	QRAAs core business function is to provide financial administrative services on behalf of the Australian and Queensland Governments	154.9	8.3	6.3	169.5
<i>Of which:</i>					
	AAFarmBis	0.6			
	Citris Industry Reimbursement and Recovery Scheme	..			
	Drought Rate Rebate Scheme	0.6			
	Great Barrier Marine Park Structural Adjustment Package	18.3			
	Irrigators Fixed Water Charges Rebate Scheme	0.1			
	Additional irrigators Fixed Water Charges Rebate Scheme	0.6			
	Moreton Bay Marine Park Structural Adjustment Package	12.3			
	Natural Disaster Relief and Recovery Assistance	19.7			
	Small Business Emergency Assistance	0.2			
	Traveston Crossing/Wyalarong Dams Business Adjustment Scheme	1.2			
	Rural Adjustment Scheme – Exceptional Circumstances ^b	81.1			
	Vegetation management Framework	19.8			
	Other Queensland Primary Industries and Fisheries Schemes	0.6			
	<i>Less: Excluded from assistance estimates</i>				
	Australian Government contributions ^c	(91.6)			
Estimated assistance		63.3	8.3	6.3	77.9

.. less than \$50 000. ^a Excludes loans of \$282.0 million (Annual Report p. 35). ^b During 2008-09 the Australian and Queensland Governments provided \$91.4 million and \$9.9 million, respectively towards the Exceptional Circumstance scheme (Annual Report p. 41). Contributions do not equal grants. ^c Annual Report p. 41.

Source: Queensland Rural Assistance Authority, *Annual report 2008-09*.

Table C.16 Queensland Department of Mines and Energy expenditure by output, 2007-08

Output	Objectives	Grants & subsidies	Administration				Total
			Other support	Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>							
Mineral and Petroleum Resources Services	Includes promotion and project facilitation services, acquisition and delivery of geoscientific data, tenure administration, the provision of appropriate legislation, policies and strategies, as well as standards, inspections, investigations, education and scientific and research services. It also delivers safety and health services. a b	2.1	14.1	46.2	5.8		68.2
Estimated assistance		2.1	14.1	46.2	5.8		68.2
<i>Excluded from assistance estimates</i>							
Corporate (Mineral & Petroleum)		–	–	n.a.	19.0.		19.0
Energy Services	Develops, implements and monitors policy and legislation affecting the state's energy sector. Also includes regulation and monitoring of the state's electricity and gas industries, security of supply and sustainable development of the energy sector, administration of the Government's electricity-related Community Service Obligations and energy supply infrastructure.	5.8	n.a	9.1	5.3		20.2

– Nil. n.a. not available. **a** 'Other support' relates to consultants and contractors. The \$14.1 million is the departmental total. Some may apply to the Energy Services output (not included in the assistance estimates) as well as the Mineral and Petroleum Resources Services output. **b** Corporate expenditures of \$19 million has been deducted from 'other expenses' though some of that expenditure may be employee expenses.

Source: Queensland Department of Mines and Energy, *Annual Report 2007-08*.

Table C.17 Queensland Department of Transport expenditure by output, 2007-08

Output	Objectives	Grants & subsidies	Administration				Total
			Other support	Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	\$m	\$m
International Trade Development	<i>Included in assistance estimates</i>						
	Identifies and develops international markets for Queensland's goods and services and advances international alliances and partnerships with a range of countries, regions and overseas institutions. Provides targeted market intelligence, advice and in-market support to Queensland businesses, education and training providers, and Queensland Government agencies to capture international trade opportunities and strengthen the supply capability of Queensland's exporters. a b	0.8	10.3	13.5	0.2		24.8
Estimated assistance		0.8	10.3	13.5	0.2		24.8
Corporate (International Trade Development)	<i>Excluded from assistance estimates</i>						
		--	--	n.a	7.0		7.0

-- Nil. n.a. not available. **a** 'Other support' relates to 'Supplies and services' in financial report. **b** Corporate expenditures of \$6.96m have been deducted from 'other expenses' though some may relate to employee expenses.

Source: Queensland Department of Transport, *Annual Report 2007-08*, volume 2, p. 7.

Table C.18 Tourism Queensland expenditure, 2008-09

Output	Objectives	Industry support		Administration		Total
		Grants	Marketing, promotion & development	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m	\$m
	Included in assistance estimates					
Tourism Queensland	The primary responsibility is to 'facilitate the promotion, marketing and development of tourism and travel to and within Queensland'. (Annual Report p.20)	5.4	40.3	15.3	6.5	67.5
Estimated assistance		5.4	40.3	15.3	6.5	67.5

Source: Tourism Queensland, *Annual Report 2008-09*.

Table C.19 Pacific Film and Television Commission expenditure, 2008-09

Output	Objectives	Administration			Total
		Project costs	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
Pacific Film and Television Commission	<i>Included in assistance estimates</i> Develop a sustainable screen industry that provides significant cultural and economic benefits for Queensland (Objective 1 – Industry Development); Develop a screen culture for Queensland audiences (Objective 2 – Screen culture).	9.8	2.8	0.7	13.3
Estimated assistance		9.8	2.8	0.7	13.3

Source: Pacific Film and Television Commission, *Annual Report 2008-09*.

Table C.20 South Australian Department of Trade and Economic Development expenditure by activity, 2008-09

Activity	Objectives	Administration				Total
		Grants & subsidies	Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	
<i>Included in assistance estimates</i>						
Business Growth	To promote a competitive and vibrant manufacturing and trade services sector. To grow South Australian business' share of the Australian professional private equity, venture capital and business angel markets.	6.1	2.6	2.7		11.4
International Market Development	To maximise export market opportunities for South Australian based companies and to ensure that South Australian interests are reflected in all trade agreements.	1.7	2.2	6.1		9.9
Investment Attraction	To help facilitate major projects and secure new investment opportunities in South Australia.	5.2	3.7	2.9		11.8
Small Business Growth	To ensure that small business issues are represented at the state government level and that their interests are taken into account in the delivery of programs or development policies.	–	0.8	1.2		2.1
Regional Development	To improve economic, social and environmental well-being in South Australia's regions.	4.3	1.5	1.2		6.9
Estimated assistance		17.3	10.8	14.1		42.2
<i>Excluded from assistance estimates</i>						
Economic Strategy and Policy Development	To create a clear strategic direction for the economic development of South Australia and a business environment that is competitive and supports development.	0.3	2.9	2.7		5.9
Population and Migration	Encouraging, promoting and supporting increased overseas/interstate migration to South Australia.	1.4	2.1	4.1		7.6
Corporate Leadership	To deliver services that are customer focused, timely and effective and in support of all the department's divisions and offices.	0.6	4.9	9.2		14.7

– Nil.

Source: South Australian Department of Trade and Economic Development, *Annual Report 2008-09*.

Table C.21 South Australian Department of Trade and Economic Development grants and subsidies, 2008-09

<i>Expenditure category</i>	<i>2008-09</i>
	\$m
Grants and subsidies paid/payable to entities <i>within</i> the SA Government	
<i>Class of Assistance</i>	
Industry development	8.0
Regional development	0.3
Other	0.1
Total grants and subsidies – SA Government entities	8.4
Grants and subsidies paid/payable to entities <i>external</i> to the SA Government	
<i>Class of Assistance</i>	
Industry development	7.6
Regional development	3.2
Other	0.4
Total grants and subsidies – Non- SA Government entities	11.3
Total grants and subsidies ^a	19.6

^a Total for Table C.20. A split between *included* and *excluded* assistance was not possible.

Source: South Australia Department of Trade and Economic Development, Annual Report, 2008-09.

Table C.22 South Australian Department of Primary Industries and Resources expenditure by activity, 2008-09

Activity	Objectives	Administration			
		Grants & subsidies	Employee expenses	Other expenses	Total
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Mineral Resources Development	To make South Australia a favoured mineral investment destination for private investment with mineral exploration expenditure to be maintained at (or above) \$100 million per annum until 2010 and mineral production and processing to reach \$4 billion by 2014. Also lead the nation in attracting geothermal resource investment with a target of \$800 million of investment in the period 2002-16.	5.1	18.2	9.2	32.5
Agriculture, Food and Fisheries	To deliver specialist services and advice across South Australia, fostering growth and development, prosperity, quality of life, while supporting environmentally sustainable development of the state's resources.	99.4	99.3	124.8	323.5
Estimated assistance		104.5	117.5	134.0	356.0
<i>Excluded from assistance estimates</i>					
Forestry Policy	Support the sustainable development of an internationally competitive forest industry, regional development and the provision of services from State Government forest reserves.	–	1.6	0.6	2.2
Office of the Southern Suburbs	To assist in the realisation of the government's policy commitments to improve economic development, social and environmental outcomes for the communities identified as being of high need in the Southern Suburbs.	–	0.1	–	0.1
State/Local Government Relations		–	0.9	0.2	1.1

– Nil.

Source: South Australian Department of Primary Industries and Resources, Annual Report 2008-09.

Table C.23 South Australian Department of Further Education, Employment, Science and Technology expenditure by program, 2008-09

Program	Objectives	Administration				Total
		Grants & subsidies	Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>						
Science and Innovation	Provision of high level strategic advice to the Minister for Science and Information Economy on maximising economic, environmental and social benefits for the state's scientific research and innovation [including] by raising awareness of science and innovation amongst businesses. Facilitating coordination of education and research activity with end-user (industry) requirements.	15.1	1.6	0.9		17.6
Information Economy	Provision of high level strategic policy advice to the Minister for Science and Information Economy and government on the information economy and the Information and Communications sector that: ... develops strategy and facilitates programs and projects relevant to promoting the information economy. Includes funding for Broadband Development.	0.3	1.7	0.7		2.7
Bioscience Industry Development	Development of the bioscience industry through providing assistance to business development, finance, infrastructure and marketing.	8.0	–	–		8.0
Technology Investment	Provision of seed capital and business guidance to start-up and early stage technology companies.	1.5	–	–		1.5
Estimated assistance		24.9	3.3	1.6		29.8

– Nil.

Source: South Australian Department of Further Education, Employment, Science and Technology, *Annual Report 2008-09*.

Table C.24 Defence SA expenditure by activity, 2008-09

Activity	Objectives	Grants & subsidies	Administration			Total
			Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	
<i>Included in assistance estimates</i>						
Defence Industry Development	Seeks to support the growth of Defence and sustainable defence industries in South Australia — across the maritime, land, aerospace and electronics and weapons sectors. It incorporates delivery of strategy and policy. It also includes targeted business development opportunities and the agency's administrative, financial and other operational services.	0.7	2.9	4.6		8.2
Defence Precincts	Seeks to ensure world-class infrastructure to support the growth of Defence and sustainable defence industries in South Australia. This activity incorporates Defence SA's development and project delivery business areas. It also includes targeted industry development initiatives at Edinburgh Defence Precinct and Technology Park.	2.6	0.8	2.4		5.8
Workforce Development	Seeks to support South Australia in meeting the skill growth required to support Defence and defence industries, with particular focus on the Air Warfare Destroyer (AWD) project.	2.6	—	—		2.6
Estimated assistance		5.9	3.7	7.0		16.6

—Nil.

Source: Defence SA, *Annual Report 2008-09*.

Table C.25 South Australian Tourism Corporation expenditure by activity, 2008-09

Activity	Objectives	Industry support ^a	Administration			Total
			Industry support ^a	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>						
Strategic Advice	To assist the tourism industry by providing tourism forecasting data and statistical research advice and evaluation, and industry policy and planning services.	0.9	0.6	0.3		1.8
Tourism Development	To provide advice and assistance to tourism operators and develop sustainable tourism products and infrastructure to raise the standard of tourism services and facilities across the State.	4.9	1.7	1.0		7.6
Tourism Events	To bid for and stage major events in South Australia.	4.6	1.8	12.9		19.3
Tourism Marketing	To provide high quality marketing services and development of marketing strategies and campaigns that increase the number of visitors to South Australia.	20.3	8.8	7.0		36.1
Estimated assistance		30.7	12.9	21.2		64.8

^a Industry support comprises the following expense categories in the financial statement: 'Advertising and promotion'; 'Industry assistance'.

Source: South Australian Tourist Commission, *Annual Report 2008-09*.

Table C.26 South Australian Film Corporation expenditure, 2008-09

Activity	Objectives	Industry support ^a	Administration		Total
			Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
South Australian Film Corporation	To foster the creation and delivery of critically acclaimed and commercially successful ideas, moving images and sound for any viewing medium; to support the SA screen industry in a dynamic and responsive manner and to optimise opportunities for production and post-production in South Australia. (Annual Report 2007-08, p.27).	3.5	1.4	1.8	6.7
Estimated assistance		3.5	1.4	1.8	6.7

^a Industry support comprises: Development and Production Funding (\$2.2 million); Screen Industry Program grants (\$0.7 million) and Industry promotion and participation (\$0.6 million).

Source: South Australian Film Corporation, *Annual Report 2008-09*.

Table C.27 Western Australian Department of Industry and Resources expenditure by service, 2007-08^a

Service	Objectives	Grants & subsidies	Administration			Total
			Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	
Resource Services	<i>Included in assistance estimates</i>					
	Administration of efficient regulatory frameworks, which underpin responsible resources development. Activities include: mineral and petroleum title management; collection of royalties; conducting environmental assessments; facilitating the identification and development of industrial and social infrastructure to accommodate resource developments; and fostering Indigenous prosperity.	11.2	30.2	19.4		60.8
Industry Development Services	Promote and develop manufacturing, service and technology industries. Achieved through actively supporting and working with key industries to build on established strengths, as well as through constantly identifying and encouraging expansion into new growth areas.	2.0	8.0	8.0		18.0
Investment and Trade Services	Promote Western Australia as a source of internationally competitive products and services and facilitate diversification of the economy.	0.8	12.8	9.8		23.4
Geological Services	Encourage exploration and hence the discovery of mineral and petroleum deposits to sustain the resources industry. Activities include: geoscience mapping; archiving exploration information and samples; and geoscience advice.	–	12.8	9.2		22.0
Science and Innovation, Promotion and Support	Encourage strategic science and innovation advances that enhance the State's economic sustainability and prosperity.	42.0	4.1	3.1		49.2
Estimated assistance		56.0 (see table C.26)	67.9	49.5		173.4
Scientific Services	<i>Excluded from assistance estimates</i>					
	Provision of high quality, independent chemical information, advice and analytical services to government agencies, industry and research groups.	–	0.7	0.2		0.9

–Nil. ^a The data year 2007-08 was adopted as departmental restructuring during 2008-09 complicates the collation of 12 month results on a consistent basis by service.
Source: Western Australian Department of Industry and Resources, *Annual Report 2007-08*.

Table C.28 Western Australian Department of Industry and Resources grants and subsidies, 2007-08

<i>Support</i>	<i>2007-08</i>
	\$m
Industry Development Incentives	2.7
ASI Groyne Buyback Agreement Rental Subsidy	0.6
Resource Projects	0.2
Indigenous Economic Development Strategy	2.1
Indigenous Economic Support Scheme	1.0
Office of Science and Innovation – Grant Programs	41.9
Northern Development Taskforce	7.2
Other	0.3
Total (see table C.27)	56.0

Source: Western Australian Department of Industry and Resources, *Annual Report 2007-08*.

Table C.29 Western Australian Department of Agriculture and Food expenditure by service, 2008-09

Service	Objectives	Grants, subsidies & transfer payments	Administration		Total
			Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Food & Fibre Industry Development	Generation, integration and application of knowledge which, together with appropriate industry policy, increase international competitiveness and market opportunities for state agriculture, food and fibre industries.	3.7	57.4	26.6	87.7
Agricultural Resource Management	Generation, integration and application of knowledge which, together with appropriate investment, policy and regulation develops the capacity of rural communities and industries to profit from environmentally responsible agriculture.	72.4	28.1	12.8	113.3
Biosecurity	Generation, integration and application of knowledge, policy and regulation to ensure that agriculture and related resources are protected and that safety and quality standards are upheld.	5.0	49.4	23.4	77.8
Estimated assistance		81.1 (see table C.30)	134.9	62.8	278.8

Source: Western Australian Department of Agriculture and Food, *Annual Report 2008-09*.

Table C.30 Western Australian Department of Agriculture and Food grants and subsidies, 2008-09

<i>Support</i>	2008-2009
	\$m
Research grant allocations	77.5
Compensations	..
Grants to farmers – other	0.7
Scholarships	0.1
Other	2.7
Total (see table C.29)	81.1

.. less than \$50 000.

Source: Western Australian Department of Agriculture and Food, *Annual Report 2008-09*.

Table C.31 Western Australian Department of Fisheries expenditure by service, 2008-09

Service Group	Objectives	Grants, subsidies & transfer payments ^a	Administration		Total
			Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Fisheries Management	Management of the State's fish and aquatic resources is undertaken within an Integrated Fisheries management framework — a shift from the management of individual sectors (for example, the commercial fishing sector) to the holistic management of the aquatic ecosystem.	5.6	10.8	5.1	21.5
Compliance and Education	Raise community awareness and understanding of the issues and of the need to adhere to rules governing activities in this environment.	–	11.5	11.5	23.0
Research and Monitoring	In order to ensure that management arrangements continue to adapt to environmental changes (for example, climate change impacts) and community expectations, research and monitoring is required, including innovative science (for example, impacts of expected climate change, social and economic research) and the ongoing monitoring of fish stocks.	1.8	11.7	7.9	21.4
Estimated assistance		7.4 (see table C.32)	34.0	24.5	65.9
<i>Excluded from assistance estimates</i>					
Marine Safety	Marine safety, including checks by Fisheries and Marine Officers of recreational boats, in the Metropolitan area on behalf of the Department of Planning and Infrastructure.	–	1.2	0.5	1.7

– Nil. ^a Includes Fisheries Adjustment Scheme buy-backs.Source: Western Australian Department of Fisheries, *Annual Report 2008-09*.

Table C.32 Western Australian Department of Fisheries grants, subsidies and transfer payments, 2008-09

<i>Support</i>	<i>2008-09</i>
	\$m
Fisheries Adjustment Scheme buy-backs	3.2
Grants to key stakeholders groups	1.9
Contributions to Fisheries Research and Development Corporation	1.4
Research grants	0.4
Other	0.5
Total (see table C.31)	7.4

Source: Western Australian Department of Fisheries, *Annual Report, 2008-09*.

Table C.33 Tourism Western Australia expenditure by service, 2008-09

Service	Objectives	Industry support			Administration		
		Grants & subsidies	Other support ^a	Employee expenses	Other expenses	Total	
		\$m	\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>							
Destination Marketing	Focuses on accelerating the growth in the economic value of tourism throughout Western Australia.	–	9.0	7.1	10.4		26.5
Event Tourism	To identify and attract appropriate events to Western Australia; to support and develop events; to leverage tourism, business and media opportunities through events; to maximise business tourism.	–	13.6	1.9	1.5		17.0
Convention and Incentive Travel	The Perth Convention Bureau (PCB) is contracted by Tourism WA to accelerate the growth of conventions, corporate meetings, exhibitions and incentive travel groups (business events).	–	–	–	3.3		3.3
Industry Development	Ensures that appropriate tourism product is in place for visitors to enjoy and that information services enhance the experience.	0.1	0.6	5.8	8.5		15.0
Estimated assistance		0.1	23.2	14.8	23.7		61.8

– Nil. ^a Other support comprises: advertising and promotion; and event expense.

Source: Tourism Western Australia, *Annual Report 2008-09*.

Table C.34 ScreenWest expenditure, 2008-09

Activity	Objectives	Administration			Total
		Industry support	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
ScreenWest	Delivery of strategic support and funding to advance the development of the screen production industry in Western Australia.	9.7	1.3	0.7	11.7
Estimated assistance		9.7	1.3	0.7	11.7

Source: ScreenWest, Annual Report 2008-09.

Table C.35 Tasmanian Department of Economic Development and Tourism expenditure by output group, 2008-09

<i>Output group</i>	<i>Objectives</i>	<i>Administration</i>				<i>Total</i>
		<i>Grants & subsidies</i>	<i>Employee expenses</i>	<i>Other expenses</i>	<i>\$m</i>	
		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<i>Included in assistance estimates</i>						
Economic Development	Provide strategically focussed services that are responsive to industry needs. Services are focussed on enhancing and encouraging acceleration in the sustainable development of Tasmania's economy in line with the Government's Industry Development Plan.	19.6	17.1	15.7		52.4 (see table C.36)
Tourism	Stimulate awareness and demand for travel to Tasmania by building a strong and distinctive brand, delivering highly differentiated marketing programs, and developing significant cooperative partnerships.	3.1	12.1	16.5		31.7 (see table C.36)
Special Capital Investment Fund (economic Development)	Specific funds allocated to the department to support industry.	4.5	—	—		4.5
Special Capital Investment Fund (Tourism)	Specific funds allocated to the department to support industry.	6.0	—	—		6.0
Estimated assistance		33.2	29.2	32.2		94.6
<i>Excluded from assistance estimates</i>						
Sport and Recreation	Development of opportunities for all Tasmanians to participate in sport and recreation activities. Focus on both social and economic outcomes by optimising the State's sport and recreation assets and developing the sport and recreation sector.	7.3	3.6	2.8		13.7

— Nil.

Source: Tasmanian Department of Economic Development and Tourism, *Annual Report 2008-09*.

Table C.36 Tasmanian Department of Economic Development and Tourism expenditure by output, 2008-09

<i>Output and sub-groups</i>	<i>Description</i>	<i>Expenditure</i>
<i>Economic Development (Output 1)</i>		\$m
1.1 Export and Trade Facilitation	Assists Tasmanian business with the identification and development of new domestic and overseas markets and export opportunities.	5.4
1.2 Investment Attraction and Industry Development	Assists projects of strategic importance to the state with the provision of financial advice and project support services.	15.8
1.3 Innovation Support	Delivers the Tasmanian Innovations Program Support services for the development of innovative ideas and assist organisations involved in science and technology-based activities.	17.5
1.4 Labour and Employment	Provides assistance to businesses, industry sectors and regional communities to respond appropriately to labour and skills shortages.	3.0
1.5 Antarctic Industry Development	Promotes Tasmania's international profile as a centre for Antarctic and Sub-Antarctic activity.	2.1
1.6 Film, TV and Multimedia Industry Development	Fosters, develops and supports Tasmania's film, television and multimedia industries in creating world-class work.	1.4
1.7 Industry Research and Strategy	Provides support for the development of economic and industry strategy, and research-based projects linked to generating increased investment in Tasmania.	1.6
1.8 Small Business	Provides state-wide support for the expansion of existing small businesses, as well as promoting the establishment of new businesses.	5.7
Total (see table C.35)		52.4
<i>Tourism (Output 3)</i>		
3.1 Tourism Marketing	Facilitates public relations activities that continue to attract intrastate, interstate and international editorial coverage.	15.1
3.2 Tourism Destination Development	Strategically supports the development of experiential tourism products and services. Targets industry development, business and product development, and destination development.	5.5
3.3 Tourism Distribution Services	Provides conversion opportunities for Tasmanian tourism operators through the retail travel trade and direct to consumers.	7.9
3.4 Major Events Support	Attraction and retention of a diverse range of events.	3.3
Total (see table C.35)		31.7

Source: Tasmanian Department of Economic Development and Tourism, *Annual Report 2008-09*.

Table C.37 Tasmanian Department of Primary Industries and Water expenditure by output group, 2008-09

Output group	Objectives	Administration				Total
		Grants & subsidies	Employee expenses	Other expenses		
	<i>Included in assistance estimates</i>	\$m	\$m	\$m	\$m	
Primary Industries	Contribute towards the growth of an innovative, competitive and sustainable primary industries sector. Partnering with industry, the University of Tasmania and government agencies to develop enterprise and industry competitiveness, and to ensure the sustainable use of the State's terrestrial and marine resources.	10.2	9.9	10.5		30.6
Biosecurity & Product Integrity	Develop and maintain an integrated and coordinated biosecurity team for Tasmania. Maintain Tasmania's relative freedom from disease, pests and weeds, and preferential market access by protecting the State's primary industries and natural environment from the impact of exotic organisms.	0.1	13.3	9.7		23.1
Special Capital Investment Fund	Specific funds allocated to Department for Agricultural Research Centres (non-capitalised expenditure).	0.5	–	–		0.5
Special Capital Investment Fund	Specific funds allocated to Department for Water Infrastructure Fund (non-capitalised expenditure)	3.7	–	–		3.7
Estimated assistance		14.5	23.2	20.2		57.9
	<i>Excluded from assistance estimates</i>					
Information & Land Services	Provide government services, information and land management for the benefit of all Tasmanian's. Collect and maintain a wide range of land data sets, use of which supports future investment in Tasmania and contributes to Tasmania's growth and sustainable management of its natural resources.	17.9	24.0	29.9		71.8
Resource Management & Conservation	Facilitate the sustainable management of Tasmania's natural resources on both private and public land.	17.4	15.6	10.9		43.9
Water Resources	Advance Tasmania's prosperity through managing the sustainable use and development of the State's water resources while ensuring that the resources will be able to meet the foreseeable needs of future generations.	1.6	6.3	5.1		13.0
Policy	Provide leadership in strategic policy for the Department, as well as coordinating whole-of-department responses to major issues.	0.3	1.7	0.9		2.9

– Nil.

Source: Tasmanian Department of Primary Industries and Water, *Annual Report 2008-09*.

Table C.38 Tasmanian Department of Infrastructure, Energy and Resources expenditure by output group, 2008-09

Output Group	Objectives	Administration				Total
		Grants & subsidies	Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>						
Mineral Resources Management and Administration	Attract and increase the effectiveness of mineral exploration in Tasmania, including by, among other activities: enhancement of the Tasmanian Information on Geoscience and Exploration Resources (TIGER) system through the four-year TasExplore project, which is providing new geoscientific information over the North East and North West; updating the 3D geological model and prospectivity analysis of Tasmania; provision of seamless digital geological maps; and drill core held at the Core Library. In addition, pursue an active marketing and promotion campaign (Annual Report p 8).	–	3.9	2.8		6.7
Estimated assistance		–	3.9	2.8		6.7

– Nil.

Source: Tasmanian Department of Infrastructure, Energy and Resources, *Annual Report 2008-09*.

Table C.39 Northern Territory Department of Business and Employment expenditure by output group, 2008-09

Output group	Objectives	Administration				Total
		Grants and subsidies	Employee expenses	Other expenses		
		\$m	\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>						
Business Development	This output group provides strategic programs and activities to support sustainable business development.	10.0	7.7	4.3		22.0
Estimated assistance		10.0	7.7	4.3		22.0

Source: Northern Territory Department of Business and Employment, *Annual Report 2008-09*.

Table C.40 Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources expenditure by output group, 2008-09

<i>Output group</i>	<i>Objectives</i>	<i>Administration</i>			
		<i>Grants & subsidies</i>	<i>Employee expenses</i>	<i>Other expenses</i>	<i>Total</i>
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Resources Industry Development	The Minerals and Energy group provides strategic services to support the acceleration of exploration and sustainable development of Northern Territory mineral and onshore petroleum resources, and facilitation of efficient and economic use of energy. The Fisheries group offers a high level of industry support, including case management of large-scale aquaculture proposals, development of an aquaculture policy framework, extension of technical knowledge, specific scientific research projects in support of fishing industry growth and sustainability, and the monitoring and control of aquatic pest and disease issues. The Primary Industry group delivers a range of strategic services that facilitate profitable and sustainable primary industries in the Territory and maintain access to markets for animals, plants, and products.	11.4	28.2	24.5	64.1
Resources Industry Management	The Minerals and Energy group covers a range of responsibilities including delivering primary strategic services that regulate mining and petroleum tenure, and overseeing operational activities. The Fisheries group manages the Northern Territory's aquatic resources by providing information and assistance to the community, government and fishing industry sectors to support sustainable development. Services include developing and implementing policy, conducting research, granting and maintaining licences, and implementing fishery management arrangements.	0.4	10.3	6.7	17.4
Regional Development	The Regional Development group works in partnership with business, industry and communities to support activities that stimulate sustainable economic growth and job creation in all regions of the Northern Territory.	1.9	2.8	1.5	6.2
Estimated assistance		13.7	41.3	32.7	87.7

Source: Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources, *Annual Report 2008-09*.

Table C.41 Tourism NT and Territory Discoveries expenditures by output group, 2008-09

Output group	Objectives	Industry support		Administration		Total
		Grants and subsidies	Other support ^a	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m	\$m
Included in assistance estimates						
Marketing	Tourism NT aims to increase tourism contribution to the NT economy and provide support for regional development. The purpose of the Marketing output group is positioning the Territory and its tourism products in key target markets, stimulating interest in and desire to purchase travel through consumer campaigns and partnerships with travel and trade distribution partners	2.7	22.6	4.7	1.3	31.3
Destination Development	This output group aims to facilitate the development of tourism infrastructure and products relevant to consumer demand through market research, liaison with, and provision of advice to, industry, private sector entities and government partners.	3.4	3.2	4.1	0.4	11.1
Territory Discoveries	Territories Discovery is a Government Business Division which develops tourism products for sale to consumers in the domestic and selected international marketplaces. The core performance objective is to increase the exposure of, and potential economic returns to, the territory's tourism industry, particularly to small and medium-sized operators.	–	4.3	3.3	–	7.6
Estimated assistance ^b		6.2	30.1	12.2	1.7	50.0

– Nil. ^a Other support refers to 'purchases of goods and services' in the financial statement and predominantly relates to marketing and promotion. ^b Totals do not add due to rounding. Bolded totals align with financial statement.

Source: Tourism NT, *Annual Report 2008-09*.

Table C.42 Northern Territory Department of Natural Resources, Environment, the Arts and Sport
expenditure by output group, 2008-09

Output group	Objectives	Administration			
		Grants and subsidies	Employee expenses	Other expenses	Total
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Arts and Screen Industry Support ^a	Supports the performing and visual arts, cinema and film industries for the benefit of the Northern Territory community, visitors and the economy (Annual Report p.128).	0.4	n.a.	n.a.	0.4
Estimated assistance		0.4	n.a.	n.a.	0.4

n.a. not available. ^a Arts expenditure is excluded from the Commission's exercise. The estimated assistance refers to that identifiable as screen related (Screen Culture Development grants of \$0.3 million, and Project Development, Production and Post Production grants of \$0.1 million). Total expenditure of the Art and Screen output group is \$10.1 million. Employee and administration expenses relating to the screen industries component is not identifiable.

Source: Northern Territory Department of Natural Resources, Environment, The Arts and Sport, *Annual Report 2008-09*.

Table C.43 Australian Capital Territory Chief Minister's Department expenditure by output, 2008-09

Output	Objectives	Administration			Total
		Grants and subsidies	Employee expenses	Other expenses	
		\$m	\$m	\$m	\$m
<i>Included in assistance estimates</i>					
Business and Industry Development	Provision of policy advice and a range of programs and services to promote business activity in the ACT; Promote the ACT's capacity to attract business investment; Provision of business development initiatives to enhance entrepreneurial and innovation capacity across the ACT business community; and Participation in trade and industry advisory councils and national business forums. (Annual Report p.75)	5.4	2.3	4.2	12.9
Estimated assistance		5.4	2.3	5.2	12.9

Source: Australian Capital Territory Chief Minister's Department, *Annual Report 2008-09*.

Table C.44 Australian Capital Territory Department of Territories and Municipal Services expenditure by output, 2008-09

Output	Objectives	Grants and subsidies ^a	Administration			Total
			Employee expenses	Other expenses		
		\$m	\$m	\$m		\$m
<i>Included in assistance estimates</i>						
Australian Capital Tourism	Australian Capital Tourism is charged with promoting Canberra as a tourism destination. It leads the ACT and capital region tourism industry to create and implement a range of marketing and development programs that aim to significantly increase the economic return from domestic and international visitation. It also provides comprehensive visitor information and reservation services. (Annual Report p.45)	1.7	n.a.	n.a.		n.a.
Estimated assistance		1.7	n.a.	n.a.		n.a.

n.a. not available. ^a Total of amounts reported for Events Assistance Program(EAP) (\$233 600) and non-EAP assistance (\$1 476 000). (Annual Report pp. 230-232).

Source: Australian Capital Territory Department of Territories and Municipal Services, *Annual Report 2008-09*.

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