# 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*

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| 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.