Australian Government
Productivity Commission

Trade & Assistance Review 2011-12

Methodological Annex

Estimation Framework, Coverage and Re-benchmarking of Estimates

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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.

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Abbreviations

ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ANZSIC	Australia and New Zealand Standard Industrial Classification
ASEAN	Association of Southeast Asian Nations
AVAF	assistance to value adding factors
AVO	assisted value of output
BO	budgetary outlays
CER	Australia-New Zealand Closer Economic Relations Trade Agreement
cif	cost, insurance and freight
CRC	Cooperative Research Centres
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DFA	direct financial assistance
DIAP	Dairy Industry Adjustment Package
DSAP	Dairy Structural Adjustment Program
ERA	effective rate of assistance
FI	funding of intermediaries
fob	free on board
GDP	Gross Domestic Product
GSE	gross subsidy equivalent
GVA	Gross Value Added
IBI	initial benefiting industry
IC	Industry Commission
IOIG	Input-Output Industry Group
IOPC	Input-Output Product Classification

IT	information technology
LPG	Liquefied Petroleum Gas
MFN	most favoured nation
MVP	motor vehicles and parts
NRM	nominal rate of assistance on materials
NRO	nominal rate of assistance on outputs
NSE	net subsidy equivalent
NTNM	non-traded non-material inputs
PC	Productivity Commission
PMV	passenger motor vehicles
PTAs	preferential trade agreements
R&D	research and development
TLCF	Textile, Leather, Clothing and Footwear
TCS	Tariff Concession System
TE	tax expenditures
TEM	tax equivalent on materials
TES	Tax Expenditure Statement
TIDES	Tariff and Import Database and Estimating System
UVA	unassisted value added
UVM	unassisted value of materials
UVO	unassisted value of output

1 About this annex

Under its establishing Act, the Productivity Commission is required to report annually on industry assistance and its effects on the economy. As part of fulfilling this function, the Commission publishes quantitative estimates of assistance to Australian industry each year in its *Trade & Assistance Review*. Quantifying industry assistance helps to show who is advantaged and who is disadvantaged by the assistance structure and can enable governments to make better informed policy decisions, potentially allowing them to improve the allocation of the community's scarce resources and, through this, improve community welfare.

The Commission and its predecessors commenced publishing assistance estimates in the early 1970s. The estimates initially focused on the main forms of import protection for the manufacturing sector and domestic marketing arrangements for agriculture. Over time, the coverage has been expanded to include a broader range of measures (most notably budgetary outlays and tax concessions).

The estimates have been derived in several 'series', each spanning a number of consecutive years. Each series retains a common methodology, coverage of measures and data sources across those years.

In *Trade & Assistance Review 2011-12*, the Commission published the first of a new series of assistance estimates (PC 2013). The new series is called the '2008-09 series' to reflect the underlying Australian Bureau of Statistics (ABS) input-output data used to benchmark the estimates.

This Methodological Annex describes the new series, providing details of the changes made and information to assist the interpretation of the estimates.

- Chapter 2 provides an overview of the Commission's assistance measurement system and is intended for readers seeking a general grasp of the system and published estimates.
- Chapters 3 and 4 discuss elements of the system in more detail, explaining how the various estimates are derived and elaborating on their interpretation.
- Chapter 4 explains the methodological changes in moving from the previous (2004-05) series of estimates to the 2008-09 series, particularly the technical changes to the input-output database.

- Appendix A identifies all the budgetary measures included in the 2008-09 series of assistance estimates and the industry allocation.
- Appendix B provides an alphabetical listing of budgetary assistance programs.

This annex is the latest in a series of papers providing information and updates on the Commission's assistance estimates and methodologies. Other relevant annexes, published since 2000, are listed in the following table.

Table 1.1 **Previous methodological annexes to *Trade & Assistance Review***

Date	*Title*	*Details*
December 2000	Allocating Budgetary Assistance by 27 ANZSIC-based Industry Groupings	Methodological Annex: Trade & Assistance Review 1999-2000
December 2002	The Commission's Assistance Measurement System	Methodological Annex A: Trade & Assistance Review 2001-02
December 2002	Allocating Budgetary Assistance to Primary Production by 10 ANZSIC-based Industry Groupings	Methodological Annex B: Trade & Assistance Review 2001-02
June 2006	Allocating Budgetary Assistance by Industry Groupings: Recent Revisions	Methodological Annex: Trade & Assistance Review 2004-05
December 2008	The '2001-02' series of assistance estimates	Methodological Annex: Trade & Assistance Review 2005-06 and 2006-07
December 2011	Methodological Annex: for Reviews Commencing 2008-09	Methodological Annex: Trade & Assistance Review 2008-09
June 2012	Changes to the Commission's Assistance Estimates	Methodological Annex: Trade & Assistance Review 2010-11

Source: Commission estimates.

A full list of Commission *Trade & Assistance Reviews* can be found at http://www.pc.gov.au/annual-reports/trade-assistance.

2 Overview of the Commission's assistance measurement system

2.1 Coverage of assistance instruments

Section 10(6) of the *Productivity Commission Act 1998* defines assistance to industry as:

> … any act that, directly or indirectly: (a) assists a person to carry on a business or activity; or (b) confers a pecuniary benefit on, or results in a pecuniary benefit accruing to, a person in respect of carrying on a business or activity.

Reflecting this broad definition, an array of different instruments can provide assistance to industry. These include:

- tariffs, quotas, anti-dumping duties and regulatory restrictions on imported goods and services, such as local design rules and quarantine laws;
- grants and subsidies for domestic producers;
- tax expenditures and offsets for domestic producers;
- 'in-kind' assistance provided by publicly-funded intermediaries, such as certain research undertaken by CSIRO;
- regulatory restrictions on domestic competition, such as those provided by some statutory marketing arrangements and legislation that reserves markets for particular groups (for example, pharmacy service provision);
- the provision of services by government agencies at concessional prices; and
- government procurement policies.

For its annual estimates of industry assistance as published in *Trade & Assistance Review*, it is not practicable to cover all forms of government support to industry. Rather, the Commission's estimates focus on the main forms of support that *selectively* assist firms, activities or industries and that can be quantified on an annual basis given practical constraints in measurement and data availability.

The key assistance measures covered in the annual estimates are tariff assistance (including tariff concessions) and Australian Government budgetary assistance (including grants, subsidies and tax expenditures). The estimates also include some agricultural pricing and marketing assistance, although the number and impact of individual assistance instruments in this category has declined in recent years. The coverage of assistance under each of these categories, including changes made for the 2008-09 series, is described in detail in chapters 3 and 4 of this annex.

Some measures affording assistance that are not covered in the annual estimates include:

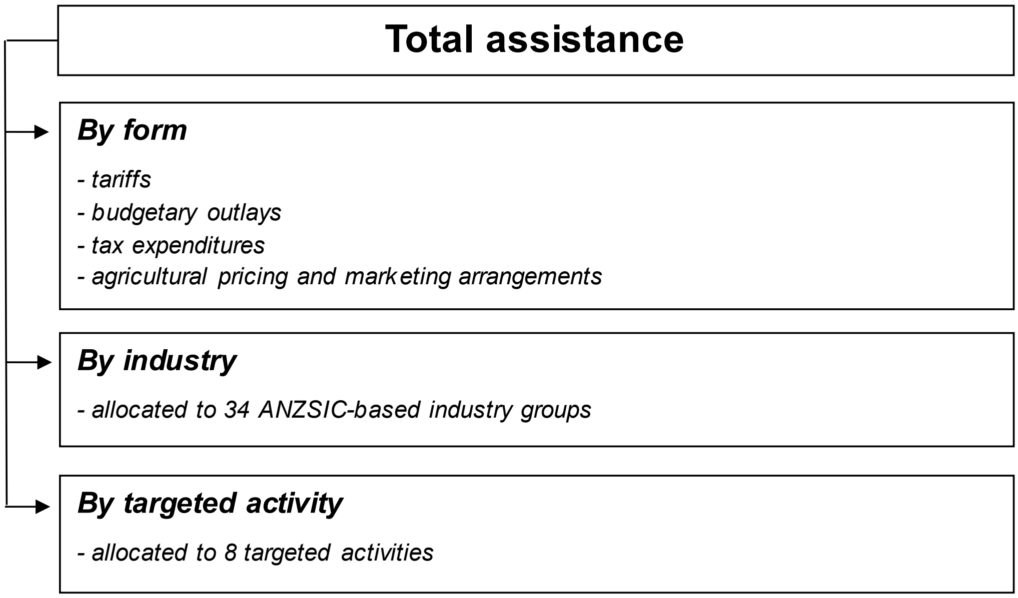
- *Restrictions on trade in services* — the nature of these restrictions and the difficulties in establishing a 'benchmark price' for services means it is difficult to determine the level of assistance associated with these restrictions. However, the Commission has separately published specific studies of barriers to services trade, and their price impacts.
- *Anti-dumping and countervailing measures* — the Commission does not include the assistance effect of these duties in its annual estimates, but reports year-to-year usage.
- *State government measures* — apart from nationally-significant agricultural pricing and marketing assistance provided by State arrangements, the Commission does not include State government assistance as part of its annual estimates. However, from time-to-time, the Commission has published broad estimates of the level of State government budgetary assistance to industry.[1]
- Various other assistance instruments, including government purchasing preferences, the under-pricing of infrastructure, the impact of tariffs on the cost of physical capital used in production, assistance effects that may be associated with quarantine restrictions, and government programs affecting a range of service industries, including the provision of health and welfare, where funding predominantly benefits consumers and individual citizens.

2.2 Classification of assistance

The Commission classifies its assistance estimates — comprising tariffs, budgetary outlays, tax expenditures, and agricultural pricing and marketing arrangements — into a number of different groupings (figure 2.1).

[1] The Industry Commission published such estimates for the years 1994-95, 1995-96 and 1996-97 as part of its 1996 public inquiry into *State, Territory and Local Government Assistance to Industry* (IC 1996). The Productivity Commission also published similar estimates for the years 2000-01 and 2001-02 (in *Trade & Assistance Review 2001-02*) and 2008-09 (in *Trade & Assistance Review 2009-10*).

Figure 2.1 **Classification of assistance**



Industry groupings

The level of industry detail at which the Commission reports on assistance, and the focus of its estimates, have changed over time. The initial focus was on assistance within the traded-goods sectors — particularly manufacturing and agriculture — where levels of assistance were found to be high. Over time, assistance targeted to these sectors has been reduced while the incidence of budgetary assistance to both goods producing and services sectors has increased. Services activities have increased in relative economic importance and now account for around four-fifths of employment and Gross Domestic Product (GDP) in Australia.

Reflecting these developments, from the 2001-02 *Review* (PC 2002a, 2002b), the Commission has included estimates of assistance to the services sector, and has integrated these, as far as practicable, with estimates in relation to manufacturing and agriculture.

In *Trade & Assistance Review 2011-12*, estimates of combined assistance are presented for 38 ‘industry groupings’ including 4 ‘unallocated’ groupings (table 2.1). The industry groupings are based on the classification of industries in the 2006 edition of the Australia and New Zealand Standard Industrial Classification (ANZSIC). The 38 published industry groupings comprise 9 in the primary production sector, 12 in the manufacturing sector, 15 in the services sector, a mining group, and an unallocated other group.

Table 2.1 **Industry groupings used for reporting assistance in *Trade & Assistance Review 2011-12***

Industry grouping	*ANZSIC 2006 codes*
Primary production	**A**
Horticulture and fruit growing	011, 012, 013
Sheep, beef cattle and grain farming	014
Other crop growing	015
Dairy cattle farming	016
Other livestock farming	017, 018, 019
Aquaculture and fishing	02, 04
Forestry and logging	03
Primary production support services	05
Unallocated primary production	–
Mining	**B**
Manufacturing	**C**
Food, beverages and tobacco	11, 12
Textile, leather, clothing and footwear	13
Wood and paper products	14, 15
Printing and recorded media	16
Petroleum, coal, chemical and rubber products	17, 18, 19
Non-metallic mineral products	20
Metal and fabricated metal products	21, 22
Motor vehicles and parts	231
Other transport equipment	239
Machinery and equipment manufacturing	24
Furniture and other manufacturing	25
Unallocated manufacturing	–
Services	**D-S**
Electricity, gas, water and waste services	D
Construction	E
Wholesale trade	F
Retail trade	G
Accommodation and food services	H
Transport, postal and warehousing	I
Information, media and telecommunications	J
Financial and insurance services	K
Property, professional and administration services	L, M, N
Public administration and safety	O
Education and training	P
Health care and social assistance	Q
Arts and recreation services	R
Other services	S
Unallocated services	–
Unallocated other	**–**

Source: Commission estimates based on ABS (2006).

Under ANZSIC, there are no separate categories for functional groupings such as tourism. Rather, such activities fall within several ANZSIC industry categories. While the Commission does not report assistance to functional groupings such as tourism in its annual estimates, from time to time it undertakes studies that cover assistance to such groupings.[2]

Targeted activities

Trade & Assistance Review also categorises budgetary assistance by one of eight targeted activities:

- research and development;
- exports;
- investment;
- industry-specific assistance;
- sector-wide assistance;
- small business;
- regional/structural adjustment assistance; and
- a residual 'other' category.

These categorisations are explained further in chapter 3.

2.3 Estimation procedures

The approach adopted by the Commission to estimating the value of assistance varies depending upon the instruments used to provide the support.

- Where governments impose tariffs on imports, the assistance to competing Australian producers is determined as the subsidy equivalent inferred from the price increase allowed (in principle) by the tariff on Australian producers' domestic sales; not by the dollar amount of tariff revenue collected on imports.
- Where the protected goods are used by other industries as inputs, the negative assistance caused by tariffs on inputs is assessed as the tax equivalent imposed by tariffs on inputs (whether locally produced or imported) used in production.

2 The Commission published estimates of assistance to tourism, from Commonwealth and State Governments, for three years from 2000-01 to 2002-03, in its 2005 Research Paper *Assistance to Tourism: Exploratory Estimates* (PC 2005).

- Where governments provide grants and subsidies directly to firms, the government expenditure on the subsidy is recorded as assistance. The annual estimates generally exclude the policy advice and general administration costs of government agencies that administer grants and other assistance programs.
- Where governments fund services that indirectly assist an industry, such as funding of CSIRO to conduct research activities, the full funding (excluding any industry contributions) is deemed to be assistance.
- Where governments provide tax concessions — exemptions, deductions, offsets, rebates, lower tax rates or tax liability deferrals — on a selective basis, the value of the assistance provided is estimated as the amount of tax revenue forgone by the government.

In quantifying the assistance provided each year by various measures, the Commission draws on a range of data sources, including:

- the Australian Customs tariff schedule;
- ABS data on foreign trade flows, the Australian national accounts and input-output ratios;
- Australian Government budget papers;
- annual reports of government departments and agencies;
- the Australian Government Tax Expenditure Statement;
- Australian Taxation Office taxation statistics; and
- other government department and agency publications and communications.

The estimation procedures, and associated qualifications, are explained in more detail in chapters 3 and 4 of this paper.

2.4 Types of assistance measures

In reporting on assistance, the Commission uses several measures that highlight different aspects of assistance and its effects on the economy and that facilitate comparisons of the effects of the diverse assistance arrangements affecting businesses across the economy.

The basic concepts underpinning assistance measurement evaluation are:

- the *gross subsidy equivalent (GSE)*, which is the dollar value of assistance to an industry's or activity's outputs;

- the *tax equivalent on materials (TEM)*, which is the dollar value of the penalty on an industry's or activity's inputs due to the price-raising effects of tariff assistance on those inputs;
- the *assistance to value adding factors (AVAF)*, which is the dollar value of assistance not linked directly to the unit returns of outputs or the cost of inputs, but which accrues to land, labour or capital returns of an industry or activity; and
- the *net subsidy equivalent (NSE)*, which is a measure of the dollar value of net assistance to an industry's or activity's value added (and is equal to the GSE plus AVAF, less the TEM).

These concepts are used to define the *Trade & Assistance Review* publication categories:

- *gross combined assistance* which is equal to the dollar value of assistance to outputs (the GSE) plus assistance to value adding factors (AVAF); and
- *net combined assistance* (also referred to as the NSE) which, applying the above basic concept, equals the gross combined assistance less the dollar value of assistance to inputs (the TEM).

The dollar value of *net combined assistance* is accompanied by a 'rate of assistance' measure, namely the *effective rate of assistance (ERA)* which is defined as the net combined assistance to industry (that is, the NSE) divided by the industry's net output (measured in unassisted prices) or, more formally, its 'unassisted value added'.[3]

These estimates of assistance are based on a 'static' model and focus on the value of assistance accruing to different activities. Implementation of the assistance estimation model is supported by a number of simplifying assumptions (box 2.1).

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3 Other assistance concepts that can be calculated include: the nominal rate of assistance on outputs which is the GSE divided by the industry's value of production (measured in unassisted prices); the nominal rate of assistance on inputs which is the TEM divided by the industry's value of materials (measured in unassisted prices).

Box 2.1 **Assistance framework: key simplifying assumptions**

The analytical framework used for the Commission's assistance measures is static and partial equilibrium in nature. The main simplifying assumptions underlying the application of the framework are:

- Perfect substitution between domestic and foreign goods of the same description.
- The 'small country' assumption, whereby Australia does not influence the world price of its imports or exports (that is, the terms of trade are assumed to be exogenous).
- No substitution between nominally different goods.
- Infinite elasticities of export demand and import supply.
- The prices of goods, services, and resources represent their opportunity cost to the community in the absence of assistance.
- The direction of trade in the absence of assistance can be assessed, with import parity prices forming the benchmark for goods assessed to be import-competing and export-parity prices for export goods.
- Production relationships between inputs are unaltered by the assistance structure.
- Constant returns to scale.

A detailed discussion of the framework is provided in the Commission's 1995 paper: *Assistance to agricultural and manufacturing industries* (IC 1995).

The measurement of the assistance concepts for the *Trade & Assistance Review* is described in chapters 3 and 4.

2.5 Interpretation

Estimates of industry assistance are intended to aid transparency and facilitate analysis of public policies. Such estimates can help to reveal which activities benefit and which are penalised in the first instance from particular government policies. Assistance estimates can also provide an indication of the resource allocation effects of the assistance structure. By highlighting which policies afford the greatest assistance or which industries receive the most support from assistance, they can aid in the prioritisation of policy reviews. Assistance estimates can also be of use as an input into broader evaluations of the merits of particular policies.

However, the estimates themselves only provide a partial guide to these matters and must be interpreted carefully. Guidance on the interpretation of the estimates, including the key qualifications, is set out in box 2.2.

Box 2.2 **Interpreting the estimates**

The Commission’s estimates of government assistance to industry are intended to aid transparency and facilitate analysis of various matters related to the assistance structure. The estimates themselves, although important, provide only a partial guide to these matters and must be interpreted carefully.

Transfers

The assistance estimates help to reveal who gains and who loses from industry assistance, and the extent of those gains and losses. The NSE is a dollar estimate of the net effects of assistance measures and is used to provide an indication of the transfers of income to producers from consumers, taxpayers and intermediate suppliers resulting from the assistance structure.

The estimated transfers of income, however, being based on a ‘static’ model do not explicitly take account of:

- changes in production and consumption in response to changes in assistance;
- flow-on effects to broader economic variables, such as exchange rates and general price levels; and
- the overall ‘welfare’ costs, or ‘deadweight’ losses, from assistance.

Resource allocation

The estimates also provide a broad indication of the resource allocation effects of the assistance measures covered. The ERA is used as an indicator of the net incentive effect of the many different forms of assistance.

Care is required, however, in drawing inferences about the flow-on resource allocation effects given the ‘static’ nature of the underlying model, incomplete coverage of government interventions and general aggregation of the estimates.

Policy evaluation

Industry assistance has a range of benefits and costs, and whether the benefits exceed the costs may to some extent, depend on whether the measure in question addresses a ‘market failure’, or other distortion, and is efficient in doing so.

Traditionally, industry assistance captured by the Commission was derived mainly from tariffs and restrictive agricultural marketing arrangements. These instruments were difficult to justify on economic efficiency grounds and there was potential to improve overall economic efficiency and welfare through reducing this assistance.

Over time, however, measured assistance to manufacturing and agriculture from tariffs and restrictive marketing arrangements has declined significantly, while other forms of assistance have increased. Some of this assistance, such as for R&D, is directed towards activities where there is some evidence of market failure. This suggests that some forms of assistance may be justified on economic efficiency and welfare grounds.

3 Coverage of assistance estimates, classification and quantification

The key forms of assistance covered in the Commission's annual estimates are:

- tariff assistance;
- budgetary assistance provided by the Australian Government in the form of budgetary outlays (grants and subsidies) and tax expenditures; and
- agricultural pricing and marketing arrangements.

3.1 Tariff assistance

Australia's tariffs on imported goods are set by the Australian Government and a record of individual tariff levels is maintained in the Australia Customs Tariff Schedule. Australian tariffs are levied on the value of imports in the foreign port (that is, the 'free-on-board' (fob) value), as opposed to the landed value of imports (that is, the 'cost, insurance and freight' (cif) value).

Tariffs (and import quotas) on imports have been reduced significantly since the early 1970s. As a result, with the exception of goods within the *Textile, Leather, Clothing and Footwear* (TLCF) industry (until 1 January 2015),[1] some cheeses,[2] and second hand motor vehicles (and luxury car taxes),[3] all general tariffs applied to imports are now 5 per cent or less.

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[1] Tariffs on passenger motor vehicles (PMV) in the *Motor vehicles and parts* (MVP) industry were reduced from 10 per cent to 5 per cent on 1 January 2010.

[2] The importation of cheese and curd into Australia is subject to a tariff-quota arrangement. The quota allows for the importation of 11 500 tonnes of cheese per annum at a 'specific' tariff rate of $0.096 per kilogram. If the quota is exceeded (in a financial year), imports are subject to a much higher 'out-of-quota' tariff rate of $1.220 per kilogram. For the Commission's assistance estimates, it is assumed that the full effects of the out-of-quota tariff are passed onto domestic consumers in the form of higher prices.

[3] Like new passenger motor vehicles, tariffs applying to used or second-hand (passenger motor) vehicles were also reduced from 10 per cent to 5 per cent on 1 January 2010. 'High-volume' imports of second-hand motor vehicles, however, attracts an additional import duty of $12 000 per vehicle. This duty does not apply to vehicles that are at least 30 years old or to individuals importing a single vehicle.

Trends in the value of imports by tariff rate grouping, since the mid-1990s, are shown in table 3.1. As an example, the proportion of imports with zero tariff rates has increased from 36.4 per cent of import values in 1996-97 to 51.1 per cent in 2011-12.

Table 3.1 **Distribution of the value of imports by tariff rate grouping, selected years**

per cent

	1996-97	*2001-02*	*2004-05*	*2008-09*	*2011-12*
Zero rates	36.4	48.1	46.1	51.0	51.1
> 0 to < 10 per cent	32.3	37.8	41.7	38.4	46.4
10 to < 20 per cent	21.7	11.4	9.7	10.4	2.4
> 20 per cent	9.5	2.7	2.5	0.2	0.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Commission estimates based on Australian Customs tariff schedules and ABS trade data.

For some tariff items and some categories of trade, concessional entry or duty exemptions are afforded imports.

- *Duty exemptions or preferences for selected countries*. Imports from certain sources, such as qualifying goods from Papua New Guinea, the Forum Islands and some other developing countries, are given duty free status. Australia is also a party to a number of bilateral and regional preferential trade agreements, including with New Zealand, Canada, Singapore, Thailand, the United States, Chile, Malaysia and ASEAN countries, under which qualifying imports enter at preferential rates (generally as a zero tariff).
- *Tariff concessional arrangements*. Imports entering under the Tariff Concession System (TCS), Project and other policy by-laws, the Duty Drawback Scheme and TRADEX typically enter at a zero or concessional rate.
- *Duty exemptions for government imports*. Certain government imports enter duty free. Such imports are for defence purposes and general government use.

Quantification of tariff assistance

Estimates of tariff assistance for outputs and tariff cost penalty for inputs are derived in two stages. These involve:

- using the Commission's Tariff and Import Database and Estimating System (TIDES) model to provide estimates of the 'price impacts' of tariffs for both output and input goods; and

- combining these results with ABS Input-Output data to derive estimates of the gross and net subsidy equivalents.

Stage 1: Calculating price impacts using TIDES

Information from the Australian Customs tariff schedules and ABS merchandise trade imports is used in TIDES to estimate the price impacts of tariffs and quotas for both domestic and imported goods.

Step 1: Imputed duty

As a first step, TIDES derives an estimate of 'imputed duty' for each import item — that is, the notional duty payable for each tariff item, given its value of imports and operative tariff rate. The calculations are made at the 8-digit tariff line item level, the classification level at which tariffs are imposed.

To take into account the effects of relevant tariff concessions and duty exemptions on imported goods, TIDES separates the import data into three groups and then estimates imputed duty separately for each group.

- *General* entry items. General entry items comprise imported goods that are subject to the general most favoured nation (MFN) tariff rate and do not receive any form of tariff concession or duty exemption. For this group, imputed duty is calculated as the 'free-on-board' (fob) value of imports for duty multiplied by the annualised actual tariff rate for each tariff item.[4]
- *Government* entry items. Government entry items comprise goods imported by the government such as defence goods and goods for general government use. Goods subject to government entry enter duty free. Imputed duty for this group is set at zero.
- *Concessional* entry items. Concessional entry items comprise imported goods for which the general tariff rate is amended to reflect concessional entry (for example, commercial tariff concessions). For this group, the calculation of imputed duty is similar to that for general entry items except that the tariff rate is adjusted to reflect the tariff concession.

The assistance effects of the preferential tariff rates in preferential trade agreements depend on various matters, including the extent to which producers in partner

4 Where a tariff rate changes during the year, a simple average of the old and new tariff rates is derived for that year. For example, when PMV tariff rates declined from 10 per cent to 5 per cent on 1 January 2010, an average tariff rate of 7.5 per cent was used to represent PMV tariffs during the 2009-10 financial year.

countries undercut the price of rival imports in Australia, rather than simply 'pocketing' the concession provided (see box 3.1). In the Commission's estimates of tariff assistance the 'most favoured nation' (MFN) tariff rate is applied to merchandise imported under preferential trading arrangements.

Box 3.1 **Assistance effects of Preferential Trade Agreements**

Domestic market effects

The tariff preferences provided under PTAs need not result in any significant impact on prices in the domestic market and, thus, on assistance to Australian industry provided by the general (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.

To the extent that tariff concessions provided by PTAs result in a reduction in the prices of imported products in the Australian market, assistance to the relevant industry's outputs will be lower than that implied by the MFN rate. Equally though, to the extent that 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.

Partner market effects

To the extent that PTAs afford Australian producers preferential market access in partner countries, assistance to those producers could be increased. In effect, Australian producers would obtain the benefit of assistance provided by a partner country's general tariff regime for their exports to that market. The actual assistance effects would depend on the extent of trade between partner countries and the margin of preference afforded by the PTA.

The Commission published, as a supplement to its Research Report on the Australia-New Zealand Closer Economic Relations Trade Agreement (CER), estimates of assistance provided by CER tariff preferences (PC 2004). A further discussion of domestic and partner market effects is provided in that document.

Step 2: Map the imputed duty from import item to input-output product classification

The second step is to recode the imputed duty estimates at the 8-digit tariff schedule level (about 5500 items) to the 2008-09 Input-Output Product Classification (IOPC) level (about 1285 items). TIDES does this using concordances provided by the

ABS. (The same procedure is used to recode the landed value of imports, which is also necessary for determining price impacts (see below) at the IOPC level.)

Step 3: Calculate tariff price effects for both outputs and inputs

In the third step, TIDES derives estimates at the IOPC classification level of the price impacts of tariffs and quotas on domestic producer prices for both *output* and *input* goods. The price impacts of tariffs are defined as the imputed duty divided by the landed value of imports (that is, the cost, insurance and freight (cif) value for each category of good).

- For *output* goods — only data from the *general* entry group is used to estimate the domestic price impacts of tariffs and quotas for each item of trade. *Government* and *concessional* entry items are excluded as they are assumed not to be competing with domestically supplied items.
- For *input* goods — data from the *general* and *concessional* entry groups are used to calculate the domestic price impacts of tariffs and quotas. The trade data does not identify the mix of *general* and *concessional* entry items by each industry; only the overall split for total imports of the item. Thus, it is necessary to assume that every industry uses the same aggregate mix. Goods subject to *government* entry are excluded as they are assumed to be directed to final use (consumption or investment by government).

Stage 2: Estimating subsidy and tax equivalents using ABS Input-Output data

The price impacts of tariffs (and quotas) are then combined with ABS Input-Output data to derive estimates of border assistance for both output and input goods.

For *output* goods, the price impacts of tariffs (and quotas) are combined with ABS Input-Output domestic production data to estimate the dollar value of output tariff assistance — the Gross Subsidy Equivalent (GSE).

For *input* goods, the price impacts of tariffs (and quotas) (that is, the nominal rate of assistance on inputs) are combined with ABS Input-Output intermediate usage data to derive estimates of input tariff assistance — the Tax Equivalent on Materials (TEM). The TEM is negative assistance — the cost penalty on producers from using imported inputs, or their domestic equivalent, that are subject to the price-raising effects of tariffs (and quotas).

The GSE and TEM estimates are initially derived by the ABS on request from the Commission using the TIDES price data. The estimates are derived by the ABS using confidential data at the IOPC (around 1285 items) level. These estimates are then aggregated to the 112 industry ABS Input-Output Industry Group (IOIG) classification, checked for confidentiality, and returned to the Commission.

The Commission then calculates, at the 112 industry level, net tariff assistance, the Net Subsidy Equivalent (NSE) of tariffs, as the GSE less the TEM.

For publication in *Trade & Assistance Review*, the Commission aggregates the 112 industry results to the ANZSIC-based 38 industry level and combines these estimates with estimates of budgetary assistance at that level.

3.2 Budgetary assistance

Coverage

The annual estimates cover a wide range of budgetary measures.

The specific measures, as published in *Trade & Assistance Review 2011-12*, (and with funding in the 2011-12 year), are listed in table 3.2 at the end of this chapter. The coverage of measures included in the budgetary estimates is revised each year to reflect the expiration of programs or the introduction of new programs.

While the estimates cover a wide range of Australian Government budgetary measures, they do not incorporate all budgetary measures that provide support for industry, for a range of practical and conceptual reasons. Among the exclusions are:

- budgetary measures which are generally available to all firms – for example, reductions in company tax rates applying to all firms;
- various outlays focused on public administration, defence, health, education, the environment and the labour market;
- budgetary assistance provided by State, Territory and local governments; and
- spending on infrastructure, except where it clearly is intended to afford selective support to specific industries or activities.

Classifications

To provide some indication of the nature of Australian Government budgetary assistance, the Commission classifies budgetary assistance according to:

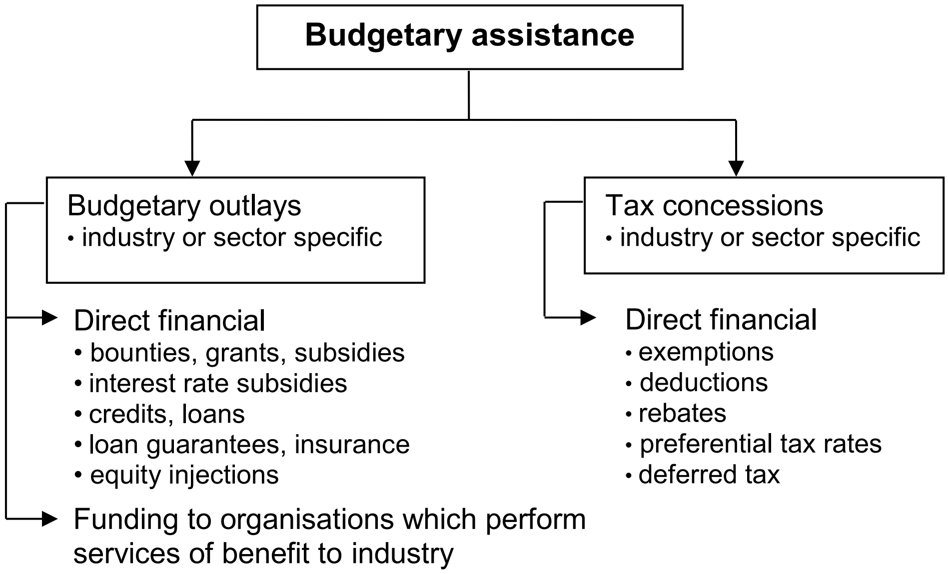
- the form of budgetary assistance;
- the activity it predominantly assists; and

- the sector and industry grouping to which it applies.

Forms of budgetary assistance

Budgetary measures are categorised as either *budgetary outlays* or *tax expenditures* (or *'concessions'*),[5] which are further distinguished by the type of benefits provided (figure 3.1).

Figure 3.1 **Forms of budgetary assistance**



In relation to budgetary outlays, a distinction is made between:

- *Direct financial assistance (DFA)* — such as bounties, grants and subsidies, interest rate subsidies, loans, credits and guarantees, and government equity participation; and
- *Funding of intermediaries (FI) that perform activities of benefit to industry* — such as funding of CSIRO and CRC research programs, Austrade's International Business Services and Tourism Australia. In contrast to DFA, the provision of services through the funding of intermediaries (FI) raises producers' returns indirectly (for example, where research improves crop yields or manufacturing processes, or, as in the case of tourism assistance, through the provision of generic marketing).

5 Some industry assistance is in the form of a 'tax expense' (such as the film industry offsets and R&D Tax Offset for small companies). These are 'delivered' by the Australian Tax Office as part of tax assessments of eligible businesses. Tax expenses are included in the Commission's tax 'concession' category.

Tax expenditures provide financial benefits to industry in the form of tax exemptions, deductions, rebates, preferential tax rates and tax deferrals. Tax deductions, such as the R&D tax concession, allow certain expenditures to be eligible for deductions which normally would not be allowed in the tax system. Preferential tax rates involve the application of a lower tax rate for particular industries. The deferral of tax over a number of years provides pecuniary benefits to recipient firms.

Activities assisted

Budgetary assistance is often designed to encourage particular activities to support particular firms, industries or sectors. To provide an indication of the distribution of assistance among activities, the Commission classifies its estimates of Australian Government budgetary assistance into one of eight categories:

- R&D measures — schemes which support business research, such as R&D tax concessions and funding of rural R&D corporations, CSIRO and CRCs;
- general export measures — such as the Export Market Development Grants scheme, import duty drawback, TRADEX and Austrade;
- general investment measures — schemes which encourage certain types of investment, such as the development allowance and several former investment attraction packages;
- industry-specific measures — schemes which are designed to encourage production in particular industries, such as the Automotive Transformation Scheme, the Clothing and Household Textile Building Innovative Capability Program, film industry measures and the Offshore Banking Unit tax concession;
- sector-wide measures — programs that are specific to a particular sector and designed to facilitate adjustment or provide income support, 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 — measures that specifically restrict eligibility to 'small' businesses (variously defined across programs) such as the Small Business and General Business Tax Break, the small business capital gains tax concessions, the 25 per cent Entrepreneurs' Tax Offset and the Small Business Advisory Services Program;
- regional assistance programs — measures intended to promote regional industry such as Regional Partnerships and Tasmanian Freight Equalisation Scheme and various structural adjustment programs with a regional focus; and

- other measures — schemes that do not fall within any of the above categories such as the Venture Capital Limited Partnerships Program, the Pooled Development Funds Program and the Enterprise Connect Innovation Centres Initiative.

Some caution is required in interpreting estimates by activity because some programs could 'fit' into more than one category; for instance, rural R&D could be R&D or sector specific (rural). The Commission has allocated each program's total funding to one category only.

Sectoral and industry incidence

As well as classifying budgetary assistance by form and activities, the Commission also estimates the incidence of budgetary assistance by industry, based on the concept of 'initial benefiting industry' (IBI) (box 3.2).

Prior to 1999, the incidence of budgetary assistance was reported using a four-sector classification of the economy. Over time, the Commission has disaggregated the agriculture, manufacturing and services categories and now reports assistance at 34 defined industry groupings, plus 4 unallocated groupings (table 2.1).[6]

In allocating assistance to industry groupings, each program is examined individually. Programs that assist only a single industry, such as the Clothing and Household Textile Building Innovative Capability Program or the Grape and Wine R&D Corporation, are allocated directly to that industry (*Textile, leather, clothing and footwear* and *Horticulture and fruit growing*, respectively).

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6 In 2000, the industry classification was broadened to include 27 industry groupings. Under this system, primary production and mining remained as single categories, while manufacturing and services were subdivided into 11 and 14 industry groupings, respectively. This disaggregation was first completed for the *Trade & Assistance Review 1999-2000* and a detailed description of the methodology used was included in a *Methodological Annex* (PC 2000). For *Trade & Assistance Review 2001-02*, the Commission expanded its industry classification to include 10 new primary production groupings. The new allocation provided significantly more detail than the previous classification. The methodology used to disaggregate the estimates for primary production was included in *Methodological Annex B* of the 2001-02 *Review* (PC 2002a).

Box 3.2 The 'initial benefiting industry' allocation method

Under the 'initial benefiting industry' (IBI) concept for estimating the incidence of assistance, assistance is allocated to the industry hosting the firm that initially benefits from a program or measure. Where a number of firms, in different industries, initially benefit from a particular program or measure, the Commission seeks to apportion the assistance between those industries.

Thus, where a firm receives a direct payment or claims a tax concession the assistance is recorded against the ANZSIC industry grouping that the firm's principal activities belong to.

In cases where assistance is delivered via an intermediate organisation, such as Austrade export promotion services or CSIRO research, the initial benefiting industry is taken to be that in which the firms that utilise the services operate. For example, wheat research by CSIRO would be allocated as assistance to the wheat growing industry (part of the *Sheep, beef cattle and grain farming* ANZSIC industry grouping).

Similarly, a small business program that uses consultants to provide business planning or IT advice to farmers would be classified as initially benefiting the agricultural industries, not the business services or IT industry (that the consultant is part of).

The Commission includes in its assistance some programs where the initial recipients are consumers (rather than firms or intermediary bodies). In such cases, the assistance is classified to the industry providing the good or service to the consumer. For example, in the case of assistance paid to convert cars to LPG, assistance is deemed to accrue to the industry providing the conversion service.

Similarly, where assistance is provided to an intermediary service, such as transport or financial services, and that assistance lowers the cost of a good or service to a user, the initial benefiting industry is deemed to be that of the users, rather than the intermediary.

Where the Commission cannot identify the initial beneficiary of a program, the assistance is recorded as 'unallocated'. That is, it is included in the aggregate estimates but not in the industry totals.

The IBI approach does not attempt to identify all of the ultimate beneficiaries of assistance, through flow-on effects. For example, budgetary assistance to the Australian film industry is allocated to the ANZSIC industry category of *Arts and recreational services*. However, the benefits of this assistance could extend beyond this particular industry, say to *Construction* services in the case where film production requires these services as inputs. Further, an increase in demand for construction services may increase demand in the *Wood & paper products* industry, and so on.

However, many programs assist multiple industries — for example, income tax averaging provisions. A variety of sources is used in determining to what extent each industry is likely to benefit from these programs.

- Where the Commission can obtain sufficiently detailed data for a program, it uses this information to distribute the program's funding among the initial benefiting industries. For example, it obtains ANZSIC claims data for the Export Market Development Grants scheme which is sufficiently detailed to determine the initial benefiting industries for the program.
- For programs that provide grants to industry and where the Commission has details on the individual grants, it uses this information to assign each grant to a particular industry. For example, the (former) Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education published details of grant recipients for many of its administered programs. These details have been used to determine the initial benefiting industry for the program.
- Where data indicating which industries initially benefit from a particular program are not available, the assistance given under that program has been recorded as 'unallocated'. There are four 'unallocated' categories: one each for primary production, manufacturing and the services sectors (used when the initial benefitting sector can be identified but not the initial benefitting industry or industries within it), and an 'unallocated other' category for assistance that cannot be assigned to particular industries or sectors based on available information.[7] 'Unallocated' funding forms part of the Commission's aggregate estimates of assistance.

The IBI approach does not attempt to identify all of the ultimate beneficiaries of assistance, through flow-on effects. Particular care is therefore required in drawing inferences about the resource allocation effects given the 'static' nature of the underlying model. This aspect of the model, and the IBI approach, means that only the initial effects of assistance are captured, while the responses of producers and consumers to the incentives created by the provision of assistance are not (box 3.3).

7 For *Trade & Assistance Review 2011-12*, 'unallocated other' accounted for 14 per cent of total assistance, while the sector unallocated categories accounted for a further 8 per cent.

Box 3.3 Initial and flow-on effects of assistance: an illustration of oranges and grapes

To understand how budgetary assistance classified to one industry — the IBI — can directly and indirectly affect other activities, consider a simplified situation in which some farmers grow grapes and some grow oranges. Returns in these two industries are about the same, say around a 10 per cent return on investment, and all grapes and oranges grown in this economy are consumed in it too, with no imports or exports.

If a subsidy is provided to producers of oranges (that subsidy being classified to the IBI oranges) returns on investment could increase, say to 20 per cent, with orange farmers receiving the full value of this windfall gain upon the introduction of the subsidy.

Over time, however, some grape farmers are likely to switch to growing oranges (and existing orange farmers, or other investors, may bring more land into production). This will cause the supply of oranges to increase and, to clear their stock, producers will need to cut the price. As prices fall, consumers will buy more oranges, but returns to the orange industry will decline as the unit value of the subsidy is bid away.

Meanwhile, in the grape industry, supply falls putting upward pressure on prices. As prices rise, consumers buy fewer grapes, but the returns to grape growing increase.

As long as the subsidised returns to orange production exceed the returns to grape growing, farmers have a continuing incentive to switch from grapes into oranges. This will continue until (the risk adjusted) returns in both industries align.

However, to finance the subsidy for orange producers, the government needs to raise extra revenue (through higher taxes or higher charges for services it provides), cut spending, or incur a higher budget deficit or lower surplus. Say it raised more revenue through a tax on fuel. This would increase orange and grape growers' fuel bills and further reduce, although only slightly, the returns in those industries. It would also reduce returns in other industries which rely on fuel to produce their output, particularly energy-intensive industries. Householders would also have to pay slightly higher fuel bills, leaving slightly less to spend on other goods and services.

With other industries facing slightly higher fuel bills and slightly lower demand for their products, some 'borderline' businesses in these industries may need to close or reduce their production (unless they are able to make offsetting gains in productivity).

Overall, the effect of providing assistance in this illustration is to increase orange production, mainly at the expense of a fall in grape production, and for production in other industries to fall slightly (without productivity improvements). Consumers eat more fruit (but a different mix thereof) and consume less of other products.

While in practice the world is more complex than this simplified illustration, it nevertheless provides an indication of the nature of some of the effects that can flow from the provision of assistance to industry.

Classification of assistance by IBI provides an indication of the point in a production and distribution chain where a government intervention initially bites.

Quantification

In quantifying the assistance provided each year by various budgetary measures, the Commission draws on the following sources:

- Australian Government budget papers;
- annual reports of government departments and agencies;
- the Australian Government Tax Expenditure Statement (TES);
- Australian Taxation Office taxation statistics; and
- other government department and agency publications and communications.

For programs that are funded jointly by industry and governments (such as rural R&D corporations), the estimates incorporate only the government contribution to programs' funds. To simplify measurement, industries are generally assumed to benefit from assistance in the year that the outlay or transaction is reported in the budget papers, TES or other source documents.

Different levels of confidence are attached to the estimates of different forms of budgetary assistance.

- High confidence attaches to estimates of financial assistance provided directly to firms (DFA), which are reported in budget papers and other audited government documents.
- While there is equally high confidence in estimates of the size of outlays provided to intermediary institutions (FI), there is some uncertainty about the extent to which such assistance ultimately benefits industry. In counting the full outlay as assistance to the initial benefitting industry, it is assumed that the funded body operates efficiently and/or that the industry obtains flow-on benefits from the services equal to their cost of provision. To the extent that this is not the case, the estimates will either overstate or understate assistance to recipient industries.
- Estimates of assistance from tax expenditure estimates (TE) are subject to more uncertainty than estimates of budget outlays, reflecting methodological and data issues entailed in the modelling that underpins the estimates (see Australian Government 2013, p. 30).

3.3 Agricultural pricing and marketing arrangements

The Commission's estimates of assistance afforded by agricultural pricing and marketing arrangements historically have dominated total measured assistance to the agricultural sector.

From the 1980s, agricultural pricing and marketing arrangements have been progressively discontinued and, with the cessation of the Dairy Structural Adjustment Program in April 2008, all the assistance schemes previously included in the Commission's estimates have closed.

The current 2008-09 estimates series (2006-07 to 2011-12) includes assistance arrangements for the dairy industry for the years in which the scheme operated. The previous 2004-05 estimates series (2003-04 to 2010-11) also included assistance arrangements for rice and sugar — the arrangements for these industries are discussed in more detail in a previous Methodological Annex (PC 2011).

Dairy

Prior to 2000-01, the dairy industry received assistance largely from a combination of State government price and regulatory controls, which maintained high prices for drinking milk, and Commonwealth Market Support Payments for milk used in manufacturing — for processing into products such as butter, cheese, milk powder and ice cream. These arrangements provided dairy farmers with assistance amounting to around $450 million in 1999-2000.

These arrangements were terminated as part of the deregulation of the dairy industry in July 2000. As part of the deregulation process, the Australian Government introduced new arrangements to provide payments to dairy farmers — the Dairy Industry Adjustment Package (DIAP). These payments, which commenced on 1 July 2000, amounted to around $1.8 billion over the 8 year life of the package.

The largest component of the package was the Dairy Structural Adjustment Program (DSAP) which provided $1.63 billion in equal quarterly instalments to eligible farmers (and ex-farmers). The package was funded by an 11 cents per litre levy on retail sales of drinking milk. The levy was removed in February 2009 after enough funds had been raised to repay loans and borrowings associated with the package. Further details of the adjustment package and milk levy were provided in *Trade & Assistance Review 2001-02*. The methodology for attributing assistance to the dairy industry from these new arrangements was set out in the Methodological Annex to the 2001-02 *Review*.

Dairy assistance accounted for between 5 and 18 per cent of total assistance to the primary sector over the period 2003-04 to 2007-08. Assistance of $0.2 million was recorded for 2008-09, the last year of the scheme.

3.4 Estimates of combined assistance

As well as publishing separate estimates of assistance from tariffs, budgetary outlays, tax expenditures and agricultural pricing and marketing measures, the Commission also calculates 'combined' estimates of these different categories. The 'combined' assistance is calculated both in values and as a percentage rate of assistance (the effective rate of assistance). The calculation of these estimates are based on a number of simplifying assumptions (see box 2.1 in chapter 2).

Deriving the combined estimates of assistance

As noted in chapter 2, the dollar values of these forms of assistance, quantified by the Commission, are combined in two key summary measures:

- *gross combined assistance* which includes assistance to output and value adding factors afforded by tariff output assistance, budgetary outlays, tax expenditures and agricultural pricing and marketing arrangements; and
- *net combined assistance* which is equal to gross combined assistance less the cost impost to industry of tariff assistance on inputs.

These summary measures highlight the overall level of assistance, in dollar terms, available to industry.

Assistance to outputs, inputs and value adding factors

In order to estimate 'combined' effective rates of assistance, the dollar value of assistance from tariffs, budgetary outlays, tax expenditures, and agricultural pricing and marketing arrangements are first classified into one of three categories:

- output assistance;
- input assistance; and
- assistance to value-adding factors.

Output and input assistance (predominately negative) is afforded mainly through customs tariffs and tariff concessions, although some budgetary measures such as production subsidies and export assistance are also classified as output or input assistance, as appropriate.

Assistance to value adding factors is afforded through budgetary outlays, tax expenditures, and agricultural pricing and marketing arrangements. In 2011-12, over 90 per cent of budgetary assistance was classified as assistance to value adding factors.

The components of output assistance and input assistance are aggregated to provide dollar estimates of the combined 'gross subsidy equivalent' (GSE) and 'tax equivalent on materials' (TEM), respectively. The sum of the GSE, TEM and assistance to value adding factors is equal to the 'net subsidy equivalent' (NSE). Under the assumptions of the assistance framework, the summary measure *net combined assistance* represents the net subsidy equivalent of assistance.

As the budgetary assistance estimates are recorded in current year dollars while estimates of tariff assistance are based on ABS input-output data for 2008-09, the latter are revalued to current dollars using ABS data on Gross Value Added (GVA) at current prices. Although there are periodic revisions to ABS GVA data, such revisions typically do not affect year-to-year comparisons of the assistance estimates.

Nominal and effective rates of assistance

The combined GSE, TEM and NSE estimates are used, together with ABS input-output data, to estimate nominal and effective rates of assistance for industry groups within the traded-goods sectors — agriculture, mining and manufacturing. Estimates of effective rates of assistance are not estimated for services activities for the *Trade & Assistance Review*.

The *nominal rate of assistance on outputs* (NRO) is calculated as output assistance, or the GSE, divided by the *'unassisted' value of output* (UVO). The UVO is equal to the *'assisted' value of output* (AVO) less the GSE. Some forms of assistance (such as tariffs, import quotas and, in some years, domestic pricing arrangements) increase producers' returns by raising prices (called the price distortion) while other forms of assistance (such as production bounties) raise producers' returns without increasing prices paid by user industries. The nominal rate of assistance on outputs, therefore, measures the extent to which consumers pay higher prices and taxpayers pay subsidies and bounties in support of local output.

The *nominal rate of assistance on 'materials'* (NRM) is a measure of the extent to which prices paid for materials (intermediate inputs) used in the production process change due to government intervention. For example, tariffs on intermediate inputs penalise user industries by raising prices, while consumption subsidies benefit user industries through lowering prices. Unlike the nominal rate of assistance on outputs, the nominal rate on inputs excludes those forms of assistance (for example, production bounties) which benefit the production of intermediate inputs without affecting prices paid by user industries. The NRM is defined as input assistance, or the TEM, divided by the *'unassisted' value of materials* (UVM) — which is derived in a similar manner to the UVO.

The *effective rate of assistance* (ERA) measures net assistance to an activity's value-adding activities, by taking into account not only output assistance and direct assistance to value-adding factors (including budgetary outlays and tax expenditures), but also the penalties (from tariffs on inputs) and benefits (from budgetary input subsidies) of government intervention on inputs. The ERA is calculated as the NSE divided by the '*unassisted' value added* (UVA), expressed as a percentage. The UVA is calculated as the UVO less the UVM.

Treatment of service inputs in calculating value added

One issue that arises in calculating (unassisted) value added — the denominator in the effective rate of assistance calculations — is the treatment of 'service' inputs. Such service inputs fall outside the ambit of merchandise trade in foreign trade statistics and are deemed 'non-material' and not 'directly traded'.[8] There are two basic approaches to the treatment of service inputs in effective rate calculations.

- One approach — termed after its originator — is the 'Corden method'. This approach, adds the cost of service inputs (other than electricity, gas and water)[9] into the value added bases of the agricultural or manufacturing industry. The simplifying assumption is that service inputs (such as accounting) are primarily produced by value adding factors (accountants).
- The other approach — the 'Balassa method' — treats the service inputs as 'traded' inputs, under the assumption that they are supplied at constant costs as determined by traded-services prices. That is, the cost of service inputs is treated as a merchandise input (as with flour into bread making).

The difference between the approaches is that the Corden method calculates larger 'value added' for agriculture and manufacturing than would typically be reported in

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8 The term non-traded non-material (NTNM) inputs is the technical expression commonly used in methodology papers.

9 Electricity, gas and water are classified as 'traded' in merchandise trade statistics and therefore the Commission treats them as 'material' costs.

national accounts statistics. Consequently, the effective rate of assistance, for a given level of tariff and budgetary assistance, would be lower under the Corden method than the Balassa method.

Prior to 2001-02, the Commission's effective rate estimates for manufacturing used a modified-Corden method for calculating the value added base — it included, some but not all, service inputs.[10] At the same time, the estimates for the agricultural sector used the Balassa method. A more detailed description of the treatment of service inputs in value added calculations is available in the Industry Commission's 1995 paper *Assistance to agricultural and manufacturing industries*. Beginning with 2001-02 estimates (and since), the Commission has adopted the Corden method for all manufacturing and agricultural industries.

[10] The manufacturing cost structure for the effective rates was based on the manufacturing census (not the input-output tables). The definition of 'inputs' and ' services' used in the manufacturing census differed from the definitions/classifications in the input-output tables.

Table 3.2 **Australian Government budgetary assistance measures, 2011-12**[a]

Program	*Category*	*Form*[b]
Assistance for upgrade of Simplot Processing Plant	Industry-specific measure	BO
Austrade	General export measure	BO
Australian Animal Health Laboratory	Industry-specific measure	BO
Australian Centre for Renewable Energy	General R&D measure	BO
Australian Space Science Program	Industry-specific measure	BO
Automotive Industry Structural Adjustment Program	Industry-specific measure	BO
Automotive Market Access Program	Industry-specific measure	BO
Automotive Supply Chain Development Program	Industry-specific measure	BO
Automotive Transformation Scheme	Industry-specific measure	BO
Bass Straight Passenger Vehicle Equalisation	Industry-specific measure	BO
Brandy preferential excise rate	Industry-specific measure	TE
Capital expenditure deduction for mining	Sector-specific measure	TE
Carbon Capture and Storage Flagships Program	Industry-specific measure	BO
Carbon Farming Futures	Sector-specific measure	BO
Carbon Farming Initiative	Sector-specific measure	BO
Caring for our country – Landcare	Sector-specific measure	BO
Clean Business Australia – Climate Ready Program	General R&D measure	BO
Clean Business Australia – Green Building Fund	Other measures	BO
Clean Business Australia – Re-tooling for Climate Change	Sector-specific measure	BO
Clean Energy Trade and Investment Strategy	General export measure	BO
Clean Technology Investment – Food and Foundries Program	Industry-specific measure	BO
Clean Technology Investment – General Program	Sector-specific measure	BO
Climate Change Adaption Partnerships Program	Rural R&D measure	BO
Climate Change Adjustment Program	Sector-specific measure	BO
Climate Change and Productivity Research Program	Rural R&D measure	BO
Clothing and Household Textile Building Innovative Capability Program	Industry-specific measure	BO
Coal Sector Jobs Package	Industry-specific measure	BO
COMET Program	General R&D measure	BO
Commercial Ready Program	General R&D measure	BO
Commercialisation Australia	General R&D measure	BO
Community Broadcasting Program	Industry-specific measure	BO
Concessional rate of withholding tax	Other measures	TE
Cooperative Research Centres	General R&D measure	BO
Cotton Research and Development	Rural R&D measure	BO
CSIRO	General R&D measure	BO
CSL – Commonwealth assistance	Industry-specific measure	BO
Dairy Research and Development	Rural R&D measure	BO
Drought assistance – professional advice	Sector-specific measure	BO
Drought assistance – re-establishment assistance	Sector-specific measure	BO
Duty Drawback	General export measure	TE

(continued next page)

Table 3.2 **(continued)**

Program	*Category*	*Form*[b]
EFIC national interest business	General export measure	BO
Egg Research and Development	Rural R&D measure	BO
Energy Innovation Fund	General R&D measure	BO
Energy Security Fund – transitional assistance	Industry-specific measure	BO
Enterprise Connect Innovation Centres	Other measures	BO
Environmental Stewardship Program	Sector-specific measure	BO
Ethanol production subsidy	Industry-specific measure	BO
Exceptional Circumstances – interest rate subsidies	Sector-specific measure	BO
Exceptional Circumstances – relief payments	Sector-specific measure	BO
Exemption of film tax offset payments	Industry-specific measure	TE
Exotic Disease Preparedness Program	Industry-specific measure	BO
Export Market Development Grants Scheme	General export measure	BO
Farm Help	Sector-specific measure	BO
Farm Management Deposits Scheme	Sector-specific measure	TE
Film industry offsets	Industry-specific measure	TE
Film industry tax incentives – 10B & 10BA	Industry-specific measure	TE
Fisheries Research and Development	Rural R&D measure	BO
Fisheries Resources Research Fund	Rural R&D measure	BO
Ford Australia Assistance	Industry-specific measure	BO
Forest and Wood Products R&D	Rural R&D measure	BO
Grains Research and Development	Rural R&D measure	BO
Grape and Wine Research and Development	Rural R&D measure	BO
Green Car Innovation Fund	Industry-specific measure	BO
High Costs Claims Scheme	Industry-specific measure	BO
Horticulture Research and Development	Rural R&D measure	BO
ICT centre of excellence	General R&D measure	BO
Illawarra Region Innovation and Investment Fund	Other measures	BO
Income tax averaging provisions	Sector-specific measure	TE
Indigenous Broadcasting Program	Industry-specific measure	BO
Infrastructure bonds scheme	General investment measure	TE
Innovation Investment Follow-on Fund	General R&D measure	BO
Innovation Investment Fund	General R&D measure	BO
Interim Income Support	Sector-specific measure	BO
Live Animal Exports Business Assistance	Other measures	BO
LPG Vehicle Scheme	Industry-specific measure	BO
Meat and Livestock Australia Research and Development	Rural R&D measure	BO
National Enabling Technologies Strategy	General R&D measure	BO
National Energy Efficiency Initiative – Smart Grid, Smart City	Industry-specific measure	BO
National Low Emissions Coal Initiative	Industry-specific measure	BO
National Urban Water and Desalination Plan	Industry-specific measure	BO
National Weeds and Productivity Research Program	Rural R&D measure	BO

(continued next page)

Table 3.2 **(continued)**

Program	*Category*	*Form*[b]
Northern Australia Beef Industry Strategy Indigenous Pastoral Project	Industry-specific measure	BO
Offshore banking unit tax concession	Industry-specific measure	TE
Payment scheme for Airservices Australia's en route charges	Industry-specific measure	BO
Pig Research and Development	Rural R&D measure	BO
Pooled development funds	Other measures	TE
Premium R&D tax concession	General R&D measure	TE
Premium Support Scheme	Industry-specific measure	BO
Procurement strategy	Other measures	BO
R&D tax concession	General R&D measure	TE
R&D tax offset for small companies	General R&D measure	BO
R&D tax offset payments – exemption	General R&D measure	TE
Regional Equalisation Plan	Industry-specific measure	TE
Regional Food Producers' Innovation and Productivity Program	Industry-specific measure	BO
Regional headquarters program	General Investment measure	TE
Rural Financial Counselling Service	Sector-specific measure	BO
Rural Industries Research and Development	Rural R&D measure	BO
Screen Australia	Industry-specific measure	BO
Small Business – Simplified depreciation rules	Other measures	TE
Small Business Advisory Services Program	Other measures	BO
Small business CGT 15-year asset exemption	Other measures	TE
Small business CGT 50 per cent reduction	Other measures	TE
Small business CGT retirement exemption	Other measures	TE
Small business CGT rollover deferral	Other measures	TE
Small scale mammalian cell production facility	Industry-specific measure	BO
Solar Flagships Programs	Industry-specific measure	BO
South East South Australia Innovation and Investment Fund	Other measures	BO
Steel Transformation Plan	Industry-specific measure	BO
Sugar Research and Development	Rural R&D measure	BO
Sustainable Rural Water Use and Infrastructure Program	Sector-specific measure	BO
Tasmanian Forest Industry Adjustment Package	Industry-specific measure	BO
Tasmanian Freight Equalisation Scheme	Other measures	BO
Tasmanian Innovation and Investment Fund	Other measures	BO
Tax deduction for conserving or conveying water	Sector-specific measure	TE
Tax deduction for horticultural plantations	Industry-specific measure	TE
Tax deductions for grape vines	Industry-specific measure	TE
Taxation assistance for victims of Australian natural disasters	Other measures	TE
TCF Corporate Wear Program	Other measures	TE
TCF Small Business Program	Industry-specific measure	BO

(continued next page)

Table **3.2** **(continued)**

Program	*Category*	*Form*[b]
TCF Strategic Capability Program	Industry-specific measure	BO
TCF Structural Adjustment Scheme	Industry-specific measure	BO
Temporary Assistance for Tasmanian Exporters	Other measures	BO
The Small and General Business Tax Break	Other measures	TE
Tourism Australia	General export measure	BO
TQUAL Grants	Other measures	BO
TRADEX	General export measure	TE
Venture capital limited partnerships	Industry-specific measure	TE
Wool Research and Development	Rural R&D measure	BO
25 per cent entrepreneurs’ tax offset	Other measure	BO

[a] Programs included in the budgetary assistance estimates published in the *Trade & Assistance Review 2011-12*. [b] BO: budgetary outlays, TE: tax expenditures.

Source: Commission estimates.

4 Re-benchmarking the Commission's assistance estimates

For the new series of assistance estimates, as first published in *Trade & Assistance Review 2011-12*, the Commission has re-benchmarked its estimates from data for the years 2004-05 to 2008-09. Other changes have included the introduction of the latest ANZSIC industry classification — ANZSIC 2006 — and adjustments to the data and methodology that had underpinned the previous 2004-05 series.

The benchmarking of the assistance estimates to the 2008-09 input-output tables follows closely the methodology adopted for the 2004-05 re-benchmarking exercise. This chapter sets out the main steps and conventions adopted in the updating and assistance estimation process.

4.1 Updating the underlying input-output data to ABS 2008-09 tables

The calculation of effective rates of (tariff) assistance requires data on industry inputs, or 'cost structures'. In the formative years of assistance estimation the Commission benchmarked its estimates to economic census and survey information. From 2001-02, the assistance estimation methodology for manufacturing and agriculture was integrated and benchmarked to ABS input-output tables (box 4.1).

Box 4.1 **Cost structures information**

Manufacturing estimates

Prior to 2000, ABS manufacturing census data was used to derive measures of inputs and outputs for manufacturing industries. This changed for *Trade & Assistance Review 1999-2000* and *Trade & Assistance Review 2000-01* when ABS input-output cost-structure data, for 1994-95, were adopted.

The Input-Output data were next updated, to 1996-97, for the manufacturing estimates published in *Trade & Assistance Review 2001-02*. The ABS data were also adjusted to incorporate the Commission's preferred treatment of transport margins — see Methodological Annex A to that *Review*.

The input-output benchmark for the assistance estimates was next updated to 2001-02 and was first published in the *Trade & Assistance Review 2005-06*. For the 2001-02 series, the Commission reclassified manufacturing work undertaken by wholesale and retail service industries to the manufacturing sector so as to maintain comparability with the previous series of estimates (see the Methodological Annex to the *Trade & Assistance Review 2005-06* and *2006-07*).

The input-output benchmark was next updated to 2004-05 and first published in the *Trade & Assistance Review 2008-09*. For the 2004-05 series, the Commission carried out a more comprehensive modification of the ABS input-output data to further enhance comparability with earlier series of estimates (see *Methodological Annex to the 2008-09 Review*).

Agricultural estimates

Prior to 2001, a combination of ABARE farm survey and ABS agricultural finance survey and commodities data were used to derive measures of inputs and outputs by agricultural commodity. For the '1996-97 series' introduced in *Trade & Assistance Review 2001-02*, the Commission adopted a cost-structure for agriculture based on the average of four years input-output data: 1992-93, 1993-94, 1994-95 and 1996-97. Multiple years were selected in order to reduce the impact of the often cyclical nature of agricultural production. This approach, however, subsequently ceased (beginning with the '2001-02' series of assistance estimates, where only a single year was selected. The Commission had found that estimates for the 2001-02 (and subsequently 2004-05 and 2008-09) series using a single year of agricultural data was not significantly different from those based on an average of a number of years.

4.2 Modifications to ABS input-output data

Some aspects of the construction of ABS input-output tables have reduced their usefulness for estimating effective rates of assistance. These are primarily a consequence of the ABS collecting statistical data at a higher level of aggregation that limits the availability of data for separating industries out into more homogeneous activities (Gretton 2005).[1] As a consequence of the change in ABS statistical unit conventions the amount of 'off-diagonal production' of commodities reported in input-output tables increased materially from 1996-97.[2]

The ABS made adjustments to earlier input-output tables to improve the homogeneity of industries. However, these adjustments have largely been discontinued in more recent editions of the input-output tables. More specifically, the ABS has discontinued the practice of 'grossing-up' (adjusting of) manufacturing work undertaken by other industries on a commission or fee-for-service basis — as commission work involves one industry (such as wholesale or retail trade) engaging another industry (usually a manufacturing industry) to produce output on its behalf (frequently using inputs supplied by the commissioning industry) — whereby the commissioned output is reclassified from the commissioning industry to the producing industry.

The ABS has also discontinued the practice of 're-defining' secondary production — whereby secondary production is 'returned' to the *industry* in which the activity is primarily undertaken, so as to improve industry homogeneity levels (under this convention, wholesaling work undertaken by manufacturers would be re-defined in the input-output tables from the manufacturing sector to the wholesale trade).

For the Commission's assistance estimates, the use of (unadjusted) published data could give rise to estimated changes in effective rates of assistance between series, without any statutory changes in tariffs or budgetary assistance. For example, for both the *Textile, leather, clothing and footwear* and *Motor vehicles and parts* industries, the relative importance of secondary production (such as wholesale trade) increased in published series. As there are no tariffs on wholesale trade, the change in statistical conventions alone would dilute the reported level of tariff protection afforded to the relevant manufacturing activities across assistance series.

With the objective of maintaining comparability across series and maintaining the industry homogeneity assumptions that underpin the input-output tables, following the methodology established for the previous series, the Commission adjusts the

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1 Input-output tables up to the reference year 1993-94 were based on data collected at the establishment level. Subsequent input-output tables have been based on data collected at the business unit or enterprise level (ABS 2012b).

2 In the input-output tables, each industry produces a 'predominant' commodity but often also some 'additional' commodities. For example, paper stationery and other converted paper products are produced mainly by the Paper stationery and other converted paper products industry but some are also produced in the Sawmill product industry. Similarly, the Petroleum and coal industry is recorded as producing some iron and steel products besides its predominant petroleum and coal commodities.

ABS input-output tables, as far as practicable, to place the data on a basis consistent with earlier tables. The process has been carried out in two parts — first, a 'grossing up' adjustment (to address commissioned work) and then, a 'full redefinition' of the ABS's Input-Output industry groupings (to address secondary production).

The grossing up adjustment involved removing petroleum produced on behalf of the wholesale industry from *Wholesale trade*, together with the crude oil and other inputs purchased by wholesalers to produce this output, and then adding this production and associated inputs to the *Petroleum and coal products* industry (box 4.2).[3] In the 2008-09 year, the adjustment reduced *Wholesale trade* industry production by around $3.5 billion (or around 3 per cent of *Wholesale trade* production), and increased *Petroleum and coal products* output by the same dollar amount. The adjustment accounts for around 11 per cent of the (adjusted) output of the *Petroleum and coal products* industry.

The full redefinition involved reclassifying all remaining secondary production to the industry in which the activity is primarily undertaken. For example, all footwear related products, not recorded as being produced by the ABS Input-Output Industry Group (IOIG) *Footwear manufacturing* industry, were reclassified back to the *Footwear manufacturing* industry. This adjustment to industry outputs was performed on the detailed 112 industry by 1285 product supply table (which denotes the production of each commodity by each industry). Some significant examples of this adjustment include the shifting of wholesale activity undertaken in the manufacturing and other non-wholesale trade industries to the *Wholesale trade* industry and shifting all clothing production reported as under non-clothing industries (particularly *Wholesale* and *Retail trade*) to the IOIG *Clothing manufacturing* industry.

3 There are other examples of commission work that, in principle, could also be similarly adjusted, but were not adjusted for the 2008-09 update, including, meat processing undertaken on commission for predominantly retail enterprises.

Box 4.2 **Grossing up: shifting petroleum production from the wholesale industry to the petroleum industry**

The grossing up adjustment involved carrying out modifications to both the supply and use tables of the ABS input-output framework.

For the supply table (table 1), the grossing up adjustment involved two steps.

- Shifting all petroleum products (IOPC code 17010010: *Automotive petrol; gasoline refining or blending; motor spirit (including aviation spirit))* produced by the *Wholesale trade* industry (IOIG 3301) to the *Petroleum and coal products* industry (IOIG 1701).
- Reducing income derived from contract refining (IOPC 17091700: *Petroleum and coal products – commission production* (1701-1709)), by the *Petroleum and coal products* industry by the amount spent on contract refining (IOPC 17091700) by the *Wholesale trade* industry (derived from the use table).

For the use table (table 2), the grossing up adjustments included a number of steps.

- Shifting all crude oil (used to manufacture petroleum) (IOPC 07000010: *Crude oil (incl. condensate))* from the *Wholesale trade* industry to the *Petroleum and coal products* industry.
- Setting the cost of contract refining (IOPC 17091700: *Petroleum and coal products – commission production* (1701-1709)) or commission work paid by the *Wholesale trade* industry to have petroleum produced on its behalf (by the *Petroleum and coal products* industry) equal to zero.
- Adjusting all other inputs used by the *Wholesale trade* industry in equal proportion such that the reduction in *Wholesale trade* industry production (equal to the amount of petroleum refining it commissioned) is equal to the reduction in usage of all inputs (that is, crude oil and other inputs) used to produce petroleum. These inputs were shifted to the *Petroleum and coal products* industry.

As a result of these adjustments to industry output, inputs used in production also need to be adjusted (table 2 of the ABS's Input-Output data). Ideally, the adjustments to the inputs would reflect the production technology of the goods. However, detailed information on the inputs used to produce the secondary production is not available. The Commission has therefore adjusted the inputs used in each of the 112 industry groups in proportion to the change in production for each industry by reallocating intermediate and primary inputs in proportion to the reallocation of outputs (that is, the industry technology assumption is adopted to re-allocated inputs). For example, where IOIG *Clothing manufacturing* industry output declines by 10 per cent then the clothing industry's usage of inputs is also reduced by 10 per cent. Those inputs are added to the inputs of the industry to which the output is redefined.

Conversely, a 5 per cent increase in *metal products* output results in a 5 per cent increase in the usage of inputs by the metal products industry. Those inputs would be transferred from the industry initially recorded as producing the output.

It is important to note in this redefinition process, that the total usage of inputs across all industries is unchanged as inputs are only reallocated between industry groups in proportion to the changes in outputs. As no net change in total industry output occurs there is also no net change in the total usage of inputs by industry.

These processes are undertaken by the ABS on request from the Commission using the more detailed (unpublished) input-output data tables and using programs provided by the Commission. Summary non-confidential results were provided to the Commission for inclusion in its assistance estimates.

The impact of modifying the 2008-09 ABS input-output tables on the effective rates of assistance for the Commission's ANZSIC-based industry groupings in 2011-12 is presented in table 4.1. Most notably, estimated effective rates for the *Textile, leather, clothing and footwear* industry increased from 6.4 per cent to 7.3 per cent and for the *Motor vehicles and parts* industry from 4.6 per cent to 4.7 per cent. The estimated effective rate of assistance for the *Petroleum, coal, chemical and associated products* industry increased from 2.5 per cent to 2.8 per cent.

Table 4.1 **Impact of input-output table modifications on effective rates of combined assistance, 2011-12**

per cent

Industry	*ABS 2008-09 Input-Output tables*	*Commission modified ABS 2008-09 Input-Output tables*	*Percentage point difference in effective rates*
Primary production[a]	**3.3**	**3.3**	***0.0***
Horticulture and fruit growing	3.5	3.5	*0.0*
Sheep, beef cattle and grain growing	2.7	2.7	*0.0*
Other crop growing	1.6	1.6	*0.0*
Dairy cattle farming	1.8	1.8	*0.0*
Other livestock farming	1.1	1.1	*0.0*
Aquaculture and fishing	3.5	3.3	*-0.1*
Forestry and logging	7.1	7.2	*0.1*
Primary production support services	0.1	0.1	*0.0*
Mining	**0.3**	**0.3**	***0.0***
Manufacturing[a]	**3.9**	**4.1**	***0.2***
Food, beverages and tobacco	3.1	3.3	*0.2*
Textile, leather, clothing and footwear	6.4	7.3	*0.9*
Wood and paper products	4.5	4.6	*0.1*
Printing and recorded media	2.8	3.4	*0.6*
Petroleum, coal, chemical and rubber products	2.5	2.8	*0.3*
Non-metallic mineral products	2.8	2.8	*0.1*
Metal and fabricated metal products	4.6	4.7	*0.2*
Motor vehicles and parts	9.3	9.4	*0.2*
Other transport equipment	0.5	0.9	*0.3*
Machinery and equipment manufacturing	2.7	3.0	*0.3*
Furniture and other manufacturing	4.1	4.4	*0.4*

[a] Sectoral estimates include assistance to the sector that has not been allocated to specific industry groupings.

Source: Commission estimates.

4.3 Updating import data to 2008-09

The Commission uses ABS import data, together with Customs tariff rate information, to derive estimates of the price impacts of tariffs for both output and input goods (see chapter 3). These results are then combined with ABS input-output data to derive GSE and TEM estimates and in turn NSE estimates of tariff assistance.

For the new series of assistance estimates, the Commission has updated the ABS import data from 2004-05 to 2008-09, the same year as the ABS input-output data.

The use of 2008-09 ABS import data has also involved updating the estimated ad valorem tariff rates for specific-rate tariff items. Excluding excise tariff items, there are currently five tariff items (at the eight digit classification level) that have a specific tariff rate rather than the more common ad valorem tariff rate. These items relate to imports of cheese and curd (mostly cheddar cheese) and, since 1 January 2000, have a specific tariff rate of $1.22 per kilogram or $1220 per tonne. As all tariff rates in the Commission's Tariff and Import Database Estimating System (TIDES) model are expressed in ad valorem terms, each specific rate tariff item was converted to an ad valorem tariff rate based on 2008-09 import quantities and values (table 4.2).

Table 4.2 **Specific-rate tariff items converted to an ad valorem basis, 2011-12**

Description	*Tariff code*	*Specific tariff rate*	*Implied ad valorem rate*
		$/kg	%
Fresh cheese	04061000	1.22	21.7
Grated cheese	04062000	1.22	25.5
Processed cheese	04063000	1.22	25.7
Blue-veined cheese	04064090	1.22	8.2
Other cheese	04069090	1.22	24.3

Source: Commission estimates based on Australian Customs and ABS trade data.

4.4 Australian and New Zealand Standard Industrial Classification 2006

The Commission's previous series of assistance estimates were reported according to the ABS's 1993 version of the Australian and New Zealand Standard Industrial Classification (ANZSIC). As part of the re-benchmarking exercise carried out for *Trade & Assistance Review 2011-12*, the Commission's new series of estimates are now reported according to the ABS's latest classification, ANZSIC 2006 (ABS 2006).

To facilitate comparability of industry estimates overtime, as far as practical, the ANZSIC 1993 industries adopted in the previous *Reviews* have been concorded with the 34 ANZSIC 2006-based industries in the updated classification (table 4.3).

Table 4.3 **Concordance between trade and assistance industry group ANZSIC 2006 and 1993**

Trade & Assistance industry group (ANZSIC 2006)	*Trade & Assistance industry group (ANZSIC 1993)*
Primary production	**Primary production**
Horticulture and fruit growing	Horticulture and fruit growing
Sheep, beef cattle and grain farming	Grain, sheep and beef cattle farming
Other crop growing	Other crop growing
Dairy cattle farming	Dairy cattle farming
Other livestock farming	Other livestock farming
Aquaculture and fishing	Fisheries
Forestry and logging	Forestry and logging
Primary production support services	Other primary production
Unallocated primary production	Unallocated primary production
Mining	**Mining**
Manufacturing	**Manufacturing**
Food, beverages and tobacco	Food, beverages and tobacco
Textile. leather, clothing and footwear	Textile, clothing, footwear and leather
Wood and paper products	Wood and paper products
Printing and recorded media	Printing, publishing and recorded media
Petroleum, coal, chemical and rubber products	Petroleum, coal and chemical products
Non-metallic mineral products	Non-metallic mineral products
Metal and fabricated metal products	Metal products
Motor vehicles and parts	Motor vehicles and parts
Other transport equipment	Other transport equipment
Machinery and equipment manufacturing	Other machinery and equipment
Furniture and other manufacturing	Other manufacturing
Unallocated manufacturing	Unallocated manufacturing
Services	**Services**
Electricity, gas, water and waste services	Electricity, gas and water supply
Construction	Construction
Wholesale trade	Wholesale trade
Retail trade	Retail trade
Accommodation and food services	Accommodation, cafes and restaurants
Transport, postal and warehousing	Transport and storage
Information, media and telecommunications	Communication services
Financial and insurance services	Finance and insurance services
Property, professional and administration	Property and business services
Public administration and safety	Government administration and defence
Education and training	Education
Health care and social assistance	Health and community services
Arts and recreation services	Cultural and recreational services
Other services	Personal and other services
Unallocated services	Unallocated services
Unallocated other	**Unallocated other**

Source: Based on ABS (2006).

4.5 Tariff rate data — services sector adjustment

In deriving the price impacts of tariffs for both output and input goods, the Commission uses an ABS concordance from the trade classification to the ABS input-output product classification. This concordance maps imports of merchandise goods (around 5500 items or product categories) to the corresponding categories in the ABS's input-output product classification (around 1285 products).

Direct application of the ABS concordance between the merchandise traded goods and the ABS input-output classification would result in an average non-zero tariff for some broad service industry groupings (table 4.4). Such 'average' tariff rates would not be considered representative of the majority of the main service activities in that industry grouping. For example, the ABS partly classifies re-imported medical waste products as *Health care and social assistance services*. Direct application of the concordance would generate a non-zero average tariff rate for the entire *Health care and social assistance services* grouping.

Thus, following the practice adopted in previous series, the 2008-09 series has set tariff rates on merchandise products mapped to services industries by the ABS equal to zero. The services industries involved were *Property, professional and administrative services*, *Public administration and safety* and *Health care and social assistance services*.

Table 4.4 **ABS mapping of tariff items to service industry groups**

Tariff item description	*Tariff code*	*Tariff rate*	*Service industry groups*
		%	
Vegetable saps and extracts of hops	13021300	5	Public administration and safety
Oleoresin of ginger (gingerin)	13021910	5	Public administration and safety
Municipal waste	38251000	5	Property, professional and administration services; and Public administration and safety
Clinical waste - wadding, gauze and bandages	38253011	5	Property, professional and administration services; and Health care and social assistance
Clinical waste - other	38253090	5	Property, professional and administration services; and Health care and social assistance
Australian telephone directories and Australian timetables	49019910	5	Information media and telecommunications

Source: Commission estimates based on Australian Customs tariff schedules and ABS trade data.

4.6 Coverage of budgetary assistance estimates

For the 2008-09 series of assistance estimates, the Commission has continued to update the coverage of budgetary measures to reflect the introduction of new programs by the government, the inclusion of some previously unidentified or omitted assistance measures, and improvements in data availability.

The measures that were newly included in *Trade & Assistance Review 2011-12* are set out in table 4.5.

Table 4.5 **New budgetary assistance measures for *Trade & Assistance Review 2011-12***

Program	*Category*	*Form*[a]
Programs commencing in 2011-12		
Tasmanian Forestry Industry Adjustment Package	Industry-specific measure	BO
Live Animal Exports Business Assistance	Other measures	BO
Northern Australia Beef Industry Strategy Indigenous Pastoral Project	Industry-specific measure	BO
Coal Sector Jobs Package	Industry-specific measure	BO
Energy Security Fund – transitional assistance	Industry-specific measure	BO
Temporary Assistance for Tasmanian Exporters	Other measures	BO
Community Broadcasting Program	Industry-specific measure	BO
Tasmanian Innovation and Investment Fund	Other measures	BO
Illawarra Region Innovation and Investment Fund	Other measures	BO
South East South Australia Innovation and Investment Fund	Other measures	BO
Carbon Farming Futures	Sector-specific measure	BO
Clean Technology Investment - General Program	Sector-specific measure	BO
Clean Technology Investment - Food and Foundries Program	Industry-specific measure	BO
Steel Transformation Plan	Industry-specific measure	BO
Ford Australia Assistance	Industry-specific measure	BO
Programs commencing prior to 2011-12 but not included in previous *Reviews*		
Concessional rate of withholding tax	Other measures	TE
Small Business – Simplified depreciation rules	Other measures	TE
Automotive Market Access Program	Industry-specific measure	BO
Clean Business Australia – Climate Ready Program	General R&D measure	BO
Small scale mammalian cell production facility	Industry-specific measure	BO
CSL – Commonwealth assistance	Industry-specific measure	BO

[a] BO: budgetary outlays, TE: tax expenditures.

Source: Commission estimates.

Carbon measures

As part of the assessment for new budgetary programs for *Trade & Assistance Review 2011-12*, the Commission also separately quantified the level of assistance afforded by programs announced as part of the Australian Government's Clean Energy Future Plan. The Plan is a cross-portfolio package with a large number of programs and multiple commencement dates. The Plan was first reported in chapter 3 of the 2010-11 *Review* with funding for most of the programs to commence in 2011-12 or 2012-13 (Programs that commenced in 2011-12 are listed in table 4.5 above).

Programs assessed as providing direct pecuniary benefits to industry have been classified as industry assistance measures (table 4.6). The carbon measures considered not to confer industry assistance, such as those providing government administration services and support to households and communities, are also shown in the table below. Fourteen programs of this type have been identified.

Table 4.6 **Clean Energy Future Plan**

Program	*Industry grouping allocation*
Programs assessed to provide industry assistance	
Carbon Farming Futures	Unallocated primary production
Carbon Farming Initiative	Unallocated primary production
Carbon Farming Skills	Funding to commence in 2012-13
Australian Renewable Energy Agency	Funding to commence in 2012-13
Clean Energy Finance Corporation	Funding to commence in 2012-13
Clean Energy and Other Skills Package	Unallocated other
Clean Technology Focus for Supply Chains	Unallocated other
Clean Technology Innovation Program	Funding to commence in 2012-13
Clean Technology Investment Program	Unallocated manufacturing
Clean Technology Food and Foundries Investment Program	Food, beverages and tobacco
Coal Mining Abatement Technology and Support Program	Funding to commence in 2012-13
Coal Sector Jobs Package	Mining
Energy Efficiency Information Grants Program	Unallocated other
Energy Efficiency Opportunities Program	Unallocated other
Energy Savings Initiative	Funding to commence in 2012-13
Energy Security Fund - transitional assistance	Electricity, gas, water and waste services
Energy Security Fund - contract for closure program	Electricity, gas, water and waste services
Indigenous Carbon Farming Fund	Funding to commence in 2012-13
Jobs and Competitiveness Program	Funding to commence in 2012-13
Regional Structural Adjustment	Funding to commence in 2012-13
Small Business Instant Asset Write-off Increase	Unallocated other
Steel Transformation Plan	Metal and fabricated metal products
Programs not considered to provide industry assistance	
Biodiversity Fund	n/a
Clean Energy Regulator - Carbon Price Implementation Program	n/a
Charities Maritime and Aviation Support Program	n/a
Climate Change Authority	n/a
Community Energy Efficiency Program	n/a
Essential Medical Equipment Payment	n/a
Home Energy Saver Scheme	n/a
Household Assistance Package	n/a
Land Sector Carbon and Biodiversity Board	n/a
Light Vehicle CO2 Emissions Standards	n/a
Low Income Energy Efficiency Program	n/a
Opt-in Arrangements	n/a
Regional Natural Resource Management Planning	n/a
Remote Indigenous Energy Program	n/a

Source: Commission estimates.

New tax expenditures

New tax expenditures announced in the Treasury's 2012 Tax Expenditure Statement (Australian Government 2013) were also assessed for their industry assistance implications.

While many of the new tax expenditures were judged to provide industry assistance, most are estimated by Treasury to be 'nil' value in 2011-12 or have not been quantified (table 4.7).

Table 4.7 **New tax expenditures (quantified and unquantified) in Treasury's 2012 Tax Expenditure Statement**

Program	*Industry grouping allocation*	*Concession estimate in 2011-12*
New measures deemed to provide industry assistance		
Concessional rate of withholding tax (B19)	Financial and insurance services	nil
Concessional rate of withholding tax (B108)	Financial and insurance services	$195 million
Small business - simplified depreciation rules (B104)	Unallocated other	$15 million
Exemption for International Cricket Council (B33)	Arts and recreation services	nil
Conservation tillage refundable tax offset (B40)	Unallocated primary production	nil
Company loss carry-back (B109)	Unallocated other	nil
Exemption for meals for primary production (D15)	Unallocated primary production	Not quantified (Treasury indicate between 0 and $10 m)
Synthetic greenhouse gases exemptions (I5)	Unallocated other	nil
Carbon Pricing Mechanism exemptions (I8)	Mining	Estimate not available
New measures deemed not to provide industry assistance		
Exemption of the Schoolkids Bonus (A29)	na	Nil
Indirect tax - Tourism inwards duty free (F7)	na	Not quantified (Treasury indicate between $100 million and $1 billion)

Source: Commission estimates.

4.7 Combining tariff and budgetary assistance estimates — conversion to constant dollar basis

The tariff assistance estimates are initially derived for all years in the series in 2008-09 Input-Output base-year dollars. That is, different tariff levels, or rates, over a number of years are combined with the same 2008-09 ABS input-output data. This approach provides multiple year estimates of GSE and TEM tariff assistance in constant 2008-09 dollars.

In contrast, expenditure under budgetary assistance programs are in current year dollars.

As indicated above, to combine estimates of the value of tariff assistance at reference-year values with estimates of budgetary assistance at current-year values, the estimates of tariff assistance need to be adjusted or scaled from input-output base-year dollars to current-year dollars. The Commission uses ABS Gross Value Added (GVA) data by national accounts industry division to scale the tariff assistance from base-year (2008-09) values to current-year values. The concordance between trade and assistance industry groupings and the national accounts division used in the scaling process is provided in table 4.8.

The ABS updates the GVA data annually. Statistical revisions arising from these updates flow through to affect the current-year dollar value estimate of tariff assistance and, in turn, the effective rates of assistance estimates. Some minor year-to-year variation in the Commission's assistance estimates therefore occurs with revisions in ABS GVA data.

Table 4.8 **Concordance between Trade & Assistance industry group and national accounts industry division**

Trade & Assistance industry group (ANZSIC 2006)	*National accounts industry division (ANZSIC 2006)*
Horticulture and fruit growing; Sheep, beef cattle and grain growing; Other crop growing; Dairy cattle farming; Other livestock farming; Primary production support services	Agriculture
Aquaculture and fishing; Forestry and logging	Forestry and fishing
Mining	Mining
Food, beverages and tobacco	Food, beverage and tobacco products
Textile, clothing, footwear and leather	Textile, clothing and other manufacturing
Wood and paper products	Wood and paper products
Printing, publishing and recorded media	Printing and recorded media
Petroleum, coal, chemical and associated products	Petroleum, coal, chemical and rubber products
Non-metallic mineral products	Non-metallic mineral products
Metal products	Metal products
Motor vehicles and parts; Other transport equipment; Machinery and equipment manufacturing; and Furniture and other manufacturing	Machinery and equipment
Electricity, gas, water and waste services	Electricity, gas, water and waste services
Construction	Construction
Wholesale trade	Wholesale trade
Retail trade	Retail trade
Accommodation and food services	Accommodation and food services
Transport, postal and warehousing	Transport, postal and warehousing
Information, media and telecommunications	Information media and telecommunications
Financial and insurance services	Financial and insurance services
Property, professional and administrative services	Rental, hiring and real estate services; Professional, scientific and technical services; Administrative and support services; and Ownership of dwellings
Public administration and safety	Public administration and safety
Education and training	Education and training
Health care and social assistance	Health care and social assistance
Arts and recreation services	Arts and recreation services
Other services	Other services

Sources: Commission estimates; ABS (2012a).

A Budgetary assistance programs

This appendix identifies the 234 budgetary assistance programs that have been included in assistance estimates in any of the years from 2006-07 to 2011-12. Programs are listed in descending size of budgetary assistance in 2011-12 (items A.1 through A.128) and then for earlier years. (Appendix B provides a list of programs in alphabetical order).

A.1 Energy Security Fund – transitional assistance

Part of the Australian Government's Energy Security Package, the Energy Security Fund provides $5.5 billion to assist highly emissions-intensive coal-fired power generators with the significant implications of transition to clean energy under carbon pricing (DCCEE 2012). In doing so, the Energy Security Fund aims to help smooth the transition by providing $1 billion in cash payments in 2011-12 and free carbon units each year from 2013-14 to 2016-17. The allocation of free carbon units is administered by the Clean Energy Regulator, and the negotiation of contracts for the closure of some of the highest emitting generators is administered by the Department of Resources, Energy and Tourism.

The program has been allocated to the *Electricity, gas, water and waste services* industry grouping in the Commission's ANZSIC-based classification (table A.1).

Table A.1 **Allocation of Energy Security Fund – transitional assistance to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Electricity, gas, water and waste services	-	-	-	-	-	1000.0

- Nil.

Source: Commission estimates based on Department of Climate Change and Energy Efficiency Annual Report 2011-12.

A.2 R&D Tax Concession

The R&D tax concession allows all companies incorporated in Australia and undertaking eligible R&D to claim a deduction from their taxable income of up to 125 per cent of R&D expenditure. The estimated level of assistance (support) is measured as the tax revenue forgone as a result of the concession (Tax Expenditure Statement, Australian Government 2013, item B 103).

For the R&D tax concession, the detailed Australian Taxation Office (ATO) claims data by Australian and New Zealand Standard Industrial Classification (ANZSIC) industry reveal a very high share of claims by the finance and insurance industry grouping compared with ABS data on R&D undertaken by firms. The concentration of claims in the finance industries reflects legal structures for the financing of R&D, such as syndication, rather than the actual industry in which the R&D is conducted. Accordingly, for the finance industry, the share of business expenditure on R&D from the ABS data has been used. The difference between the ATO and ABS shares for the finance industry has then been re-allocated across all other remaining industries (based on the ATO shares). These adjusted industry shares have then been used to allocate the TES estimates of total revenue forgone for the concession (table A.2).

Table A.2 Allocation of R&D Tax Concession to industry, 2006-07 to 2011-12

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**4.5**	**3.6**	**5.6**	**9.5**	**9.5**	**9.3**
Horticulture and fruit growing	0.9	0.9	0.9	1.4	1.4	1.3
Sheep, beef cattle and grain farming	1.1	0.8	1.7	2.6	2.6	2.5
Other crop growing	-	-	0.6	1.0	1.0	1.0
Other livestock farming	-	-	0.3	0.5	0.5	0.5
Aquaculture and fishing	1.8	0.9	1.1	2.2	2.2	2.2
Forestry and logging	0.2	0.1	0.1	0.2	0.2	0.2
Primary production support services	0.5	0.9	0.9	1.6	1.6	1.5
Mining	**112.6**	**156.8**	**195.4**	**202.2**	**202.2**	**197.3**
Manufacturing	**119.9**	**100.9**	**161.7**	**190.0**	**190.0**	**185.4**
Food, beverages and tobacco	11.9	9.3	25.8	37.2	37.2	36.3
Textile, leather, clothing and footwear	0.4	0.4	0.9	0.9	0.9	0.9
Wood and paper products	4.8	3.9	6.0	7.2	7.2	7.0
Printing and recorded media	0.9	0.9	0.6	0.8	0.8	0.8
Petroleum, coal, chemical and rubber products	15.7	17.4	38.3	35.1	35.1	34.2
Non-metallic mineral products	4.4	6.2	5.2	7.9	7.9	7.7
Metal and fabricated metal products	35.0	16.0	31.1	37.1	37.1	36.2
Motor vehicle and parts	13.5	10.9	11.1	12.4	12.4	12.1
Other transport equipment	6.1	5.9	5.9	6.5	6.5	6.3
Machinery and equipment manufacturing	26.2	29.1	35.2	42.8	42.8	41.8
Furniture and other manufacturing	0.9	1.0	1.7	2.1	2.1	2.0
Services	**190.2**	**213.8**	**330.2**	**476.0**	**476.0**	**456.0**
Electricity, gas, water and waste services	2.8	4.3	8.5	16.1	16.1	15.7
Construction	10.5	13.7	13.1	18.1	18.1	17.7
Wholesale trade	21.4	25.6	62.2	90.2	90.2	88.0
Retail trade	4.7	6.0	8.8	10.1	10.1	9.8
Accommodation and food services	1.0	1.1	0.4	0.4	0.4	0.4
Transport, postal and warehousing	7.5	8.2	9.1	13.8	13.8	13.4
Information, media and telecommunications	20.1	29.3	21.2	30.8	30.8	30.0
Financial and insurance services	37.7	46.5	95.6	144.2	144.2	132.2
Property, professional and administrative services	78.6	73.3	103.5	139.0	139.0	137.6
Public administration and safety	0.9	0.6	0.5	2.7	2.7	0.7
Education and training	0.4	0.6	0.4	0.6	0.6	0.6
Health care and social assistance	1.7	1.6	2.6	3.6	3.6	3.5
Arts and recreation services	0.2	0.2	0.8	1.4	1.4	1.4
Other services	2.8	2.9	3.7	4.9	4.9	4.7
Unallocated other[a]	2.8	4.7	7.0	12.4	12.4	12.1
Total	**430.0**	**480.0**	**700.0**	**890.0**	**890.0**	**860.0**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 115, item B103; Industry classification derived from detailed ATO data by ANZSIC industry; and ABS Cat. no. 8104.0, Business expenditure on R&D, by ANZSIC 2006 industry subdivision - by source of funds.

A.3 The Small Business and General Business Tax Break

The Small Business and General Business Tax Break (SBGBTB) was first announced in December 2008 as part of the Nation Building Package, an Australian Government response to the global financial crisis, and was modified in February 2009 as part of the Nation Building and Jobs Plan (PC 2009). The Tax Break is an investment allowance that provides a tax deduction for investing in new tangible depreciating assets (Tax Expenditure Statement, Australian Government 2013, item B106). The size of the concession in percentage terms varies according to a business' turnover as well as with the timing of the eligible investment.

Information on the industry incidence of the program has not been readily available. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.3).

Table A.3 **Allocation of The Small Business and General Business Tax Break to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	1490.0	2390.0	680.0

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 116, item B106.

A.4 R&D tax offset for small companies

The R&D tax offset for small companies is available to eligible Australian companies with an annual turnover of less than $5 million and R&D expenditure of up to $1 million. If these companies are in tax loss they cannot utilise the general 125 per cent R&D tax concession and would otherwise have to carry forward R&D-related tax losses. Under the offset, they can instead realise these losses as a cash equivalent payment, when their tax return for the relevant year is processed. The payment is at the rate of 125 per cent of expenditure (or 175 per cent, under the Premium R&D tax concession, if certain conditions are met) (ATO 2009).

For the R&D tax offset, the detailed ATO claims data by ANZSIC industry reveal a very high share of claims by the finance and insurance industry grouping compared with ABS data on R&D undertaken by firms. The concentration of claims in the finance industries reflects legal structures for the financing of R&D, such as syndication, rather than the actual industry in which the R&D is conducted. Accordingly, for the finance industry, the share of business expenditure on R&D from the ABS data has been used. The difference between the ATO and ABS shares for the finance industry has then been re-allocated across all other remaining industries (based on the ATO shares). These adjusted industry shares have then been used to allocate ATO estimates of payments for the offset (table A.4).

Table A.4 **Allocation of R&D tax offset for small companies to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**12.1**	**11.6**	**15.2**	**20.6**	**22.1**	**24.9**
Horticulture and fruit growing	2.8	1.7	4.0	4.4	4.7	5.3
Sheep, beef cattle and grain farming	1.2	1.3	2.1	7.2	7.7	8.7
Other crop growing	-	-	0.9	-	-	-
Other livestock farming	-	-	-	0.9	1.0	1.1
Aquaculture and fishing	5.2	5.4	5.7	5.4	5.8	6.5
Forestry and logging	1.3	1.0	-	1.0	1.0	1.2
Primary production support services	1.6	2.2	2.5	1.8	1.9	2.1
Mining	**16.9**	**28.7**	**36.1**	**63.3**	**68.1**	**76.5**
Manufacturing	**74.3**	**96.0**	**124.5**	**139.8**	**150.3**	**169.0**
Food, beverages and tobacco	3.1	4.3	6.3	10.2	10.9	12.3
Textile, leather, clothing and footwear	0.7	1.2	2.2	2.7	2.9	3.3
Wood and paper products	1.0	1.9	2.1	2.5	2.6	3.0
Printing and recorded media	1.8	2.7	3.1	3.5	3.8	4.3
Petroleum, coal, chemical and rubber products	11.7	15.7	20.7	23.9	25.7	28.9
Non-metallic mineral products	4.0	4.1	5.1	6.2	6.7	7.5
Metal and fabricated metal products	5.5	8.8	12.4	13.4	14.4	16.2
Motor vehicle and parts	4.3	5.0	9.6	7.1	7.6	8.6
Other transport equipment	3.5	5.8	7.7	7.4	7.9	8.9
Machinery and equipment manufacturing	34.9	41.8	51.5	58.8	63.2	71.0
Furniture and other manufacturing	3.8	4.6	3.8	4.1	4.5	5.0
Services	**130.4**	**175.0**	**221.9**	**275.5**	**296.1**	**341.4**
Electricity, gas, water and waste services	2.4	5.1	7.1	9.6	10.4	11.6
Construction	8.6	10.5	14.9	17.4	18.7	21.0
Wholesale trade	23.3	29.7	36.2	41.6	44.7	50.3
Retail trade	9.3	12.5	16.9	15.6	16.8	18.9
Accommodation and food services	0.5	1.4	2.0	1.2	1.3	1.5
Transport, postal and warehousing	3.4	4.3	5.4	5.1	5.5	6.2
Information, media and telecommunications	15.6	21.4	23.2	24.1	25.9	29.2
Financial and insurance services	13.0	18.0	26.2	33.6	36.1	40.6
Property, professional and administrative services	40.0	55.7	69.9	96.2	103.4	130.5
Public administration and safety	-	0.7	1.6	6.4	6.9	2.0
Education and training	3.3	2.8	4.1	4.1	4.4	5.0
Health care and social assistance	4.4	5.3	6.7	8.9	9.6	10.8
Arts and recreation services	1.2	1.2	1.6	2.1	2.3	2.6
Other services	5.3	6.3	6.0	9.4	10.1	11.4
Unallocated other[a]	11.3	21.8	30.3	35.7	38.4	43.2
Total	**245.0**	**333.0**	**428.0**	**535.0**	**575.0**	**655.0**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on ATO Commissioner of Taxation Annual Report 2011-12 (and earlier years); Industry classification derived from detailed ATO data by ANZSIC industry; and ABS Cat. no. 8104.0, Business expenditure on R&D, by ANZSIC 2006 industry subdivision - by source of funds.

A.5 Small business capital gains tax 50 per cent reduction (active asset sales)

Under the small business capital gains tax concession, 50 per cent of the capital gains arising from the sale of active assets in an eligible small business is exempt from capital gains tax. Active assets include assets used in carrying on a business and intangible assets connected with a business (for example, goodwill). An eligible small business is one where the net value of assets that the taxpayer and connected entities own is no more than $6 million, or where the aggregated annual turnover is less than $2 million. This concession applies in addition to any capital gains tax discount entitlement of the taxpayer (Tax Expenditure Statement, Australian Government 2013, item E34).

The ATO has provided information detailing claim data for the concession by ANZSIC industry. The industry shares derived from the ATO claim data have been used to allocate TES estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.5).

Table A.5 **Allocation of small business capital gains tax 50 per cent reduction to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**48.0**	**96.4**	**118.6**	**74.2**	**66.8**	**66.8**
Horticulture and fruit growing	7.3	14.0	9.1	7.3	6.6	6.6
Sheep, beef cattle and grain farming	26.3	52.4	79.6	43.0	38.7	38.7
Other crop growing	1.9	5.0	6.0	5.2	4.7	4.7
Dairy cattle farming	2.4	6.0	5.6	4.8	4.4	4.4
Other livestock farming	1.2	2.3	4.9	2.2	2.0	2.0
Aquaculture and fishing	2.7	0.4	0.1	1.8	1.6	1.6
Forestry and logging	4.3	10.8	6.9	6.5	5.8	5.8
Primary production support services	1.8	5.4	6.2	3.4	3.1	3.1
Mining	**1.2**	**2.1**	**1.9**	**2.1**	**1.9**	**1.9**
Manufacturing	**13.9**	**19.6**	**19.8**	**11.2**	**10.1**	**10.1**
Food, beverages and tobacco	3.1	3.5	3.0	3.0	2.7	2.7
Textile, leather, clothing and footwear	0.6	0.7	1.2	0.4	0.3	0.3
Wood and paper products	0.8	1.8	2.8	1.2	1.1	1.1
Printing and recorded media	0.8	0.8	1.3	2.2	2.0	2.0
Petroleum, coal, chemical and rubber products	1.1	2.1	0.4	0.6	0.6	0.6
Non-metallic mineral products	0.5	1.3	0.7	0.3	0.2	0.2
Metal and fabricated metal products	2.0	4.9	5.1	0.8	0.7	0.7
Motor vehicle and parts	0.8	0.1	0.1	0.9	0.8	0.8
Other transport equipment	0.9	0.4	0.1	0.4	0.4	0.4
Machinery and equipment manufacturing	2.1	1.5	3.3	0.8	0.7	0.7
Furniture and other manufacturing	1.0	2.6	1.7	0.6	0.5	0.5
Services	**310.9**	**391.6**	**535.0**	**312.2**	**281.0**	**281.0**
Electricity, gas, water and waste services	0.9	2.3	0.8	1.1	1.0	1.0
Construction	18.8	21.6	30.4	16.1	14.5	14.5
Wholesale trade	12.7	13.6	21.8	11.5	10.4	10.4
Retail trade	32.0	37.1	58.9	34.8	31.3	31.3
Accommodation and food services	21.8	32.1	33.5	21.7	19.5	19.5
Transport, postal and warehousing	9.2	13.4	17.1	10.5	9.4	9.4
Information, media and telecommunications	2.0	3.2	3.1	3.4	3.1	3.1
Financial and insurance services	105.5	113.6	169.7	99.2	89.2	89.2
Property, professional and admin. services	71.6	98.6	136.2	80.9	72.8	72.8
Public administration and safety	0.4	0.4	2.0	0.8	0.7	0.7
Education and training	1.8	3.6	4.7	2.2	2.0	2.0
Health care and social assistance	20.7	36.1	36.4	17.8	16.0	16.0
Arts and recreation services	4.7	3.7	5.3	4.3	3.9	3.9
Other services	8.9	12.3	15.1	7.8	7.0	7.0
Unallocated other[a]	186.0	270.3	334.7	200.3	180.3	180.3
Total	**560.0**	**780.0**	**1010.0**	**600.0**	**540.0**	**540.0**

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 171, item E34; Industry classification derived from detailed ATO data by ANZSIC industry.

A.6 CSIRO research

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) was established in 1926 and is Australia's principle national science agency. A primary function of CSIRO is to undertake scientific research to assist Australian industry, sometimes in collaboration with industry partners (CSIRO 2009). The Commission allocates its research funding among the industries involved.

The Commission's assistance estimates do not include the full CSIRO appropriation. Excluded are CSIRO's corporate overheads, certain public research such as environmental research, some renewable energy research and general research towards expanding knowledge in various fields.

A methodology for allocating CSIRO assistance to the Commission's ANZSIC-based industry groupings was first set out in the context of the Industry Commission inquiry into research and development (IC 1995b). The application of this methodology in *Trade & Assistance Review* was first described in the methodological annex to *Trade & Assistance Review 1999-2000* (PC 2000). Refinements to the allocation to primary production were discussed in Methodological Annex B to *Trade & Assistance Review 2001-02* (PC 2002). Subsequent changes to the reporting of CSIRO data and modifications to the allocation methodology were further discussed in the Methodological Annex to *Trade & Assistance Review 2004-05* (PC 2006).

For *Trade & Assistance Review 2008-09*, the allocation methodology was modified again as CSIRO no longer reported appropriation funding by CSIRO division. Instead, CSIRO returned to providing the Commission with CSIRO appropriation expenditure by the ABS's Social Economic Objective (SEO) classification. The SEO classification enables R&D activity to be categorised according to the intended purpose or outcome of the research (ABS 1998, 2008). In response, the Commission updated its concordance between the SEO and ANZSIC classifications from the IC (1995b) edition (table A.6).

Table A.6 **Allocation of CSIRO research to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**129.2**	**125.4**	**115.4**	**121.7**	**124.5**	**124.5**
Horticulture and fruit growing	12.6	9.2	8.1	8.6	8.7	8.7
Sheep, beef cattle and grain farming	40.2	34.3	45.3	47.8	48.9	48.9
Other crop growing	31.3	23.3	7.1	7.5	7.7	7.7
Dairy cattle farming	2.1	2.3	1.4	1.4	1.5	1.5
Other livestock farming	10.4	10.0	0.9	1.0	1.0	1.0
Aquaculture and fishing	9.2	10.8	15.9	16.8	17.2	17.2
Forestry and logging	4.6	18.0	6.3	6.7	6.8	6.8
Unallocated primary production	18.8	17.5	30.3	31.9	32.7	32.7
Mining	**47.0**	**47.6**	**60.4**	**63.8**	**65.2**	**65.2**
Manufacturing	**117.1**	**113.7**	**93.6**	**98.7**	**101.0**	**101.0**
Food, beverages and tobacco	10.3	18.6	18.2	19.2	19.6	19.6
Textile, leather, clothing and footwear	13.8	9.8	5.0	5.3	5.4	5.4
Wood and paper products	6.9	0.4	2.3	2.4	2.4	2.4
Printing and recorded media	2.2	-	0.6	0.7	0.7	0.7
Petroleum, coal, chemical and rubber products	4.2	3.8	1.8	1.9	1.9	1.9
Non-metallic mineral products	2.5	0.1	0.4	0.4	0.4	0.4
Metal and fabricated metal products	47.1	47.3	27.1	28.6	29.2	29.2
Motor vehicle and parts	1.4	1.1	0.5	0.6	0.6	0.6
Other transport equipment	2.6	2.6	5.4	5.6	5.8	5.8
Machinery and equipment manufacturing	15.6	13.9	19.6	20.6	21.1	21.1
Furniture and other manufacturing	10.0	15.7	-	-	-	-
Unallocated manufacturing	0.4	0.3	12.8	13.5	13.8	13.8
Services	**130.0**	**144.7**	**123.6**	**130.4**	**133.4**	**133.4**
Electricity, gas, water and waste services	19.8	28.0	22.3	23.6	24.1	24.1
Construction	3.4	1.4	1.3	1.3	1.4	1.4
Accommodation and food services	<0.1	-	-	-	-	-
Transport, postal and warehousing	3.3	2.7	1.1	1.2	1.2	1.2
Information, media and telecommunications	32.8	35.7	18.2	19.2	19.6	19.6
Financial and insurance services	1.2	0.8	0.7	0.7	0.7	0.7
Property, professional and administrative services	7.5	6.2	2.0	2.2	2.2	2.2
Public administration and safety	13.8	12.7	25.8	27.3	27.9	27.9
Education and training	2.0	1.1	0.7	0.7	0.7	0.7
Health care and social assistance	41.1	50.3	47.6	50.2	51.4	51.4
Arts and recreation services	0.5	0.8	1.5	1.6	1.6	1.6
Other services	1.2	1.3	<0.1	<0.1	<0.1	<0.1
Unallocated services	3.3	3.7	2.4	2.5	2.6	2.6
Total	**423.3**	**431.4**	**393.0**	**414.6**	**424.0**	**424.0**

– Nil.

Sources: Commission estimates based on DIISR Portfolio Budget Statements 2010-11; CSIRO Annual Report 2009-10 (and earlier years); Industry classification derived from detailed CSIRO data by ANZSIC Socioeconomic Objective codes.

A.7 Automotive Transformation Scheme

Commencing on 1 January 2011 under a New Car Plan for a Greener Future, the Automotive Transformation Scheme (ATS) replaced the Automotive Competitiveness and Investment Scheme. The ATS aims to encourage competitive investment and innovation in the Australian automotive industry and to place the industry on a sustainable footing (DIISR 2011). This is to be achieved in a way that improves environmental outcomes and promotes the development of workforce skills (DIISR 2012).

The ATS is classified to the *Motor vehicle and parts* industry grouping in the Commission's ANZSIC-based classification (table A.7).

Table A.7 **Allocation of Automotive Transformation Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	-	-	-	-	93.3	381.0

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2010-11; and detailed DIISR data by ANZSIC industry.

A.8 Premium R&D tax concession

The premium R&D tax concession was announced as part of the Australian Government's 2001 Statement, Backing Australia's Ability. Under the concession, a 175 per cent tax concession is available for certain labour related components of 'incremental'[1] R&D expenditure (excluding such expenditures as plant, core technology, interest and items excluded from the 125 per cent R&D tax concession) (Tax Expenditure Statement, Australian Government 2013, Item B 102).

For the premium R&D tax concession, the detailed ATO claims data by ANZSIC industry reveal a very high share of claims by the finance and insurance industry grouping compared with ABS data on R&D undertaken by firms. The concentration of claims in the finance industries reflect legal structures for the financing of R&D, such as syndication, rather than the actual industry in which the R&D is conducted. Accordingly, for the finance industry, the share of business expenditure on R&D from the ABS data has been used. The difference between the ATO and ABS shares

[1] Incremental means a firm's R&D expenditure over and above its average expenditures for the previous three years.

for the finance industry has then been re-allocated across all other remaining industries (based on the ATO shares). These adjusted industry shares have then been used to allocate TES estimates of total revenue forgone for the concession (table A.8).

Table A.8 **Allocation of premium R&D tax concession to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**0.1**	**0.1**	**0.2**	**0.5**	**0.4**	**0.4**
Horticulture and fruit growing	-	-	<0.1	0.1	0.1	0.1
Aquaculture and fishing	0.1	0.1	<0.1	0.3	0.3	0.3
Mining	**85.7**	**121.0**	**111.4**	**119.5**	**103.9**	**97.0**
Manufacturing	**65.9**	**60.8**	**55.9**	**67.5**	**58.7**	**54.8**
Food, beverages and tobacco	2.8	5.4	13.9	18.6	16.1	15.1
Textile, leather, clothing and footwear	<0.1	<0.1	0.4	0.4	0.4	0.3
Wood and paper products	2.5	1.3	0.3	-	-	-
Printing and recorded media	0.4	0.6	0.2	-	-	-
Petroleum, coal, chemical and rubber products	12.4	11.6	9.9	12.1	10.5	9.8
Non-metallic mineral products	2.2	6.6	1.3	2.2	1.9	1.8
Metal and fabricated metal products	28.5	11.9	13.9	7.2	6.2	5.8
Motor vehicle and parts	4.3	0.8	0.7	4.3	3.8	3.5
Other transport equipment	3.5	3.3	1.1	0.8	0.7	0.6
Machinery and equipment manufacturing	9.1	19.1	13.8	20.5	17.9	16.7
Furniture and other manufacturing	0.1	0.2	0.4	1.4	1.2	1.1
Services	**72.8**	**106.7**	**159.9**	**269.0**	**233.9**	**214.9**
Electricity, gas, water and waste services	2.0	6.9	3.8	9.7	8.4	7.8
Construction	1.4	4.3	5.9	11.5	10.0	9.4
Wholesale trade	9.9	17.0	27.7	58.8	51.1	47.8
Retail trade	2.4	1.9	0.7	1.7	1.5	1.4
Transport, postal and warehousing	4.8	4.8	6.2	14.1	12.2	11.4
Information, media and telecommunications	2.0	1.9	2.2	5.7	5.0	4.6
Financial and insurance services	19.7	28.1	68.1	74.5	64.8	56.9
Property, professional and administrative services	29.1	38.9	43.3	88.5	76.9	72.3
Public administration and safety	-	-	-	0.5	0.5	-
Education and training	<0.1	0.5	<0.1	0.2	0.1	0.1
Health care and social assistance	0.5	0.5	0.6	1.5	1.3	1.2
Arts and recreation services	-	-	-	0.7	0.6	0.5
Other services	0.9	1.8	1.2	1.8	1.5	1.4
Unallocated other[a]	0.4	1.4	2.6	3.6	3.1	2.9
Total	**225.0**	**290.0**	**330.0**	**460.0**	**400.0**	**370.0**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 114, item B102; Industry classification derived from detailed ATO data by ANZSIC industry; and ABS Cat. no. 8104.0, Business expenditure on R&D, by ANZSIC 2006 industry subdivision - by source of funds.

A.9 Small business capital gains tax (retirement) exemption

Under the small business capital gains tax retirement exemption, capital gains arising from the sale of active small business assets are exempt from capital gains tax, up to a lifetime limit of $500 000, where the proceeds of the sale are used for retirement. An eligible small business is one where the net value of assets that the taxpayer and connected entities own is no more than $6 million, or where the aggregated annual turnover is less than $2 million (Tax Expenditure Statement, Australian Government 2013, Item C1).

The ATO has provided information detailing claim data for the concession by ANZSIC industry. The industry shares derived from the ATO claim data have been used to allocate the TES estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.9).

Table A.9 **Allocation of small business capital gains tax (retirement) exemption to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**19.4**	**46.5**	**48.1**	**35.8**	**33.8**	**33.8**
Horticulture and fruit growing	2.3	7.7	6.0	4.1	3.8	3.8
Sheep, beef cattle and grain farming	11.2	24.2	30.3	22.8	21.5	21.5
Other crop growing	1.4	2.1	2.1	1.3	1.2	1.2
Dairy cattle farming	0.7	2.6	3.1	1.8	1.7	1.7
Other livestock farming	0.6	0.8	1.9	1.4	1.3	1.3
Aquaculture and fishing	1.2	0.3	-	0.3	0.3	0.3
Forestry and logging	1.6	4.4	3.1	3.3	3.1	3.1
Primary production support services	0.5	4.5	1.7	0.8	0.8	0.8
Mining	**0.6**	**1.4**	**0.5**	**0.9**	**0.8**	**0.8**
Manufacturing	**7.3**	**14.5**	**15.0**	**4.7**	**4.4**	**4.4**
Food, beverages and tobacco	2.1	1.5	1.8	1.8	1.7	1.7
Textile, leather, clothing and footwear	0.8	0.5	-	0.3	0.3	0.3
Wood and paper products	-	-	1.4	0.9	0.8	0.8
Printing and recorded media	0.3	0.2	2.0	1.2	1.1	1.1
Petroleum, coal, chemical and rubber products	0.8	1.0	1.2	-	-	-
Non-metallic mineral products	0.4	0.7	-	-	-	-
Metal and fabricated metal products	1.1	4.8	4.2	0.5	0.5	0.5
Other transport equipment	-	0.6	1.3	-	-	-
Machinery and equipment manufacturing	1.3	2.6	2.0	-	-	-
Furniture and other manufacturing	0.5	2.5	1.2	-	-	-
Services	**164.1**	**264.7**	**324.7**	**205.2**	**193.8**	**193.8**
Electricity, gas, water and waste services	0.4	1.7	0.5	1.5	1.4	1.4
Construction	7.2	11.5	16.0	8.9	8.4	8.4
Wholesale trade	9.4	9.7	15.4	8.2	7.8	7.8
Retail trade	14.5	27.1	33.0	21.3	20.1	20.1
Accommodation and food services	8.6	14.5	13.3	8.6	8.1	8.1
Transport, postal and warehousing	5.7	9.2	13.2	5.2	4.9	4.9
Information, media and telecommunications	1.0	1.9	0.2	-	-	-
Financial and insurance services	56.9	86.4	113.9	72.6	68.6	68.6
Property, professional and administrative services	42.7	69.7	81.6	54.9	51.9	51.9
Public administration and safety	0.4	0.2	1.9	0.2	0.2	0.2
Education and training	0.4	1.8	4.1	2.4	2.3	2.3
Health care and social assistance	10.9	21.2	21.5	15.5	14.7	14.7
Arts and recreation services	2.0	3.4	2.3	2.2	2.1	2.1
Other services	4.0	6.3	8.0	3.6	3.4	3.4
Unallocated other[a]	78.6	163.0	191.7	113.5	107.2	107.2
Total	**270.0**	**490.0**	**580.0**	**360.0**	**340.0**	**340.0**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 120, item C1; Industry classification derived from detailed ATO data by ANZSIC industry.

A.10 Farm Management Deposits Scheme

The Farm Management Deposits (FMD) Scheme allows primary producers to make deposits when surplus funds are available and to withdraw holdings in less successful years. The fully taxable deposits are subject to a withholding tax when withdrawn, but the withholding tax can be varied in times of financial hardship (which may be a result of weather events or market downturn) (Tax Expenditure Statement, Australian Government 2013, Item B 43).

This scheme replaced the Income Equalisation Deposits and Farm Management Bonds schemes in January 1999.

The Commission has obtained data from DAFF detailing the level of deposits held under the scheme by ANZSIC industry.[2] This information is used to allocate Treasury estimates of revenue forgone for the scheme (table A.10).

Table A.10 **Allocation of Farm Management Deposits Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**75.0**	**105.0**	**135.0**	**95.0**	**30.0**	**230.0**
Horticulture and fruit growing	10.3	14.4	20.5	14.7	4.2	28.8
Sheep, beef cattle and grain farming	46.7	64.0	80.4	57.3	19.5	154.9
Other crop growing	6.7	8.9	9.0	6.5	1.9	13.7
Dairy cattle farming	4.8	8.3	11.4	7.2	2.1	17.0
Other livestock farming	4.6	5.1	6.1	4.1	1.1	7.9
Aquaculture and fishing	0.6	-	-	-	-	-
Forestry and logging	1.3	-	-	-	-	-
Unallocated primary production[a]	-	4.4	7.6	5.1	1.2	7.8
Total	**75.0**	**105.0**	**135.0**	**95.0**	**30.0**	**230.0**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown..

Source: Commission estimates based on detailed DAFF data by ANZSIC industry.

A.11 Coal Sector Jobs Package

The Coal Sector Jobs Package provides $1.2 billion in transitional assistance to Australian coal mines that have a high fugitive emissions-intensity. The package aims to ease the transition to the carbon price, thereby supporting jobs and local communities that rely on the mines (DRET 2012). The package is scheduled to

[2] The 2011-12 estimates in table A.10 update the estimates in *Trade & Assistance Review 2011-12*.

operate from 2011-12 to 2016-17. Payments to eligible mines covering the first year of the carbon price (2012-13) were made in June 2012.

The package selectively benefits firms in the *Mining* sector and has therefore been allocated accordingly in the Commission's ANZSIC-based classification (table A.11).

Table A.11 **Allocation of Coal Sector Jobs Package to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	-	-	-	-	-	218.8

- Nil.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12.

A.12 Film Industry Offsets Scheme

The Film Industry Offsets Scheme (Australian Screen Production Incentive) is the Australian Government's primary mechanism for supporting film and television production. The Incentive provides tax incentives for film, television and other screen production in Australia and is available in three streams:

- the Producer Offset, which aims to encourage the production of Australian film and television projects;
- the Location Offset – a 16.5 per cent rebate that supports the production of large-budget film and television projects shot in Australia; and
- the PDV Offset – a 30 per cent rebate that supports work on post, digital and visual effects production (PDV) in Australia, regardless of where a project is shot (Attorney-General's Department 2013).

Funding for the program has been allocated to the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.12).

Table A.12 **Allocation of Film Industry Offsets Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	29.0	69.0	128.2	242.0	152.0	204.0

Source: Commission estimates based on Commissioner of Taxation Annual Report 2011-12 (and earlier years).

A.13 Concessional rate of withholding tax

Distributions of Australian sourced net income (other than dividends, interest and royalties) by Australian managed investment trusts to foreign residents are subject to a final withholding tax. The general rate of 30 per cent is reduced to 7.5 per cent for the period 1 July 2010 to 30 June 2012, and to 15 per cent from 1 July 2012, for residents of countries specified in the regulations as 'information exchange countries' (Tax Expenditure Statement, Australian Government 2013, item B108).

The concession lowers the cost of capital to investment trusts. Accordingly, funding for the scheme has been allocated to the *Financial and insurance services* industry grouping in the Commission's ANZSIC-based classification (table A.13).

Table A.13 **Allocation of concessional rate of withholding tax to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Financial and insurance services	-	-	30.0	80.0	170.0	195.0

- Nil.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 117, item B108.

A.14 Sustainable Rural Water Use and Infrastructure Program

The Sustainable Rural Water Use and Infrastructure (SRWUI) program was introduced in May 2008 and formed part of the Australian Government's $12.9 billion Water for the Future initiative. Funding of $5.8 billion was committed to the program which is intended to increase water use efficiency in rural Australia. This funding is directed towards projects that:

- deliver substantial and lasting returns of water for the environment; and
- secure a long-term future for irrigation communities (Department of the Environment 2013b).

The program is also intended to assist irrigation communities make early adjustments in anticipation of the Murray-Darling Basin cap on water extractions.

The SRWUI program selectively benefits activities in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the

Unallocated primary production industry grouping in the Commission's ANZSIC-based classification (table A.14).

Table A.14 **Allocation of Sustainable Rural Water Use and Infrastructure Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	0.1	17.3	54.2	59.2	191.8

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Sustainability, Environment, Water, Population and Communities Annual Report 2011-12 (and earlier years).

A.15 25 per cent entrepreneurs' tax offset

Under the 25 per cent entrepreneurs' tax offset concession, prior to the introduction of simplified depreciation rules for small businesses from the 2012-13 income year (see Tax Expenditure Statement, Australian Government 2013, Item B104), small businesses with an annual turnover of $50 000 or less were eligible for a tax offset of 25 per cent of the income tax liability attributable to their business income. The offset phased out for annual turnover between $50 001 and $75 000. From 1 July 2007, the concession applied to any small business entity, whereas before that time it only applied to taxpayers in the then Simplified Tax System (Tax Expenditure Statement, Australian Government 2013, Item B 55).

The 25 per cent entrepreneurs' tax offset ceased during the 2012-13 income year.

The Commission has obtained data from the ATO for the offset by ANZSIC industry. The industry shares from the ATO data have been used to allocate Treasury estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.15).

Table A.15 **Allocation of 25 per cent entrepreneurs' tax offset to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**3.8**	**4.6**	**5.0**	**4.9**	**4.4**	**4.8**
Horticulture and fruit growing	0.4	0.5	0.7	0.6	0.5	0.5
Sheep, beef cattle and grain farming	1.2	1.6	1.7	1.7	1.5	1.6
Other crop growing	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Dairy cattle farming	0.2	0.2	0.2	0.2	0.2	0.2
Other livestock farming	0.1	0.2	0.2	0.2	0.2	0.2
Aquaculture and fishing	0.8	<0.1	<0.1	0.7	0.6	0.7
Forestry and logging	0.2	0.3	0.3	0.3	0.3	0.3
Primary production support services	0.8	1.7	1.8	1.2	1.1	1.2
Mining	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Manufacturing	**4.1**	**4.6**	**4.6**	**4.5**	**4.0**	**4.4**
Food, beverages and tobacco	0.1	0.2	0.2	0.2	0.2	0.2
Textile, leather, clothing and footwear	0.7	0.8	0.9	0.9	0.8	0.9
Wood and paper products	0.3	0.3	0.3	0.3	0.3	0.3
Printing and recorded media	0.2	0.2	0.2	0.2	0.2	0.2
Petroleum, coal, chemical and rubber products	0.1	0.2	0.1	0.1	0.1	0.1
Non-metallic mineral products	0.2	0.2	0.2	0.2	0.2	0.2
Metal and fabricated metal products	1.1	1.1	1.1	1.0	0.9	1.0
Motor vehicle and parts	0.1	0.1	0.1	<0.1	<0.1	<0.1
Other transport equipment	0.4	0.5	0.5	0.4	0.4	0.4
Machinery and equipment manufacturing	0.3	0.3	0.3	0.3	0.3	0.3
Furniture and other manufacturing	0.5	0.6	0.6	0.7	0.6	0.7
Services	**113.4**	**136.8**	**150.3**	**148.9**	**133.6**	**145.0**
Electricity, gas, water and waste services	0.2	0.2	0.3	0.2	0.2	0.2
Construction	42.2	48.5	50.4	52.1	46.8	50.8
Wholesale trade	0.9	1.1	1.1	1.2	1.1	1.2
Retail trade	1.9	2.5	2.8	2.9	2.6	2.8
Accommodation and food services	0.7	0.9	1.0	1.0	0.9	1.0
Transport, postal and warehousing	9.6	11.1	12.4	12.6	11.3	12.3
Information, media and telecommunications	1.1	1.4	1.5	1.4	1.2	1.4
Financial and insurance services	4.5	5.6	6.0	5.6	5.0	5.5
Property, professional and administrative services	28.4	35.1	39.7	38.4	34.5	37.4
Public administration and safety	0.7	0.8	0.9	0.8	0.7	0.8
Education and training	3.7	4.8	5.4	5.4	4.8	5.3
Health care and social assistance	8.0	10.4	12.7	10.4	9.4	10.2
Arts and recreation services	4.4	5.9	6.3	6.1	5.5	5.9
Other services	6.9	8.6	9.9	10.6	9.5	10.3
Unallocated other[a]	18.5	28.8	34.8	36.5	32.8	35.6
Total	**140.0**	**175.0**	**195.0**	**195.0**	**175.0**	**190.0**

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 92, item B55; Industry classification derived from detailed ATO data by ANZSIC industry.

A.16 Offshore Banking Unit tax concession

The Offshore Banking Unit (OBU) tax concession was introduced in 1992. The concession was extended in 1997 to include fund managers and life insurance companies in order to facilitate greater non-bank competition for offshore business.

Under the concession, income (other than capital gains) derived by an OBU from offshore banking activities is taxed at a concessional rate of 10 per cent. Interest paid by an OBU on qualifying offshore borrowings, and gold fees paid by an OBU on certain offshore gold borrowings, are exempt from withholding tax (Tax Expenditure Statement, Australian Government 2013, Item B10).

The taxation concession selectively benefits certain financial institutions and has been allocated to the *Financial and insurance services* industry grouping in the Commission's ANZSIC-based classification (table A.16).

Table A.16 **Allocation of Offshore Banking Unit tax concession to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Financial and insurance services	160.0	320.0	265.0	240.0	170.0	185.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 70, item B10.

A.17 Steel Transformation Plan

On 10 July 2011, the Australian Government announced the $300 million Steel Transformation Plan (Plan) (AusIndustry 2013k). The Plan aims to encourage investment, innovation and competitiveness in the Australian steel manufacturing industry in order to assist the industry to transform into an efficient and economically sustainable industry in a low carbon economy. The Plan intends to achieve this in a way that improves environmental outcomes and promotes the development of workforce skills. The Plan was scheduled to commence on 1 July 2012 and to conclude on 31 December 2016.

However, on 22 August 2011, the Australian Government announced that a new advance facility would be introduced into the Plan to allow eligible participants to draw down an advance of their future entitlements under the scheme.

Industry participants can apply if they are a constitutional corporation that manufactures steel in Australia using either of the following methods:

- integrated iron and steel manufacturing that involves the physical and chemical transformation of iron ore into crude carbon steel; or
- physical and chemical transformation of cold ferrous feed into crude carbon steel.

Applicants must have produced at least 500 000 tonnes of crude carbon steel in Australia using either of those methods in both the 2009-10 and 2010-11 financial years.

Funding for the plan has been allocated to the *Metal and fabricated metal products* industry grouping in the Commission's ANZSIC-based classification (table A.17).

Table A.17 **Allocation of Steel Transformation Plan to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Metal and fabricated metal products	-	-	-	-	-	164.0

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.18 Small business capital gains tax rollover relief (sale of business)

The small business capital gains tax rollover relief is available for capital gains arising from the disposal of active small business assets if the proceeds of the sale are used to purchase other active small business assets. Active assets include assets used in carrying on a business and intangible assets inherently connected with a business (for example, goodwill). An eligible small business is one where the net value of assets that the taxpayer and connected entities own is no more than $6 million, or where the aggregated annual turnover is less than $2 million (Tax Expenditure Statement, Australian Government 2013, Item E24).

The Commission has obtained data from the ATO for the program by ANZSIC industry. The industry shares from the ATO data have been used to allocate Treasury estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.18).

Table A.18 **Allocation of small business capital gains tax rollover relief (sale of business) to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**18.5**	**26.6**	**46.7**	**25.8**	**23.2**	**20.6**
Horticulture and fruit growing	1.3	1.7	1.7	1.2	1.1	1.0
Sheep, beef cattle and grain farming	12.2	15.8	35.0	17.8	16.0	14.3
Other crop growing	0.6	1.7	2.0	1.0	0.9	0.8
Dairy cattle farming	1.1	2.1	2.8	0.9	0.8	0.7
Other livestock farming	1.3	0.9	0.5	0.4	0.4	0.3
Aquaculture and fishing	0.5	-	-	0.4	0.3	0.3
Forestry and logging	0.9	3.2	2.2	2.1	1.9	1.7
Primary production support services	0.7	1.1	2.5	1.9	1.7	1.5
Mining	**-**	**-**	**0.2**	**-**	**-**	**-**
Manufacturing	**1.1**	**1.1**	**2.4**	**1.3**	**1.2**	**1.0**
Food, beverages and tobacco	0.9	0.2	1.3	1.0	0.9	0.8
Textile, leather, clothing and footwear	0.1	<0.1	0.5	<0.1	<0.1	<0.1
Wood and paper products	-	<0.1	<0.1	-	-	-
Printing and recorded media	-	<0.1	-	-	-	-
Metal and fabricated metal products	<0.1	0.6	0.5	0.2	0.2	0.1
Furniture and other manufacturing	-	<0.1	-	-	-	-
Services	**90.1**	**133.6**	**192.3**	**106.9**	**96.2**	**85.5**
Electricity, gas, water and waste services	-	0.2	-	-	-	-
Construction	5.0	4.8	9.5	5.0	4.5	4.0
Wholesale trade	2.3	2.8	5.3	3.3	3.0	2.6
Retail trade	13.4	7.3	22.5	16.2	14.6	12.9
Accommodation and food services	7.9	5.7	14.7	6.8	6.1	5.4
Transport, postal and warehousing	2.0	2.9	5.0	2.5	2.3	2.0
Information, media and telecommunications	0.1	0.6	-	0.2	0.1	0.1
Financial and insurance services	28.4	77.6	64.4	33.7	30.3	26.9
Property, professional and administrative services	18.7	21.4	56.5	31.9	28.7	25.5
Education and training	0.4	0.2	0.8	0.4	0.3	0.3
Health care and social assistance	6.8	6.8	7.5	4.4	3.9	3.5
Arts and recreation services	1.3	1.3	0.8	1.1	1.0	0.9
Other services	3.7	2.1	5.2	1.5	1.3	1.2
Unallocated other[a]	60.2	58.7	108.4	66.1	59.5	52.8
Total	**170.0**	**220.0**	**350.0**	**200.0**	**180.0**	**160.0**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 167, item E24; Industry classification derived from detailed ATO data by ANZSIC industry.

A.19 Income tax averaging provisions for primary producers

This concession allows primary producers to average their income over a five year cycle in order to minimise their tax liability. Under the averaging provisions, primary producers may pay tax on their income at the rate of tax applicable to their average income, regardless of whether the average rate is greater or less than ordinary rates (Tax Expenditure Statement, Australian Government 2013, Item B 44).

The Commission has obtained information from the ATO detailing claim data for the concession by ANZSIC industry. The industry shares from the ATO claim data have been used to allocate Treasury estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.19).

Table A.19 **Allocation of Income tax averaging provisions for primary producers to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**70.0**	**110.0**	**100.0**	**80.0**	**165.0**	**140.0**
Horticulture and fruit growing	9.5	10.9	9.9	8.4	17.3	14.7
Sheep, beef cattle and grain farming	36.3	59.8	54.4	45.4	93.6	79.4
Other crop growing	6.2	3.8	3.4	6.3	13.0	11.0
Dairy cattle farming	4.7	16.5	15.0	4.1	8.5	7.2
Other livestock farming	2.7	4.1	3.7	3.4	7.0	6.0
Aquaculture and fishing	6.2	5.9	5.4	5.1	10.6	9.0
Forestry and logging	1.9	3.4	3.1	3.6	7.5	6.4
Primary production support services	2.6	5.7	5.2	3.6	7.5	6.4
Total	**70.0**	**110.0**	**100.0**	**80.0**	**165.0**	**140.0**

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 87, item B44; Industry classification derived from detailed ATO data by ANZSIC industry.

A.20 Tourism Australia

Tourism Australia was established in July 2004 following the amalgamation of the Australian Tourism Commission (ATC), the Bureau of Tourism Research, the Tourism Forecasting Council and See Australia Limited. Tourism Australia is responsible for both international and domestic tourism marketing as well as the delivery of research, statistics and forecasts for the sector.

Funding of Tourism Australia is likely to benefit a range of service industries, depending on tourist spending patterns (PC 2005). In the current assistance estimates series, funding of Tourism Australia has been allocated to the *Unallocated*

Services grouping in the Commission's ANZSIC-based industry classification (table A.20).

Table A.20 **Allocation of Tourism Australia appropriation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	133.8	135.8	137.6	141.6	136.1	136.8

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.21 Cooperative Research Centres

The Cooperative Research Centres (CRC) program was established by the Australian Government in 1991 with the intention of improving the effectiveness of Australia's R&D effort. Among other things, the program aims to link researchers with industry to focus R&D efforts towards utilisation and commercialisation (DIISR 2011).

The CRC program is administered by the Department of Industry. Each year, the Department provides the Commission with funding information for each individual CRC.

In many cases, because of the particular focus of a CRC, an initial benefiting industry is readily identifiable. For example, the Metal Cast CRC has been allocated to the metal products manufacturing industry grouping. In some cases, however, as with the CSIRO, the program's research effort does not appear to benefit a particular industry or industries selectively. For example, the Antarctic Climate and Ecosystems CRC has not been classified as budgetary assistance to industry.

The allocation of total CRC funding to the Commission's ANZSIC-based industry groupings is shown in table A.21.

Table A.21 **Allocation of Cooperative Research Centres to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**56.4**	**63.7**	**61.3**	**58.3**	**46.5**	**38.8**
Sheep, beef cattle and grain farming	11.4	13.0	12.4	11.5	9.9	6.1
Other crop growing	8.8	9.0	8.5	6.5	3.5	3.0
Dairy cattle farming	-	-	-	3.0	4.8	4.8
Other livestock farming	7.0	7.2	7.4	8.0	8.2	6.8
Aquaculture and fishing	2.6	6.5	5.2	5.4	5.4	5.4
Forestry and logging	3.3	4.2	4.7	4.8	3.8	3.2
Unallocated primary production[a]	23.2	23.8	23.1	19.1	10.9	9.5
Mining	**9.3**	**8.1**	**3.6**	**6.7**	**10.7**	**11.3**
Manufacturing	**41.2**	**47.8**	**41.2**	**41.7**	**35.9**	**31.4**
Food, beverages and tobacco	2.6	2.6	0.4	0.3	-	-
Wood and paper products	3.5	2.3	-	-	-	-
Petroleum, coal, chemical and rubber products	9.1	13.9	8.5	9.0	8.0	7.0
Metal and fabricated metal products	8.1	8.3	8.5	8.1	7.8	5.5
Motor vehicle and parts	5.1	6.4	6.2	6.1	5.5	5.0
Other transport equipment	3.7	5.7	6.9	7.4	5.2	5.1
Machinery and equipment manufacturing	5.5	2.5	3.9	2.8	2.5	2.0
Furniture and other manufacturing	-	2.5	4.1	6.0	6.8	6.8
Unallocated manufacturing[a]	3.5	3.5	2.6	2.0	-	-
Services	**43.8**	**50.1**	**34.9**	**34.5**	**41.2**	**49.7**
Electricity, gas, water and waste services	4.5	4.0	-	-	-	-
Construction	1.8	1.5	-	0.4	-	-
Information, media and telecommunications	3.5	4.4	4.5	4.4	4.4	4.4
Property, professional and administrative services	10.3	12.5	7.9	9.3	11.5	11.9
Health care and social assistance	19.0	24.2	19.3	18.4	25.2	33.4
Arts and recreation services	4.7	3.5	3.1	2.0	-	-
Total	**150.8**	**169.7**	**140.9**	**141.2**	**134.3**	**131.2**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed CSIRO data by SEO classification.

A.22 Export Market Development Grants Scheme

The Export Market Development Grants (EMDG) scheme provides taxable grants for up to 50 per cent of marketing and promotion expenses that firms incur in export markets. The scheme assists small and medium exporters to seek out and develop export markets. There were over 2993 grant recipients in 2011-12 worth around $126 million (Austrade 2012).

Austrade reports total payments made under the EMDG scheme in each financial year. This figure may include payments made for claims relevant to previous years, as eligible exporters may not make claims under the scheme immediately.

Austrade also provides the Commission with detailed grants data by ANZSIC. This information is used to allocate total EMDG funding among the Commission's ANZSIC-based industry groupings (table A.22).

Table A.22 **Allocation of Export Market Development Grants Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**3.0**	**3.2**	**4.4**	**4.7**	**3.8**	**2.9**
Horticulture and fruit growing	0.9	0.9	1.4	1.0	1.3	1.0
Sheep, beef cattle and grain farming	0.5	0.5	0.6	0.8	0.6	0.4
Other crop growing	0.2	0.2	0.4	0.6	0.4	0.5
Dairy cattle farming	<0.1	<0.1	-	<0.1	-	-
Other livestock farming	0.6	0.6	0.9	0.6	0.6	0.2
Aquaculture and fishing	0.5	0.3	0.5	0.9	0.6	0.4
Forestry and logging	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Primary production support services	0.3	0.5	0.7	0.7	0.4	0.3
Mining	**1.4**	**1.6**	**1.6**	**2.2**	**1.4**	**1.8**
Manufacturing	**55.9**	**52.5**	**63.1**	**66.1**	**47.6**	**38.8**
Food, beverages and tobacco	16.1	13.8	16.0	14.4	11.4	8.1
Textile, leather, clothing and footwear	4.5	5.4	8.0	6.9	5.3	4.6
Wood and paper products	0.9	1.0	0.9	0.8	0.7	0.4
Printing and recorded media	3.6	0.8	0.6	0.4	0.2	0.2
Petroleum, coal, chemical and rubber products	4.8	7.2	8.2	9.7	7.0	5.3
Non-metallic mineral products	1.0	0.9	0.5	0.7	0.4	0.4
Metal and fabricated metal products	1.6	3.4	3.8	3.0	2.6	2.2
Motor vehicle and parts	1.6	1.1	1.6	2.0	1.3	0.9
Other transport equipment	1.5	1.3	1.2	1.3	1.5	1.1
Machinery and equipment manufacturing	13.9	13.8	16.3	19.5	11.6	9.7
Furniture and other manufacturing	6.4	4.0	6.0	7.6	5.7	6.0
Services	**84.7**	**93.1**	**116.8**	**125.0**	**90.3**	**82.1**
Electricity, gas, water and waste services	0.6	0.6	0.6	0.8	0.5	0.3
Construction	1.3	1.1	1.6	1.1	0.6	0.9
Wholesale trade	11.6	12.5	14.3	13.8	11.1	10.3
Retail trade	1.3	1.5	2.1	1.4	1.2	1.2
Accommodation and food services	5.0	4.1	5.0	6.5	4.3	3.2
Transport, postal and warehousing	5.5	5.9	6.0	8.3	5.6	2.7
Information, media and telecommunications	2.5	22.4	27.7	27.8	19.4	19.2
Financial and insurance services	1.4	0.5	0.9	1.2	0.6	0.2
Property, professional and administrative services	32.1	26.9	35.7	37.2	26.8	27.1
Public administration and safety	-	0.3	0.4	0.3	0.2	0.1
Education and training	7.4	8.6	12.3	14.9	11.1	9.2
Health care and social assistance	2.1	1.4	1.8	2.1	1.7	1.6
Arts and recreation services	12.8	5.6	5.9	6.5	4.9	4.6
Other services	1.3	1.7	2.4	3.1	2.2	1.4
Total	**145.1**	**150.3**	**185.9**	**198.1**	**143.1**	**125.6**

- Nil.

Source: Commission estimates based on Austrade Annual Report 2011-12 (and earlier years).

A.23 Green Car Innovation Fund

Launched on 24 April 2009 as part of the Australian Government's New Car Plan For a Greener Future, the Green Car Innovation Fund is a competitive merit-based grants program designed to support and enhance the research and development and commercialisation of Australian technologies that significantly reduce the greenhouse gas emissions and/or fuel consumption of passenger motor vehicles (DIISR 2011).

The Green Car Innovation Fund is classified to the *Motor vehicles and parts* industry grouping in the Commission's ANZSIC-based classification (table A.23).

Table A.23 **Allocation of Green Car Innovation Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	-	-	-	108.1	63.0	125.5

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2009-10; and detailed DIISR data by ANZSIC industry.

A.24 Small business capital gains tax exemption for assets held more than 15 years

Under this concession, capital gains arising from the disposal of active small business assets that have been held continuously for 15 years are exempt from capital gains tax. This exemption is available only if the taxpayer is permanently incapacitated or reaches the age of 55 and retires. An eligible small business is one where the net value of assets that the taxpayer and connected entities own is no more than $6 million, or where the aggregated annual turnover is less than $2 million (Tax Expenditure Statement, Australian Government 2013, Item C 17).

The Commission has obtained information from the ATO detailing claim data for the concession by ANZSIC industry. The industry shares from the ATO claim data have been used to allocate Treasury estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.24).

Table A.24 **Allocation of small business capital gains tax exemption for assets held more than 15 years to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**4.3**	**15.6**	**19.2**	**13.7**	**13.7**	**17.3**
Horticulture and fruit growing	-	0.6	-	1.8	1.8	2.3
Sheep, beef cattle and grain farming	3.7	14.4	18.8	11.4	11.4	14.4
Other crop growing	0.6	-	-	0.5	0.5	0.6
Forestry and logging	-	0.6	0.4	-	-	-
Manufacturing	**1.2**	**2.2**	**0.9**	**-**	**-**	**-**
Food, beverages and tobacco	-	0.4	-	-	-	-
Printing and recorded media	-	1.1	-	-	-	-
Metal and fabricated metal products	0.4	-	0.9	-	-	-
Machinery and equipment manufacturing	0.8	0.7	-	-	-	-
Services	**36.6**	**60.0**	**83.7**	**57.0**	**57.0**	**72.0**
Construction	-	1.6	4.3	2.1	2.1	2.6
Wholesale trade	1.5	3.3	2.6	2.3	2.3	2.9
Retail trade	5.4	3.8	3.6	8.8	8.8	11.1
Accommodation and food services	3.1	6.6	8.1	0.6	0.6	0.8
Transport, postal and warehousing	0.9	1.3	4.8	1.4	1.4	1.7
Financial and insurance services	14.0	14.5	34.6	23.1	23.1	29.2
Property, professional and administrative services	8.8	23.3	23.5	15.7	15.7	19.8
Education and training	-	-	-	0.1	0.1	0.2
Health care and social assistance	1.7	3.8	0.7	1.9	1.9	2.5
Other services	1.2	1.8	1.5	1.1	1.1	1.3
Unallocated other[a]	12.9	22.2	31.2	24.2	24.2	30.6
Total	**55.0**	**100.0**	**135.0**	**95.0**	**95.0**	**120.0**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 132, item C17; Industry classification derived from detailed ATO data by ANZSIC industry.

A.25 Ethanol production subsidy

To encourage the use of ethanol in transport in Australia, since 2002 the Australian Government has provided a subsidy of 38.143 cents per litre to eligible ethanol producers. Such grants were initially to be available until 30 June 2011. However, in June 2011, the Australian Government extended the program to 2021 (DRET 2012). To claim the grant, ethanol must be produced entirely in Australia by the grant recipient from biomass feedstock and must be blended into or used as a transport fuel in Australia, and the producer must enter into a contract with the Australian Government (PC 2011).

The subsidy selectively assists ethanol production activities in the broader *Petroleum, coal, chemical and rubber products* industry grouping (table A.25).

Table A.25 **Allocation of Ethanol production subsidy to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	31.9	56.7	79.8	102.7	124.7	115.3

Source: Commission estimates based on DRET Annual Report 2011-12 (and earlier years).

A.26 Austrade

Austrade is the Australian Government's primary export facilitation agency. Austrade's annual budget appropriation primarily supports the operation of its international trade commission network. Austrade provides a range of export market intelligence and promotional services to potential and existing exporters, both to individual companies as well as more general export assistance such as information, exporter education, trade displays and sponsorship of the Australian Export Awards.

Prior to 2008-09, the Commission had recorded all of the government appropriation funding against the *Unallocated other* category. For 2008-09, 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). This 2008-09 proportion has been applied to earlier years.

Also for 2008-09, the Commission obtained information on the breakdown of Austrade expenditure by activity in an attempt to concord it with the ANZSIC industry groupings. Austrade, however, indicated that the industry allocations may vary significantly year by year and that it would not be appropriate to apply the 2008-09 pattern to other years. Accordingly, the proportion of Austrade appropriation funding considered to provide industry assistance remains allocated to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.26).

Table A.26 **Allocation of Austrade appropriation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	99.0	98.0	109.2	111.4	118.8	100.3

[a] Unallocated includes programs where details of beneficiaries are unknown.

Source: Commission estimates based on Austrade Annual Report 2011-12 (and earlier years).

A.27 Tasmanian Freight Equalisation Scheme

The Tasmanian Freight Equalisation Scheme (TFES) aims to alleviate the comparative interstate sea freight cost disadvantage incurred in transporting goods to the mainland for use or sale, and/or to Tasmania as an input to production (DIT 2012).[3] The scheme applies to non-bulk goods produced in Tasmania for use on the mainland and raw material and equipment inputs (of mainland origin) into Tasmania's industries. The scheme selectively benefits firms located in Tasmania.

Tasmanian Assistance Services (TAS) — part of Centrelink — delivers the scheme on behalf of the Department of Infrastructure and Transport. Until 2009-10, TAS provided the Commission with an industry allocation of TFES payments. However, for 2010-11 and 2011-12, this information was not obtained. The 2009-10 industry allocation data has therefore been used to allocate total program funding for 2010-11 and 2011-12 by ANZSIC industry grouping.

Whilst the TAS database is able to identify outbound manufactured goods, it does not distinguish inbound raw materials by industry grouping. The result is that outbound goods are identified and inbound goods have been allocated to the *Unallocated manufacturing* industry grouping in the Commission's ANZSIC-based classification (table A.27).

[3] In the event of industrial unrest which prevents sea transportation, the scheme is available for airfreight.

Table A.27 **Allocation of Tasmanian Freight Equalisation Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**9.3**	**11.6**	**13.6**	**22.3**	**22.3**	**21.1**
Sheep, beef cattle and grain farming	-	-	-	0.8	0.8	0.8
Aquaculture and fishing	-	-	0.7	3.6	3.7	3.5
Forestry and logging	-	-	0.3	3.7	3.7	3.5
Unallocated primary production	9.3	11.6	12.6	14.1	14.1	13.3
Mining	**-**	**-**	**<0.1**	**0.2**	**0.2**	**0.2**
Manufacturing	**79.3**	**88.5**	**93.2**	**69.0**	**69.2**	**65.5**
Food, beverages and tobacco	16.3	17.5	14.8	-	-	-
Textile, leather, clothing and footwear	0.5	0.4	0.2	-	-	-
Wood and paper products	18.8	19.3	13.2	-	-	-
Metal and fabricated metal products	2.9	3.4	4.8	-	-	-
Furniture and other manufacturing	1.4	1.4	1.1	-	-	-
Unallocated manufacturing	39.4	46.4	59.1	69.0	69.2	65.5
Services	**-**	**-**	**<0.1**	**0.2**	**0.2**	**0.2**
Education and training	-	-	<0.1	<0.1	<0.1	<0.1
Arts and recreation services	-	-	<0.1	0.2	0.2	0.1
Unallocated other[a]	1.0	1.2	2.5	6.6	6.6	6.3
Total	**89.6**	**101.3**	**109.4**	**98.3**	**98.5**	**93.2**

- Nil. [a] Unallocated includes programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Department of Infrastructure, Transport, Regional Development and Local Government Annual Report 2011-12 (and earlier years); and detailed Centrelink data by ANZSIC industry.

A.28 Screen Australia

Screen Australia was established on 1 July 2008, replacing the Australian Film Commission, Film Finance Corporation Australia and Film Australia Limited. The main functions of Screen Australia are to support the development, production, promotion and distribution of Australian screen content by:

- supporting the production of feature films, documentaries, television drama and children's programs;
- supporting the growth of screen businesses;
- supporting marketing and screen culture initiatives which focus on engaging audiences with Australian content;
- developing high-quality scripts and proposals;
- facilitating innovation and audience-engaging online content;
- supporting Indigenous talent and distinctive stories;

- administering the Government's producer offset and international co-production program to increase the commercial sustainability of production in Australia;
- providing data and research to the industry and government; and
- promoting access to the archives of Australian documentary screen content (Screen Australia 2012).

Screen Australia selectively benefits film and screen based service activities and has been allocated to the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.28).

Table A.28 **Allocation of Screen Australia appropriation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	-	-	102.9	93.6	89.4	91.8

- Nil.

Source: Commission estimates based on Screen Australia Annual Report 2011-12 (and earlier years).

A.29 National Urban Water and Desalination Plan

The National Urban Water and Desalination Plan (NUWDP) was introduced in May 2008 and forms part of the Australian Government's $12.9 billion Water for the Future initiative. Around $1 billion has been committed to the plan which is used to fund projects that use desalination, recycling and stormwater harvesting to improve water supply security in towns and cities of 50 000 people or more (Department of the Environment 2013d).

Information on the industry incidence of the program has not been readily available. Accordingly, the budgetary outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.29).

Table A.29 **Allocation of National Urban Water and Desalination Plan to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	10.0	16.2	46.0	88.9

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Sustainability, Environment, Water, Population and Communities Annual Report 2011-12 (and earlier years).

A.30 Textile, Clothing and Footwear corporate wear program

The Textile, Clothing and Footwear (TCF) corporate wear program allows individuals and firms to claim tax deductions for certain uniforms or corporate clothing (with company labelling attached to them). Firms that provide such clothing to employees (free of charge or at a reduced rate) are not liable to pay fringe benefits tax, while individuals who purchase the clothing themselves can claim a tax deduction for the value of the clothing (AusIndustry 2011).

Information on the industry incidence of the program is not readily available. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.30).[4]

Table A.30 **Allocation of Textile, Clothing and Footwear corporate wear program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	56.4	66.6	74.1	93.1	85.4	85.4

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years); and DIISR data by contact.

A.31 Duty Drawback

The Duty Drawback scheme provides refunds of tariff duties paid on imported materials that are subsequently re-exported or used in production of other goods which are exported. Duty drawback is not payable on capital equipment, fuel, or chemicals, which are used in the process of producing goods for export. As such, agricultural and mining activities have limited opportunities to use the drawback provisions (ACS 2010).

The scheme predominantly benefits firms in the manufacturing sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated*

4 Prior to 2007-08, the program was treated as benefiting the TCF industry. The current treatment emerged in light of a more detailed examination of TCF assistance as part of the Commission's contracted modelling (PC 2008) for the Review of the Australian Textiles, Clothing and Footwear Industries (the so called Green Review — *Building Innovative Capability*).

manufacturing industry grouping in the Commission's ANZSIC-based classification (table A.31).

Table A.31 **Allocation of Duty Drawback to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	103.9	107.2	118.4	94.6	74.5	62.5

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on data obtained from the Australian Customs and Border Protection Service.

A.32 Grains Research and Development Corporation

The Grains Research and Development Corporation (GRDC) is a Commonwealth statutory authority. The GRDC's objective is to combine the funding resources of individual grain producers in order to encourage investment in grain industry research. A levy is applied to most grains (around 1 per cent of farm gate value), and the Australian Government matches the research funds raised (GRDC 2012).

The Australian Government contribution is targeted assistance for the grains industry, and thus is allocated to the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.32).

Table A.32 **Allocation of Grains Research and Development Corporation to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	35.8	28.9	36.9	50.1	53.4	55.9

Source: Commission estimates based on Grains Research and Development Corporation Annual Report 2011-12 (and earlier years).

A.33 National Energy Efficiency Initiative – Smart Grid, Smart City

On 7 June 2010, the Australian Government announced that a consortium led by Ausgrid (formerly EnergyAustralia's distribution business) would deliver the Smart Grid, Smart City demonstration project (DRET 2011). In the 2009-10 Budget, the Government committed up to $100 million to deploy Australia's first fully integrated, commercial-scale smart grid in partnership with the energy sector. The project aims to demonstrate how smart grid technologies and applications can improve network reliability, deliver economic efficiencies, and drive consumer behaviour. In doing so, it aims to allow Australia to showcase world's best practice by integrating grid technologies with active customer involvement and test whether smart grids can improve the efficiency of the electricity sector. The project investigates how electricity from renewable and distributed generation and energy storage sources, such as wind and solar energy generation and battery storage devices, can be integrated more effectively into the existing electricity network

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.33).

Table A.33 **Allocation of National Energy Efficiency Initiative – Smart Grid, Smart City to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	-	33.7	51.0

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.34 Commercialisation Australia

In May 2009, the Australian Government announced that it would replace the COMET program (see item A.121) (and other programs) with the establishment of Commercialisation Australia (CA) (Carr 2009a). CA is a competitive merit-based program that aims to increase business innovation and help early-stage entrepreneurs convert innovative intellectual property into successful commercial outcomes to build sustainable businesses (DIISR 2012). The program is based on three key elements:

- grants of up to $2 million, tailored to meet the needs of early stage businesses;
- a national network of 26 case managers who work closely with each participant; and
- the volunteer business mentor network, to offer participants a wide source of expertise and opportunities to make important connections.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research (DIISR) detailing expenditure data for CA by ANZSIC industry. These industry shares have been used to allocate total CA funding to the Commission's ANZSIC-based industry groupings (table A.34).

Table A.34 **Allocation of Commercialisation Australia to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**-**	**<0.1**	**0.3**	**1.4**
Horticulture and fruit growing	-	-	-	-	0.2	0.3
Aquaculture and fishing	-	-	-	-	<0.1	1.1
Primary production support services	-	-	-	-	<0.1	<0.1
Mining	**-**	**-**	**-**	**-**	**<0.1**	**0.9**
Manufacturing	**-**	**-**	**-**	**0.8**	**8.3**	**19.7**
Food, beverages and tobacco	-	-	-	<0.1	0.8	0.4
Textile, leather, clothing and footwear	-	-	-	-	-	0.1
Petroleum, coal, chemical and rubber products	-	-	-	0.5	2.5	2.5
Non-metallic mineral products	-	-	-	-	0.1	0.3
Metal and fabricated metal products	-	-	-	-	<0.1	1.1
Motor vehicle and parts	-	-	-	-	0.5	1.2
Other transport equipment	-	-	-	-	-	0.6
Machinery and equipment manufacturing	-	-	-	0.1	4.1	11.4
Furniture and other manufacturing	-	-	-	<0.1	0.3	2.1
Services	**-**	**-**	**-**	**1.5**	**14.3**	**28.5**
Electricity, gas, water and waste services	-	-	-	-	0.3	0.9
Wholesale trade	-	-	-	-	0.2	1.8
Retail trade	-	-	-	-	<0.1	<0.1
Accommodation and food services	-	-	-	-	-	<0.1
Transport, postal and warehousing	-	-	-	<0.1	<0.1	0.7
Information, media and telecommunications	-	-	-	0.4	2.6	8.1
Financial and insurance services	-	-	-	-	-	0.9
Property, professional and administrative services	-	-	-	1.0	10.0	13.6
Public administration and safety	-	-	-	-	0.2	0.1
Education and training	-	-	-	-	0.5	0.8
Health care and social assistance	-	-	-	<0.1	0.6	1.4
Total	**-**	**-**	**-**	**2.3**	**23.0**	**50.6**

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2009-10; and detailed DIISR data by ANZSIC industry.

A.35 Pooled Development Funds

Concessional tax treatment is available to investment companies that are established and registered as Pooled Development Funds (PDF). The program was established in 1992 and intended to encourage investment in SMEs. The program closed to new registrations in 2007 although it continues to operate for existing PDFs. Tax concessions available to PDFs and PDF shareholders include: taxation on income and gains at the rate of 15 per cent rather than the corporate tax rate of 30 per cent;

and other income taxed at the rate of 25 per cent (Tax Expenditure Statement, Australian Government 2013, Item B 72).

The Commission obtains estimates of the revenue forgone under the PDF scheme from the Tax Expenditure Statement.

Assistance under the scheme has been allocated to the *Financial and insurance services* industry grouping in the Commission's ANZSIC-based classification (table A.35).

Table A.35 **Allocation of Pooled Development Funds to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Financial and insurance services	9.0	11.0	10.0	5.0	5.0	45.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 100, item B72.

A.36 Tasmanian Forest Industry Adjustment Package

Established in 2011 under the Tasmanian Forests Intergovernmental Agreement (Heads of Agreement) signed by the Prime Minister and the Premier of Tasmania, the Tasmanian Forest Industry Adjustment Package provided for $277 million over 15 years (DAFF 2012). The Package comprised three streams:

- support displaced workers and their families and contractors affected by the recent downturn in industry activity and the commercial decision of Gunns Limited to exit native forest harvesting and processing activities ($86 million, including $45 million in exit assistance);
- help protect forests of high conservation value and ensure a sustainable wood supply for industry ($71 million); and
- help identify and fund regional development and economic diversification projects in Tasmania ($120 million).

In 2011-12, $42.4 million was spent under the contractors exit assistance component. This has been allocated to the *Forestry and logging* industry in the Commission's ANZSIC-based industry groupings (table A.36).

Table A.36 **Allocation of Tasmanian Forest Industry Adjustment Package to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Forestry and logging	-	-	-	-	-	42.4

- Nil.

Source: Commission estimates based on DAFF Annual Report 2011-12.

A.37 Horticulture Australia Limited – Research and Development

Horticulture Australia comprises two entities — Horticulture Australia Ltd (HAL) and the Horticulture Australia Council. Horticulture Australia Ltd focuses on marketing and R&D to improve the national and international competitiveness of horticultural producers. The Horticulture Australia Council deals with issues such as food safety and supply chains, and resource issues such as improved systems of water use. These two bodies replaced the Horticultural R&D Corporation and the Australian Horticultural Corporation (HAL 2009).

R&D carried out by HAL is jointly funded by an industry levy and matching Australian Government funding. This funding selectively benefits horticulturalists and has been allocated to the *Horticulture and fruit growing* industry grouping in the Commission's ANZSIC-based classification (table A.37).

Table A.37 **Allocation of Horticulture Australia Limited – Research and Development to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Horticulture and fruit growing	34.6	34.5	39.8	40.5	40.5	42.0

Source: Commission estimates based on Horticulture Australia Limited Annual Report 2011-12 (and earlier years).

A.38 TRADEX Scheme

The Tradex scheme provides an up-front exemption from Customs duty (and the Goods and Services Tax (GST)) on imported goods intended for export or to be used as inputs to exports. The scheme provides an alternative to the Customs duty drawback scheme (see item A.31) which requires an up-front payment of Customs duty and GST and then the subsequent recovery of these taxes when the goods have been exported. Under the Tradex scheme, goods must be exported within 12 months of importation, although approval can be sought to extend this period (AusIndustry 2010).

The Commission has obtained data from DIISR detailing the industry incidence and total revenue forgone from the scheme. This information has been used to allocate the revenue forgone from the scheme to the Commission's ANZSIC-based industry groupings (table A.38).

Table A.38 **Allocation of TRADEX Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**0.6**	**0.6**	**0.6**	**0.5**	**0.3**	**0.3**
Dairy cattle farming	0.6	0.6	0.5	0.5	0.3	0.3
Aquaculture and fishing	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Primary production support services	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Mining	**0.6**	**0.6**	**0.5**	**0.5**	**0.3**	**0.3**
Manufacturing	**69.3**	**69.2**	**58.8**	**52.7**	**33.9**	**36.1**
Food, beverages and tobacco	0.9	0.9	0.8	0.7	0.5	0.5
Textile, leather, clothing and footwear	7.2	7.2	6.1	5.5	3.5	3.7
Wood and paper products	0.7	0.7	0.6	0.5	0.3	0.4
Printing and recorded media	0.3	0.3	0.2	0.2	0.1	0.1
Petroleum, coal, chemical and rubber products	2.6	2.6	2.2	2.0	1.3	1.4
Non-metallic mineral products	0.3	0.3	0.2	0.2	0.1	0.1
Metal and fabricated metal products	2.2	2.2	1.9	1.7	1.1	1.1
Motor vehicle and parts	46.9	46.8	39.7	35.7	22.9	24.4
Other transport equipment	0.2	0.2	0.2	0.2	0.1	0.1
Machinery and equipment manufacturing	5.8	5.7	4.9	4.4	2.8	3.0
Furniture and other manufacturing	2.3	2.3	1.9	1.7	1.1	1.2
Services	**9.6**	**9.6**	**8.1**	**7.3**	**4.7**	**5.0**
Electricity, gas, water and waste services	0.1	0.1	0.1	0.1	<0.1	<0.1
Construction	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Wholesale trade	3.5	3.5	2.9	2.6	1.7	1.8
Retail trade	4.4	4.4	3.7	3.4	2.2	2.3
Transport, postal and warehousing	0.5	0.5	0.5	0.4	0.3	0.3
Financial and insurance services	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Property, professional and admin. services	0.4	0.4	0.4	0.3	0.2	0.2
Public administration and safety	0.2	0.2	0.2	0.1	<0.1	<0.1
Health care and social assistance	0.3	0.3	0.3	0.2	0.2	0.2
Total	**80.1**	**80.0**	**68.0**	**61.0**	**39.2**	**41.7**

a Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 171, item E34; Industry classification derived from detailed ATO data by ANZSIC industry.

A.39 Meat and Livestock Australia – Research and Development

Meat & Livestock Australia (MLA) provides R&D and marketing services to the Australian red meat industry (MLA 2012). MLA is a producer-owned company that works in partnership with industry and government with the objective of achieving a profitable and sustainable red meat and livestock industry. MLA is funded through Australian Government appropriations, industry levies and contributions from individual companies and industry bodies.

R&D carried out by the MLC selectively assists livestock farming which is mostly located within the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.39).

Table A.39 **Allocation of Meat and Livestock Australia – Research and Development to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	35.7	34.5	31.4	38.1	35.6	37.1

Source: Commission estimates based on MLA Annual Report 2011-12 (and earlier years).

A.40 Caring for Our Country – Landcare

In March 2008, the Australian Government announced that it would commit around $2 billion over five years in natural resource and environmental management through the Caring for Our Country program. The program is intended to provide a coordinated approach to environmental management in Australia supported by transparent and consistent national five-year objectives. The program combines previous Australian Government natural resource management programs including: the Natural Heritage Trust; the National Landcare program; the Environmental Stewardship program; and the Working on Country program (Garrett and Burke 2008).

Six priority areas have been identified to receive funding under the program:

- Australia's National Reserve System;
- biodiversity and natural icons;
- coastal environments and critical aquatic habitats;
- sustainable farm practices;
- natural resource management in remote and northern Australia; and

- community skills, knowledge and engagement.

The program primarily benefits the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budgetary outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.40).

Table A.40 **Allocation of Caring for Our Country – Landcare to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	37.0	44.6	35.2	32.1	34.0	36.8

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.41 Bass Strait Passenger Vehicle Equalisation Scheme

The Bass Strait Passenger Vehicle Equalisation scheme was introduced in 1996 and provides a partial rebate of the cost of sea travel across Bass Strait for passengers accompanying an eligible vehicle. The rebate is provided to the driver of an eligible passenger vehicle in the form of a reduced fare charged by a service operator. The service operator is reimbursed by the Australian Government for the total rebate provided to eligible passengers. The scheme provides assistance for over 150 000 eligible vehicle crossings annually. The scheme is demand driven and uncapped with no upper limit to the total annual payment (DITRDLG 2010).

The Bass Strait Passenger Vehicle Equalisation scheme is considered to initially benefit transport services activities. Accordingly, the scheme has been allocated to the *Transport, postal and warehousing* industry grouping in the Commission's ANZSIC-based classification (table A.41).

Table A.41 **Allocation of Bass Strait Passenger Vehicle Equalisation to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Transport, postal and warehousing	28.4	30.1	35.1	36.5	36.5	34.6

Sources: Commission estimates based on Department of Infrastructure, Transport, Regional Development and Local Government Annual Report 2011-12 (and earlier years).

A.42 Ford Australia Assistance

In 2011-12, the Australian Government provided a $34 million grant to Ford Australia Limited (Department of Industry 2013d). The announced purpose of the grant was to:

- help Ford Australia Limited make investments that contribute to the viability and sustainability of the company and an internationally competitive Australian automotive industry;
- enhance the company's automotive capabilities; and
- support innovation in the company and the automotive industry.

The grant has been allocated to the *Motor vehicles and parts* industry grouping in the Commission's ANZSIC-based classification (table A.42).

Table A.42 **Allocation of Ford Australia Assistance to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	-	-	-	-	-	34.0

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.43 Australian Solar Institute

Established in 2009, the Australian Solar Institute (also known as the Energy Innovation Fund) aims to keep Australia at the forefront of solar innovation by investing in activities that aim to reduce the cost, and increase the competitiveness, of photovoltaic and concentrating solar power technologies (Australian Solar Institute 2013).

The activities of the Institute have been identified as selectively benefiting activities predominantly in the manufacturing sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the Unallocated other industry grouping in the Commission's ANZSIC-based classification (table A.43).

Table A.43 **Allocation of Australian Solar Institute funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	-	-	5.8	49.8	30.0	32.7

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.44 Exceptional Circumstances – interest rate subsidies

The Exceptional Circumstances (EC) arrangements are the Australian Government's primary mechanism for assisting farmers and small business operators affected by drought. There have been two main forms of assistance available under the arrangements: interest rate subsidies and income support.

EC interest rate subsidies of up to $100 000 per year, with a cap of $500 000 over five years, have been available to eligible farm enterprises and small businesses. EC interest rate subsidies have been funded jointly by the Australian Government (90 per cent) and state and territory governments (10 per cent). Only the Australian Government contribution is reported in the table below.

The EC interest rate subsidy arrangements ceased on 30 June 2012 (DAFF 2012). The Department of Agriculture, Fisheries and Forestry (DAFF) has provided a breakdown of EC interest rate subsidies by ANZSIC industry (table A.44).

Table A.44 **Allocation of Exceptional Circumstances – interest rate subsidies to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**414.5**	**640.1**	**457.3**	**358.8**	**247.0**	**31.7**
Horticulture and fruit growing	8.7	13.5	34.0	27.6	26.0	8.7
Sheep, beef cattle and grain farming	296.4	457.7	359.1	256.2	182.8	15.8
Other crop growing	15.4	23.8	7.8	31.8	-	2.1
Dairy cattle farming	88.4	136.5	45.3	38.1	23.3	2.9
Other livestock farming	5.6	8.6	5.9	3.4	1.5	0.4
Aquaculture and fishing	-	-	<0.1	<0.1	13.3	<0.1
Forestry and logging	-	-	<0.1	-	-	<0.1
Primary production support services	<0.1	<0.1	1.2	1.6	-	1.8
Unallocated primary production	<0.1	<0.1	3.9	-	-	<0.1
Manufacturing	**-**	**-**	**-**	**-**	**<0.1**	**-**
Machinery and equipment manufacturing	-	-	-	-	<0.1	-
Services	**-**	**-**	**-**	**-**	**0.5**	**0.3**
Wholesale trade	-	-	-	-	<0.1	-
Retail trade	-	-	-	-	<0.1	-
Transport, postal and warehousing	-	-	-	-	0.4	0.3
Property, professional and administrative services	-	-	-	-	<0.1	-
Total	**414.5**	**640.1**	**457.3**	**358.8**	**247.5**	**32.0**

– Nil.

Source: Commission estimates based on detailed DAFF Exceptional Circumstances data by ANZSIC industry.

A.45 Exemption of refundable film tax offset payments

The refundable tax offset for large scale film production provides a financial incentive for film production to be undertaken in Australia. Payments made under the scheme (see Annex item A.31) are exempt from tax (Tax Expenditure Statement, Australian Government 2013, Item B 35).

The refundable film tax offset selectively benefits film production activities. The taxation concession has been allocated to the *Arts and recreational services* industry grouping in the Commission’s ANZSIC-based classification (table A.45).

Table A.45 **Allocation of Exemption of refundable film tax offset payments to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	10.0	2.0	17.0	38.0	36.0	32.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 82, item B35.

A.46 Green Building Fund

Part of the Clean Business Australia initiative, the Green Building Fund (GBF) aims to reduce greenhouse gas emissions from existing Australian commercial office buildings, by providing incentives to building owners to improve their energy efficiency. The fund also provides a limited number of grants for projects directed towards developing the knowledge, skills or capability of those involved in the operation of commercial office buildings. In 2010, the Australian Government committed an additional $30 million to the GBF and expanded the program by including hotels and shopping centres covered by the National Australian Built Environment Rating System (DIISR 2011).

The GBF benefits various businesses in the services sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.46).

Table A.46 **Allocation of Green Building Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	-	-	-	16.7	24.0	31.9

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.47 Carbon Farming Futures

The Carbon Farming Futures program aims to provide $429 million over six years to ensure that advances in management practices, technologies and techniques will continue to evolve to reduce emissions while maintaining productivity (LSCBB 2012). These advances are intended to allow farmers and other land managers to benefit from economic opportunities while assisting Australia in achieving its long term emissions reduction target. The program includes five components.

- The Filling the Research Gap program aims to invest around $201 million over the six years to support research into abatement technologies and practices that reduce greenhouse gas emissions from the land sector, store carbon in the landscape and enhance sustainable agricultural practices. The research outcomes are intended to support the development of offset methodologies under the Carbon Farming Initiative (CFI).
- The Action on the Ground program aims to invest around $99 million over the six years to help land managers, farmers and industry to trial on-farm abatement management practices and technologies to demonstrate how they can reduce agricultural greenhouse gas emissions (methane and nitrous oxide) or increase and store carbon in soil.
- The Extension and Outreach program aims to invest around $64 million over the six years to support a range of activities that will provide information and support to land managers, farmers, and their key influencers about the CFI and land sector emissions management. The program also aims to fund the development of information tools and systems and additional communication resources to boost awareness and build capacity for land managers to undertake greenhouse gas mitigation practices and participate in the CFI.
- The Conservation Tillage Refundable Tax Offset program is intended to provide a 15 per cent refundable tax offset for new conservation seeding equipment purchased and installed between 1 July 2012 and 30 June 2015.
- The Carbon Farming Initiative Methodology Development program (MDP) includes $19.6 million in funding to facilitate the development of CFI methodologies that expand opportunities for the participation of land managers in the CFI.

The program primarily benefits the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.47).

Table A.47 **Allocation of Carbon Farming Futures to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	-	-	-	27.3

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Land Sector Carbon and Biodiversity Board Annual Report 2011-12.

A.48 Enterprise Connect Innovation Centres

Announced by the Australian Government in May 2008, the Enterprise Connect Innovation centres aim to provide Australia's small and medium sized enterprises (SMEs) with access to technology, research, and business and management advisory services. Enterprise Connect comprises two components: a manufacturing network and innovation centres (Carr 2008b).

Each year, the Department of Innovation, Industry, Science and Research (DIISR) provides data on expenditure for the Enterprise Connect Innovation Centres according to the Commission's ANZSIC-based industry classification (table A.48).

Table A.48 **Allocation of Enterprise Connect Innovation Centres to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**<0.1**	**<0.1**	**<0.1**	**<0.1**	**0.1**
Horticulture and fruit growing	-	-	-	-	-	<0.1
Sheep, beef cattle and grain farming	-	-	-	-	<0.1	<0.1
Other livestock farming	-	-	-	<0.1	-	-
Aquaculture and fishing	-	<0.1	<0.1	<0.1	-	<0.1
Primary production support services	-	-	-	-	<0.1	<0.1
Mining	**-**	**<0.1**	**<0.1**	**0.2**	**0.2**	**0.1**
Manufacturing	**-**	**1.0**	**1.0**	**14.8**	**15.2**	**5.2**
Food, beverages and tobacco	-	0.2	0.2	0.6	0.9	0.8
Textile, leather, clothing and footwear	-	<0.1	<0.1	0.2	0.4	0.4
Wood and paper products	-	<0.1	<0.1	0.2	0.5	0.4
Printing and recorded media	-	<0.1	<0.1	0.2	0.2	0.2
Petroleum, coal, chemical and rubber products	-	<0.1	<0.1	0.5	0.9	0.6
Non-metallic mineral products	-	<0.1	<0.1	0.1	0.1	<0.1
Metal and fabricated metal products	-	0.2	0.2	0.9	1.3	0.9
Motor vehicles and parts	-	<0.1	<0.1	0.2	-	0.2
Other transport equipment	-	<0.1	<0.1	<0.1	0.4	<0.1
Machinery and equipment manufacturing	-	0.2	0.2	1.0	1.1	1.1
Furniture and other manufacturing	-	0.2	0.2	0.4	0.3	0.3
Unallocated manufacturing[a]	-	-	-	10.6	9.2	0.1
Services	**-**	**4.0**	**4.0**	**5.0**	**6.7**	**20.7**
Electricity, gas, water and waste services	-	<0.1	<0.1	<0.1	0.2	0.3
Construction	-	<0.1	<0.1	0.2	0.3	0.5
Wholesale trade	-	<0.1	<0.1	0.1	0.3	0.3
Retail trade	-	<0.1	<0.1	<0.1	0.1	0.2
Accommodation and food services	-	-	-	<0.1	<0.1	<0.1
Transport, postal and warehousing	-	<0.1	<0.1	<0.1	<0.1	<0.1
Information, media and telecommunications	-	<0.1	<0.1	0.1	0.1	0.1
Financial and insurance services	-	-	-	<0.1	<0.1	-
Property, professional and administrative services	-	2.8	2.8	1.4	2.6	3.7
Public administration and safety	-	0.2	0.2	0.7	0.2	0.8
Education and training	-	0.7	0.7	1.7	1.1	2.6
Health care and social assistance	-	-	-	<0.1	-	<0.1
Arts and recreation services	-	-	-	<0.1	<0.1	<0.1
Other services	-	-	-	0.5	1.6	12.1
Unallocated services[a]	-	-	-	-	<0.1	-
Unallocated other[a]	-	0.3	0.3	1.4	3.9	-
Total	**-**	**10.3**	**10.3**	**41.3**	**48.1**	**51.9**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10; DIISR Portfolio Budget Statements 2008-09; and detailed DIISR data by ANZSIC industry.

A.49 National Low Emissions Coal Initiative

The National Low Emissions Coal Initiative aims to accelerate the development and deployment of low emissions coal technologies and carbon dioxide transport and storage infrastructure in Australia, through funding research and development, carbon storage exploration and mapping, domestic medium-scale demonstration projects and the Australia–China Joint Coordination Group on Clean Coal Technology. The Initiative encourages cooperation between the Australian Government, state governments and industry on low-emissions coal research and demonstration projects (DRET 2012). In doing so, it aims to enable major cuts in greenhouse gas emissions from coal usage to be made over time while enhancing energy security and maintaining the contribution of coal to Australia's economic growth (DRET 2013a).

The Commission has included the funding as assistance to the *Mining* industry grouping in the Commission's ANZSIC-based classification (table A.49).

Table A.49 **Allocation of National Low Emissions Coal Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	-	-	8.7	32.3	47.6	25.6

- Nil.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.50 ICT Centre of Excellence Program – National ICT Australia (NICTA)

Established in 2002, National Information and Communication Technologies Australia (NICTA) is Australia's largest government funded national institution dedicated to ICT research, research training and commercialisation. It collaborates with private sector research organisations, major companies, small to medium size enterprises (SMEs) and public sector agencies (Department of Communications 2013a). NICTA is funded through the ICT Centre of Excellence Program.

For *Trade & Assistance Review 2011-12*, the ICT Centre of Excellence Program has been allocated to the *Information media and telecommunications* industry grouping in the Commission's ANZSIC-based classification (table A.50).

Table A.50 **Allocation of ICT Centre of Excellence Program – National ICT Australia to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Information media and telecommunications	24.0	26.8	27.3	25.4	25.9	25.0

Source: Commission estimates based on Department of Broadband, Communications and the Digital Economy Annual Report 2011-12 (and earlier years).

A.51 Tax deduction for conserving or conveying water

Capital expenditure on facilities for conserving or conveying water may be claimed as a tax deduction or a rebate over three years if incurred as part of carrying on a business of primary production. The deduction or rebate may be claimed for such things as dams, tanks, bores, wells, irrigation channels or similar improvements, pipes, pumps, water towers, and windmills (Tax Expenditure Statement, Australian Government 2013, Item B 84).

The Commission has obtained information from the ATO detailing claim data for the concession by ANZSIC industry. The industry shares from the ATO claim data have been used to allocate Treasury estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.51).

Table A.51 **Allocation of Tax deduction for conserving or conveying water to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**30.0**	**20.0**	**20.0**	**20.0**	**25.0**	**25.0**
Horticulture and fruit growing	3.8	2.0	2.0	3.7	4.7	4.7
Sheep, beef cattle and grain farming	16.7	13.3	13.3	11.4	14.3	14.3
Other crop growing	5.0	1.8	1.8	1.5	1.8	1.8
Dairy cattle farming	1.8	1.3	1.3	1.5	1.8	1.8
Other livestock farming	0.9	1.1	1.1	1.6	2.0	2.0
Aquaculture and fishing	-	-	-	<0.1	<0.1	<0.1
Forestry and logging	0.4	0.1	0.1	0.1	0.2	0.2
Primary production support services	1.4	0.3	0.3	0.1	0.2	0.2
Total	**30.0**	**20.0**	**20.0**	**20.0**	**25.0**	**25.0**

- Nil.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 106, item B84; Industry classification derived from detailed ATO data by ANZSIC industry.

A.52 Australian Centre for Renewable Energy

Part of the Clean Energy Initiative (CEI), the Australian Centre for Renewable Energy (ACRE) aims to promote the development, commercialisation and deployment of renewable energy and enabling technologies and improve their competitiveness in Australia (DRET 2013b).

Information on the industry incidence of the ACRE has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.52).

Table A.52 **Allocation of Australian Centre for Renewable Energy funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	15.5	14.4	23.8

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.53 Clothing and Household Textile Building Innovative Capability Program

The Clothing and Household Textile Building Innovative Capability (BIC) scheme replaced the Textile, Clothing and Footwear (TCF) Strategic Investment Program (SIP) Post-2005 scheme from the 2010-11 program year (AusIndustry 2013e). The $112.5 million BIC scheme is aimed at fostering the development of an internationally competitive clothing and household textile manufacturing and design industry in Australia, by providing incentives to promote innovation and associated investment.

Program funding has been allocated to the *Textile, leather, clothing and footwear* industry grouping in the Commission's ANZSIC-based classification (table A.53).

Table A.53 **Allocation of Clothing and Household Textile Building Innovative Capability Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Textile, leather, clothing and footwear	-	-	-	-	-	22.6

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.54 High Costs Claims Scheme

The High Costs Claims (HCC) scheme reimburses medical indemnity insurers for 50 per cent of the cost of insurance payouts, for claims over $300 000 and up to the limit of the practitioner’s cover that are notified on or after 1 January 2004. The scheme forms part of a broader package of medical indemnity arrangements introduced by the Australian Government in 2002 (Department of Health 2013a).

The HCC scheme selectively benefits insurance activities and has been allocated to the *Financial and insurance services* industry grouping in the Commission’s ANZSIC-based classification (table A.54).

Table A.54 **Allocation of High Costs Claims Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Financial and insurance services	8.8	3.2	19.5	21.4	24.5	20.3

Source: Commission estimates based on Department of Human Services Annual Report 2011-12 and Medicare Annual Report 2010-11 (and earlier years).

A.55 Temporary Assistance for Tasmanian Exporters

The Temporary Assistance for Tasmanian Exporters Program provides assistance to Tasmanian exporters to help them access international markets (DIT 2012).

Of the $20 million in assistance provided by the Program in 2011-12, the Commission has allocated $14.2 million to various ANZSIC-based industry groupings using detailed Centrelink industry data for the Tasmanian Freight Equalisation Scheme. The remaining $5.8 million was for facilities provided by water and land transport businesses and has been allocated to the *Transport, postal* *and warehousing services* industry grouping in the Commission’s ANZSIC-based classification (table A.55).

Table A.55 **Allocation of Temporary Assistance for Tasmanian Exporters to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**-**	**-**	**-**	**3.2**
Sheep, beef cattle and grain farming	-	-	-	-	-	0.1
Aquaculture and fishing	-	-	-	-	-	0.5
Forestry and logging	-	-	-	-	-	0.5
Unallocated primary production[a]	-	-	-	-	-	2.0
Mining	**-**	**-**	**-**	**-**	**-**	**<0.1**
Manufacturing	**-**	**-**	**-**	**-**	**-**	**9.9**
Unallocated manufacturing[a]	-	-	-	-	-	9.9
Services	**-**	**-**	**-**	**-**	**-**	**5.9**
Transport, postal and warehousing	-	-	-	-	-	5.9
Education and training	-	-	-	-	-	<0.1
Arts and recreation services	-	-	-	-	-	<0.1
Unallocated other[a]	-	-	-	-	-	0.9
Total	**-**	**-**	**-**	**-**	**-**	**20.0**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Infrastructure and Transport Annual Report 2011-12.

A.56 LPG Vehicle Scheme

Introduced in 2006, the LPG (Liquefied Petroleum Gas) Vehicle Scheme provides funding to support the conversion of private motor vehicles to use LPG. The scheme provides a grant, currently $1 000, for an approved and fitted LPG conversion of an existing registered motor vehicle. Grants of $2 000 are also available for the purchase of a new vehicle fitted with LPG prior to its first registration.

For *Trade & Assistance Review 2011-12*, the LPG Vehicle Scheme has been allocated to motor vehicle services activity within the broader *Retail trade* industry grouping (table A.56).

Table A.56 **Allocation of LPG Vehicle Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Retail trade	121.8	163.2	175.8	65.2	40.9	18.8

Source: Commission estimates based on detailed Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) data by ANZSIC industry.

A.57 Dairy Australia – Research and Development

Dairy Australia is a national service company that operates on behalf of the Australian dairy industry and whose members are dairy farmers and industry bodies. Dairy Australia is jointly funded by an industry levy and matching Australian Government contributions (Dairy Australia 2012).

R&D carried out by Dairy Australia selectively assists the dairy cattle farming industry and the Australian Government contribution has been allocated to this industry grouping in the Commission's ANZSIC-based industry classification (table A.57).

Table A.57 **Allocation of Dairy Australia – Research and Development to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Dairy cattle farming	16.0	18.3	19.2	19.6	18.8	18.6

Source: Commission estimates based on Dairy Australia Annual Report 2011-12 (and earlier years).

A.58 Automotive Industry Structural Adjustment Program

Part of A New Car Plan for a Greener Future, the Automotive Industry Structural Adjustment Program (AISAP) aims to facilitate consolidation in the automotive components sector by helping firms with legal, relocation, merger and labour market adjustment costs (Department of Industry 2013b).

The program has been allocated to the *Motor vehicles and parts* industry grouping in the Commission's ANZSIC-based classification (table A.58).

Table A.58 **Allocation of Automotive Industry Structural Adjustment Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicles and parts	-	-	7.9	18.1	17.0	16.8

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2011-12 (and earlier years); and DIISR Portfolio Budget Statements 2010-11.

A.59 Fisheries Research and Development Corporation

The Fisheries Research and Development Corporation (FRDC) is a statutory authority established in 1991 under the *Primary Industries and Energy Research and Development Act 1989*. The FRDC funds research projects in the areas of resources sustainability, ecosystems protection, and industry development. The FRDC receives Australian Government funding equivalent to 0.5 per cent of industry gross value of production (GVP). In addition, the Australian Government matches dollar-for-dollar income raised from production levies (FRDC 2012).

Funding for the FRDC selectively assists fishing industry activities and has been classified to *Aquaculture and fishing* in the Commission's ANZSIC-based industry groupings (table A.59).

Table A.59 **Allocation of Fisheries Research and Development Corporation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Aquaculture and fishing	16.0	16.3	16.3	16.3	16.5	16.6

Source: Commission estimates based on Fisheries Research and Development Corporation Annual Report 2011-12 (and earlier years).

A.60 Drought Assistance – Re-establishment Assistance

In September 2007, the Australian Government announced a drought assistance package for irrigators, dryland farmers and small businesses severely affected by drought. As part of the package, an exit grant of up to $150 000 was made to available farmers who had decided to exit the industry, together with an increase in the assets limit to access this grant to $350 000. In addition, further amounts of $10 000 were made available for farmers who had successfully applied for the EC exit grant to obtain advice and retraining to assist in preparing for the transition away from farming, and to assist with relocation (Howard 2007).

The drought assistance package is targeted towards producers in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.60).

Table A.60 **Allocation of Drought Assistance – Re-establishment Assistance to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	4.6	17.6	20.0	23.9	16.4

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.61 Climate Change Adjustment Program

The Climate Change Adjustment Program, part of the Australia's Farming Future program, provides assistance to primary producers to help manage the impacts of climate change. Assistance is provided for individually tailored farm-business and management advice.

Advice is available to eligible primary producers adversely impacted or likely to be impacted, by climate change, including those experiencing hardship caused by drought. Professional advice and training is individually tailored to help farm businesses adjust to climate change and to set goals and develop action plans to improve their financial circumstances, either within or outside of agriculture. Assistance is also available to farmers who decide to leave farming (DAFF 2012).

The Climate Change Adjustment Program is targeted at the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.61).

Table A.61 **Allocation of Climate Change Adjustment Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	3.5	12.4	8.7	16.2

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.62 Innovation Investment Fund

Established in 1998, the Innovation Investment Fund (IIF) is a venture capital program that supports 10-year innovation funds to commercialise the outcomes of Australia's research with a view to develop high growth Australian companies to become globally competitive (AusIndustry 2013b). Objectives of the program include:

- developing fund managers with experience in the early stage venture capital industry;
- by addressing capital constraints and management constraints, encouraging the development of new companies that are commercialising research and development;
- establishing, in the medium term, a 'revolving' or self-funding scheme; and
- developing a self-sustaining, early stage venture capital industry in Australia.

Each year, the Department of Innovation, Industry, Science and Research (DIISR) provides data on government expenditure for the IIF by the Commission's ANZSIC-based industry classification (table A.62).

Table A.62 **Allocation of Innovation Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	**0.6**	**0.3**	**0.4**	**-**	**-**	**-**
Manufacturing	**1.5**	**2.1**	**0.5**	**0.6**	**1.1**	**1.4**
Food, beverages and tobacco	0.2	-	-	-	-	-
Petroleum, coal, chemical and rubber products	-	-	-	0.5	0.9	1.2
Metal and fabricated metal products	-	-	-	<0.1	0.2	0.2
Other transport equipment	0.3	0.7	0.2	-	-	-
Machinery and equipment manufacturing	1.0	1.4	0.3	-	-	-
Services	**10.3**	**9.7**	**4.8**	**6.4**	**11.1**	**14.5**
Electricity, gas, water and waste services	-	2.2	-	1.2	2.2	2.8
Construction	-	<0.1	-	-	-	-
Information, media and telecommunications	0.2	-	-	<0.1	<0.1	0.1
Financial and insurance services	3.9	3.1	1.9	3.0	5.3	6.9
Property, professional and administrative services	3.8	4.4	2.3	1.3	2.3	3.0
Health care and social assistance	2.4	-	0.6	0.7	1.2	1.6
Unallocated other	-	-	2.6	-	-	-
Total	**12.5**	**12.1**	**8.1**	**7.0**	**12.2**	**15.9**

- Nil.

Sources: Commission estimates based on Innovation Australia Annual Report 2011-12; DIISR Annual Report 2010-11 (and earlier years); Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.63 Small business – simplified depreciation rules

From 2012-13, small businesses with an aggregated annual turnover of less than $2 million can immediately write off (deduct) assets costing less than $6 500 (Tax Expenditure Statement, Australian Government 2013, item B104). Assets costing more than $6 500 can be depreciated in a single pool (the general small business pool) at a rate of 30 per cent (15 per cent in the first year). Small businesses will also be able to immediately write off up to $5 000 for motor vehicles (new and used) purchased after 2012-13. The remainder of the value of a motor vehicle can be depreciated in the general small business pool.

Information on the industry incidence of the program has not been readily available. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.63).

Table A.63 **Allocation of Small Business – simplified depreciation rules to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	60.0	90.0	170.0	15.0

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 115, item B104.

A.64 Indigenous Broadcasting Program

The Indigenous Broadcasting Program supports Indigenous community radio broadcasting and provides financial assistance to address the broadcasting needs of Indigenous people living in remote, regional and urban areas in Australia (Department of Communications 2013b).

The funding has been recorded against the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.64).

Table A.64 **Allocation of Indigenous Broadcasting Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	13.6	14.0	13.7	14.4	14.7	15.0

Sources: Commission estimates based on Department of Broadband, Communications and the Digital Economy Indigenous Broadcasting Program funding recipients 2010-11, Department of the Environment, Water, Heritage and the Arts Annual Report 2009-10 (and earlier years) and Department of Communications, Information Technology and the Arts Annual Report 2006-07.

A.65 Rural Industries Research and Development Corporation

The Rural Industries Research and Development Corporation (RIRDC) is a statutory authority established by the *Primary Industries and Energy Research and Development Act 1989*. RIRDC was established by the Australian Government to work with industry to invest in R&D for a more profitable, sustainable and dynamic rural sector. The Australian Government's intention for RIRDC is to achieve results from R&D investments in three broad areas:

- new rural industries;
- specific established rural industries; and

- national rural issues.

RIRDC allocates funding to several ‘programs’, such as ‘emerging plant industries and products’, ‘fodder crops’ and ‘chicken meat’. While these programs are not classified by ANZSIC industry, a concordance has been developed to the Commission’s ANZSIC-based classification system. Some programs (such as chicken meat) are likely to assist a single industry and can be easily concorded; however some other programs (such as farm diversification) are likely to assist several industries and cannot be easily concorded. Such programs have been assigned to unallocated primary production grouping (RIRDC 2012).

RIRDC receives funding from several sources including government contributions (classified as assistance), industry levies (not assistance) and external contributions (not assistance). Government contributions have been allocated to the Commission’s ANZSIC-based industry groupings according to the total funding to each RIRDC program. Such an approach assumes that each program is funded by a similar mix of government and non-government funding (table A.65).

Table A.65 **Allocation of Rural Industries Research and Development Corporation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**15.9**	**16.1**	**16.3**	**13.4**	**13.1**	**14.9**
Horticulture and fruit growing	2.3	2.5	2.7	2.2	2.4	2.9
Sheep, beef cattle and grain farming	2.4	1.7	1.0	0.8	0.8	1.3
Other crop growing	0.8	0.9	0.8	1.4	0.9	1.1
Other livestock farming	3.6	4.7	4.9	4.1	3.9	5.7
Forestry and logging	1.0	0.9	1.1	-	-	-
Unallocated primary production[a]	5.8	5.4	5.8	5.0	5.1	3.9
Total	**15.9**	**16.1**	**16.3**	**13.4**	**13.1**	**14.9**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Rural Industries Research and Development Corporation Annual Report 2011-12 (and earlier years).

A.66 Rural Financial Counselling Service

The Rural Financial Counselling Service (RFCS) provides grants to state and regional organisations to provide free financial counselling services to primary producers, fishermen and small rural businesses. There are currently 14 service providers employing more than 110 rural financial counsellors across Australia. The RFCS program is funded by the Australian and State governments (DAFF 2013b).

The Department of Agriculture, Fisheries and Forestry (DAFF) provides the Commission with data on the numbers of businesses using the service in each ANZSIC industry. This information has been used to allocate total funding for the program, as reported in the DAFF annual report, to the Commission's ANZSIC-based industry groupings (table A.66).

Table A.66 **Allocation of Rural Financial Counselling Service to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**11.3**	**13.5**	**14.7**	**15.1**	**12.8**	**13.3**
Horticulture and fruit growing	1.1	2.0	2.1	2.1	2.1	2.3
Sheep, beef cattle and grain farming	5.7	6.1	7.8	7.8	6.6	6.7
Other crop growing	0.7	0.6	0.8	0.9	0.8	0.9
Dairy cattle farming	1.4	1.7	1.3	1.7	1.2	1.0
Other livestock farming	0.2	0.2	0.2	0.2	0.3	0.3
Aquaculture and fishing	<0.1	<0.1	<0.1	<0.1	<0.1	0.1
Forestry and logging	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Unallocated primary production[a]	2.1	2.8	2.3	2.2	1.7	1.9
Total	**11.3**	**13.5**	**14.7**	**15.1**	**12.8**	**13.3**

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years); and detailed DAFF data by ANZSIC industry.

A.67 Live Animal Exports Business Assistance Package

The Live Animal Exports Business Assistance Package aims to assist businesses and individuals directly impacted by the temporary suspension of live cattle exports to Indonesia (DAFF 2012). The Package includes:

- an Income Recovery Subsidy, comprising up to 13 weeks of income support for individuals;
- a Business Assistance Package, comprising a Business Assistance Payment of $5 000 and a Business Hardship Payment of up to $20 000;
- a Subsidised Interest Rate scheme, providing a subsidy of up to $36 000 over two years on new business lending; and
- grants of up to $5 500 for pastoralists to obtain financial advice.

The assistance measures were designed to target those businesses and individuals significantly exposed to the trade of live cattle and therefore less able to diversify their income to lessen the impact of the temporary suspension. Approximately 800 individuals and businesses received support in 2011-12. Payments are scheduled to continue until June 2014 for recipients of the subsidised interest rate.

The Package selectively benefits businesses engaged in livestock farming which are predominately located in the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.67).

Table A.67 **Allocation of Live Animal Exports Business Assistance Package to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	-	-	-	-	-	13.3

- Nil.

Source: Commission estimates based on DAFF Annual Report 2011-12.

A.68 Environmental Stewardship Program

The Environmental Stewardship Program provides funds and information to support landholders in protecting threatened native vegetation on their properties (DSEWPC 2012). It aims to maintain and improve the condition and extent of targeted matters of National Environmental Significance, as listed under the *Environment Protection and Biodiversity Conservation Act 1999*, on private land. The delivery of the Program is guided by a strategic plan, a project plan and funding and implementation guidelines. The on-ground delivery of the funding rounds is supported by delivery agents who work closely with eligible land managers to develop expressions of interest and funding bids. Funding agreements set out the roles and obligations of land managers that receive support, which may be for up to 15 years.

The Environmental Stewardship Program selectively benefits activities in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.68).

Table A.68 **Allocation of Environmental Stewardship Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	-	8.9	13.3	13.2

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Sustainability, Environment, Water, Population and Communities Annual Report 2011-12 (and earlier years).

A.69 Australian Wool Innovation Limited – Research and Development

Australian Wool Innovation (AWI) is a not-for-profit company owned and controlled by Australian wool growers who have registered as AWI's shareholders and pay levies to the company. AWI is primarily funded by these industry levies and matching contributions from the Australian Government for eligible R&D activities.

AWI's aim is to fund research, development, marketing and promotion in order to:

- enhance the profitability, international competitiveness and sustainability of the Australian wool industry; and
- increase demand and market access for Australian wool (AWI 2013).

AWI activities assists wool producing activities which are part of the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.69).

Table A.69 **Allocation of Australian Wool Innovation Limited – Research and Development to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	11.6	12.3	11.4	10.5	11.3	12.5

Source: Commission estimates based on Australian Wool Innovation Limited Annual Report 2011-12 (and earlier years).

A.70 Australian Space Science Program

In the May 2009 Budget, the Australian Government announced the $48.6 million Australian Space Science Program (ASSP) (DIISR 2011). The $40 million Australian Space Research Program (ASRP) was established as part of the ASSP. The ASRP is a competitive merit-based grants program intended to support space-related research, education and innovation activities. In addition, the Australian Government established a Space Policy Unit within the Department of Industry, Innovation, Science, Research and Tertiary Education to develop a National Space Industry Policy.

The program is listed by DIISR among those pertaining to the manufacturing sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the 'Unallocated manufacturing' industry grouping in the Commission's ANZSIC-based classification (table A.70).

Table A.70 **Allocation of Australian Space Science Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	-	-	-	4.8	11.2	12.2

- Nil. [a] This is a re-classification: in the TAR 2011-12 estimates the program was classified as 'Unallocated other'

Source: DIISR Annual Report 2009-10.

A.71 Small Business Advisory Services Program

The Small Business Advisory Services Program funds a number of Business Enterprise Centres (BECs) in suburban, rural and regional Australia to deliver low-cost small business advisory services (Emerson 2008a). The Program aims to maximise the growth potential, prosperity and sustainability of small businesses through enhanced access to information and advice on issues important to establishing, sustaining and/or growing a small business (AusIndustry 2013a).

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.71).

Table A.71 **Allocation of Small Business Advisory Services Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	11.9	16.4	9.0	12.1

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years); and detailed DIISR data by ANZSIC industry.

A.72 Venture Capital Limited Partnerships

Since 2002, a capital gains tax concession has been available to venture capital managers for 'carried interests' (Tax Expenditure Statement, Australian Government 2013, Item B 56). Venture capital managers may be paid a performance-based share of partnership profits by investors — such payments are 'carried interests'.

Venture Capital Limited Partnerships (VCLP) raise capital and make investments in relatively high-risk, start-up and expanding Australian companies. Eligible investments are shares or options in unlisted (or soon to be delisted) Australian companies with a total value of assets of less than $250 million, except for those for which the predominant activity is in property development, finance, insurance, construction and infrastructure. There is also a requirement that at least 50 per cent of employees and assets of the company are in Australia.

The Commission has included the capital gains taxation concession as assistance to the *Financial and insurance services* industry grouping in the Commission's ANZSIC-based classification (table A.72).

Table A.72 **Allocation of Venture Capital Limited Partnerships to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Financial and insurance services	10.0	10.0	11.0	11.0	11.0	11.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 92, item B56.

A.73 Premium Support Scheme

The Premium Support Scheme assists eligible doctors by providing them with a subsidy towards the cost of medical indemnity insurance premiums. Under the scheme, where a doctor's gross medical indemnity costs exceed 7.5 per cent of income then the doctor will only pay:

- for premium periods starting before 1 July 2012, 20 cents in the dollar for the cost of the premium beyond the 7.5 per cent threshold;
- for premium periods starting on or after 1 July 2012 and before 1 July 2013, 30 cents in the dollar for the cost of the premium beyond the 7.5 per cent threshold; or.
- for premium periods starting on or after 1 July 2013, 40 cents in the dollar for the cost of the premium beyond the 7.5 per cent threshold.

Payments under the scheme commenced in mid-2004 (Department of Health 2013b).

The program selectively benefits doctors providing health services and has been allocated to the *Health care and social assistance* industry grouping in the Commission's ANZSIC-based classification (table A.73).

Table A.73 **Allocation of Premium Support Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Health care and social assistance	50.0	23.5	16.1	17.2	13.1	11.4

Source: Commission estimates based on Department of Human Services Annual Report 2011-12 and Medicare Annual Report 2010-11 (and earlier years).

A.74 CSL – Commonwealth assistance

On 16 July 2010, the Australian and Victorian governments jointly announced a grant of $30 million over four years to assist CSL to build a new large-scale biopharmaceuticals R&D facility worth $235 million at its existing site in Broadmeadows, Victoria. The new facility is intended to extend Australia's biopharmaceutical R&D capacity and value, and help build the infrastructure and develop the capabilities to assist Australian scientists to create complex, next-generation drugs and deal with future epidemic diseases.

Funding for the project has been allocated to the *Petroleum, coal, chemical and rubber products* industry grouping in the Commission's ANZSIC-based classification (table A.74).

Table A.74 **Allocation of CSL – Commonwealth assistance to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	-	-	-	-	9.3	10.6

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.75 Grape and Wine Research and Development Corporation

The Grape and Wine Research and Development Corporation (GWRDC) is a statutory authority established in 1991 under the *Primary Industries and Energy Research and Development Act 1989*. The GWRDC aims to support the development of the Australian wine industry by planning and funding collective R&D programs and then facilitating the dissemination, adoption and commercialisation of the results throughout the industry (GWRDC 2013).

The GWRDC is jointly funded by an industry levy and Australian Government contributions and selectively assists activities in the viticulture industry, which is part of the *Horticulture and fruit growing* industry grouping in the Commission's ANZSIC-based classification (table A.75).

Table A.75 **Allocation of Grape and Wine Research and Development Corporation to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Horticulture and fruit growing	14.5	11.4	11.7	13.7	12.3	10.3

Source: Commission estimates based on Grape and Wine Research and Development Corporation Annual Report 2011-12 (and earlier years).

A.76 Cotton Research and Development Corporation

The Cotton Research and Development Corporation (CRDC) is one of the rural research and development organisations established in 1990 under the *Primary Industries and Energy Research and Development Act 1989* (CRDC 2012). The CRDC is jointly funded by an industry levy and matching Australian Government contributions.

The CRDC selectively assists the cotton farming industry, which is part of the *Other crop growing* industry in the Commission's ANZSIC-based industry groupings (table A.76).

Table A.76 **Allocation of Cotton Research and Development Corporation funding to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other crop growing	4.6	3.1	2.4	3.0	5.7	9.5

Source: Commission estimates based on Cotton Research and Development Corporation Annual Report 2011-12 (and earlier years).

A.77 Australian Tourism Development Program/TQUAL Grants Program

The Australian Tourism Development Program, renamed the TQUAL Grants Program from 2009-10, is a competitive merit-based grants program that aims to support the development of quality tourism products and experiences to stimulate sustainable economic growth in the tourism sector. The Program focuses on supply-side projects and offers two categories of funding. Tourism Quality Projects grants of up to $100 000 are available for small-scale industry development projects through annual grant rounds, and Strategic Tourism Investment grants of up to $1 million are available for a small number of larger scale projects to support Indigenous tourism, economic development and tourism employment (DRET 2011).

This program benefits a multitude of tourist-related businesses which predominantly operate in the services sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budgetary outlay has been allocated to *Unallocated services* in the Commission's ANZSIC-based classification (table A.77).

Table A.77 **Allocation of Australian Tourism Development Program/TQUAL Grants Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	6.8	-	4.2	8.6	3.3	9.0

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years); DIISR Annual Report 2007-08; and Department of Industry, Tourism and Resources Annual Report 2006-07.

A.78 Textile, Clothing and Footwear Strategic Capability Program

The Textile, Clothing and Footwear (TCF) Strategic Capability Program is a five-year, $35 million competitive grant program that aims to support large projects that build innovative capability at the enterprise and workplace level (DIISR 2011). Program grants must be matched by the grantee on a dollar-for-dollar basis. Projects supported under the program include a pilot nanotechnology fibre plant, environmentally sensitive artificial turf production methods, new technical filter fabrics, a new model for mass customisation for the footwear industry, and a manufacturing and training networking hub for small businesses.

Program funding has been allocated to the *Textile, leather, clothing and footwear* industry grouping in the Commission's ANZSIC-based classification (table A.78).

Table A.78 **Allocation of Textile, Clothing and Footwear Strategic Capability Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Textile, leather, clothing and footwear	-	-	-	<0.1	5.2	8.7

- Nil.

Sources: Commission estimates based on DIISR Portfolio Budget Statements 2011-12; DIISR Annual Report 2009-10; and detailed DIISR data by ANZSIC industry.

A.79 Climate Change Adaptation Partnerships Program

In May 2008, the Australian Government announced the Australia's Farming Future (AFF) program with funding of $130 million over four years. The program, which commenced in July 2008, is intended to assist primary producers in adapting and responding to climate change. It consists of a number of elements including the Climate Change Adaptation Partnerships Program. Other elements of the AFF program includes the Climate Change Research and Productivity Program, Climate Change Adjustment Program and Community Networking and Capacity Building (Burke 2008a).

The Government's intended aim for the Climate Change Adaptation Partnerships Program (CCAPP) is to:

- develop mitigation and adaptation measures through collaboration with research and farming organisations; and
- increase awareness among primary producers of options for responding to climate change and improving on-farm strategies.

The CCAPP selectively benefits firms in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.79).

Table A.79 **Allocation of Climate Change Adaptation Partnerships Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	10.1	19.3	10.8	8.5

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.80 Australian Animal Health Laboratory

The Australian Animal Health Laboratory (AAHL) is a CSIRO bio-containment facility that handles and stores infectious micro-organisms (exotic diseases). Such organisms are used in trialling vaccines and in training veterinarians to recognise diseases (CSIRO 2013a).

The operations of the AAHL predominantly benefits primary producers. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.80).

Table A.80 **Allocation of Australian Animal Health Laboratory to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	7.0	7.2	7.1	7.2	7.3	7.4

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.81 Carbon Capture and Storage Flagships Program

The $1.68 billion Carbon Capture and Storage Flagships Program aims to support the construction and demonstration of large-scale integrated carbon capture and storage projects in Australia (DRET 2012). In doing so, it aims to promote the wider dissemination of carbon capture and storage technologies from fossil fuel power generation and industrial processes to safely store carbon dioxide underground in stable geological formations.

Funding for the program has been allocated to the *Electricity, gas, water and waste services* industry grouping in the Commission's ANZSIC-based industry classification (table A.81).

Table A.81 **Allocation of Carbon Capture and Storage Flagships Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Electricity, gas, water and waste services	-	-	-	61.8	7.1	6.8

- Nil.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.82 Exceptional Circumstances – relief payments

The Exceptional Circumstances (EC) arrangements are the Australian Government's primary mechanism for assisting farmers and small business operators affected by drought. The two main forms of assistance available under the arrangements are interest rate subsidies (see item A.44, above) and income support.

The income support, or EC relief payments, provides eligible farmers and small business operators with a fortnightly payment at a rate equivalent to the Newstart allowance, including additional benefits (such as a healthcare card). The Australian Government funds all income support payments.

The EC relief payments arrangements ceased on 30 June 2012 (DAFF 2012). The Department of Agriculture, Fisheries and Forestry (DAFF) has provided a breakdown of EC relief payments by ANZSIC industry (table A.82).

Table A.82 **Allocation of Exceptional Circumstances – relief payments to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**254.9**	**378.8**	**321.7**	**242.5**	**145.1**	**6.4**
Horticulture and fruit growing	-	-	26.6	23.2	17.6	0.8
Sheep, beef cattle and grain farming	154.3	229.3	230.3	168.3	93.4	4.1
Other crop growing	22.1	32.8	0.9	<0.1	-	<0.1
Dairy cattle farming	73.2	108.8	36.5	35.0	17.9	0.8
Other livestock farming	5.3	7.8	4.3	2.0	1.5	<0.1
Aquaculture and fishing	-	-	0.2	0.2	<0.1	<0.1
Primary production support services	-	-	-	-	-	0.3
Unallocated primary production[a]	-	-	22.8	13.9	14.6	0.3
Services	**-**	**-**	**-**	**-**	**0.9**	**<0.1**
Transport, postal and warehousing	-	-	-	-	0.9	<0.1
Total	**254.9**	**378.8**	**321.7**	**242.5**	**146.0**	**6.5**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DAFF data by ANZSIC industry.

A.83 Procurement Strategy — strengthening the Australian Industry Participation National Framework and streamlining AusTender

In November 2009, the Australian Government announced that it would provide $19.1 million over four years to strengthen the Australian Industry Participation (AIP) National Framework and for related initiatives to help ensure that Australian industry can participate in investment projects and government procurement (Australian Government 2009). Under the AIP National Framework, all levels of government are encouraged to adopt a consistent national approach to maximising Australian industry participation in Australian and overseas investment projects.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.83).

Table A.83 **Allocation of Procurement Strategy – strengthening the Australian Industry Participation National Framework and streamlining Aus Tender to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	1.8	3.5	6.4

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10; and DIISR Portfolio Budget Statements 2012-13 (and earlier years).

A.84 Illawarra Region Innovation and Investment Fund

The Illawarra Region Innovation Investment Fund (IRIIF) was established by the Australian and New South Wales governments, together with BlueScope Steel, following BlueScope's announcement of a restructure of its operations and subsequent job losses in the Illawarra region. The IRIIF aims to support new investment to create new or additional business capacity to enhance employment, business and economic opportunities in the Illawarra Region (AusIndustry 2013g).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department's estimate of total program expenditure to the Commission's ANZSIC-based industry groupings (table A.84).

Table A.84 **Allocation of Illawarra Region Innovation and Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Manufacturing	**-**	**-**	**-**	**-**	**-**	**4.0**
Printing and recorded media	-	-	-	-	-	2.9
Machinery and equipment manufacturing	-	-	-	-	-	0.7
Furniture and other manufacturing	-	-	-	-	-	0.3
Services	**-**	**-**	**-**	**-**	**-**	**2.4**
Electricity, gas, water and waste services	-	-	-	-	-	0.2
Property, professional and administrative services	-	-	-	-	-	0.3
Arts and recreation services	-	-	-	-	-	1.9
Total	**-**	**-**	**-**	**-**	**-**	**6.4**

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.85 Climate Change Research and Productivity Program

In May 2008, the Australian Government announced the Australia's Farming Future (AFF) program with funding of $130 million over four years. The program, which commenced in July 2008, is intended to assist primary producers in adapting and responding to climate change. It consists of a number of elements including the Climate Change Research and Productivity Program. Other elements of the AFF program include the Climate Change Adaption Partnerships Program, the Climate Change Adjustment Program, and the Community Networking and Capacity Building (Burke 2008a).

The Climate Change Research and Productivity (CCRP) Program funds research projects and on-farm demonstration pilots to help prepare Australia's primary industries for climate change. The projects focus on:

- reducing greenhouse gas emissions such as methane and nitrous oxide;
- improving soil management and determining the potential of sequestration of carbon in agricultural soils — in a variety of soil types, locations and under differing management practices; and
- research into alternative management practices and the development of adaptation tools and techniques.

The CCRP Program ended on 30 June 2012.

The CCRP Program selectively benefits firms in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary* production industry grouping in the Commission's ANZSIC-based classification (table A.85).

Table A.85 **Allocation of Climate Change Research and Productivity Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	10.0	15.0	15.0	6.2

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.86 Textile, Clothing and Footwear Structural Adjustment Program

The Textile, Clothing and Footwear (TCF) Structural Adjustment Program provides financial support to encourage restructuring and reduce the burden of transition experienced by firms, workers and communities in the TCF industry. The program has two main parts.

- Labour market adjustment assistance, to TCF employees who have been retrenched by an eligible TCF business, to secure alternative employment through Job Services Australia with support from community-based service providers. This component also aims to increase awareness of existing programs and services, such as Job Services Australia, to support any requirement for major labour adjustment.
- Restructuring initiative grants to eligible TCF firms – this component ceased in June 2013 (DIICCSRTE 2013).

The program selectively benefits textile, clothing and footwear activities and funding from the program has been allocated to the *Textile, leather, clothing and footwear* industry in the Commission's ANZSIC-based industry groupings (table A.86).

Table A.86 **Allocation of Textile, Clothing and Footwear Structural Adjustment Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Textile, leather, clothing and footwear	3.0	2.3	1.3	5.9	2.3	6.2

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.87 Tax Deduction for horticultural plantations

The tax deduction for horticultural plantations allows for capital expenditure incurred in establishing horticultural plants to be written off using an accelerated depreciation regime, with deductions available from the first commercial season. The cost of establishing plants with an effective life of less than three years can be written off in the first commercial year. Plants with an effective life of more than three years can be depreciated over a shorter period than their effective life using the maximum write-off periods set out in the legislation (Tax Expenditure Statement, Australian Government 2013, Item B 83).

The tax concession is targeted at horticultural growers and has been classified to the *Horticulture and fruit growing* industry grouping in the Commission's ANZSIC-based classification (table A.87).

Table A.87 **Allocation of Tax deduction for horticultural plantations to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Horticulture and fruit growing	4.0	5.0	5.0	5.0	6.0	6.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 105, item B83.

A.88 Automotive Supply Chain Development Program

The Automotive Supply Chain Development Program (ASCDP) provides funding to assist the automotive components sector to enhance its capabilities and to better integrate it into local and global supply chains. The ASCDP was to provide $20 million in grants until 30 June 2013 (Department of Industry 2013c).

The ASCDP selectively benefits activities in the automotive components industry and funding from the program has been allocated to the *Motor vehicles and parts* industry grouping in the Commission's ANZSIC-based classification (table A.88).

Table A.88 **Allocation of Automotive Supply Chain Development Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicles and parts	-	-	<0.1	3.9	5.8	5.4

- Nil.

Sources: Commission estimates based on DIISR Portfolio Budget Statements 2012-13 (and earlier years); DIISR Annual Report 2009-10 (and earlier years); and detailed DIISR data by ANZSIC industry.

A.89 Sugar Research and Development Corporation

The Sugar Research and Development Corporation (SRDC) is one of the rural research and development organisations established in 1990 under the *Primary Industries and Energy Research and Development Act 1989*. The SRDC funds research and development projects in Australia with the aim of fostering an internationally competitive and sustainable sugar industry (SRDC 2012).

The SRDC is jointly funded by an industry levy and Australian Government contributions and selectively assists the sugar farming activities which is part of the *Other crop growing* industry grouping in the Commission's ANZSIC-based classification (table A.89).

Table A.89 **Allocation of Sugar Research and Development Corporation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other crop growing	5.5	6.3	6.1	5.8	5.9	5.4

Source: Commission estimates based on Sugar Industries Research and Development Corporation Annual Report 2011-12 (and earlier years).

A.90 Clean Energy Trade and Investment Strategy

In the 2009-10 Budget, the Australian Government announced a $14.9 million three-year Clean Energy Trade and Investment Strategy. The Strategy was designed to support Australia's clean energy sector in capitalising on trade and investment opportunities from global efforts to tackle climate change and address energy security. It aimed to attract new investment into Australia to help expand Australian industry capability, providing a broader base for exports in the future. Priority was placed on the attraction of new technologies, expertise, capital and potential partnerships for Australian companies from offshore markets (Austrade 2010).

The Strategy ended on 30 June 2012 (Austrade 2012).

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.90).

Table A.90 **Allocation of Clean Energy Trade and Investment Strategy to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	5.0	5.0	4.9

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Austrade Annual Report 2011-12 (and earlier years).

A.91 Clean Business Australia – Climate Ready Program

The Climate Ready Program is a competitive grants program that aims to support the development and commercialisation of innovative products, processes and services that address the possible effects of climate change (DIISR 2011). Successful projects represent a range of research and development, proof-of-concept and early-stage commercialisation activities. Funding has been provided for projects including: wind turbine production; native tree plantations to reduce carbon pollution; water saving solutions; and technology for saving power in standby mode.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department's estimate of total program expenditure to the Commission's ANZSIC-based industry groupings (table A.91).

Table A.91 **Allocation of Clean Business Australia – Climate Ready Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**0.6**	**1.7**	**0.7**	**<0.1**
Horticulture and fruit growing	-	-	0.2	0.2	<0.1	-
Other crop growing	-	-	0.1	0.5	0.3	<0.1
Aquaculture and fishing	-	-	-	0.3	0.1	-
Primary production support services	-	-	0.3	0.7	0.3	<0.1
Mining	**-**	**-**	**0.9**	**1.6**	**0.9**	**0.3**
Manufacturing	**-**	**-**	**9.7**	**17.7**	**9.0**	**3.5**
Food, beverages and tobacco	-	-	-	0.4	0.3	0.3
Wood and paper products	-	-	0.1	-	-	-
Petroleum, coal, chemical and rubber products	-	-	1.3	1.8	0.8	0.2
Non-metallic mineral products	-	-	-	0.4	<0.1	-
Metal and fabricated metal products	-	-	0.9	1.8	0.1	-
Motor vehicle and parts	-	-	0.3	1.0	0.2	0.2
Other transport equipment	-	-	-	0.3	0.2	-
Machinery and equipment manufacturing	-	-	7.2	11.8	7.3	2.9
Services	**-**	**-**	**4.3**	**10.4**	**3.6**	**0.7**
Electricity, gas, water and waste services	-	-	1.3	3.3	0.3	<0.1
Construction	-	-	0.6	0.4	-	<0.1
Wholesale trade	-	-	0.4	1.2	0.1	<0.1
Transport, postal and warehousing	-	-	0.7	0.8	-	-
Information, media and telecommunications	-	-	0.2	0.1	<0.1	-
Property, professional and administrative services	-	-	1.1	4.5	3.1	0.6
Other services	-	-	<0.1	<0.1	-	-
Unallocated other[a]	-	-	-	2.0	-	-
Total	-	-	**15.6**	**33.3**	**14.3**	**4.7**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.92 Australian Pork Limited – Research and Development

Australian Pork Limited (APL) was established in 2000. The APL is a producer-owned company delivering integrated marketing, innovation and policy services to enhance the viability of Australia's pig producers (APL 2012). APL R&D is funded by industry levies and matching Australian Government contributions.

R&D by APL selectively assists activities in the pigmeat industry, which is part of the *Other livestock farming* industry grouping in the Commission's ANZSIC-based classification (table A.92).

Table A.92 **Allocation of Australian Pork Limited – Research and Development to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other livestock farming	3.4	3.7	2.8	4.0	4.3	4.6

Source: Commission estimates based on Australian Pork Limited Annual Report 2011-12 (and earlier years).

A.93 Export Finance Insurance Corporation (National Interest Account)

The Export Finance and Insurance Corporation (EFIC) is an Australian Government statutory authority which provides a range of credit and finance services to exporters. These services are provided through:

- a Commercial Account, in which the Government guarantees all EFIC businesses (although to date EFIC has been self-funded, building up its own reserves, and has not called on this guarantee); and
- a National Interest Account, in which EFIC is directed to undertake transactions which the Government considers to be in the 'national interest' (in these cases, the Government directly bears the costs if export payments are in default).

As EFIC receives no funding from the government to support its Commercial Account activities, these have not been considered in calculating assistance.

The National Interest Account has been used on an ad hoc basis, predominantly by commodity exporters (in the *Sheep, beef cattle and grain farming* industry grouping). The National Interest Account has also been used to accommodate debts accrued under a discontinued AusAid scheme — the Development Import Finance Facility (DIFF). From these activities, EFIC has built up a stock of debt and the government provides funding to EFIC for administering these debts.

To allocate funding to the industries that initially benefited from insurance payouts, or other payments in the case of the DIFF debts, the Commission has used information from EFIC's annual reports (table A.93).

Table A.93 **Allocation of Export Finance and Insurance Corporation (National Interest Account) to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	4.0	1.0	0.9	0.4	0.8	0.5
Unallocated other[a]	10.9	8.2	7.4	3.1	4.4	3.7
Total	**14.9**	**9.2**	**8.3**	**3.5**	**5.2**	**4.3**

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DFAT Annual Report 2011-12 (and earlier years) and EFIC Annual Report 2011-12 (and earlier years).

A.94 Clean Business Australia – Re-tooling for Climate Change

The Re-tooling for Climate Change program was established as part of the Australian Government's Clean Business Australia initiative (AusIndustry 2012). The Government's intention for the program was to help Australian small and medium sized manufacturing businesses reduce their environmental footprint through projects designed to improve the energy and/or water efficiency of their production processes. The program provided grants of between $10 000 and $500 000 with a limit of half of the cost of each project.

The program primarily benefits manufacturing businesses. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated manufacturing* industry grouping in the Commission's ANZSIC-based classification (table A.94).

Table A.94 **Allocation of Clean Business Australia – Re-tooling for Climate Change to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	-	-	0.7	4.9	7.6	4.2

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.95 Payment scheme for Airservices Australia's enroute charges

The Payment scheme for Airservices Australia's enroute charges provides a subsidy to air operators providing aeromedical services through a reimbursement of their Airservices Australia en route air navigation charges (DIRD 2013). The scheme was introduced in January 2002 as a transitionary measure in the wake of the Ansett collapse to help ensure former Ansett subsidiaries and other regional airlines continued to provide air services to regional Australia.

The scheme has been allocated to the *Transport, postal and warehousing* industry grouping the Commission's ANZSIC-based classification (table A.95).

Table A.95 **Allocation of Payment scheme for Airservices Australia's enroute charges to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Transport, postal and warehousing	6.0	5.8	4.7	4.1	4.0	4.2

Sources: Commission estimates based on Department of Infrastructure and Transport Annual Report 2011-12 (and earlier years); and Department of Infrastructure, Transport, Regional Development and Local Government Annual Report 2009-10 (and earlier years).

A.96 Brandy preferential excise rate

The Brandy preferential excise rate maintains a lower rate of excise on brandy than the general rate as specified in Item 2A of the *Excise Tariff Act 1921.* The estimated revenue forgone from the concession is sourced from the (Tax Expenditure Statement, Australian Government 2013, Item F 13).

The scheme is targeted to brandy producers and has been classified to the *Beverage and tobacco products* industry grouping in the Commission's ANZSIC-based classification (table A.96).

Table A.96 **Allocation of Brandy preferential excise rate to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	4.0	4.0	5.0	4.0	4.0	4.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 180, item F13.

A.97 National Weeds and Productivity Research Program

In 2008, the Australian Government announced funding of $15.3 million over four years to establish the National Weeds and Productivity Research Program. A primary objective of the program was to reduce the impact of invasive plants on farm and forestry productivity and also biodiversity. The Program finished on 30 June 2012, with more than 90 projects successfully completed. Highlights from the projects included:

- development of practical methods for reducing weed seeds in agricultural systems without reliance on herbicides;
- identification of potential biological control agents for a range of weeds, including Weeds of National Significance;
- development of best-practice management methods for gamba grass and bellyache bush; and
- preventative management strategies in agricultural systems to reduce the impact of high risk weed species favoured by climate change (DAFF 2012).

The program primarily benefits primary industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.97).

Table A.97 **Allocation of National Weeds and Productivity Research Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	3.1	4.1	4.0	4.0

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.98 Small scale mammalian cell production facility

On 3 May 2010, the Australian and Queensland governments jointly announced that they would provide a grant of $10 million over four years for the construction of a contract manufacturing facility for biotechnology drugs and therapeutics, to be operated by DSM Biologics, as part of the Translational Research Institute (TRI) at the Princess Alexandra Hospital in Brisbane (DIISR 2010). The facility is intended to fill an infrastructure gap for Australia's biotechnology sector, by allowing local companies to make the relatively small quantities of material needed for early-stage clinical trials onshore and increase the number of products commercialised from Australia.

The project is intended to support the Australian biotechnology sector by turning more research discoveries into treatments for patients and capturing the value of this activity in local jobs and technology transfer. It is intended to give local companies the tools they need to compete internationally and improve Australia's attractiveness as a location for research and innovation.

Funding for the project has been allocated to the *Petroleum, coal, chemical and rubber products* industry grouping in the Commission's ANZSIC-based classification (table A.98).

Table A.98 **Allocation of Small scale mammalian cell production facility to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	-	-	-	1.0	1.0	4.0

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.99 Forest and Wood Products Research and Development Corporation

The Forest and Wood Products Research and Development Corporation (FWPRDC) is a statutory authority established in 1994 under the *Primary Industries and Energy Research and Development Act 1989.* The FWPRDC facilitates the undertaking of research and aims to improve the competitiveness and sustainability of the Australian forest and wood products industry. The FWPRDC is jointly funded by an industry levy and Australian Government contributions.

Funding for FWPRDC has been allocated between the *Forestry and logging* and *Wood and paper products* industry groupings in the Commission's ANZSIC-based classification. To allocate funding to these groupings, the Commission has examined individual commitments of the Corporation, such as market access development, solid wood processing and sustainability and resources. Commitments that appear to predominantly assist one industry have been wholly allocated to that industry grouping, while commitments that appear to assist both industries have been split equally between each industry grouping (table A.99). Expenditure levels for each commitment have been obtained from FWPRDC annual reports.

Table A.99 **Allocation of Forest and Wood Products Research and Development Corporation funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Forestry and logging	1.8	2.0	2.1	1.8	2.6	2.4
Wood and paper products	1.2	1.4	1.7	1.7	1.8	1.5
Total	**3.0**	**3.4**	**3.7**	**3.5**	**4.4**	**3.9**

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Forest and Wood Products Australia Annual Report 2011-12 (and earlier years); and Forest and Wood Products Research and Development Corporation Annual Report 2006-07 (and earlier years).

A.100 Tasmanian Innovation and Investment Fund

The Tasmanian Innovation and Investment Fund (TIIF) is an $8 million competitive, merit-based program that aims to encourage investment in activities that provide sustainable employment and diversify Tasmania's economy, including projects that support the introduction of innovations, new technologies and emerging industries (AusIndustry 2013f).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department's estimate of total program expenditure to the Commission's ANZSIC-based industry groupings (table A.100).

Table A.100 **Allocation of Tasmanian Innovation and Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**-**	**-**	**-**	**1.8**
Horticulture and fruit growing	-	-	-	-	-	0.4
Aquaculture and fishing	-	-	-	-	-	0.8
Food, beverages and tobacco	-	-	-	-	-	0.5
Manufacturing	**-**	**-**	**-**	**-**	**-**	**1.7**
Wood and paper products	-	-	-	-	-	0.4
Printing and recorded media	-	-	-	-	-	<0.1
Petroleum, coal, chemical and rubber products	-	-	-	-	-	<0.1
Non-metallic mineral products	-	-	-	-	-	<0.1
Metal and fabricated metal products	-	-	-	-	-	0.8
Machinery and equipment manufacturing	-	-	-	-	-	<0.1
Furniture and other manufacturing	-	-	-	-	-	0.2
Services	**-**	**-**	**-**	**-**	**-**	**0.4**
Transport, postal and warehousing	-	-	-	-	-	0.2
Property, professional and administrative services	-	-	-	-	-	<0.1
Other services	-	-	-	-	-	<0.1
Total	-	-	-	-	-	**3.8**

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.101 Solar Flagships Program

The Solar Flagships Program provides funding for the construction and demonstration of large-scale grid-connected solar power stations operating within a competitive electricity market in Australia (DRET 2012). In June 2012, the Australian Government announced a $129.7 million grant under the Program to AGL Energy for the development of a 159 megawatt solar plant with capacity to generate enough electricity to power approximately 30 000 homes.

Funding for the program has been allocated to the *Electricity, gas, water and waste services* industry grouping in the Commission's ANZSIC-based industry classification (table A.101).

Table A.101 **Allocation of Solar Flagships Programs to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Electricity, gas, water and waste services	-	-	-	0.1	17.3	3.8

- Nil.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2011-12 (and earlier years).

A.102 Taxation assistance for victims of Australian natural disasters

Certain payments made to victims of Australian natural disasters are exempt from income tax (Tax Expenditure Statement, Australian Government 2013, Item B 30). These include, for example, the Clean-up and Restoration Grants paid to small businesses and primary producers affected by the 2009 Victorian bushfires and payments from the Business Assistance Fund established in the wake of Cyclones Larry and Monica in 2006.

Information on the industry incidence of the program has not been readily available. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission ANZSIC-based classification (table A.102).

Table A.102 **Allocation of Taxation assistance for victims of Australian natural disasters to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	11.0	11.0	8.0	8.0	6.0	3.0

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 79, item B30.

A.103 Textile, Clothing and Footwear Small Business Program

The Textiles, Clothing and Footwear (TCF) Small Business Program is a competitive merit based grants program available to eligible TCF small business. An eligible TCF small business is one with fewer than 20 employees that also undertakes eligible TCF activities as defined by the TCF Post-2005 (SIP) scheme. The Australian Government's intended objective of the program is to improve the business enterprise culture of established TCF small businesses that have not received grants or do not qualify for assistance from other TCF programs (AusIndustry 2013c).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing the ANZSIC industry incidence of the program (table A.103).

Table A.103 **Allocation of Textile, Clothing and Footwear Small Business Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Manufacturing	**2.2**	**2.0**	**2.1**	**1.7**	**2.1**	**2.0**
Textile, leather, clothing and footwear	2.2	2.0	2.1	1.7	2.1	2.0
Printing and recorded media	-	-	-	<0.1	<0.1	-
Services	**-**	**0.3**	**0.3**	**0.8**	**0.4**	**0.3**
Wholesale trade	-	-	-	0.2	<0.1	<0.1
Retail trade	-	-	-	<0.1	<0.1	-
Financial and insurance services	-	-	-	<0.1	-	-
Property, professional and administrative services	-	0.3	0.3	0.5	0.3	0.3
Other services	-	-	-	<0.1	-	-
Unallocated other[a]	-	-	-	-	-	0.2
Total	**2.2**	**2.3**	**2.4**	**2.5**	**2.5**	**2.6**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years), Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.104 Capital expenditure deduction for mining, quarrying and petroleum operations

Under the scheme, certain capital expenditures incurred in carrying on a prescribed mining, petroleum or quarrying operation can be deducted over the lesser of either the life of the project or 10 years (20 years for quarrying). The deduction is available for expenditure incurred before 1 July 2001 or expenditure relating to a depreciating asset acquired before 1 July 2001 (excluding plant and equipment). Expenditure incurred on or after 1 July 2001 can be deducted over the life of the project (Tax Expenditure Statement, Australian Government 2013, Item B 88).

The scheme selectively benefits activities in the mining sector, and has therefore been allocated to the *Mining* industry grouping in the Commission's ANZSIC-based classification (table A.104).

Table A.104 **Allocation of Capital expenditure deduction for mining, quarrying and petroleum operations to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	25.0	20.0	15.0	10.0	7.0	2.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, pp. 107-108, item B88.

A.105 Carbon Farming Initiative

Commencing on 8 December 2011, the Carbon Farming Initiative (CFI) aims to establish a carbon offset market so that Australian farmers, forest growers and landholders can earn carbon credits by voluntarily reducing land sector greenhouse gas emissions or sequestering carbon in their landscape. CFI credits could be sold into domestic and international markets for carbon offsets. In doing so, the Initiative aims to provide economic incentives to help farmers, forest growers and landholders to earn income by reducing agricultural emissions through improved land management.

As well as establishing a carbon crediting scheme, the CFI aims to facilitate participation in the carbon market through two programs:

- the $2 million Biochar Capacity Building Program; and
- the $4 million CFI Communications Program.

The CFI primarily benefits the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.105).

Table A.105 **Allocation of Carbon Farming Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	-	-	0.3	2.0

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.106 Drought Assistance – Professional Advice

In September 2007, the Australian Government announced a drought assistance package for irrigators, dryland farmers and small businesses severely affected by the drought. As part of the package, funding was provided for additional rural financial counsellors, Centrelink rural support officers and social workers. Further social and emotional counselling was provided through the establishment of 25 family support drought response teams (Howard 2007).

The funding is targeted towards activities in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.106).

Table A.106 **Allocation of Drought Assistance – Professional Advice to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	6.2	14.2	12.5	7.1	1.9

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.107 Australian Egg Corporation Limited – Research and Development

The Australian Egg Corporation Limited (AECL), which commenced in 2003, is a producer-owned company that undertakes marketing and research activities for the egg industry. The Corporation is funded by industry levies and Australian Government contributions (which match industry levies for research) (AECL 2012).

Government funding of the AECL is used for research purposes, to the benefit of the egg producers. Egg production is classified to the *Other livestock farming* industry grouping in the Commission's ANZSIC-based classification (table A.107).

Table A.107 **Allocation of Australian Egg Corporation Limited – Research and Development to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other livestock farming	1.2	1.0	1.0	1.0	1.6	1.9

Source: Commission estimates based on Australian Egg Corporation Limited Annual Report 2011-12 (and earlier years).

A.108 Clean Technology Investment – Food and Foundries Program

Part of the Australian Government's Clean Energy Future plan, and launched on 16 February 2012, the Clean Technology Investment Food and Foundries Program is a merit-based grants program that aims to support Australian manufacturers to maintain competitiveness in a carbon constrained economy through the provision of grants for investments in energy efficient capital equipment and low emission technologies, processes and products (AusIndustry 2013j).

The program primarily benefits the food product manufacturing industry, which is part of the broader *Food, beverage and tobacco products* industry grouping in the Commission's ANZSIC-based classification (table A.108).

Table A.108 **Allocation of Clean Technology Investment – Food and Foundries Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	-	-	-	-	-	1.2

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.109 South East South Australia Innovation and Investment Fund

Jointly administered by the Australian and South Australian governments, the South East South Australia Innovation and Investment Fund (SESAIIF) is a $12 million competitive, merit-based grants program that aims to support innovative job creation projects intended to strengthen south east South Australia's regional economy and employment base, following the decision of Kimberly-Clark Australia to restructure its operations in South Australia. The SESAIIF is intended to encourage applications for manufacturing, manufacturing services and other services projects (AusIndustry 2013h).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department's estimate of total program expenditure to the Commission's ANZSIC-based industry groupings (table A.109).

Table A.109 **Allocation of South East South Australia Innovation and Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**-**	**-**	**-**	**0.6**
Horticulture and fruit growing	-	-	-	-	-	0.5
Aquaculture and fishing	-	-	-	-	-	0.1
Manufacturing	-	-	-	-	-	**0.4**
Wood and paper products	-	-	-	-	-	0.3
Metal and fabricated metal products	-	-	-	-	-	0.1
Services	-	-	-	-	-	**0.1**
Wholesale trade	-	-	-	-	-	0.1
Other services	-	-	-	-	-	<0.1
Total	**-**	**-**	**-**	**-**	**-**	**1.1**

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.110 Regional Equalisation Plan

Introduced by the Australian Government in May 2011, the Regional Equalisation Plan provides regional and remote commercial broadcasters with a 50 per cent subsidy to convert their terrestrial transmission facilities to digital and operate them for a period of eight years. Funding is provided by licence area in the form of capped annual rebates against broadcasters' licence fees. This is supplemented by a grants component, where necessary, to achieve full compliance. Licence fee rebates are administered by the ACMA (DBCDE 2012a).

The plan selectively benefits commercial television broadcasting activities and funding has been allocated to the *Information media and telecommunications* industry in the Commission's ANZSIC-based industry groupings (table A.110).

Table A.110 **Allocation of Regional Equalisation Plan to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Information media and telecommunications	24.8	23.7	0.3	1.3	1.3	1.1

Sources: Commission estimates based on Department of Broadband, Communications and the Digital Economy Annual Report 2011-12 (and earlier years); and Department of Communications, Information Technology and the Arts Annual Report 2006-07.

A.111 Innovation Investment Follow-on Fund

The Innovation Investment Follow-on Fund (IIFF) program was introduced in March 2009 as a temporary, targeted measure that aimed to assist early-stage companies with high potential through the Global Financial Crisis by addressing a lack of capital available in the early stage venture capital market. The principal activities of the IIFF were to support some of the existing fund managers within Rounds 1 and 2 of the Innovation Investment Fund (IIF), the Pre-Seed Fund or the ICT Incubator programs (DIISR 2011 and DIISR 2012).

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.111).

Table A.111 **Allocation of Innovation Investment Follow-on Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	40.9	17.2	1.0

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Innovation Australia Annual Report 2011-12; and DIISR Annual Report 2010-11 (and earlier years).

A.112 Assistance for Upgrade of Simplot processing plant

To fulfil a 2010 election commitment, the Australian Government provided a $3 million grant to Simplot Australia Pty Ltd to support a $15.6 million investment by the company to upgrade the coal-fired boilers to natural gas at its Ulverstone plant in Northern Tasmania. The investment aimed to reduce the plant's ongoing energy costs and cut carbon emissions by some 48 per cent or 39 000 tonnes annually. The $3 million grant was paid across 2010-11 and 2011-12. The first payment of $2 million was made in May 2011 (DIISR 2011).

The grant benefits a firm operating in the food processing industry and has been allocated to the *Food, beverages and tobacco* industry grouping in the Commission's ANZSIC-based classification (table A.112).

Table A.112 **Allocation of Assistance for upgrade of Simplot Processing Plant to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	-	-	-	-	2.0	1.0

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2010-11; and detailed DIISR data by ANZSIC industry.

A.113 National Enabling Technologies Strategy

The National Enabling Technologies Strategy (NETS) aims to guide the responsible development and uptake of enabling technologies, such as biotechnology and nanotechnology (DIISR 2011).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research (DIISR) detailing expenditure data for the NETS by ANZSIC industry. These industry shares have been used to allocate total NETS funding to the Commission's ANZSIC-based industry groupings (table A.113).

Table A.113 **Allocation of National Enabling Technologies Strategy to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Property, professional and administrative services	-	-	-	0.2	0.2	0.3
Unallocated other[a]	-	-	-	0.1	0.4	0.6
Total	**-**	**-**	**-**	**0.4**	**0.6**	**0.8**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10; and detailed DIISR data by ANZSIC industry.

A.114 Commercial Ready Program

The Commercial Ready Program (CRP) was introduced in 2004 as part of the 'Backing Australia's Ability' program. The CRP provides merit-based competitive grants to small and medium sized enterprises for early-stage commercialisation, research and development with a high commercial potential, and proof of concept activities. The program replaced previous firm-specific support for R&D, early-stage commercialisation and aspects of technology adaptation, delivered under the R&D Start Program (Grants), the Biotechnology Innovation Fund and elements of the Innovation Access Program.

The CRP was closed to new applications in May 2008, although existing participants continue to receive funding under the program.

The Commission has obtained information from the Department of Industry detailing the split of CRP funding across ANZSIC industries. This information has been allocated to the Commission's ANZSIC-based industry groupings (table A.114).

Table A.114 **Allocation of Commercial Ready Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**6.4**	**6.4**	**3.7**	**1.6**	**0.2**	**<0.1**
Horticulture and fruit growing	1.3	0.6	0.5	0.1	-	-
Other crop growing	<0.1	0.6	-	-	-	-
Aquaculture and fishing	3.0	3.4	1.9	1.2	0.2	<0.1
Forestry and logging	1.1	0.6	0.4	-	-	-
Primary production support services	1.1	1.2	0.9	0.3	<0.1	-
Mining	**6.3**	**9.2**	**3.7**	**0.2**	-	-
Manufacturing	**67.5**	**65.6**	**31.9**	**10.0**	**1.9**	**0.1**
Food, beverages and tobacco	1.1	1.6	2.0	0.3	0.1	-
Textile, leather, clothing and footwear	-	0.7	0.9	0.7	0.2	-
Wood and paper products	1.8	2.4	0.4	<0.1	-	-
Printing and recorded media	0.8	11.0	1.1	0.3	<0.1	-
Petroleum, coal, chemical and rubber products	12.6	9.2	5.9	1.1	0.5	<0.1
Non-metallic mineral products	1.2	1.2	0.4	<0.1	-	-
Metal and fabricated metal products	3.6	2.4	2.4	2.4	0.4	-
Motor vehicle and parts	2.2	0.8	0.5	0.2	-	-
Other transport equipment	0.9	0.1	0.3	<0.1	-	-
Machinery and equipment manufacturing	36.5	28.2	17.0	4.5	0.7	<0.1
Furniture and other manufacturing	6.9	8.1	0.9	0.5	<0.1	-
Services	**45.6**	**40.0**	**45.1**	**14.7**	**3.4**	**0.7**
Electricity, gas, water and waste services	1.1	0.9	0.7	0.3	<0.1	-
Construction	2.5	1.8	1.8	0.9	<0.1	0.5
Wholesale trade	0.2	-	1.6	0.8	-	-
Retail trade	-	-	0.2	<0.1	-	-
Transport, postal and warehousing	0.8	1.3	-	-	-	-
Information, media and telecommunications	5.2	2.8	1.8	0.4	-	-
Financial and insurance services	1.6	1.8	-	-	-	-
Property, professional and administrative services	26.9	23.3	36.2	11.6	3.2	0.1
Education and training	-	<0.1	0.6	0.5	0.2	<0.1
Health care and social assistance	7.0	7.8	2.3	0.2	-	-
Arts and recreation services	0.2	0.2	-	-	-	-
Other services	0.1	<0.1	<0.1	-	-	-
Unallocated other[a]	0.4	24.3	0.1	-	-	-
Total	**126.3**	**145.5**	**84.6**	**26.5**	**5.6**	**0.8**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed Department of Industry data by ANZSIC industry.

A.115 Exotic Disease Preparedness Program

The Exotic Disease Preparedness Program aims to enhance Australia's preparedness for, and responsiveness to, incursions of exotic pests and diseases of animals through the development of strategies to monitor, prevent, control or eradicate emergency diseases in wildlife and feral animals that threaten Australia's livestock industries (DAFF 2013d).

The program benefits several primary production industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.115).

Table A.115 **Allocation of Exotic Disease Preparedness Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	0.9	0.9	1.0	1.7	0.6	0.6

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years); and DAFF Portfolio Budget Statements 2007-08.

A.116 Infrastructure Bonds Scheme

The Infrastructure Bonds scheme was designed to encourage investment in transport and power generating projects. The scheme allowed private companies participating in such projects to obtain benefits in the form of cheaper loans from participating financiers. The financiers were not required to pay tax on interest earned, and could pass this benefit on to borrowers in the form of lower interest rates. Under the scheme, the borrower surrendered tax deductibility on interest payments associated with the loans.

The Infrastructure Bonds scheme was terminated to new projects in February 1997 following evidence that it was being exploited for tax minimisation purposes (DAA 1998) though assistance continues to be conferred from projects which did utilise the scheme when open. The program was replaced by the Land Transport Infrastructure Borrowings Tax Offset Scheme (Tax Expenditure Statement, Australian Government 2013, Item B 48).

This tax concession has been allocated between the *Electricity, gas, water and waste services* and *Transport, postal and warehousing* industry groupings using information from the Development Allowance Authority (DAA) annual reports and press releases detailing projects approved by the DAA (table A.116).

Table A.116 **Allocation of Infrastructure Bonds Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Services	**15.0**	**5.0**	**5.0**	**0.5**	**0.5**	**0.5**
Electricity, gas, water and waste services	7.8	2.6	2.6	0.3	0.3	0.3
Transport, postal and warehousing	7.2	2.4	2.4	0.2	0.2	0.2
Total	**15.0**	**5.0**	**5.0**	**0.5**	**0.5**	**0.5**

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 88, Item B48, Development Allowance Authority (DAA) Annual Report 2009-10 (and earlier years).

A.117 Regional Headquarters Program

Multinational firms establishing regional headquarters in Australia can claim, among other things, business expenses incurred in relocating from overseas (Tax Expenditure Statement, Australian Government 2013, Item B 11).

Under the ANZSIC system, the managerial operations of a firm's head office are classified according to the core business of the firm. For example, if a pharmaceuticals producer established its regional headquarters in Sydney, the forgone tax revenue resulting from the tax deduction would be attributed to the petroleum, coal, chemicals and associated products industry grouping because, in this case, management costs are considered as overheads to the pharmaceuticals manufacturing industry.

This tax expenditure data, however, has not been readily available at the firm or activity level. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.117).

Table A.117 **Allocation of Regional Headquarters Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	0.5	0.5	0.5	0.5	0.5	0.5

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 70, Item B11.

A.118 Automotive Market Access Program

The Automotive Market Access Program (AMAP) aims to employ automotive industry envoys to lead industry missions to various countries to boost Australian component suppliers' access to global supply chains. Funding has included support for the Team Australia Automotive (TAA) initiative in North America, which expanded to target additional motor vehicle producer operations (DIISR 2011). The Program includes a $2 billion credit funding cap over each five-year stage of the scheme (DIISR 2010).

The program has been allocated to the *Motor vehicles and parts* industry grouping in the Commission's ANZSIC-based classification (table A.118).

Table A.118 **Allocation of Automotive Market Access Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	-	-	-	0.5	0.5	0.5

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.119 Northern Australia Beef Industry Strategy Indigenous Pastoral Project

As part of the Northern Australia Beef Industry Strategy, and under the Northern Australia Sustainable Futures Program, the Australian Government provided $500 000 to develop the Indigenous Pastoral Project (DAFF 2012). The project aims to assist Indigenous pastoralists to develop their properties into more productive enterprises on a commercially viable and sustainable basis.

The project benefits businesses engaged in livestock farming which are predominately located in the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.119).

Table A.119 **Allocation of Northern Australia Beef Industry Strategy Indigenous Pastoral Project to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	-	-	-	-	-	0.5

- Nil.

Source: Commission estimates based on DAFF Annual Report 2011-12.

A.120 Regional Food Producers' Innovation and Productivity Program

Launched in December 2008, the Regional Food Producers' Innovation and Productivity Program was designed to assist regional food producers to develop or adopt innovative new technologies or to redesign and improve existing production lines (DAFF 2012). Projects funded under the program aimed to help producers increase productivity and efficiency along the supply chain, from production and transportation through to storage, shelf life and presentation. Businesses that benefited from the Program covered a range of industries, including seafood, dairy, meat and meat products, poultry, vegetables, nuts and grains.

The Regional Food Producers' Innovation and Productivity Program ended on 30 June 2012.

Funding for the Strategy has been allocated to the *Food, beverages and tobacco* industry grouping in the Commission's ANZSIC-based classification (table A.120).

Table A.120 **Allocation of Regional Food Producers' Innovation and Productivity Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	-	-	-	3.0	5.1	0.4

- Nil.

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.121 Commercialising Emerging Technologies

The COMET program assists the commercialisation of new technologies and products that are developed by individuals, small Australian companies and researchers in universities. Eligible innovators receive financial assistance and business advice and services for marketing and business planning to develop and commercialise a product.

In May 2009, the Australian Government announced that it would replace the COMET program (and certain other programs) with the establishment of Commercialisation Australia. (Carr 2009a). The COMET Program closed to new applicants in 2009-10, however, existing participants continue to receive funding from the program.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research (DIISR) detailing expenditure data for the COMET program by ANZSIC industry. These industry shares have been used to allocate total funding for the COMET program to the Commission's ANZSIC-based industry groupings (table A.121).

Table A.121 **Allocation of Commercialising Emerging Technologies to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**0.2**	**0.4**	**0.4**	**0.2**	**0.1**	**<0.1**
Horticulture and fruit growing	<0.1	<0.1	<0.1	<0.1	<0.1	-
Sheep, beef cattle and grain farming	<0.1	<0.1	<0.1	<0.1	-	-
Other crop growing	-	0.1	0.2	<0.1	<0.1	-
Aquaculture and fishing	<0.1	<0.1	-	-	-	-
Primary production support services	<0.1	<0.1	<0.1	0.1	<0.1	<0.1
Mining	**<0.1**	**<0.1**	**0.1**	**0.3**	**<0.1**	**<0.1**
Manufacturing	**3.3**	**5.5**	**3.7**	**3.3**	**1.7**	**<0.1**
Food, beverages and tobacco	<0.1	0.1	<0.1	<0.1	<0.1	-
Textile, leather, clothing and footwear	<0.1	<0.1	<0.1	<0.1	<0.1	-
Wood and paper products	<0.1	0.1	<0.1	-	<0.1	-
Printing and recorded media	0.2	0.2	<0.1	-	<0.1	-
Petroleum, coal, chemical and rubber products	0.3	0.6	0.5	0.5	0.3	<0.1
Non-metallic mineral products	0.1	0.5	0.2	0.1	<0.1	-
Metal and fabricated metal products	0.3	0.5	0.3	0.2	<0.1	-
Motor vehicles and parts	0.1	0.4	0.2	0.2	<0.1	<0.1
Other transport equipment	<0.1	0.2	0.2	0.1	<0.1	-
Machinery and equipment manufacturing	1.6	2.2	1.8	1.7	0.8	<0.1
Furniture and other manufacturing	0.6	0.7	0.3	0.6	0.3	<0.1
Services	**6.1**	**11.7**	**7.1**	**5.8**	**2.9**	**0.1**
Electricity, gas, water and waste services	0.2	0.7	0.6	0.3	0.3	-
Construction	0.2	0.3	<0.1	0.2	<0.1	-
Wholesale trade	<0.1	0.3	0.2	0.1	0.1	-
Retail trade	<0.1	0.2	0.1	<0.1	<0.1	-
Accommodation and food services	-	-	-	<0.1	<0.1	-
Transport, postal and warehousing	0.1	0.1	<0.1	0.1	<0.1	<0.1
Information, media and telecommunications	0.6	1.1	1.2	1.0	0.6	<0.1
Financial and insurance services	<0.1	0.1	0.2	<0.1	<0.1	-
Property, professional and administrative services	3.6	6.5	3.9	3.1	1.4	0.0
Public administration and safety	<0.1	<0.1	<0.1	0.2	<0.1	-
Education and training	0.2	0.3	0.2	0.1	<0.1	<0.1
Health care and social assistance	0.5	1.5	0.4	0.3	0.2	<0.1
Arts and recreation services	0.2	0.4	<0.1	0.2	<0.1	-
Other services	0.1	<0.1	0.1	<0.1	<0.1	-
Unallocated other[a]	-	-	<0.1	<0.1	-	-
Total	**9.7**	**17.7**	**11.3**	**9.6**	**4.8**	**0.2**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); Department of Industry, Tourism and Resources (DITR) Annual Report 2006-07; and detailed DIISR data by ANZSIC industry; Industry classification derived from detailed DIISR data by ANZSIC industry.

A.122 Fisheries Resources Research Fund

The Fisheries Resources Research Fund (FRRF) supports research to inform the government's policies and investments in pursuit of the sustainable development of our fisheries resources. The Fund includes support for:

- fisheries economic surveys, which provide a basis for understanding the impact and effectiveness of management and policy changes;
- annual reporting of the biological status of fish stocks managed by the Commonwealth and the economic performance of Commonwealth fisheries; and
- targeted biological, economic and social research to support the development of fisheries policy (DAFF 2012).

The Fisheries Resources Research Fund selectively benefits activities in the fishing industry. Accordingly, the budget outlay has been classified to the *Fishing, hunting and trapping* industry grouping in the Commission's ANZSIC-based classification (table A.122).[5]

Table A.122 **Allocation of Fisheries Resources Research Fund to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Aquaculture and fishing	3.1	3.1	3.2	3.8	1.6	0.1

Source: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years).

A.123 Farm Help

The Farm Help program (formerly known as Farm Family Restart Scheme) provided support for farmers facing financial hardship (PC 2011). The scheme provided:

- income support at the same rate as Newstart Allowance;
- up to $5 500 (including GST) to obtain professional advice, including business management, legal, agricultural expert, personal or career counselling and a skills audit;
- a re-establishment grant of up to $75 000 if the farm was sold, subject to an assets test and other conditions; and

[5] In addition to this program, *Trade & Assistance Review 2011-12* included another similarly named program, the Fisheries Research Program (FRP). The FRP was double counted as part of the above estimates. The FRP has been deleted from future estimates.

- a $3 500 retraining grant to recipients of a re-establishment grant and/or their partner, to help prepare for a career off the farm.

In November 2007, the Australian Government announced that it would end the Farm Help program. Funds saved from closing the program were diverted to the Australia's Farming Future program.

The Commission has obtained data from the Department of Agriculture, Fisheries and Forestry detailing the number of recipients under the scheme by type of farming activity (for example, fruit, beef cattle, sugar). This data has been mapped to the Commission's ANZSIC-based industry classification and then used to allocate estimates of program funding from the Department's annual reports and budget papers (table A.123).

Table A.123 **Allocation of Farm Help to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**11.0**	**2.8**	**1.8**	**0.2**	**<0.1**	**<0.1**
Horticulture and fruit growing	2.4	0.4	0.3	<0.1	-	<0.1
Sheep, beef cattle and grain farming	6.3	1.5	1.0	-	-	-
Other crop growing	0.7	0.2	0.2	-	-	-
Dairy cattle farming	0.9	0.2	0.2	-	-	-
Other livestock farming	0.3	0.4	<0.1	-	-	-
Aquaculture and fishing	<0.1	-	<0.1	-	-	-
Unallocated primary production[a]	0.3	0.1	-	0.1	-	-
Unallocated other[a]	-	-	-	-	-	<0.1
Total	**11.0**	**2.8**	**1.8**	**0.2**	**<0.1**	**<0.1**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years); DAFF Portfolio Budget Statements 2007-08; and detailed DAFF data by ANZSIC industry.

A.124 Community Broadcasting Program

The Community Broadcasting Program aims to assist community broadcasters, including with the delivery of community radio services (DBCDE 2012b).

Funding for the program has been allocated to the *Information media and telecommunications* industry grouping in the Commission's ANZSIC-based classification (table A.124).

Table A.124 **Allocation of Community Broadcasting Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Information, media and telecommunications	-	-	-	-	-	<0.1

- Nil.

Source: Commission estimates based on Department of Broadband, Communications and the Digital Economy Portfolio Budget Statements 2012-13.

A.125 Interim Income Support (Exceptional Circumstances)

As part of the Australian Government's broader Exceptional Circumstances (EC) arrangements, Interim Income Support (IIS) payments are available for farmers and agriculture-dependent small business owners located in prima facie Exceptional Circumstances-declared areas. They are also available to small business owners who derive income from farmers in prima facie declared areas (DAFF 2011).

The Department of Agriculture, Fisheries and Forestry (DAFF) provides a breakdown of EC relief payments by ANZSIC industry which has been used to allocate total expenditure shown in the annual report to the Commission's ANZSIC-based industry groupings (table A.125).

Table A.125 **Allocation of Interim Income Support (Exceptional Circumstances) to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**11.6**	**7.9**	**1.7**	**0.6**	**0.3**	**<0.1**
Horticulture and fruit growing	-	-	-	<0.1	<0.1	<0.1
Sheep, beef cattle and grain farming	7.0	4.8	1.0	0.4	0.2	<0.1
Other crop growing	1.0	0.7	0.1	<0.1	-	<0.1
Dairy cattle farming	3.3	2.3	0.5	<0.1	<0.1	<0.1
Other livestock farming	0.2	0.2	<0.1	<0.1	<0.1	<0.1
Aquaculture and fishing	-	-	-	<0.1	<0.1	<0.1
Primary production support services	-	-	-	-	-	<0.1
Unallocated primary production[a]	-	-	-	<0.1	<0.1	<0.1
Services	**-**	**-**	**-**	**-**	**<0.1**	**<0.1**
Transport, postal and warehousing	-	-	-	-	<0.1	<0.1
Total	**11.6**	**7.9**	**1.7**	**0.6**	**0.3**	**<0.1**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2011-12 (and earlier years); and detailed DAFF data by ANZSIC industry.

A.126 Clean Technology Investment – General Program

Launched on 16 February 2012, as part of the Australian Government's Clean Energy Future plan, the Clean Technology Investment Program is a merit-based grants program that aims to support Australian manufacturers to maintain competitiveness in a carbon constrained economy through the provision of grants for investments in energy efficient capital equipment and low emission technologies, processes and products (AusIndustry 2013i).

The program primarily benefits the manufacturing sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated manufacturing* industry grouping in the Commission's ANZSIC-based classification (table A.126).

Table A.126 **Allocation of Clean Technology Investment – General Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	-	-	-	-	-	<0.1

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.127 Tax deductions for grape vines

Capital expenditure incurred on or after 1 July 1993, and used to acquire and establish grapevines for use in a business of primary production, is deductable over a four year period under the Section 387-D of the *Income Tax Assessment Act 1997*. Deductions are available from the time vines are planted (Tax Expenditure Statement, Australian Government 2013, Item B 77). Under the arrangements, capital expenditure is written off earlier than would be the case in the absence of the scheme.

The estimates, either positive or negative, reflect the net cost to the government of having the scheme in place relative to the tax arrangement not being available. Negative estimates have been recorded since 2007-08 onwards.

The tax deduction targets grape growers and has been allocated to the *Horticulture and fruit growing* industry grouping in the Commission's ANZSIC-based classification (table A.127).

Table A.127 **Allocation of Tax deductions for grape vines to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Horticulture and fruit growing	3.0	-1.0	-4.0	-7.0	-7.0	-6.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 103, Item B77.

A.128 Film industry division 10B and 10BA

Under the Film industry division 10B and 10BA tax concession, capital expenditures incurred in acquiring an interest in the initial copyright of a new Australian film can either be deducted immediately (for certain types of film) or written off over two years. (Tax Expenditure Statement, Australian Government 2013, Item B 76). Under the arrangements, capital expenditure is written off earlier than would be the case in the absence of the scheme.

The estimates, either positive or negative, reflect the net cost to the government of having the scheme in place relative to the tax arrangement not being available. Negative estimates are recorded from 2004-05 onwards.

The divisions were repealed effective from 1 July 2010 (Tax Expenditure Statement 2009, Australian Government 2010, Item B 71).

The Film industry division 10B and 10BA tax concession selectively benefits activities in the film industry and has been allocated to the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.128).

Table A.128 **Allocation of Film industry division 10B and 10BA to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	-13.0	-13.0	-14.0	-22.0	-18.0	-17.0

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 102, Item B76.

A.129 R&D Tax Offset payments exemption (former scheme)

Prior to 1 July 2011, when the longstanding R&D Tax Concession was replaced with the new R&D Tax Offset, payments made under the existing R&D tax offset program (see A.4) were exempt from tax. In addition, companies that claimed the offset were unable to claim deductions for the R&D expenditures concerned. This is because payments made under the offset had already provided these companies with a benefit equivalent to the value of these deductions. The absence of these deductions constitutes a negative tax expenditure. The estimates have been negative since 2006-07 (Tax Expenditure Statement, Australian Government 2013, Item B 98).

Information on the industry incidence of the program has not been readily available. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.129).

Table A.129 **Allocation of R&D Tax Offset payments exemption (former scheme) to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-30.0	-120.0	-140.0	-170.0	-200.0	-235.0

[a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 112, Item B98.

A.130 Automotive Competitiveness and Investment Scheme

The Automotive Competitiveness and Investment Scheme (ACIS) commenced on 1 January 2001 and was initially scheduled to run for five years. The Scheme provided import duty credits that could be used to offset customs duty payable on eligible imports. The credits could also be sold or transferred.

The estimated value of ACIS assistance is sourced from the annual report of the Department of Innovation, Industry, Science and Research (DIISR). The ACIS ended on 31 December 2010 with the commencement of the Automotive Transformation Scheme (ATS) under A New Car Plan for a Greener Future (Carr 2008a). The full value of the concession is classified to the *Motor vehicle and parts* industry (table A.130).

Table A.130 **Allocation of Automotive Competitiveness and Investment Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	537.0	506.9	479.1	520.9	282.7	-

– Nil.

Source: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years).

A.131 Textile, Clothing and Footwear Strategic Investment Program Scheme – Post 2005

The Textile, Clothing and Footwear (TCF) Post-2005 Strategic Investment Program (SIP) Scheme was introduced by the Australian Government in 2005-06. The Government's intention for the scheme was to foster the development of a sustainable and internationally competitive TCF manufacturing and design industry in Australia through the provision of incentives to promote investment and innovation. The scheme provides incentives in the form of grants, paid annually and in arrears, for investment and innovation activities.

The SIP closed on 30 June 2010 (DIISR 2011) and was replaced by the Clothing and Household Textile (Building Innovative Capability) scheme in 2010-11. Not all activities assisted under the SIP, however, are eligible under the new scheme.

The SIP selectively benefits textiles, clothing and footwear activities and has been allocated under the Commission's ANZSIC-based industry classification to the textiles, clothing and footwear industry grouping (table A.131).

Table A.131 **Allocation of Textile, Clothing and Footwear Strategic Investment Program Scheme – Post 2005 to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Textile, leather, clothing and footwear	96.2	97.4	96.5	98.5	99.2	-

- Nil.

Source: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years).

A.132 Insulation Industry Assistance Package

Formed as part of the Australian Government's Home Insulation Safety Plan (HISP), the Insulation Industry Assistance Package (IIAP) provided financial assistance for ceiling insulation businesses including manufacturers, distributors, importers and installers adversely affected by the termination of the Home Insulation Program (DIISR 2011).

Information on the industry incidence of the package has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.132).

Table A.132 **Allocation of Insulation Industry Assistance Package to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	-	22.9	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DIISR Annual Report 2010-11.

A.133 Tasmanian Forest Contractors Exit Assistance Grant Program

The Tasmanian Forest Contractors Exit Assistance Grant Program was a competitive grants program that aimed to assist eligible businesses to exit the Tasmanian native forest harvest and haulage contracting sector and reduce overcapacity in the industry through reductions in the number of participating businesses (DAFF 2010c). To be eligible for assistance a business had to: have an ABN; conduct its activities predominantly in the Tasmanian native forest harvest and/or Tasmanian native forest haulage contracting sector; have been operating as a harvest and/or haulage business for the period 1 January 2009 to 30 June 2010 with a contract, quota or delivery arrangement; and be able to show business related debt.

The Program selectively benefited businesses in the Tasmanian native forest harvest and haulage contracting sector and has been allocated to the broader *Forestry & logging* industry grouping in the Commission's ANZSIC-based classification (table A.133).

Table A.133 **Allocation of Tasmanian Forest Contractors Exit Assistance Grant Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Forestry and logging	-	-	-	-	16.9	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2010-11.

A.134 North West and Northern Tasmania Innovation and Investment Fund

The North West and Northern Tasmanian Innovation and Investment Fund (NWNTIIF) aimed to support new investment that creates sustainable job opportunities in north-west and northern Tasmania following the closure of large manufacturing enterprises in the region. After a competitive merit-based process, $16 million was committed to 36 projects (DIISR 2011).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research (DIISR) detailing expenditure data for the NWNTIIF by ANZSIC industry. These industry shares have been used to allocate total funding to the Commission's ANZSIC-based industry groupings (table A.134).

Table A.134 **Allocation of North West and Northern Tasmania Innovation and Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**-**	**1.6**	**1.9**	**-**
Horticulture and fruit growing	-	-	-	1.0	1.5	-
Aquaculture and fishing	-	-	-	0.5	0.4	-
Primary production support services	-	-	-	<0.1	-	-
Mining	-	-	-	**0.2**	**<0.1**	**-**
Manufacturing	**-**	**-**	**-**	**5.4**	**5.4**	**-**
Food, beverages and tobacco	-	-	-	2.5	1.9	-
Textile, leather, clothing and footwear	-	-	-	0.2	<0.1	-
Petroleum, coal, chemical and rubber products	-	-	-	0.3	-	-
Non-metallic mineral products	-	-	-	0.4	<0.1	-
Metal and fabricated metal products	-	-	-	0.8	1.3	-
Other transport equipment	-	-	-	0.1	<0.1	-
Machinery and equipment manufacturing	-	-	-	0.9	0.6	-
Furniture and other manufacturing	-	-	-	0.1	1.5	-
Services	**-**	**-**	**-**	**1.7**	**0.7**	**-**
Construction	-	-	-	0.9	0.6	-
Wholesale trade	-	-	-	0.2	<0.1	-
Retail trade	-	-	-	0.3	<0.1	-
Transport, postal and warehousing	-	-	-	<0.1	-	-
Information, media and telecommunications	-	-	-	<0.1	<0.1	-
Other services	-	-	-	<0.1	<0.1	-
Unallocated other[a]	-	-	-	<0.1	-	-
Total	-	-	**-**	**8.8**	**8.0**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10; and detailed DIISR data by ANZSIC industry.

A.135 Small Business Online Program

Announced in the 2009-10 Budget, the Small Business Online (SBO) Program provided $15 million in funding over two years offering grants to service providers to help small businesses, including home-based businesses, to go online, significantly enhance their web presence and engage in e-business activities enabling them to take full advantage of the National Broadband Network. The government launched the program in August 2009. By March 2010, 47 grants of between $60 000 and $700 000 (totalling $14.29 million) had been awarded to eligible service providers through a competitive, merit-based application process. The services provided by organisations included IT skills development, training and mentoring to small businesses and small business owners (DIISR 2011).

The SBO Program concluded on 30 June 2011.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry (table A.135).

Table A.135 **Allocation of Small Business Online Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Services	**-**	**-**	**-**	**7.2**	**7.1**	**-**
Property, professional and administrative services	-	-	-	-	2.4	-
Education and training	-	-	-	-	2.3	-
Other services	-	-	-	-	2.4	-
Unallocated services[a]	-	-	-	7.2	-	-
Total	**-**	**-**	**-**	**7.2**	**7.1**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years).

A.136 South Australia Innovation and Investment Fund and Labour Assistance Package

In February 2008, the Australian and South Australian Governments announced an assistance package to help support workers, and also the Tonsley Park region in South Australia, following the announcement by Mitsubishi Motor Corporation that it would close its Adelaide vehicle assembly plant. The package included: intensive assistance to workers made redundant as a result of the plant closure; and a South Australian Innovation and Investment Fund (SAIIF) to assist the expansion of manufacturing in South Australia.

The SAIIF aimed to support projects that were likely to create full-time employment, with a focus on projects aimed at supporting the introduction of new innovations or technology (including investment in emerging and growth sectors such as defence and ICT), and activities in the southern suburbs of Adelaide. In addition, the fund aimed to support strategic infrastructure that could improve the competitiveness of the region (Rudd, Carr and Rann 2008). The Fund closed on 30 June 2011 (DIISR 2011).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department’s estimate of total program expenditure, as published in its annual report, to the Commission's ANZSIC-based industry groupings (table A.136).

Table A.136 **Allocation of South Australia Innovation and Investment Fund and Labour Assistance Package to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**0.3**	**0.5**	**<0.1**	**-**
Aquaculture and fishing	-	-	-	-	<0.1	-
Food, beverages and tobacco	-	-	0.3	0.5	-	-
Manufacturing	**-**	**-**	**3.8**	**5.9**	**3.9**	**-**
Petroleum, coal, chemical and rubber products	-	-	-	-	1.4	-
Metal and fabricated metal products	-	-	1.6	2.5	0.5	-
Motor vehicle and parts	-	-	-	-	0.5	-
Other transport equipment	-	-	0.9	1.5	-	-
Machinery and equipment manufacturing	-	-	-	-	1.5	-
Unallocated manufacturing[a]	-	-	1.2	2.0	-	-
Services	**-**	**-**	**<0.1**	**<0.1**	**1.6**	**-**
Construction	-	-	-	-	<0.1	-
Wholesale trade	-	-	-	-	<0.1	-
Property, professional and administrative services	-	-	-	-	1.5	-
Total	**-**	**-**	**4.1**	**6.4**	**5.5**	**-**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years); and detailed DIISR data by ANZSIC industry.

A.137 National Stem Cell Centre

In 2002, the Australian Stem Cell Centre was selected as Australia's Biotechnology Centre of Excellence (BCE) (Howard 2002). The Centre aimed to unite Australia's academics with industry in the field of stem cell and related research to deliver therapeutic benefits and foster the growth of the Australian biotechnology industry (Monash University 2003). The Centre closed in 2011.

The NSCC selectively assisted activities engaged in biotechnology, and has been classified to the *Petroleum, coal, chemical and rubber products* industry grouping in the Commission's ANZSIC-based classification (table A.137).

Table A.137 **Allocation of National Stem Cell Centre funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	6.5	6.0	5.5	5.0	4.5	-

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.138 Textile, Clothing and Footwear Product Diversification Scheme

The Textiles, Clothing and Footwear (TCF) Product Diversification Scheme was an entitlement scheme intended to assist clothing and finished textile entities located in Australia to internationalise their sourcing arrangements and complement their product range. Assistance under the scheme was provided in the form of duty credits that could be used to offset duty payable on qualifying finished clothing or relevant finished textile articles. Duty credit of approximately $5 million per annum was issued for five years from 2006-07. The scheme closed on 30 June 2011 (DIISR 2011).

The program selectively benefited textile, clothing and footwear activities and has been classified to the *Textile, leather, clothing and footwear* industry grouping in the Commission's ANZSIC-based classification (table A.138).

Table A.138 **Allocation of Textile, Clothing and Footwear Product Diversification Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Textile, leather, clothing and footwear	5.0	5.0	4.5	4.6	4.2	-

- Nil.

Source: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years).

A.139 Promoting Australian Produce Program

Established by the Australian Government in December 2008, the Promoting Australian Produce Program aimed to build the capacity of Australian food producers to promote and market their produce to domestic and export markets (Burke 2008c; DAFF 2011). Under the program, matched-funding grants of between $50 000 and $750 000 were available to agricultural industry organisations to undertake projects based around one or more of the following activities: enhancing industry marketing and promotional capabilities; developing new strategies for industry marketing; gaining consumer insights; and strengthening links with domestic and international markets (DAFF 2013c).

The Promoting Australian Produce Program closed on 13 June 2011.

The program targeted the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.139).

Table A.139 **Allocation of Promoting Australian Produce Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	-	3.0	1.3	3.8	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2010-11 (and earlier years).

A.140 Australia's Forest Industry – Preparing for the Future

In May 2008, the Australian Government announced a Preparing Australia's Forestry Industry for the Future package. The package was intended to help Australia's forest industries deal with issues including climate change and skills shortages.

The main elements of the announced package included:

- the Forest Industries Development Fund — to encourage investment in value-adding activities and increase the international competitiveness of Australia's forest industry;

- research into the impact of climate change on forest systems and industries;
- the ForestWorks program — to support the establishment of the Forest and Forest Products Industry Skills Council to address skill shortages in the industry;
- the Forest and Wood Products Industry Workforce and Industry Data Collection research project; and
- measures intended to support work with industry, regional governments and overseas countries to restrict the sale of illegally-logged timber (Burke 2008b).

The majority of expenditure related to activities undertaken by the wood processing manufacturing industry. Accordingly, the budget outlay has been classified to the *Wood and paper products* industry grouping in the Commission's ANZSIC-based classification (table A.140).

Table A.140 **Allocation of Australia's Forest Industry – Preparing for the Future to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Wood and paper products	-	-	3.3	6.9	3.5	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2010-11 (and earlier years).

A.141 Tasmanian Forest Tourism Initiative

The Tasmanian Forest Tourism (TFT) initiative provided funding for the development of environmentally sensitive tourism infrastructure in Tasmania. The principal aims of the initiative were to:

- protect and promote conservation values;
- develop environmentally sensitive tourism infrastructure;
- provide experiences that appeal to a broad range of visitors; and
- promote long-term economic benefits from tourism (Department of the Environment 2013c).

The initiative ended in 2010-11.

The TFT initiative selectively benefited activities providing tourism services. However, information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated* *services* industry grouping in the Commission's ANZSIC-based classification (table A.141).

Table A.141 **Allocation of Tasmanian Forest Tourism Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	-	-	15.2	18.1	3.3	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Department of Sustainability, Environment, Water, Population and Communities Annual Report 2011-12 (and earlier years); and Department of the Environment, Water, Heritage and the Arts Annual Report 2009-10 (and earlier years).

A.142 Fisheries Structural Adjustment Package

In 2005, the Australian Government announced the Securing Our Fishing Future package, which contained three sets of measures intended to ensure the ongoing profitability and sustainability of the Australian fishing industry. One of these sets of measures, the Fisheries Structural Adjustment (FSA) package, comprised funding of $220 million to provide assistance through the following programs.

- *Business Exit Assistance* — $149 million to provide a one-off opportunity for operators to exit the industry.
- Funding of up to $30 million for:
  - *Business Restructuring Assistance* — Assistance for businesses which are directly related to the fishing industry, such as fish processors and marine engineers, to restructure their business operations.
  - *Business Planning Assistance* — Up to $1500 each for fishing businesses and directly affected onshore businesses to offset the costs of obtaining professional business advice on their options under the package.
  - *Worker Assistance* — Payments of $5000 and $3000 available to skippers and crew, respectively, who lose employment due to the fishing reductions.
- *Fishing Community Assistance* — Funding of up to $20 million for projects that generate local economic activity and opportunities in affected communities.
- *AFMA Levy Subsidy* — $15 million to subsidise AFMA fisheries management fees paid by those fishers remaining in the industry.
- *Improved Science, Compliance and Data Collection* — $6 million towards science, compliance and data collection to improve management outcomes (Macdonald 2005a, 2005b).

Funding for the package predominantly benefits the fishing industry and is allocated to the *Aquaculture and fishing* industry grouping in the Commission's ANZSIC-based industry classification (table A.142).

Table A.142 **Allocation of Fisheries Structural Adjustment Package to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Aquaculture and fishing	159.9	25.3	16.7	9.6	1.8	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2010-11 (and earlier years).

A.143 Geelong Innovation and Investment Fund

The Geelong Investment and Innovation Fund (GIIF) was established by the Australian and Victorian Governments, together with Ford Motor Company of Australia Ltd, following Ford's restructure of its manufacturing operations in Geelong. The package supported new investment that was intended to create sustainable job opportunities in the Geelong region. Eligible investment created new or additional business capacity designed to enhance employment, business and economic opportunities with a focus on innovative manufacturing and/or technology projects (DIISR 2011).

The GIIF closed on 30 June 2011.

Funding from the program has been allocated across the Commission's ANZSIC-based industry groupings based on information received annually from the Department of Innovation, Industry, Science and Research (table A.143).

Table A.143 **Allocation of Geelong Innovation and Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Manufacturing	**-**	**-**	**2.0**	**-**	**1.5**	**-**
Food, beverages and tobacco	-	-	1.0	-	0.2	-
Textile, leather, clothing and footwear	-	-	-	-	0.2	-
Petroleum, coal, chemical and rubber products	-	-	-	-	0.2	-
Non-metallic mineral products	-	-	-	-	0.7	-
Metal and fabricated metal products	-	-	-	-	<0.1	-
Other transport equipment	-	-	<0.1	-	-	-
Machinery and equipment manufacturing	-	-	1.0	-	0.1	-
Unallocated other[a]	-	-	-	7.0	-	-
Total	**-**	**-**	**2.0**	**7.0**	**1.5**	**-**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years); and detailed DIISR data by ANZSIC industry.

A.144 Industry Cooperative Innovation Program

The Industry Cooperative Innovation Program was a merit-based grants program that was intended to encourage business-to-business cooperation on innovation projects both within Australia and internationally. The program focused on projects that enhanced productivity, growth and international competitiveness in Australian industries. The Industry Cooperative Innovation Program closed on 30 June 2011 (Innovation Australia 2012).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to classify the Department's estimate of total program expenditure, as published in its annual report, to the Commission's ANZSIC-based industry groupings (table A.144).

Table A.144 **Allocation of Industry Cooperative Innovation Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**0.5**	**0.3**	**0.3**	**-**	**<0.1**	**-**
Aquaculture and fishing	0.2	0.2	0.3	-	<0.1	-
Primary production support services	0.3	<0.1	-	-	-	-
Manufacturing	**1.2**	**0.3**	**0.3**	**0.3**	**0.1**	**-**
Petroleum, coal, chemical and rubber products	0.6	-	-	-	-	-
Metal and fabricated metal products	<0.1	<0.1	-	-	-	-
Motor vehicle and parts	<0.1	<0.1	-	-	-	-
Other transport equipment	-	-	0.3	0.3	0.1	-
Machinery and equipment manufacturing	0.3	<0.1	-	-	-	-
Furniture and other manufacturing	0.2	0.2	-	-	-	-
Services	**2.1**	**1.2**	**4.3**	**3.5**	**1.2**	**-**
Electricity, gas, water and waste services	0.1	<0.1	0.1	<0.1	<0.1	-
Construction	0.2	0.2	-	-	-	-
Wholesale trade	0.1	-	-	-	-	-
Transport, postal and warehousing	-	-	0.2	0.2	-	-
Information, media and telecommunications	0.4	0.2	0.5	0.3	0.3	-
Financial and insurance services	-	-	0.3	-	-	-
Property, professional and administrative services	0.2	0.7	0.6	<0.1	0.0	-
Health care and social assistance	-	-	0.5	<0.1	-	-
Arts and recreation services	0.7	-	-	-	-	-
Other services	0.5	<0.1	2.2	2.6	0.9	-
Unallocated other[a]	-	2.7	-	-	-	-
Total	**3.7**	**4.5**	**4.9**	**3.8**	**1.4**	**-**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2010-11 (and earlier years); Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.145 Regional Partnerships Program

The Regional Partnerships Program commenced on 1 July 2003 and provided funding for projects that were able to demonstrate that they could contribute to the objectives of strengthening growth and opportunities, improving access to services, supporting planning, and assisting structural adjustments for communities affected by major economic, social or environmental change.

The range of projects funded included; community services (activities and facilities supported by non-profit organisations); regional tourism (business and skills planning and development); civic and community infrastructure works; commercialisation of new and emerging technologies; the initiation of new businesses or growth of existing businesses; and 'industry assistance' measures. Under the Program's arrangements, applicants and their other project partners (if any) were expected to make a financial contribution to the cost of the project.

The Regional Partnerships Program was closed to new and unapproved projects in the May 2008 Budget (DITRDLG 2010) and no assistance was recorded for the Program in 2011-12.

Information on the industry incidence of the program has not been readily available. Accordingly, the budgetary outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.145).

Table A.145 **Allocation of Regional Partnerships Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	17.3	18.6	14.5	6.2	0.2	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Infrastructure, Transport, Regional Development and Local Government Annual Report 2010-11 (and earlier years).

A.146 Harvesting Productivity Initiative

The Harvesting Productivity Initiative aimed to significantly increase understanding of the drivers and constraints of productivity growth in the Australian grains industry and identify where Grains, Research and Development Corporation (GRDC) investments should be targeted to improve industry productivity over the long term (GRDC 2011).

The program primarily benefits the grains industry, which is part of the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.146).

Table A.146 **Allocation of Harvesting Productivity Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	-	-	-	1.1	0.1	-

- Nil.

Source: Commission estimates based on Grains Research and Development Corporation Annual Report 2010-11 (and earlier years).

A.147 Tobacco Grower Adjustment Assistance 2006

In October 2006, the Australian Government announced a funding package to assist tobacco growers to restructure and move into alternative business activities. As at early 2007, the package comprised funding of $45.9 million, of which former tobacco growers of Northern Queensland would be eligible for up to $23.2 million, with those in Victoria and Southern Queensland eligible for up to $21.8 million and $900 000, respectively. The maximum grant per grower was $150 000 (McGauran 2006).

The package selectively benefits firms involved or previously involved in tobacco growing and funding has been allocated to the *Other crop growing* industry grouping in the Commission's ANZSIC-based classification (table A.147).

Table A.147 **Allocation of Tobacco Grower Adjustment Assistance 2006 to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other crop growing	30.5[a]	14.4	0.3	-	<0.1	-

- Nil. [a] This is a correction – it was published as $39.3 million in TAR 2011-12

Sources: Commission estimates based on DAFF Annual Report 2010-11 (and earlier years); and DAFF Portfolio Budget Statements 2007-08.

A.148 Solar Cities initiative

Announced in June 2004, the Solar Cities Initiative provided subsidies for trials of specific solar and energy efficiency technologies and their installation into residential and commercial buildings. The trials were intended to showcase the market viability of solar energy and energy efficiency technologies, and their economic and environmental benefits. The initiative was implemented in seven separate electricity grid-connected areas around Australia.

The program has been allocated to the *Property, professional and administrative services* industry grouping in the Commission's ANZSIC-based classification (table A.148).

Table A.148 **Allocation of Solar Cities Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Property, professional and administrative services	3.0	9.1	7.2	11.7	-	-

- Nil.

Sources: Commission estimates based on Department of Environment, Water, Heritage and the Arts Annual Report 2009-10 (and earlier years); and Department of Environment and Water Resources 2007-08 (and earlier years).

A.149 Innovation and Investment Fund for South Australia

The Innovation and Investment Fund for South Australia (Structural Adjustment Package (Electrolux)) (IIFSA) was introduced in 2006 following a decision by Electrolux to close some of its manufacturing operations in Adelaide (DIISR 2011; Howard 2006). The package consisted of contributions of $25 million from the Australian Government and $5 million from the South Australian Government, and aimed to support new investment to create sustainable job opportunities in South Australia.

The Fund closed for new applications in 2007.

The DIISR provided the Commission with information on the industry incidence of IIFSA funding by the ANZSIC industry classification. These industry shares have been used to allocate IIFSA program funding across the Commission's ANZSIC-based industry groupings (table A.149).

Table A.149 **Allocation of Innovation and Investment Fund for South Australia to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**0.2**	**-**	**-**	**-**	**-**
Primary production support services	-	0.2	-	-	-	-
Mining	**-**	**-**	**0.3**	**0.3**	**-**	**-**
Manufacturing	**-**	**6.8**	**4.7**	**4.0**	**-**	**-**
Food, beverages and tobacco	-	2.3	1.6	1.4	-	-
Metal and fabricated metal products	-	-	0.3	0.3	-	-
Machinery and equipment manufacturing	-	4.2	2.6	2.2	-	-
Furniture and other manufacturing	-	0.3	-	-	-	-
Unallocated manufacturing[a]	-	-	0.2	0.2	-	-
Services	**-**	**-**	**2.1**	**1.8**	**-**	**-**
Electricity, gas, water and waste services	-	-	0.4	0.4	-	-
Information, media and telecommunications	-	-	0.9	0.8	-	-
Property, professional and administrative services	-	-	0.8	0.7	-	-
Unallocated other[a]	-	<0.1	<0.1	<0.1	-	-
Total	**-**	**7.1**	**7.1**	**6.1**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); and detailed DIISR data by ANZSIC industry.

A.150 Land and Water Australia

Land and Water Australia (LWA) – formerly Land and Water Resources Research and Development Corporation — carried out research and development activities into land and water issues (LWA 2013). LWA aimed to:

- generate knowledge to improve Australian farming systems and profitability;
- improve the way Australia's natural resources are managed for sustainability;
- inform large public investments in natural capital; and
- help governments balance competing demands on natural resources and rural landscapes.

LWA was closed on 31 December 2009.

LWA projects assisted the primary production sector. However, information on the specific industry incidence of the projects has not been readily available. Accordingly, the budget outlay has been allocated to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.150).

Table A.150 **Allocation of Land and Water Australia funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	12.8	13.0	13.0	5.7	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Land and Water Australia Research and Development Corporation Annual Report 2009-10 (and earlier years).

A.151 Pre-seed Fund

Announced in 2001, the Pre-seed Fund program aimed to make available venture capital finance for university and public sector research companies seeking to commercialise their technologies. Funding for the scheme was used to establish ‘fund companies’ which would invest in the commercialisation of public sector research (DIISR 2010).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department’s estimate of total program expenditure, as published in its annual report, to the Commission’s ANZSIC-based industry groupings (table A.151).

Table A.151 **Allocation of Pre-seed Fund to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**<0.1**	**<0.1**	**-**	**-**	**-**	**-**
Horticulture and fruit growing	<0.1	<0.1	-	-	-	-
Manufacturing	**1.0**	**2.4**	**0.4**	**1.0**	**-**	**-**
Petroleum, coal, chemical and rubber products	-	0.5	-	-	-	-
Non-metallic mineral products	0.8	-	-	-	-	-
Motor vehicle and parts	-	<0.1	<0.1	-	-	-
Machinery and equipment manufacturing	0.2	1.8	0.3	0.8	-	-
Furniture and other manufacturing	-	-	-	0.2	-	-
Services	**8.2**	**8.7**	**3.8**	**4.5**	**-**	**-**
Electricity, gas, water and waste services	0.4	-	-	-	-	-
Information, media and telecommunications	1.8	1.0	0.7	0.4	-	-
Financial and insurance services	1.9	2.2	-	2.0	-	-
Property, professional and administrative services	2.1	4.3	2.2	1.9	-	-
Health care and social assistance	2.0	1.1	0.9	0.2	-	-
Unallocated other[a]	-	-	2.7	-	-	-
Total	**9.2**	**11.1**	**6.9**	**5.5**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); detailed DIISR data by ANZSIC industry; and detailed Department of Industry, Tourism and Resources data by ANZSIC industry.

A.152 Remote Renewable Power Generation Program

The Renewable Remote Power Generation program provided financial support to increase the use of renewable generation in remote parts of Australia that relied on diesel and other fossil fuels for electricity supply. The program comprised two sub-programs:

- the Residential and Medium-scale program which provided rebates for households, communities, not-for-profit, business, government and other organisations, to support the installation of renewable generation systems in areas which were not close to the electricity grid; and
- the Renewable Energy Water Pumping program which provided rebates for business, government and other incorporated organisations, to support the installation of renewable energy water pumping systems in areas which were not close to the electricity grid (Department of the Environment 2013a).

The Renewable Remote Power Generation program was closed to new applicants in 2009.

The program has been allocated to the *Electricity, gas, water and waste services* industry grouping in the Commission's ANZSIC-based classification (table A.152).

Table A.152 **Allocation of Remote Renewable Power Generation Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Electricity, gas, water and waste services	13.8	29.9	39.1	4.4	-	-

- Nil.

Source: Commission estimates based on Department of Sustainability, Environment, Water, Population and Communities Annual Report 2009-10 (and earlier years).

A.153 Renewable Energy Development Initiative

Introduced in 2003, the Renewable Energy Development Initiative (REDI) was a competitive merit-based grants program that aimed to assist small and medium sized Australian businesses to conduct research and development, proof-of-concept and early stage commercialisation activities for innovative projects. During the life of the program, 29 projects totalling $66.7 million were awarded funding (DIISR 2011).

The program was closed to new grants in April 2008.

DIISR has provided the Commission with information on the industry incidence of REDI funding by the ANZSIC industry classification. The industry shares data has been used to allocate total REDI program funding, derived from DIISR's annual report, across the Commission's ANZSIC-based industry groupings (table A.153).

Table A.153 **Allocation of Renewable Energy Development Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	**0.3**	**0.5**	**0.8**	**0.3**	**-**	**-**
Manufacturing	**2.4**	**9.0**	**2.7**	**0.3**	**-**	**-**
Food, beverages and tobacco	0.8	-	1.8	0.2	-	-
Petroleum, coal, chemical and rubber products	-	1.6	0.7	-	-	-
Non-metallic mineral products	-	4.9	-	-	-	-
Machinery and equipment manufacturing	1.1	1.9	0.2	0.1	-	-
Furniture and other manufacturing	0.5	0.7	-	-	-	-
Services	**6.8**	**4.3**	**14.8**	**3.8**	**-**	**-**
Electricity, gas, water and waste services	5.0	1.8	6.1	2.3	-	-
Property, professional and administrative services	1.1	1.0	8.8	1.4	-	-
Other services	0.7	1.5	-	-	-	-
Unallocated other[a]	-	3.4	-	-	-	-
Total	**9.5**	**17.2**	**18.3**	**4.3**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.154 Investment incentive for Holden

In October 2006, the Australian Government announced that it would provide $6.7 million over four years to General Motors Holden (*Trade & Assistance Review 2005-06*, p. 3.17). The funding was earmarked for the introduction of safety and fuel management improvements and for reducing greenhouse gas emissions on Commodore vehicles. The South Australian and Victorian Governments were also to provide $6.7 million for this project.

The Australian Government outlay has been allocated to the *Motor vehicles and parts* industry grouping in the Commission's ANZSIC-based classification (table A.154).

Table A.154 **Allocation of Investment incentive for Holden to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	2.0	2.0	-	2.7	-	-

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); and Department of Industry, Tourism and Resources Annual Report 2006-07.

A.155 Pharmaceuticals Partnerships Program

The Pharmaceuticals Partnership Program (PPP) aimed to:

- increase the level of new high quality pharmaceuticals R&D undertaken in Australia;
- increase the number and quality of linkages within the industry;
- improve the international engagement of local firms;
- increase the quality of R&D undertaken and its overall benefit to the Australian economy; and
- encourage the development of medicines for the global market (Department of Industry 2013a).

The PPP finished on 30 June 2009.

Based on information provided by the Department of Innovation, Industry, Science and Research, payments under PPP have been allocated to the *Petroleum, coal, chemical and rubber products*, the *Property, professional and administration*, and the *Unallocated other* industry groupings in the Commission's ANZSIC-based classification (table A.155).

Table A.155 **Allocation of Pharmaceutical Partnerships Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Manufacturing	**18.4**	**18.5**	**8.1**	**1.7**	**-**	**-**
Petroleum, coal, chemical and rubber products	18.4	18.5	8.1	1.7	-	-
Services	**-**	**-**	**-**	**0.3**	**-**	**-**
Property, professional and administration services	-	-	-	0.3	-	-
Unallocated other[a]	-	16.6	7.3	-	-	-
Total	**18.4**	**35.1**	**15.4**	**2.0**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.156 Small Business Program

The Small Business Program, or Building Entrepreneurship in Small Business Program, provided competitive, merit-based grants to organisations to improve the business skills of Australian small business owners and managers. The Australian Government's intended purpose of the program was to facilitate entrepreneurship to maximise the growth potential and sustainability of small business (DIISR 2010). The program was not funded for any new grants beyond 30 June 2008, and funding for the program terminated on 30 June 2010.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate total program expenditure, as published in the Department's annual report, to the Commission's ANZSIC-based industry groupings (table A.156).

Table A.156 **Allocation of Small Business Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Services	**17.0**	**13.5**	**3.5**	**1.7**	**-**	**-**
Construction	0.9	-	0.1	<0.1	-	-
Financial and insurance services	-	-	0.1	<0.1	-	-
Property, professional and administrative services	6.8	10.6	1.2	0.6	-	-
Public administration and safety	4.3	1.6	0.5	0.2	-	-
Education and training	2.6	0.4	0.8	0.4	-	-
Health care and social assistance	<0.1	-	-	-	-	-
Arts and recreation services	0.7	-	-	-	-	-
Other services	1.6	0.8	0.7	0.4	-	-
Unallocated other[a]	0.5	-	0.3	0.2	-	-
Total	**17.5**	**13.5**	**3.8**	**1.9**	**-**	**-**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.157 North East Tasmania Innovation and Investment Fund

Announced by the Australian Government in August 2008, the North East Tasmania Innovation and Investment Fund (NETIIF) aimed to support the establishment and maintenance of employment opportunities in the north-east of Tasmania following the closure of the Tonganah softwood sawmill in Scottsdale.

Following a competitive merit-based process, $3.7 million was committed to 19 projects to support the creation of new jobs in the region. The NETIIF also replaced the previous Scottsdale Industry and Community Development Fund (SICDF) (DIISR 2010).

The NETIIF concluded during 2009-10.

The Department of Innovation, Industry, Science and Research has provided data detailing expenditure for the NETIIF by ANZSIC industry. This information has been used to allocate total NETIIF funding according to the Commission's ANZSIC-based industry groupings (table A.157).

Table A.157 **Allocation of North East Tasmania Innovation and Investment Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**-**	**-**	**0.7**	**-**	**-**
Horticulture and fruit growing	-	-	-	0.4	-	-
Dairy cattle farming	-	-	-	<0.1	-	-
Other livestock farming	-	-	-	<0.1	-	-
Forestry and logging	-	-	-	0.2	-	-
Manufacturing	**-**	**-**	**-**	**0.3**	**-**	**-**
Wood and paper products	-	-	-	<0.1	-	-
Metal and fabricated metal products	-	-	-	<0.1	-	-
Other transport equipment	-	-	-	0.2	-	-
Machinery and equipment manufacturing	-	-	-	<0.1	-	-
Services	**-**	**-**	**-**	**0.4**	**-**	**-**
Construction	-	-	-	<0.1	-	-
Retail trade	-	-	-	0.1	-	-
Accommodation and food services	-	-	-	0.1	-	-
Transport, postal and warehousing	-	-	-	<0.1	-	-
Total	**-**	**-**	**-**	**1.4**	**-**	**-**

- Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.158 Small Business Support Line

Established in 2009-10, the Small Business Support Line aimed to assist small businesses to better manage the impacts of the (then) global recession (DIISR 2010). The support line aimed to provide a single point of contact for small businesses to access information and advice on matters such as: obtaining finance; cash flow management; retail leasing; marketing; and personal stress and hardship counselling. The support line also aimed to put small businesses in touch with specialist advisers for more complex or detailed advice on these issues.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.158).

Table A.158 **Allocation of Small Business Support Line to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	-	-	1.3	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DIISR Annual Report 2009-10.

A.159 Australian Made Campaign – Export Marketing Strategy

In September 2004, the Australian Government announced a $2 million grant, to be provided over three years, to help strengthen the profile and marketing effectiveness of the 'Australian Made' logo for small to medium sized Australian companies in export markets. The grant was used to fund research and benchmarking projects, an international project to test the effectiveness of the logo in international markets, and an awareness-raising campaign within the industry on how to best use the logo as a marketing tool (MacFarlane 2004).

In June 2007, the Australian Government announced the launch of the 'Australian Grown' logo. The objective of the initiative was to help Australian consumers to quickly identify packaged foods that have been grown on Australian farms. Australian exporters would also be able to make use of the logo in overseas markets. An extension of the 'Australian Made' logo, the Government committed up to $1.7 million to support the initiative (McGauran 2007).

The industry grouping of the businesses that conducted the logo research are part of the *Property, professional and administrative services* industry grouping in the Commission's ANZSIC-based industry classification (table A.159). (This is a re-classification since *Trade & Assistance Review 2011-12* was published, in which the program was allocated to *Unallocated other* grouping).

Table A.159 **Allocation of Australian Made Campaign – Export Marketing Strategy to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Property, professional and administrative services[a]	0.5	0.9	0.4	1.1	-	-

- Nil. [a] In TAR 2011-12 this funding was allocated to *Unallocated other*.

Sources: Commission estimates based on DIISR Annual Report 2009-10 (and earlier years); Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.160 Drought Assistance – Murray-Darling Basin Grants to Irrigators

In September 2007, the Australian Government announced a drought assistance package for irrigators, dryland farmers and small businesses severely affected by the drought. As part of the package, grants of up to $20 000 were made available to eligible Murray-Darling Basin irrigation businesses to help implement water management strategies, including responses to temporarily reduced water allocations and improvements to on-farm practices, to maximise production from the available water (PC 2011). The Murray-Darling Basin Grants to Irrigators program ceased in 2009-10 (DAFF 2010b).

The grants were targeted towards producers in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.160).

Table A.160 **Allocation of Drought Assistance – Murray-Darling Basin Grants to Irrigators to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	144.3	60.4	0.8	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2009-10 (and earlier years).

A.161 R&D Start

The R&D Start program was a competitive merit-based program designed to assist Australian industry to undertake R&D and its commercialisation through a range of grants and loans (AusIndustry 2013d). The program closed in September 2004 (with committed funds continuing through to 2008-09) and was replaced by the Commercial Ready program (see A.113).

Funding from the program has been allocated across the Commission's ANZSIC-based industry groupings based on information received annually from the Department of Innovation, Industry, Science and Research (table A.161).

Table A.161 **Allocation of R&D Start to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**0.3**	**<0.1**	-	-	-	**-**
Horticulture and fruit growing	<0.1	-	-	-	-	-
Aquaculture and fishing	0.3	<0.1	-	-	-	-
Primary production support services	<0.1	-	-	-	-	-
Mining	**1.2**	**0.1**	**<0.1**	-	-	**-**
Manufacturing	**22.9**	**10.1**	**0.6**	**0.1**	-	**-**
Food, beverages and tobacco	2.3	0.2	0.3	-	-	-
Wood and paper products	0.1	-	-	-	-	-
Printing and recorded media	0.3	0.9	-	-	-	-
Petroleum, coal, chemical and rubber products	1.7	0.4	0.1	-	-	-
Non-metallic mineral products	1.2	0.1	<0.1	-	-	-
Metal and fabricated metal products	1.4	1.1	-	-	-	-
Motor vehicle and parts	-	-	<0.1	-	-	-
Other transport equipment	<0.1	<0.1	-	-	-	-
Machinery and equipment manufacturing	11.3	4.3	<0.1	-	-	-
Furniture and other manufacturing	4.5	2.8	0.1	0.1	-	-
Services	**8.6**	**0.9**	**1.5**	**0.4**	-	-
Construction	-	-	0.4	0.3	-	-
Wholesale trade	0.2	0.2	-	-	-	-
Transport, postal and warehousing	<0.1	-	-	-	-	-
Information, media and telecommunications	0.6	0.2	-	-	-	-
Financial and insurance services	0.4	-	-	-	-	-
Property, professional and administrative services	5.6	0.4	1.1	0.2	-	-
Education and training	<0.1	-	-	-	-	-
Health care and social assistance	1.8	0.2	-	-	-	-
Unallocated other[a]	2.2	1.5	-	-	-	-
Total	**35.3**	**12.7**	**2.2**	**0.5**	-	-

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.162 National Livestock Identification System

The National Livestock Identification System (NLIS) is Australia's system for identification and traceability of livestock — especially cattle, sheep and goats (MLA 2013). The NLIS was introduced in 1999 to enhance Australia's ability to track cattle during disease and food incidents. Since its introduction, the system has expanded to enable livestock to be traced from the property of birth to slaughter for the purposes of:

- biosecurity;
- meat safety;
- product integrity; and
- market access.

The Australian Government provided funding to assist the livestock industry to implement the NLIS. The NLIS selectively benefited firms engaged in livestock farming which are predominantly located in the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.162).

Table A.162 **Allocation of National Livestock Identification System to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	5.0	4.7	0.2	0.2	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2009-10 (and earlier years).

A.163 Tasmanian Wheat Freight Subsidy

The Tasmanian Wheat Freight Shipping subsidy was designed to assist cereal processing, intensive animal feedlot and aquaculture industries in Tasmania. The subsidy was designed to equate the price of wheat in Tasmania with the mainland, and to compensate for the increased cost of transporting to Tasmania (DIT 2013).

The scheme selectively benefited the end users of wheat in Tasmania. Without up-to-date information on use of the scheme by type of wheat user, the small number of claims has been allocated to the *Unallocated other* industry grouping (table A.163).

Table A.163 **Allocation of Tasmanian Wheat Freight Subsidy Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	0.6	0.9	0.3	0.1	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DITRDLG Annual Report 2009-10 (and earlier years); and Department of Transport and Regional Services Annual Report 2006-07.

A.164 ABC and SBS Digital Interference Scheme

The ABC and SBS Digital Interference Scheme was established to reimburse the ABC and SBS for the cost of their contribution to the Digital Interference Management Strategy. The scheme was intended to help consumers overcome any interference problems associated with the introduction of new free-to-air digital television services. The scheme was administered by the commercial television industry representative body, Free TV Australia, on behalf of all participating free-to-air broadcasters, including the ABC and SBS (DBCDE 2009). The scheme was closed in 2009-10 (DBCDE 2010).

The scheme selectively benefited operators in the *Information media and telecommunications* industry grouping in the Commission's ANZSIC-based classification (table A.164).

Table A.164 **Allocation of ABC and SBS Digital Interference Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Information media and telecommunications	<0.1	<0.1	<0.1	<0.1	-	-

- Nil.

Sources: Commission estimates based on DBCDE Annual Report 2009-10 (and earlier years); and Department of Communications, Information Technology and the Arts Annual Report 2006-07.

A.165 Tasmanian Community Forest Agreement

Announced in 2005, the Tasmanian Community Forest Agreement was a joint commitment of the Australian and Tasmanian Governments which aimed to enhance the protection of Tasmania's forest environment and assist the Tasmanian forest industry to adjust to changes in forest resources (DAFF 2013a). The Australian Government's financial contributions to the Tasmanian Community Forest Agreement ceased in June 2009 (DAFF 2010b).

The Tasmanian Community Forest Agreement was considered to predominantly benefit firms in the timber industry and has been allocated to the *Wood and paper products* industry grouping in the Commission's ANZSIC-based classification (table A.165).

Table A.165 **Allocation of Tasmanian Community Forest Agreement funding to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Wood and paper products	-	26.0	35.3	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2008-09 (and earlier years).

A.166 Advanced Electricity Storage

The Advanced Electricity Storage (AES) program supported the development and demonstration of efficient electricity storage technologies for use with variable renewable generation sources such as wind and solar (DRET 2010). Advanced storage technologies for electricity applications include, but are not limited to, batteries, electro-mechanical, chemical and thermal storage technologies in either on-grid or off-grid situations.

Along with other programs, the AES Program was transferred into the Australian Centre for Renewable Energy Program (see Annex item A.70) during 2009-10.

The AES program has been identified as selectively benefiting firms in the manufacturing sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated manufacturing* industry grouping in the Commission's ANZSIC-based classification (table A.166).

Table A.166 **Allocation of Advanced Electricity Storage program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	0.5	2.8	8.7	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2008-09 (and earlier years); Department of the Environment, Water, Heritage and the Arts Annual Report 2007-08; and Department of the Environment and Water Resources Annual Report 2006-07.

A.167 Ethanol Distribution Program

Announced by the Australian Government in August 2006, the $14 million Ethanol Distribution Program (EDP) provided grants of up to $20 000 each for service station operators to upgrade their equipment to increase the sale of ethanol-blended fuel (DITR 2007a).

The EDP selectively assisted firms engaged in wholesale and retail activities. Accordingly, the program has been classified to the *Wholesale trade* and *Retail trade* industry groupings in the Commission's ANZSIC-based classification (table A.167).

Table A.167 **Allocation of Ethanol Distribution Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Services	**0.7**	**6.2**	**7.0**	**-**	**-**	**-**
Wholesale trade	-	1.7	2.0	-	-	-
Retail trade	0.7	4.5	5.0	-	-	-
Total	**0.7**	**6.2**	**7.0**	**-**	**-**	**-**

- Nil.

Sources: Commission estimates based on Department of Resources, Energy and Tourism 2008-09 (and earlier years); and Department of Industry, Tourism and Resources Annual Report 2006-07.

A.168 Sugar Industry Reform Program – 2004

Announced by the Australian Government in April 2004, the Sugar Industry Reform Program (SIRP) 2004 aimed to alleviate the (then) immediate financial hardship of sugar millers and growers and reform the structure of the industry, through rationalisation and diversification, to make it competitive and sustainable.

SIRP 2004 comprised two main funding components: welfare and reform. The welfare component included: Sustainability Grants; Income Support; and Crisis Counselling. The reform component included: Grower Restructuring Grants; Business Planning Grants; Regional Community Projects; Re-establishment Grants; Re-training Grants; and Intergenerational Transfer Grants. The SIRP ended in 2008 (ABARES 2010).

While some of these elements may have indirectly benefited ancillary sugar industry services (such as business planning providers), SIRP 2004 predominantly targeted sugar cane growers and has been allocated to the *Other crop growing* industry grouping in the Commission's ANZSIC-based classification (table A.168).

Table A.168 **Allocation of Sugar Industry Reform Program – 2004 to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other crop growing	39.1	35.6	4.5	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2008-09 (and earlier years).

A.169 Greenhouse Gas Abatement Program

The Greenhouse Gas Abatement Program (GGAP) had the objective of reducing Australia's net greenhouse gas emissions by supporting activities intended to result in substantial emissions reductions or activities to offset greenhouse emissions, particularly in the period 2008-2012 (DEWHA 2009). Funding under the Program ended in 2008-09.

Australia Government press releases detailing approved projects were used to allocate total program funding across the Commission's ANZSIC-based industry classification (table A.169).

Table A.169 **Allocation of Greenhouse Gas Abatement Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	**0.9**	**0.4**	**<0.1**	**-**	**-**	**-**
Manufacturing	**6.5**	**2.7**	**0.5**	**-**	**-**	**-**
Petroleum, coal, chemical and rubber products	3.9	1.6	0.3	-	-	-
Metal and fabricated metal products	2.6	1.1	0.2	-	-	-
Services	**10.3**	**4.3**	**0.8**	**-**	**-**	**-**
Electricity, gas, water and waste services	9.8	4.1	0.7	-	-	-
Retail trade	0.5	0.2	<0.1	-	-	-
Total	**34.5**	**14.3**	**2.5**	**-**	**-**	**-**

– Nil.

Source: Commission estimates based on detailed Australian Government press releases.

A.170 Scottsdale Industry and Community Development Fund

Announced by the Australian Government in March 2007, the $6 million Scottsdale Industry and Community Development Fund (SICDF) was a merit based grants program and was intended to provide financial support for a range of development initiatives for the benefit of the Scottsdale community in northern Tasmania. The initiatives were aimed at creating or retaining long-term sustainable employment opportunities for the Scottsdale community (DIISR 2009).

The SICDF closed on 30 June 2009.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing the ANZSIC industry incidence of the program. The industry shares data from the Department have been used to allocate total program funding to the Commission's ANZSIC-based industry groupings (table A.170).

Table A.170 **Allocation of Scottsdale Industry and Community Development Fund to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**1.0**	**0.8**	**-**	**-**	**-**
Horticulture and fruit growing	-	0.3	0.5	-	-	-
Other crop growing	-	0.3	-	-	-	-
Dairy cattle farming	-	-	<0.1	-	-	-
Forestry and logging	-	0.4	0.2	-	-	-
Primary production support services	-	0.1	-	-	-	-
Manufacturing	**-**	**2.8**	**1.5**	**-**	**-**	**-**
Food, beverages and tobacco	-	<0.1	-	-	-	-
Wood and paper products	-	2.4	1.1	-	-	-
Printing and recorded media	-	0.3	-	-	-	-
Petroleum, coal, chemical and rubber products	-	-	0.1	-	-	-
Other transport equipment	-	-	0.2	-	-	-
Machinery and equipment manufacturing	-	<0.1	-	-	-	-
Services	**-**	**0.1**	**-**	**-**	**-**	**-**
Construction	-	0.1	-	-	-	-
Total	**-**	**4.0**	**2.2**	**-**	**-**	**-**

– Nil.

Source: Commission estimates based on detailed DIISR data by ANZSIC industry.

A.171 Low Emissions Technology and Abatement Program

The Low Emissions Technology and Abatement Program provided funding over four years to support the identification and implementation of cost-effective abatement opportunities and the uptake of small-scale low emission technologies in business and local communities (DEWHA 2009).

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.171).

Table A.171 **Allocation of Low Emissions Technology and Abatement Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	6.7	3.1	1.7	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of the Environment, Water, Heritage and the Arts Annual Report 2008-09 (and earlier years).

A.172 Low-Emission Technology Demonstration Fund

The Low-Emission Technology Demonstration Fund (LETDF) was intended to help Australian firms commercialise low emissions technologies (DRET 2013c). An objective of the program was to demonstrate the commercial potential of new energy technologies or processes, or the application of overseas technologies or processes to Australian circumstances, to deliver long-term large-scale greenhouse gas emission reductions.

The LETDF was targeted towards energy generation activities and funding for this program has therefore been allocated to the *Electricity, gas, water and waste services* industry in the Commission's ANZSIC-based industry groupings (table A.172).

Table A.172 **Allocation of Low-Emission Technology Demonstration Fund to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Electricity, gas, water and waste services	-	3.1	1.6	-	-	-

- Nil.

Source: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2008-09 (and earlier years).

A.173 Advancing Agricultural Industries Program

The Advancing Agricultural Industries Program[6] was intended to help primary industries develop self-reliance, resilience and an ability to efficiently manage change. The program encouraged industries to identify challenges and opportunities and to address them by developing and implementing industry-led strategies. The program had four main components:

- Advancing Agriculture Fund (AgFund) — up to $50 000 to producer groups to target industry issues at the local and regional level;
- Industry Stocktakes — up to $200 000 to help agriculture, fisheries and forest industries identify their strengths and weaknesses, and challenges and opportunities, and plan for how to best manage them;

[6] In Trade and Assistance Review 2011-12 (Appendix A, table A.10) the label 'Industry Partnerships Program' is used.

- Action Grants — up to $1 million in matching funds to help industries build their structural and organisational capacity and tackle identified industry issues; and
- Rural Leadership Development — intended to increase the skills, knowledge and profile of women, Indigenous and young people working in the agriculture, fisheries, forestry, natural resource management and food processing industries (DAFF 2010d).

The program formally ended on 30 June 2008, although there was some residual expenditure in 2008-09.

The Commission has obtained data from the Department of Agriculture, Fisheries and Forestry detailing the number of recipients under the scheme by type of farming activity (for example, fruit, beef cattle, sugar). This data has been mapped to the Commission's ANZSIC-based industry classification and then used to allocate estimates of program funding from the Department's annual reports and budget papers (table A.173).

Table A.173 **Allocation of Advancing Agricultural Industries Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**5.3**	**5.2**	**1.6**	**-**	**-**	**-**
Horticulture and fruit growing	3.0	2.8	0.9	-	-	-
Sheep, beef cattle and grain farming	0.4	0.8	0.2	-	-	-
Other livestock farming	1.0	1.0	0.3	-	-	-
Aquaculture and fishing	0.5	0.2	<0.1	-	-	-
Forestry and logging	0.4	<0.1	<0.1	-	-	-
Unallocated primary production[a]	-	0.3	0.1	-	-	-
Total	**5.3**	**5.2**	**1.6**	**-**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2008-09 (and earlier years); DAFF Portfolio Budget Statements 2007-08; and detailed DAFF data by ANZSIC industry.

A.174 Indigenous Tourism Business Ready Program

The Indigenous Tourism Business Ready Program assisted Indigenous tourism businesses to develop, establish and run successful tourism businesses to meet growing international and domestic demand for Indigenous tourism products. It also aimed to improve employment outcomes for Indigenous people in the tourism industry. The program funded mentors to deliver support to tourism businesses with an emphasis on the development of the skills necessary to run a financially viable business in the tourism industry. (DSS 2013.

Based on information obtained from the Department of Resources, Energy and Tourism, expenditure under the program was allocated to the *Property, professional and administrative services* and the *Education and training* industry groupings in the Commission's ANZSIC-based classification (table A.174).

Table A.174 **Allocation of Indigenous Tourism Business Ready Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Services	**1.1**	**0.4**	**1.2**	**–**	**–**	**–**
Property, professional and administrative services	–	–	0.4	–	–	–
Education and training	–	–	0.2	–	–	–
Unallocated services[a]	1.1	0.4	0.6	–	–	–
Total	**1.1**	**0.4**	**1.2**	**–**	**–**	**–**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Development Annual Report 2006-07; and detailed Department of Resources, Energy and Tourism data by ANZSIC industry.

A.175 Sustainable Regions Program

The Sustainable Regions Program, which commenced in August 2001, was intended to offer a planned and integrated approach to structural adjustment in identified regions. Over the life of the program, 280 projects were supported (DITRDLG 2009).

The Program was closed to new applications in May 2008.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.175).

Table A.175 **Allocation of Sustainable Regions Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	7.1	4.7	0.9	-	-	-

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DITRDLG Annual Report 2008-09 (and earlier years); and Department of Transport and Regional Services Annual Report 2006-07.

A.176 Land transport infrastructure borrowings tax offsets scheme

The Land transport infrastructure borrowings tax offsets scheme provided a tax offset, at the company tax rate and capped at $75 million per annum, for resident lenders who received interest income from loans given for approved land transport infrastructure projects. The offset was available for the first five years of interest payments. The interest paid by the borrower was not deductible. No new projects have been admitted to the scheme since May 2004. The scheme was repealed in 2011 (Tax Expenditure Statement, Australian Government 2013, Item B 49).

Based on information obtained from Australian Government press releases detailing approved projects and Development Allowance Authority (DAA) annual reports, this offset has been allocated across the *Transport, postal and warehousing* and *Financial and insurance services* industry groupings in the Commission's ANZSIC-based classification (table A.176).

Table A.176 **Allocation of Land transport infrastructure borrowings tax offsets scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Transport, postal and warehousing	0.4	0.4	0.4	-	-	-
Financial and insurance services	0.1	0.1	0.1	-	-	-
Total	**0.5**	**0.5**	**0.5**			

– Nil.

Sources: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 89, Item B49; Development Allowance Authority Annual Report 2008-09 (and earlier years); and Australian Government press releases (various years).

A.177 Structural Adjustment Fund for South Australia

In May 2004, the Australian Government announced a Structural Adjustment Fund for South Australia (SAFSA) in response to the closure of Mitsubishi's engine plant in Lonsdale, South Australia. The Government's intension for the fund was that it would support investment to create new jobs in South Australia, with a focus on the southern districts of Adelaide. The SAFSA was to provide funding of up to $40 million (Howard 2004 and DITR 2005). The fund was closed to new applications in 2006.

DIISR has provided information on the industry incidence of SAFSA funding by the ANZSIC industry classification (table A.177).

Table A.177 **Allocation of Structural Adjustment Fund for South Australia to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Manufacturing	**-**	**-**	**0.3**	**-**	**-**	**-**
Furniture and other manufacturing	-	-	<0.1	-	-	-
Unallocated manufacturing[a]	-	-	0.3	-	-	-
Services	**-**	**-**	**0.2**	**-**	**-**	**-**
Education and training	-	-	0.2	-	-	-
Unallocated other[a]	10.5	7.0	-	-	-	-
Total	**10.5**	**7.0**	**0.5**	**-**	**-**	**-**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.178 Queensland Tourism Assistance Package

Announced by the Australian Government on 11 June 2008, the Queensland Tourism Assistance Package aimed to support the tourism industry in Tropical North Queensland (the region's major employment and economic activity) in response to a commercial decision by a number of airlines to reduce aviation services to North Queensland (DRET 2009). The Package was intended to include marketing measures (managed by Tourism Australia), as well as measures to strengthen the supply side of the industry (managed by the Department of Resources, Energy and Tourism).

The package selectively benefited activities providing tourism services. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated* *services* industry grouping in the Commission's ANZSIC-based classification (table A.178).

Table A.178 **Allocation of Queensland Tourism Assistance Package to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	-	-	0.3	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DRET Annual Report 2008-09.

A.179 Torres Strait Prawn Fisheries Program

The Torres Strait Prawn Fisheries Program (TSPFP) provided funding for research into alternative management strategies to ensure the fishery's long term viability, and also increased funding to the Australian Fisheries management Authority in response to increased costs during the development of new management arrangements (DAFF 2008).

The TSPFP selectively benefited prawn fishing activities and funding from the program has been allocated to the *Aquaculture and fishing* industry grouping in the Commission's ANZSIC-based classification (table A.179).

Table A.179 **Allocation of Torres Strait Prawn Fisheries Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Aquaculture and fishing	0.6	21.1	0.2	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2008-09 (and earlier years).

A.180 New Industries Development Program

The New Industries Development Program (NIDP) commenced in 2001. The NIDP was intended to help small to medium-sized enterprises gain financial assistance and business skills to commercialise new agribusiness projects, services and technologies (DAFF 2009).

Information from Australian Government press releases detailing approved projects have been used to allocate total program funding across the Commission's ANZSIC-based industry classification (table A.180).

Table A.180 **Allocation of New Industries Development Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**1.3**	**0.6**	**<0.1**	-	-	-
Horticulture and fruit growing	0.6	0.3	<0.1	-	-	-
Sheep, beef cattle and grain farming	0.1	<0.1	<0.1	-	-	-
Other crop growing	<0.1	<0.1	<0.1	-	-	-
Dairy cattle farming	0.1	<0.1	<0.1	-	-	-
Other livestock farming	0.2	<0.1	<0.1	-	-	-
Aquaculture and fishing	0.2	<0.1	<0.1	-	-	-
Mining	**<0.1**	**<0.1**	**<0.1**	**-**	**-**	**-**
Manufacturing	**0.4**	**0.2**	**<0.1**	-	-	-
Food, beverages and tobacco	0.2	<0.1	<0.1	-	-	-
Petroleum, coal, chemical and rubber products	0.1	<0.1	<0.1	-	-	-
Machinery and equipment manufacturing	<0.1	<0.1	<0.1	-	-	-
Total	**1.7**	**0.8**	**<0.1**	-	-	-

- Nil.

Sources: DAFF Annual Report 2008-09 (and earlier years); DAFF Portfolio Budget Statements 2007-08; and detailed DAFF data by ANZSIC industry.

A.181 Australian Vegetable Industry Development Group

The Australian Government established the Australian Vegetable Industry Development Group (AVIDG) to examine options for improving the vegetable industry's competitiveness. The AVIDG established seven project themes: the development of a vegetable industry strategic plan; market development; industry information and decision support frameworks; global comparative analysis; leadership and industry structures; industry benchmarking; and business skill development. The Australian Government provided funding for specific projects to address these themes (DAFF 2008).

Funding from the program selectively benefited vegetable growers which are part of the *Horticulture and fruit growing* industry grouping in the Commission's ANZSIC-based classification (table A.181).

Table A.181 **Allocation of Australian Vegetable Industry Development Group funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Horticulture and fruit growing	1.0	1.1	<0.1	-	-	-

- Nil.

Sources: Commission estimates based on DAFF Annual Report 2008-09 (and earlier years); and DAFF Portfolio Budget Statements 2007-08.

A.182 Howe Leather – loans and repayments

In June 1998, a World Trade Organization (WTO) panel was established to determine whether a grant and loan to Howe Leather were export subsidies. The Panel found that the grant (but not the loan) was an export subsidy and recommended that Australia withdraw the grant within 90 days.

In September 1999, the Australian Government announced that, to comply with the WTO finding, the grant contract would be terminated and that Howe Leather was to repay $8 million of the $30 million provided in 1997. The Government also announced that it would provide an additional loan of around $14 million to Howe Leather.

In October 1999, the United States further submitted to the WTO Dispute Settlement Body that the (partial) withdrawal of the grant and the new loan by the Australian Government were inconsistent with the WTO original finding. The United States requested the original Panel to rule on the new assistance regime within 90 days.

In January 2000, the WTO Panel found that Australia had failed to withdraw the subsidy, and therefore had not taken measures to comply with the previous ruling. It considered that provision of the new loan of $14 million was specifically conditioned on, and therefore nullified, Howe Leather's repayment of $8 million, such that no repayment had effectively taken place.

The measure applies specifically to Howe Leather whose activities are part of the *Textile, leather, clothing and footwear* industry grouping in the Commission's ANZSIC-based classification (table A.182). A negative number in the table means a net flow of funds from Howe Leather to the Government.

Table A.182 **Allocation of Howe Leather – loans and repayments to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Textile, leather, clothing and footwear	-3.2	-3.4	-3.1	-	-	-

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.183 12-month prepayment rule (forestry managed investments)

Under the 12-month prepayment rule, prepayments on seasonally dependent agronomic operations in the establishment of a forestry plantation were immediately deductible. This was conditional upon the 'prepayment expenditure' meeting certain requirements, including that the activities in question were completed within 12 months of the prepayment being made. This tax concession was available for investors in forestry managed investment schemes (Tax Expenditure Statement, Australian Government 2013, Item B 37). Under the arrangements, expenditure was written off earlier than would have been the case in the absence of the scheme.

The estimates, either positive or negative, reflect the net cost to the government of having the scheme in place relative to the scheme not being available. Negative estimates are recorded in certain years.

The prepayment rule has been replaced by a statutory deduction for investments in forestry managed investment schemes.

The 12-month prepayment rule selectively benefited activities in the forestry industry and the concession has been allocated to the *Forestry and logging* industry grouping in the Commission's ANZSIC-based classification (table A.183).

Table A.183 **Allocation of 12-month prepayment rule (forestry managed investments) to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Forestry and logging	-5.0	5.0	-95.0	-	-	-

- Nil.

Source: Commission estimates based on Tax Expenditure Statement 2012, Australian Government 2013, p. 83, Item B37.

A.184 Equine Influenza Emergency Assistance Package

The Equine Influenza Emergency Assistance Package aimed to assist individuals and businesses that derived most of their income from horse-dependent commercial activities to cope with the immediate impacts of equine influenza (DAFF 2008). Under the Package, DAFF administered four measures:

- the Equine Influenza Hardship Fund ($4 million);
- the Business Assistance Grant ($76.73 million);
- the Commercial Horse Assistance Payment ($179.92 million); and
- Non-Government, Not-for-Profit Equestrian Organisation Grants ($0.63 million).

The Equine Workers Hardship Wage Supplement was administered by the Department of Families, Housing, Community Services and Indigenous Affairs (DFaHCSIA).

The Equine Influenza Emergency Assistance Package has now ceased.

Funding from the Package has been allocated to the *Arts & recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.184).

Table A.184 **Allocation of Equine Influenza Emergency Assistance Package to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	-	256.8	-	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.185 Extension to capital gains tax roll-over relief for statutory licenses

Under this scheme, a capital gains tax roll-over was available where a statutory water licence ended and was replaced with a new licence that authorised substantially similar activity to the original licence (Tax Expenditure Statement, Australian Government 2012, item E24). In addition, a capital gains tax roll-over was available on an optional basis from the 2005-06 income year where a taxpayer's ownership of one or more water entitlements ended and the taxpayer received one or more replacement water entitlements. A partial capital gains tax roll-over was also available for statutory licences (from the 2006-07 income year) and water entitlements (on an optional basis from the 2005-06 income year) where part of the capital proceeds received did not take the form of a replacement statutory licence or water entitlement. Under these arrangements, the component of any capital gains or losses that were referable to the replacement licence or water entitlement would be rolled over.

Information on the industry incidence of the program has not been readily available. Accordingly, the taxation concession has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.185).

Table A.185 **Allocation of Extension to capital gains tax roll-over relief for statutory licenses to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	20.0	90.0	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2010, Australian Government 2011, p. 162, item E21.

A.186 Australian Film Finance Corporation

The Australian Film Finance Corporation (AFFC) was the Australian Government's principal agency for funding the production of film and television in Australia (Film Finance Corporation 2013).

In 2008, AFFC was merged with the Australian Film Commission (AFC) and Film Australia to form Screen Australia.

Funding for the AFFC primarily benefited the production of film and television, which is part of the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.186).

Table A.186 **Allocation of Australian Film Finance Corporation to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	70.5	70.5	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Communications, Information Technology and the Arts Portfolio Budget Statements 2007-08.

A.187 Great Barrier Reef Structural Adjustment Program

On 1 July 2004, rezoning in the Great Barrier Reef Marine Park increased the area of 'no take' zones in the park from 4.5 per cent to 33.3 per cent. In response, the Australian Government provided assistance to businesses and individuals affected by the rezoning through a structural adjustment package (DEH 2006).

Funding for the package predominantly accrued to the aquaculture and fishing industries, and has been allocated to the *Aquaculture and fishing* industry grouping in the Commission's ANZSIC-based classification (table A.187).

Table A.187 **Allocation of Great Barrier Reef Structural Adjustment Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Aquaculture and fishing	65.9	67.8	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Environment and Water Resources Annual Report 2007-08 (and earlier years).

A.188 Australian Film Commission

The Australian Film Commission (AFC) aimed to encourage the making, promotion, distribution and exhibition of Australian films (Australian Film Commission Act 1975 (Cwlth)).

In 2008, AFC was merged with AFFC and Film Australia to form Screen Australia.

Funding for the AFC primarily benefited the film industry, which is part of the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.188).

Table A.188 **Allocation of Australian Film Finance Corporation to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	52.4	53.0	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Communications, Information Technology and the Arts Portfolio Budget Statements 2007-08.

A.189 International Food and Agricultural Service

Through the International Food and Agricultural Service (IFAS), DAFF worked with industry and trading partners in an effort to open new markets, maintain existing markets, reduce trade distortions, reduce plant and animal disease risks, and develop international trade standards (DAFF 2008). Key priorities under IFAS were to:

- maximise trade opportunities from multilateral agreements, ensure that Australia receives full benefit from World Trade Organization agreements, protect Australia's interests in agriculture-related disputes, participate in the Doha Round of negotiations, and prioritise portfolio industries' interests in Australia's negotiating positions;
- maximise trade opportunities from existing regional and bilateral trade agreements, negotiate new trade agreements, and support feasibility studies for proposed FTAs;
- contribute to international standard-setting through relevant international organisations and encourage the adoption of standards that facilitate trade in Australian products; and
- identify and target bilateral market access opportunities or threats and collaborate with stakeholders to overcome technical barriers to trade.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.189).

Table A.189 **Allocation of International Food and Agricultural Service to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	30.5	36.7	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Portfolio Budget Statements 2008-09 (and earlier years).

A.190 Investment Incentives to HIsmelt – grant

In 2002, the Australian Government announced an investment incentive offer to Rio Tinto for its HIsmelt project — a proposed $1.2 billion iron ore processing plant to be located in Kwinana, Western Australia (Macfarlane 2002). The Australian Government noted that Rio Tinto had considered the United States as an alternative location for building the HIsmelt plant and the investment incentive was intended to induce the commercialisation of the iron ore processing technology in Australia rather than overseas.

Funding has been allocated to the *Metal and fabricated metal products* industry grouping in the Commission's ANZSIC-based classification (table A.190).

Table A.190 **Allocation of Investment Incentives to HIsmelt – grant to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Metal and fabricated metal products	55.0	20.0	-	-	-	-

- Nil.

Sources: Commission estimates based on Department of Resources, Energy and Tourism Annual Report 2007-08; and Department of Industry, Tourism and Resources Portfolio Budget Statements 2007-08.

A.191 Film Australia

Film Australia was an Australian Government owned company, whose mission was to create an audiovisual record of Australia. From July 2008, Film Australia, along with the Australian Film Commission and the Film Finance Corporation were replaced by Screen Australia (see A.28).

In 2008, Film Australia was merged with AFFC and AFC to form Screen Australia.

Film Australia funding has been allocated to the *Arts and recreation services* industry grouping in the Commission's ANZSIC-based classification (table A.191).

Table A.191 **Allocation of Film Australia to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Arts and recreation services	13.2	13.3	-	-	-	-

- Nil.

Source: Commission estimates based on Film Australia Annual Report 2007-08.

A.192 FarmBis Program

Introduced in 1998, the FarmBis Program was established to assist farmers, fishers and land managers to meet much of the cost of business management education and training. The Program aimed to increase their capacity to identify, plan for and use high-quality learning activities and to increase take-up of management practices that lead to greater resource sustainability, profitability and competitiveness (DAFF 2007).

The FarmBis Program ceased on 29 February 2008 and was replaced by Australia's Farming Future (announced in the 2008-09 Budget) (DAFF 2008).

The Department of Agriculture, Fisheries and Forestry (DAFF) provided the Commission with data on FarmBis subsidy amounts by ANZSIC industry. This information was used to allocate total funding for the program, as reported in the DAFF annual report, to the Commission's ANZSIC-based industry groupings (table A.192).

Table A.192 **Allocation of FarmBis Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**7.7**	**10.6**	**-**	**-**	**-**	**-**
Horticulture and fruit growing	0.9	1.4	-	-	-	-
Sheep, beef cattle and grain farming	5.5	7.2	-	-	-	-
Other crop growing	<0.1	0.2	-	-	-	-
Dairy cattle farming	0.4	0.4	-	-	-	-
Other livestock farming	0.2	0.2	-	-	-	-
Aquaculture and fishing	0.5	0.8	-	-	-	-
Primary production support services	<0.1	<0.1	-	-	-	-
Unallocated primary production[a]	0.1	0.2	-	-	-	-
Total	**7.7**	**10.6**	**-**	**-**	**-**	**-**

– Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2007-08; DAFF Portfolio Budget Statements 2007-08; and detailed DAFF data by ANZSIC industry.

A.193 Biofuels Infrastructure Grants

To encourage new entrants into the biofuels industry, the Australian Government announced in July 2003 that it would provide up to $37.6 million to fund a capital subsidy for projects that provide new or expanded biofuels capacity. The subsidy was to be provided at a rate of 16 cents per litre of additional capacity to viable projects producing a minimum of 5 megalitres of biofuels, and would be limited to $10 million per project (NSW Government 2006).

The program selectively assisted activities engaged in biofuel production and has been classified to the *Petroleum, coal, chemical and rubber products* industry grouping in the Commission's ANZSIC-based classification (table A.193).

Table A.193 **Allocation of Biofuels Infrastructure Grants to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	3.7	7.2	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Industry, Tourism and Resources annual reports.

A.194 Drought Assistance – Technical Information Workshop Program

In September 2007, the Australian Government announced a drought assistance package for irrigators, dryland farmers and small businesses severely affected by the drought (DAFF 2008). As part of the package, funding was provided for a Technical Information Workshop Program which provided advice to around 3 700 farmers, growers and service providers.

The Technical Information Workshop Program has now ceased.

The Program predominantly benefited primary producers. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.194).

Table A.194 **Allocation of Drought assistance – technical information workshop program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	-	6.1	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.195 Fishing Structural Adjustment Package – Onshore Business Restructure Program

The Fishing Structural Adjustment Package – Onshore Business Restructure Program was a discretionary grants program that aimed to help onshore businesses adjust to reductions in fishing activity associated with the Securing our Fishing Future package (DAFF 2008). In total, 33 businesses received around $2.5 million to exit from the onshore fishing sector and 64 businesses received around $10.25 million to develop their enterprises.

All projects were completed by the end of 2008-09.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.195).

Table A.195 **Allocation of Fishing Structural Adjustment Package – Onshore Business Restructure Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	5.7	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.196 Fishing Structural Adjustment Package – Management Levy Subsidy

The Fishing Structural Adjustment Package – Management Levy Subsidy was intended to reduce the cost of the management levy in 2007-08 for those fishing operators who remained after business exit tenders had been finalised and to aid the implementation of new management arrangements (DAFF 2008).

The scheme selectively benefited the fisheries industry and has been allocated to the *Aquaculture & fishing* industry grouping in the Commission's ANZSIC-based classification (table A.196).

Table A.196 **Allocation of Fishing Structural Adjustment Package – Management Levy Subsidy to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Aquaculture and fishing	-	5.0	-	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.197 Australian Tourism Development Program

The Australian Tourism Development Program provided competitive grants for tourism projects intended to stimulate, diversify or enhance the economic base in regional Australia (DITR 2007a).

The Commission obtained information from the Department of Innovation, Industry, Science and Research detailing the ANZSIC industry incidence of the program. The industry shares data from the Department have been used to allocate total program funding to the Commission’s ANZSIC-based industry groupings (table A.197).

Table A.197 **Allocation of Australian Tourism Development Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**-**	**<0.1**	**-**	**-**	**-**	**-**
Horticulture and fruit growing	-	<0.1	-	-	-	-
Aquaculture and fishing	-	<0.1	-	-	-	-
Manufacturing	**-**	**<0.1**	**-**	**-**	**-**	**-**
Food, beverages and tobacco	-	<0.1	-	-	-	-
Textile, leather, clothing and footwear	-	<0.1	-	-	-	-
Services	**6.8**	**4.2**	**-**	**-**	**-**	**-**
Construction	-	<0.1	-	-	-	-
Accommodation and food services	-	0.2	-	-	-	-
Transport, postal and warehousing	-	<0.1	-	-	-	-
Property, professional and administrative services	-	1.3	-	-	-	-
Public administration and safety	-	<0.1	-	-	-	-
Education and training	-	<0.1	-	-	-	-
Health care and social assistance	-	<0.1	-	-	-	-
Arts and recreation services	-	0.9	-	-	-	-
Other services	-	1.7	-	-	-	-
Unallocated services	6.8	-	-	-	-	-
Total	**6.8**	**4.4**	-	-	-	-

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.198 Film Licensed Investment Company Scheme

Under the Film Licensed Investment Company Scheme, amounts paid by investors in 2005-06 and 2006-07 for shares in a film-licensed investment company were immediately deductible. The deduction did not apply to shares issued after 30 June 2007 (Tax Expenditure Statement, Australian Government 2010, Item B70).

The scheme benefited businesses providing investments to eligible companies. The scheme would lower the cost of capital to the eligible companies. However, information on the specific industry incidence of the program within the services sector has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.198).

Table A.198 **Allocation of Film Licensed Investment Company Scheme to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	4.0	4.0	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Tax Expenditure Statement 2010, Australian Government 2011, p. 100, item B78.

A.199 Integrated Forest Products Grant Program

The Integrated Forest Products Grant Program provided $4 million plus GST to Integrated Forest Products (Receivers and Managers Appointed) to support the operation of the Hume sawmill in the Australian Capital Territory while the receiver conducted a process to sell the sawmill as a going concern. Funds were used to support the mill’s continuing operation. Four payments of $1 million plus GST were made during 2007.

The Program selectively benefited the timber industry and has been allocated to the *Wood and paper products* industry grouping in the Commission’s ANZSIC-based classification (table A.199).

Table A.199 **Allocation of Integrated Forest Products Grant Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Wood and paper products	-	4.0	-	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.200 Port Kembla Industry Facilitation Fund

Announced on 29 June 2006, the $5 million Port Kembla Industry Facilitation Fund provided grants for job creation to eligible businesses in the Port Kembla region following closure of the BlueScope Steel tin mill (DIISR 2007).

The Fund closed during 2007-08 (DIISR 2008).

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.200).

Table A.200 **Allocation of Port Kembla Industry Facilitation Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	2.4	2.6	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; and Department of Industry, Tourism and Resources Annual Report 2006-07.

A.201 Beaconsfield Community Fund

Launched in June 2006, the $8 million Beaconsfield Community Fund aimed to help the Beaconsfield community recover after the tragic mining accident on 25 April 2006 that led to the mine's closure for several months. The program offered grants for a range of economic, social, and culturally related projects to help aid recovery (DITR 2007a).

For 2006-07, details of funded projects were used to allocate total funding across the Commission's ANZSIC-based industry groupings. For 2007-08, this information was not readily available (table A.201).

Table A.201 **Allocation of Beaconsfield Community Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Mining	**3.2**	**-**	**-**	**-**	**-**	**-**
Unallocated other[a]	1.0	2.4	-	-	-	-
Total	**4.2**	**2.4**	**-**	**-**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; and Department of Industry, Tourism and Resources Annual Report 2006-07.

A.202 Food Processing in Regional Australia Program

The Food Processing in Regional Australia Program funded projects that aimed to increase the capacity of agribusinesses and food processing businesses in rural and regional Australia to add value to food produce and commodities. In doing so, the Program aimed to build commercially sustainable industries with better responsiveness to market conditions (DAFF 2008).

The Program closed at the end of the 2007-08 financial year.

Program funding has been allocated to the *Food, beverages and tobacco* industry grouping in the Commission's ANZSIC-based classification (table A.202).

Table A.202 **Allocation of Food Processing in Regional Australia Program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	4.2	2.3	-	-	-	-

- Nil.

Sources: Commission estimates based on DAFF Annual Report 2007-08; and DAFF Portfolio Budget Statements 2007-08.

A.203 Wheat Export Authority Supplementation

The Export Wheat Commission (EWC) replaced the Wheat Export Authority (WEA) on 1 October 2007. In September 2007, a lump sum grant of $2 million was made with the intention of maintaining the EWC's solvency (DAFF 2008). This was required because a drought and subsequent drop in wheat exports meant that the Wheat Export Charge of 22 cents per tonne of wheat exported had collected insufficient revenue to fund the operations of the EWC. The $2 million grant aimed to allow the EWC to operate effectively in 2007-08.

The grant selectively benefited the wheat industry and has been allocated to the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.203).

Table A.203 **Allocation of Wheat Export Authority Supplementation to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	-	2.0	-	-	-	-

- Nil.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.204 Grant to ACL Bearings

In 2007-08, the Australian Government provided a $2 million grant to ACL Bearings. The grant aimed to help ensure the short-term viability of the company in the wake of the global financial crisis.

The grant has been classified to the *Motor vehicles and parts* industry grouping in the Commissions ANZSIC-based classification (table A.204).

Table A.204 **Allocation of Grant to ACL Bearings to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Motor vehicle and parts	-	2.0	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Innovation, Industry, Science and Research Annual Report 2007-08.

A.205 Intermediary Access Program

Announced during 2006-07, the $4 million Intermediary Access Program aimed to help small and medium sized enterprises access intermediary services to assist collaboration and technology transfer with: other firms and public research institutions; the InnovationXchange; and the Australian Institute for Commercialisation (DITR 2007a).

For 2006-07, program funding has been allocated to the *Unallocated manufacturing* industry grouping in the Commission’s ANZSIC-based classification. For 2007-08, the program funding has been allocated to *Unallocated other* (table A.205).

Table A.205 **Allocation of Intermediary Access Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated manufacturing[a]	1.1	-	-	-	-	-
Unallocated other[a]	-	1.9	-	-	-	-
Total	**1.1**	**1.9**	**-**	**-**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry.

A.206 Renewable Energy Equity Fund

Part of the Australian Centre for Renewable Energy, the Renewable Energy Equity Fund (REEF) aims to assist companies to commercialise research and development in renewable energy technologies, including wind power, ocean energy conversion, long-life batteries for energy storage in remote areas, and renewable transport (DIISR 2008).

The Commission has obtained information from the Department of Innovation, Industry, Science and Research (DIISR) detailing program funding according to ANZSIC industry. This information has been used to allocate the Department's estimate of total program expenditure, as published in its annual report, to the Commission's ANZSIC-based industry groupings (table A.206).

Table A.206 **Allocation of Renewable Energy Equity Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Manufacturing	**0.2**	**0.1**	**-**	**-**	**-**	**-**
Petroleum, coal, chemical and rubber products	0.2	0.1	-	-	-	-
Machinery and equipment manufacturing	<0.1	-	-	-	-	-
Services	**0.6**	**1.7**	**-**	**-**	**-**	**-**
Financial and insurance services	0.3	0.3	-	-	-	-
Property, professional and administrative services	0.3	1.4	-	-	-	-
Total	**0.9**	**1.8**	**-**	**-**	**-**	**-**

- Nil.

Sources: Commission estimates based on DIISR Annual Report 2007-08; Department of Industry, Tourism and Resources Annual Report 2006-07; and detailed DIISR data by ANZSIC industry and detailed Department of Industry, Tourism and Resources data by ANZSIC industry.

A.207 ICT Incubators Program

The ICT Incubators Program funded incubators to provide seed capital and business advice to ICT start-up companies to help accelerate their growth (DIISR 2009).

The Program predominantly benefited businesses in the services sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.207).

Table A.207 **Allocation of ICT Incubators Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	-	1.7	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DIISR Annual Report 2007-08.

A.208 Innovation Access Program

Part of the Commercial Ready Program, the Innovation Access Program aimed to support projects that improve access and enhance understanding of technologies in a range of industries including restaurant and catering, automotive, telematics, facilities management and nanotechnology (DITR 2005). In doing so, the Program aimed to assist Australian companies to identify best practice and form strategic partnerships (DITR 2006). Some projects supported under the Program aimed to: improve access and awareness of information technology and other innovations for the restaurant and catering industry; raise industry awareness of nanotechnology and its applications; and demonstrate aspects of best practice for the facilities management industry.

Information on the industry incidence of the Program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.208).

Table A.208 **Allocation of Innovation Access Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	0.8	1.1	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on detailed DIISR data by ANZSIC industry; and detailed Department of Industry, Tourism and Resources data by ANZSIC industry.

A.209 Australian HomeGrown Campaign

The Australian HomeGrown Campaign assisted Australian food producers and processors to market the Australian origin of their products and offered a readily recognised symbol to help consumers identify Australian-grown products on supermarket shelves. In 2007-08, the contracted scheme administrator, Australian Made Campaign Limited, managed a wide marketing campaign involving print, television, radio and outdoor advertising and public relations events (DAFF 2008).

Funding for the scheme ceased on 30 June 2008.

Funding for the Campaign has been allocated to the *Food, beverages and tobacco* industry grouping in the Commission's ANZSIC-based classification (table A.209).

Table A.209 **Allocation of Australian Home Grown Campaign to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	1.8	0.9	-	-	-	-

- Nil.

Sources: Commission estimates based on DAFF Annual Report 2007-08; and DAFF Portfolio Budget Statements 2007-08.

A.210 Citrus Canker Eradication Program

In accordance with the national eradication strategy, the Citrus Canker Eradication Program aimed to eliminate citrus canker (a bacterial disease) from the Emerald region of Queensland to mitigate its potential impact on Australia's citrus industry (DAFF 2008). Progress of the Program was measured through reviews by the national consultative committee, including the National Management Group, and by external review.

Following the Program's implementation, replanting of commercial citrus began in the quarantine zone on 1 July 2007. Inspection continued every 90 days to help ensure freedom from disease.

The Program selectively benefited the citrus industry and has been allocated to the *Horticulture and fruit growing* industry grouping in the Commission's ANZSIC-based classification (table A.210).

Table A.210 **Allocation of Citrus Canker Eradication Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Horticulture and fruit growing	0.6	0.6	-	-	-	-

- Nil.

Sources: Commission estimates based on DAFF Annual Report 2007-08; and DAFF Portfolio Budget Statements 2007-08 (and earlier years).

A.211 National Food Industry Strategy

The National Food Industry Strategy, which began in 2002, aimed to contribute to increased knowledge, understanding and take-up of innovation throughout the food industry and increase linkages between food businesses and Australian-based research providers. In doing so, the Strategy aimed to lead to commercial gains from R&D and innovation, and help achieve longer term competitiveness, sustainability and investment across the food and beverage industry. Grants under the Strategy aimed to result in new or improved food products and packaging, processing, storage and distribution technologies (DAFF 2008; DAFF 2007).

This program ceased in March 2008.

Funding for the Strategy has been allocated to the *Food, beverages and tobacco* industry grouping in the Commission's ANZSIC-based classification (table A.211).

Table A.211 **Allocation of National Food Industry Strategy to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Food, beverages and tobacco	15.6	0.5	-	-	-	-

- Nil.

Sources: Commission estimates based on DAFF Annual Report 2007-08; and DAFF Portfolio Budget Statements 2007-08.

A.212 Development Allowance

For major projects approved by the Development Allowance Authority, 10 per cent of capital expenditure on plant and equipment, including motor vehicles and primary production, was immediately deductible. Registrations for projects closed on 31 July 1996 for plant and equipment that was first used or installed ready for use before 1 July 2002 (Tax Expenditure Statement, Australian Government 2012, item B91).

The ATO provided information detailing claim data for the concession by ANZSIC industry. The industry shares derived from the ATO claim data have been used to allocate the TES estimates of total revenue forgone for the concession to the Commission's ANZSIC-based industry groupings (table A.212).

Table A.212 **Allocation of Development Allowance to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**<0.1**	**<0.1**	**-**	**-**	**-**	**-**
Horticulture and fruit growing	<0.1	<0.1	-	-	-	-
Sheep, beef cattle and grain farming	<0.1	<0.1	-	-	-	-
Aquaculture and fishing	<0.1	<0.1	-	-	-	-
Mining	**3.6**	**0.2**	**-**	**-**	**-**	**-**
Manufacturing	**2.8**	**0.1**	**-**	**-**	**-**	**-**
Food, beverages and tobacco	0.1	<0.1	-	-	-	-
Wood and paper products	<0.1	<0.1	-	-	-	-
Printing and recorded media	<0.1	<0.1	-	-	-	-
Petroleum, coal, chemical and rubber products	0.3	<0.1	-	-	-	-
Non-metallic mineral products	<0.1	<0.1	-	-	-	-
Metal and fabricated metal products	1.8	<0.1	-	-	-	-
Motor vehicle and parts	0.4	<0.1	-	-	-	-
Machinery and equipment manufacturing	<0.1	<0.1	-	-	-	-
Furniture and other manufacturing	<0.1	<0.1	-	-	-	-
Services	**1.4**	**<0.1**	**-**	**-**	**-**	**-**
Electricity, gas, water and waste services	0.2	<0.1	-	-	-	-
Construction	<0.1	<0.1	-	-	-	-
Wholesale trade	<0.1	<0.1	-	-	-	-
Retail trade	<0.1	<0.1	-	-	-	-
Transport, postal and warehousing	0.5	<0.1	-	-	-	-
Information, media and telecommunications	0.5	<0.1	-	-	-	-
Financial and insurance services	<0.1	<0.1	-	-	-	-
Property, professional and administrative services	<0.1	<0.1	-	-	-	-
Education and training	<0.1	<0.1	-	-	-	-
Health care and social assistance	<0.1	<0.1	-	-	-	-
Arts and recreation services	<0.1	<0.1	-	-	-	-
Unallocated other[a]	2.2	0.1	-	-	-	-
Total	**10.0**	**0.5**	**-**	**-**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on Tax Expenditure Statement 2010, Australian Government 2011, p. 106, item B93; and detailed ATO data by ANZSIC industry.

A.213 Stockman's Hall of Fame

From 2001-02 to 2007-08, the Australian Government provided around $5 million in assistance to help fund the Stockman's Hall of Fame project (DITR 2006). The project aimed to develop and harness the Australian Stockman's Hall of Fame and Outback Heritage Centre in Queensland's central western town of Longreach as an appealing tourist destination (Outback Heritage 2013).

Funding for the project predominantly benefited services industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.213).

Table A.213 **Allocation of Stockman's Hall of Fame to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	0.5	0.4	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.214 Home-Based Business Seminars

The Home-Based Business Seminars program aimed to increase the skills and knowledge of home-based business operators (DIISR 2008). The initiative ended in 2007-08.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based industry classification (table A.214).

Table A.214 **Allocation of Home Based Business Seminars to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	0.4	0.3	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DIISR Annual Report 2007-08; and Department of Industry, Tourism and Resources Annual Report 2006-07.

A.215 Regional Assistance Program

Jointly funded by the New South Wales and Australian governments, the Regional Assistance Program was a structural adjustment program that aimed to help Western Division landholders improve their business and management skills, develop alternative industries and better manage the natural resource base (DAFF 2008). In doing so, it aimed to enhance the long-term viability and sustainability of regional farming communities. As part of the Program, an enterprise-based conservation program provided financial support to landholders to improve their management of the natural resource base. Grants were also provided for property build-up, which allowed adjustments for landholders who were able to leave the industry and for those who had used program funds to expand their farm business enterprise.

The Regional Assistance Program ended in June 2008.

The program targeted landholders in the primary production sector. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated primary production* industry grouping in the Commission's ANZSIC-based classification (table A.215).

Table A.215 **Allocation of Regional Assistance Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated primary production[a]	0.5	0.1	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Sources: Commission estimates based on DAFF Annual Report 2007-08; and DAFF Portfolio Budget Statements 2007-08 (and earlier years).

A.216 United Medical Protection Support

The United Medical Protection Support scheme was introduced by the Australian Government in 2002 when the medical defence organisation United Medical Protection (now known as Avant Insurance Limited) entered provisional financial liquidation (Medicare Australia 2009). The payment provided ongoing assurance, in the form of indemnity for past incidents, to medical professionals who were members of United Medical Protection on 30 June 2000.

In order to provide this assurance, the Australian Government agreed to fund the majority of these claims through the support payments (formerly Incurred-But-Not-Reported Levy), with members of United Medical Protection funding around one third of the arrangement over a period of six years (subsequently reduced to four years). The 2008-09 financial year was the final year that the United Medical Protection Support Payment operated. At the end of 2008-09, outstanding debts of approximately $10 000 remained and were the subject of debt recovery action.

The Program initially benefited the insurance industry and has therefore been allocated to the *Financial and insurance services* industry grouping in the Commission's ANZSIC-based classification (table A.216).

Table A.216 **Allocation of United Medical Protection Support to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Financial and insurance services	13.2	0.1	-	-	-	-

- Nil.

Source: Commission estimates based on Medicare Annual Report 2007-08.

A.217 Australian Seafood Industry Council

The Australian Government invested $50 000 in a joint project with the Fisheries Research and Development Corporation (FRDC) to develop a business case for a new peak body for the seafood industry (DAFF 2008). The project had a steering committee formed from the industry. A review of possible strategies to develop the new body was completed and incorporated into the business case which was finalised by early 2008-09.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.217).

Table A.217 **Allocation of Australian Seafood Industry Council to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	-	<0.1	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on DAFF Annual Report 2007-08.

A.218 Biotechnology Innovation Fund

The Biotechnology Innovation Fund was a merit-based competitive grants program that provided assistance to companies to demonstrate proof-of-concept between the initial research stage of a biotechnology project and the early stage of its commercialisation (AusIndustry 2002). It aimed to increase the rate of commercialisation of promising biotechnology developed in Australia. The Fund formed part of the $3 billion Innovation Statement - *Backing Australia's Ability* - which represented the Australian Government's commitment to innovation.

The Commission has obtained information from the Department of Innovation, Industry, Science and Research detailing program funding according to ANZSIC industry. This information has been used to allocate the Department's estimate of total program expenditure, as published in its annual report, to the Commission's ANZSIC-based industry groupings (table A.218).

Table A.218 **Allocation of Biotechnology Innovation Fund to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Primary production	**<0.1**	**-**	**-**	**-**	**-**	**-**
Horticulture and fruit growing	<0.1	-	-	-	-	-
Primary production support services	<0.1	-	-	-	-	-
Manufacturing	**0.2**	**-**	**-**	**-**	**-**	**-**
Petroleum, coal, chemical and rubber products	0.1	-	-	-	-	-
Machinery and equipment manufacturing	<0.1	-	-	-	-	-
Furniture and other manufacturing	<0.1	-	-	-	-	-
Services	**0.2**	**-**	**-**	**-**	**-**	**-**
Property, professional and administrative services	0.2	<0.1	-	-	-	-
Health care and social assistance	<0.1	-	-	-	-	-
Unallocated other[a]	<0.1	-	-	-	-	-
Total	**0.5**	**<0.1**	**-**	**-**	**-**	**-**

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on detailed Department of Industry, Tourism and Resources data by ANZSIC industry.

A.219 Forest Industry Structural Adjustment Program

Jointly funded by the New South Wales Government and the Australian Government, the Forest Industry Structural Adjustment Program (FISAP) provided re-training for workers and redevelopment for businesses in an effort to create a more value-added, efficient, competitive, technologically advanced and economically sustainable sawlog-driven timber industry (New South Wales Government 2013).

The three key elements of FISAP were:

- Workers Assistance, which included new training for workers both currently and formerly employed in the timber industry, relocation costs, and income support;

- Industry Assistance, for businesses needing help to upgrade and value-add; and
- Business Exit Assistance, for contractors and saw-millers who wished to leave the industry because of the structural changes it had undergone.

The Forest Industry Structural Adjustment Program ended on 30 June 2007.

The Program selectively benefited businesses in the timber industry and has been allocated to the *Forestry & logging* industry grouping in the Commission's ANZSIC-based classification (table A.219).

Table A.219 **Allocation of Forest Industry Structural Adjustment Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Forestry and logging	30.6	-	-	-	-	-

- Nil.

Source: Commission estimates based on DAFF Portfolio Budget Statements 2007-08.

A.220 Invest Australia

Invest Australia is the Australian Government's inward investment agency, and is responsible for attracting productive foreign investment into Australia to support industry growth and development (DIISR 2007). Invest Australia aims to promote Australia's competitive advantages as an investment destination and provides services to assist foreign investors establish or expand operations in Australia. It includes Axiss Australia, which is responsible for promoting Australia as a global financial services centre. Investment attraction programs include the Major Project Facilitation Scheme, which assists proponents of strategic projects to obtain decisions on necessary Australian Government approvals, and the Supported Skills Program, which encourages firms to choose Australia as an investment location by providing streamlined immigration arrangements for key employees.

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.220).

Table A.220 **Allocation of Invest Australia to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	24.0	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.221 Australian Wool Innovation Grant

In 2006, Australian Wool Innovation Limited (AWI) signed a Memorandum of Understanding to integrate with Australian Wool Services Limited (AWS) (AWI 2006). Both companies agreed that a United Kingdom (UK) pension fund liability, held by AWS, would need to be resolved before integration. The Australian Government commissioned a report to establish the facts about the liability (DAFF 2007). The final report, prepared by Mercer Human Resource Consulting, was provided on 14 July 2006.

The report found the pension fund's deterioration between 2000 and 2003 was a result of the economic climate in the UK, and that most UK pension funds experienced similar declines at the time. The consultant expected that the fund would remain in deficit over the next few years and that the fund's financial position would improve as equity markets recovered in the UK. AWS secured an agreement with the pension fund trustees on how to manage the fund into the future and was able to begin rationalising its activities and assets.

As a result, in April 2007, the Australian Government responded to an AWI-AWS proposal by providing a $15 million grant to AWI to enable it to purchase key wool assets from AWS, including The Woolmark Company, wool product technologies and a range of wool marketing and development businesses.

The grant selectively benefited AWI and has been allocated to the *Sheep, beef cattle and grain farming* industry grouping in the Commission's ANZSIC-based classification (table A.221).

Table A.221 **Allocation of Australian Wool Innovation Grant to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Sheep, beef cattle and grain farming	15.0	-	-	-	-	-

- Nil.

Source: Commission estimates based on DAFF Portfolio Budget Statements 2007-08.

A.222 Advanced Networks Program

Announced during 2000-01 as part of the Building IT Strengths Program (see item A.224), the Advanced Networks Program aimed to contribute to the development of advanced network infrastructure that would deliver long-term economic benefits. It supported the development, trialling and demonstration of advanced networks, experimental networks and testbeds (DCITA 2007).

The Advanced Networks Program ended in 2006-07.

The Program predominantly benefited the information technology industry and has been allocated to the *Information media and telecommunications* industry grouping in the Commission's ANZSIC-based classification (table A.222).

Table A.222 **Allocation of Advanced Networks Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Information, media and telecommunications	12.5	-	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Communications, Information Technology and the Arts Portfolio Budget Statements 2007-08.

A.223 Tropical Cyclone Larry and Monica Business Assistance Fund

In 2006, Queensland was affected by two cyclones: Cyclone Larry in March; and Cyclone Monica in April. To assist with recovery, the Australian Government established the Cyclones Monica and Larry Business Assistance Fund for eligible businesses adversely affected by the cyclones to help defray the costs of restocking, replanting, re-establishment and clean-up, and to ensure business continuity (DITR 2007a).

Information on the industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.223).

Table A.223 **Allocation of Tropical Cyclone Larry and Monica Business Assistance Fund to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	11.8	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.224 Building IT Strengths Program

On 20 June 1999, the Australian Government announced that $158 million from the partial sale of Telstra would be allocated to the Building IT Strengths Program over five years (DCITA 2005). The Program aimed to encourage the creation and growth of new, high-technology firms to promote innovation and commercial success in the information industries.

The Building IT Strengths Program is likely to have primarily benefited services industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.224).

Table A.224 **Allocation of Building IT strengths program to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	7.5	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Communications, Information Technology and the Arts Annual Report 2006-07.

A.225 Product Stewardship for Oil Program

Operating from 2000-01 to 2006-07, the Product Stewardship for Oil Program provided incentives to increase used oil recycling (DEWR 2007).

Funding for the Program has been allocated to the *Petroleum, coal, chemical and rubber products* industry in the Commission's ANZSIC-based industry groupings (table A.225).

Table A.225 **Allocation of Product Stewardship for Oil Program to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	4.4	-	-	-	-	-

- Nil.

Source: Commission estimates based on Department of the Environment and Heritage Annual Report 2005-06.

A.226 Biotechnology Australia

In August 2006, the Biotechnology Ministerial Council directed Biotechnology Australia to focus on key challenges including agribiotech, regulation, statistics and public awareness in the final two years of funding for the National Biotechnology Strategy (DITR 2007a). The Strategy was intended to provide a framework for capturing the benefits of biotechnology development for Australia.

Funding to Biotechnology Australia has been allocated to the *Petroleum, chemical and rubber products* industry grouping in the Commission's ANZSIC-based classification (table A.226).

Table A.226 **Allocation of Biotechnology Australia funding to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Petroleum, coal, chemical and rubber products	3.0	-	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.227 Aerospace incentives – Hawker de Havilland

In 2005-06, a Hawker de Havilland strategic investment incentive contract, which aimed to ensure the commercialisation of research conducted at the Cooperative Research Centre for Advanced Composites, was negotiated and the first milestone payment to Hawker de Havilland was made at the launch of the Australian Aerospace Industry Forum. In providing access to this research and technology, the Aerospace incentives - Hawker de Havilland funding assisted the company to become a Tier 1 supplier to the Boeing 787 Dreamliner project (DITR 2006).

Program funding has been classified to the *Other transport equipment* industry grouping in the Commission's ANZSIC-based classification (table A.227).

Table A.227 **Allocation of Aerospace incentives – Hawker de Havilland to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Other transport equipment	2.5	-	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.228 Industry Capability Network Limited and Supplier Access to Major Projects schemes

The Industry Capability Network Limited (ICNL) and Supplier Access to Major Projects (SAMP) schemes aimed to provide a national approach to major projects and to assist Australian businesses to access supply opportunities in major projects in Australia and overseas (DITR 2006; DIISR 2008). In doing so, the schemes aimed to help Australian businesses secure project contracts that may otherwise have been made with overseas companies. Under these schemes, grants were provided to ICNL to coordinate the provision of the Industry Capability Network services to major projects, maintain the national Industry Capability Showcase database, and to administer the SAMP program.

Information on the industry incidence of the programs has not readily available. Accordingly, the budget outlay has been classified to the *Unallocated other* industry grouping in the Commission's ANZSIC-based classification (table A.228).

Table A.228 **Allocation of Industry Capability Network Limited and Supplier Access to Major Project schemes to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated other[a]	2.3	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.229 Cairns Esplanade Development

From 2004-05 to 2006-07, the Australian Government provided around $8 million in assistance, administered by the Department of Industry, Tourism and Resources, to help fund the Cairns Esplanade Development project (DITR 2006). The project aimed to develop the Cairns Esplanade as an appealing tourist destination in the Cairns region in Queensland (Cairns Esplanade 2013).

Funding for the Cairns Esplanade Development predominantly benefited services industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.229).

Table A.229 **Allocation of Cairns Esplanade Development to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	1.9	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.230 The Great Green Way – Tourism Initiative

From 2004-05 to 2006-07, the Australian Government provided around $6 million in assistance, administered by the Department of Industry, Tourism and Resources, to help fund the Great Green Way project (DITR 2006). The project aimed to develop and harness the Great Green Way area between Townsville and Cairns as an appealing tourist destination in Queensland (Great Green Way 2013).

Funding for the project predominantly benefited services industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.230).

Table A.230 **Allocation of The Great Green Way – Tourism Initiative to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	1.9	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.231 Renewable Energy Commercialisation

Operating from 2000-01 to 2006-07, the Renewable Energy Commercialisation Program aimed to fund projects demonstrating and leading to the commercialisation of renewable energy generation technologies (DEWR 2007). Technologies funded under the program included: Origin Energy's SLIVER solar cells; Solar Systems' solar dishes; Oceanlinx's wave powered generator; and Geodynamics' hot rock energy project. High impact demonstrations supported under the program included: the Solar Sailor solar-powered watercraft; a building-integrated solar wall at Melbourne University; and solar panels on the roof of Melbourne's Queen Victoria Markets.

The Renewable Energy Commercialisation Program ended in 2006-07.

The grants predominantly benefited the *Electricity, gas, water and waste services* industry in the Commission's ANZSIC-based industry groupings (table A.231).

Table A.231 **Allocation of Renewable energy commercialisation to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Electricity, gas, water and waste services	1.5	-	-	-	-	-

- Nil.

Source: Commission estimates based on Department of Environment and Water Resources Annual Report 2006-07.

A.232 North East Chinese Heritage ‘Trail of the Tin Dragon’

From 2005-06 to 2006-07, the Australian Government provided around $1.7 million in assistance, administered by the Department of Industry, Tourism and Resources, to help fund the North East Chinese Heritage - Trail of the Tin Dragon project (DITR 2007a). The project aimed to support and harness the Trail of the Tin Dragon in the North East of Tasmania as an appealing tourist attraction (North East Tasmania Tourism 2013).

Funding for the project predominantly benefited services industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission’s ANZSIC-based classification (table A.232).

Table A.232 **Allocation of North East Chinese Heritage ‘Trail of the Tin Dragon’ to industry, 2006-07 to 2011-12**
$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	1.2	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

A.233 Wind Turbine Industry Assistance

During 2006-07, the Australian Government provided around $670 000 in assistance, administered by the Department of Industry, Tourism and Resources, to the wind turbine production industry (DITR 2007b).

Funding predominantly benefited manufacturers of wind turbines and has been allocated to the *Machinery and equipment manufacturing* industry grouping in the Commission’s ANZSIC-based classification (table A.233).

Table A.233 **Allocation of Wind Turbine Industry Assistance to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Machinery and equipment manufacturing	0.7	-	-	-	-	-

- Nil.

Sources: Commission estimates based on Department of Industry, Tourism and Resources Portfolio Budget Statements 2007-08.

A.234 National Tourism Accreditation Initiative

From 2004-05 to 2006-07, the Australian Government provided around $2 million in funding for the National Tourism Accreditation Initiative (DITR 2007a). The Initiative aimed to improve the quality of Australian tourism products and services and to improve Australia's reputation as a quality tourism destination (DRET 2008).

Funding for the Initiative predominantly benefited services industries. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budget outlay has been classified to the *Unallocated services* industry grouping in the Commission's ANZSIC-based classification (table A.234).

Table A.234 **Allocation of National Tourism Accreditation Initiative to industry, 2006-07 to 2011-12**

$ million (nominal)

Industry grouping	*2006-07*	*2007-08*	*2008-09*	*2009-10*	*2010-11*	*2011-12*
Unallocated services[a]	0.5	-	-	-	-	-

- Nil. [a] Unallocated includes general programs where details of beneficiaries are unknown.

Source: Commission estimates based on Department of Industry, Tourism and Resources Annual Report 2006-07.

B Alphabetical listing of budgetary assistance programs

This appendix presents an alphabetical listing of each program reported in appendix A. The section in which each program appears is also reported (table B.1).

Table B.1 **Alphabetical listing of programs by Appendix A section heading**

Program	*Section*
ABC and SBS Digital Interference Scheme	A.164
Advanced Electricity Storage program	A.166
Advanced Networks Program	A.222
Advancing Agricultural Industries Program	A.173
Aerospace incentives – Hawker de Havilland	A.227
Assistance for upgrade of Simplot Processing Plant	A.112
Austrade appropriation funding	A.26
Australia's Forest Industry – Preparing for the Future	A.140
Australian Animal Health Laboratory	A.80
Australian Centre for Renewable Energy funding	A.52
Australian Egg Corporation Limited – Research and Development	A.107
Australian Film Finance Corporation	A.186
Australian Film Finance Corporation	A.188
Australian Home Grown Campaign	A.209
Australian Made Campaign – Export Marketing Strategy	A.159
Australian Pork Limited – Research and Development	A.92
Australian Seafood Industry Council	A.217
Australian Solar Institute funding	A.43
Australian Space Science Program	A.70
Australian Tourism Development Program	A.197
Australian Tourism Development Program/TQUAL Grants Program	A.77
Australian Vegetable Industry Development Group funding	A.181
Australian Wool Innovation Grant	A.221
Australian Wool Innovation Limited – Research and Development	A.69
Automotive Competitiveness and Investment Scheme	A.130
Automotive Industry Structural Adjustment Program	A.58
Automotive Market Access Program	A.118
Automotive Supply Chain Development Program	A.88
Automotive Transformation Scheme	A.7
Bass Strait Passenger Vehicle Equalisation	A.41

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Table B.1 **(continued)**

Program	*Section*
Beaconsfield Community Fund	A.201
Biofuels Infrastructure Grants	A.193
Biotechnology Australia funding	A.226
Biotechnology Innovation Fund	A.218
Brandy preferential excise rate	A.96
Building IT strengths program	A.224
Cairns Esplanade Development	A.229
Capital expenditure deduction for mining, quarrying and petroleum operations	A.104
Carbon Capture and Storage Flagships Program	A.81
Carbon Farming Futures	A.47
Carbon Farming Initiative	A.105
Caring for Our Country – Landcare	A.40
Citrus Canker Eradication Program	A.210
Clean Business Australia – Climate Ready Program	A.91
Clean Business Australia – Re-tooling for Climate Change	A.94
Clean Energy Trade and Investment Strategy	A.90
Clean Technology Investment – Food and Foundries Program	A.108
Clean Technology Investment – General Program	A.126
Climate Change Adaptation Partnerships Program	A.79
Climate Change Adjustment Program	A.61
Climate Change Research and Productivity Program	A.85
Clothing and Household Textile Building Innovative Capability Program	A.53
Coal Sector Jobs Package	A.11
Commercial Ready Program	A.114
Commercialisation Australia	A.34
Commercialising Emerging Technologies	A.121
Community Broadcasting Program	A.124
Concessional rate of withholding tax	A.13
Cooperative Research Centres	A.21
Cotton Research and Development Corporation	A.76
CSIRO research	A.6
CSL – Commonwealth assistance	A.74
Dairy Australia – Research and Development	A.57
Development Allowance	A.212
Drought Assistance – Murray-Darling Basin Grants to Irrigators	A.160
Drought Assistance – Professional Advice	A.106
Drought Assistance – Re-establishment Assistance	A.60
Drought assistance – technical information workshop program	A.194
Duty Drawback	A.31
Energy Security Fund – transitional assistance	A.1
Enterprise Connect Innovation Centres	A.48
Environmental Stewardship Program	A.68
Equine Influenza Emergency Assistance Package	A.184
Ethanol Distribution Program	A.167

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Table B.1 **(continued)**

Program	*Section*
Ethanol production subsidy	A.25
Exceptional Circumstances – interest rate subsidies	A.44
Exceptional Circumstances – relief payments	A.82
Exemption of refundable film tax offset payments	A.45
Exotic Disease Preparedness Program	A.115
Export Finance and Insurance Corporation (National Interest Account)	A.93
Export Market Development Grants Scheme	A.22
Extension to capital gains tax roll-over relief for statutory licenses	A.185
Farm Help	A.123
Farm Management Deposits Scheme	A.10
FarmBis Program	A.192
Film Australia	A.191
Film industry division 10B and 10BA	A.128
Film Industry Offsets Scheme	A.12
Film Licensed Investment Company Scheme	A.198
Fisheries Research and Development Corporation	A.59
Fisheries Resources Research Fund	A.122
Fisheries Structural Adjustment Package	A.142
Fishing Structural Adjustment Package – Management Levy Subsidy	A.196
Fishing Structural Adjustment Package – Onshore Business Restructure Program	A.195
Food Processing in Regional Australia Program	A.202
Ford Australia Assistance	A.42
Forest and Wood Products Research and Development Corporation	A.99
Forest Industry Structural Adjustment Program	A.219
Geelong Innovation and Investment Fund	A.143
Grains Research and Development Corporation	A.32
Grant to ACL Bearings	A.204
Grape and Wine Research and Development Corporation	A.75
Great Barrier Reef Structural Adjustment Program	A.187
Green Building Fund	A.46
Green Car Innovation Fund	A.23
Greenhouse Gas Abatement Program	A.169
Harvesting Productivity Initiative	A.146
High Costs Claims Scheme	A.54
Home Based Business Seminars	A.214
Horticulture Australia Limited – Research and Development	A.37
Howe Leather – loans and repayments	A.182
ICT Centre of Excellence Program – National ICT Australia	A.50
ICT Incubators Program	A.207
Illawarra Region Innovation and Investment Fund	A.84
Income tax averaging provisions for primary producers	A.19
Indigenous Broadcasting Program	A.64
Indigenous Tourism Business Ready Program	A.174
Industry Capability Network Limited and Supplier Access to Major Project schemes	A.228

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Table B.1 **(continued)**

Program	*Section*
Industry Cooperative Innovation Program	A.144
Infrastructure Bonds Scheme	A.116
Innovation Access Program	A.208
Innovation and Investment Fund for South Australia	A.149
Innovation Investment Follow-on Fund	A.111
Innovation Investment Fund	A.62
Insulation Industry Assistance Package	A.132
Integrated Forest Products Grant Program	A.199
Interim Income Support (Exceptional Circumstances)	A.125
Intermediary Access Program	A.205
International Food and Agricultural Service	A.189
Invest Australia	A.220
Investment incentive for Holden	A.154
Investment Incentives to HIsmelt – grant	A.190
Land and Water Australia funding	A.150
Land transport infrastructure borrowings tax offsets scheme	A.176
Live Animal Exports Business Assistance Package	A.67
Low Emissions Technology and Abatement Program	A.171
Low-Emission Technology Demonstration Fund	A.172
LPG Vehicle Scheme	A.56
Meat and Livestock Australia – Research and Development	A.39
National Enabling Technologies Strategy	A.113
National Energy Efficiency Initiative – Smart Grid, Smart City	A.33
National Food Industry Strategy	A.211
National Livestock Identification System	A.162
National Low Emissions Coal Initiative	A.49
National Stem Cell Centre funding	A.137
National Tourism Accreditation Initiative	A.234
National Urban Water and Desalination Plan	A.29
National Weeds and Productivity Research Program	A.97
New Industries Development Program	A.180
North East Chinese Heritage ‘Trail of the Tin Dragon’	A.232
North East Tasmania Innovation and Investment Fund	A.157
North West and Northern Tasmania Innovation and Investment Fund	A.134
Northern Australia Beef Industry Strategy Indigenous Pastoral Project	A.119
Offshore Banking Unit tax concession	A.16
Payment scheme for Airservices Australia’s enroute charges	A.95
Pharmaceutical Partnerships Program	A.155
Pooled Development Funds	A.35
Port Kembla Industry Facilitation Fund	A.200
Premium R&D tax concession	A.8
Premium Support Scheme	A.73
Pre-seed Fund	A.151

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Table B.1 **(continued)**

Program	*Section*
Procurement Strategy – strengthening the Australian Industry Participation National Framework and streamlining Aus Tender	A.83
Product Stewardship for Oil Program	A.225
Promoting Australian Produce Program	A.139
Queensland Tourism Assistance Package	A.178
R&D Start	A.161
R&D Tax Concession	A.2
R&D tax offset for small companies	A.4
R&D Tax Offset payments exemption (former scheme)	A.129
Regional Assistance Program	A.215
Regional Equalisation Plan	A.110
Regional Food Producers' Innovation and Productivity Program	A.120
Regional Headquarters Program	A.117
Regional Partnerships Program	A.145
Remote Renewable Power Generation Program	A.152
Renewable energy commercialisation	A.231
Renewable Energy Development Initiative	A.153
Renewable Energy Equity Fund	A.206
Rural Financial Counselling Service	A.66
Rural Industries Research and Development Corporation	A.65
Scottsdale Industry and Community Development Fund	A.170
Screen Australia appropriation funding	A.28
Small Business – simplified depreciation rules	A.63
Small Business Advisory Services Program	A.71
Small business capital gains tax (retirement) exemption	A.9
Small business capital gains tax 50 per cent reduction	A.5
Small business capital gains tax exemption for assets held more than 15 years	A.24
Small business capital gains tax rollover relief (sale of business)	A.18
Small Business Online Program	A.135
Small Business Program	A.156
Small Business Support Line	A.158
Small scale mammalian cell production facility	A.98
Solar Cities Initiative	A.148
Solar Flagships Programs	A.101
South Australia Innovation and Investment Fund and Labour Assistance Package	A.136
South East South Australia Innovation and Investment Fund	A.109
Steel Transformation Plan	A.17
Stockman's Hall of Fame	A.213
Structural Adjustment Fund for South Australia	A.177
Sugar Industry Reform Program – 2004	A.168
Sugar Research and Development Corporation	A.89
Sustainable Regions Program	A.175
Sustainable Rural Water Use and Infrastructure Program	A.14
Tasmanian Community Forest Agreement funding	A.165

(continued next page)

Table B.1 **(continued)**

Program	*Section*
Tasmanian Forest Contractors Exit Assistance Grant Program	A.133
Tasmanian Forest Industry Adjustment Package	A.36
Tasmanian Forest Tourism Initiative	A.141
Tasmanian Freight Equalisation Scheme	A.27
Tasmanian Innovation and Investment Fund	A.100
Tasmanian Wheat Freight Subsidy Scheme	A.163
Tax deduction for conserving or conveying water	A.51
Tax deduction for horticultural plantations	A.87
Tax deductions for grape vines	A.127
Taxation assistance for victims of Australian natural disasters	A.102
Temporary Assistance for Tasmanian Exporters	A.55
Textile, Clothing and Footwear corporate wear program	A.30
Textile, Clothing and Footwear Product Diversification Scheme	A.138
Textile, Clothing and Footwear Small Business Program	A.103
Textile, Clothing and Footwear Strategic Capability Program	A.78
Textile, Clothing and Footwear Strategic Investment Program Scheme – Post 2005	A.131
Textile, Clothing and Footwear Structural Adjustment Program	A.86
The Great Green Way – Tourism Initiative	A.230
The Small Business and General Business Tax Break	A.3
Tobacco Grower Adjustment Assistance 2006	A.147
Torres Strait Prawn Fisheries Program	A.179
Tourism Australia appropriation funding	A.20
TRADEX Scheme	A.38
Tropical Cyclone Larry and Monica Business Assistance Fund	A.223
United Medical Protection Support	A.216
Venture Capital Limited Partnerships	A.72
Wheat Export Authority Supplementation	A.203
Wind Turbine Industry Assistance	A.233
12-month prepayment rule (forestry managed investments)	A.183
25 per cent entrepreneurs’ tax offset	A.15

Source: Commission estimates.

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