# 2 Assistance estimates

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

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

As well as providing estimates for these three categories, the Commission aggregates them to yield an estimate of the ‘combined’ assistance for four broad sectors of the Australian economy — ‘primary production’, ‘mining’, ‘manufacturing’ and ‘services’ — along with effective rates of assistance for the primary, mining and manufacturing industries. For each category of assistance, the Commission provides more detailed estimates of assistance by 34 industry groupings. Estimates for which industry detail is not available are assigned to one of four ‘unallocated’ categories (primary production, manufacturing, services or other).

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

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

The following sections outline the coverage of the Commission’s assistance estimates, present the most recent (2011‑12) estimates and report on broad changes in the structure of industry assistance over the last four decades.

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| Box 2.1 Coverage of the Commission’s assistance estimates |
| The Commission’s assistance estimates cover only those measures which selectively benefit particular firms, industries or activities, and which can be quantified given practical constraints in measurement and data availability. Arrangements that may have assistance implications but are not part of the estimates include:   * quarantine restrictions and the allocation and pricing of water resources; * the effects of government purchasing preferences and local content arrangements — for example, as they affect the manufacturing sector, IT industries and broadcasting; * regulatory restrictions on competition — such as those relating to pharmacy, air services, importation of books and media and broadcasting; * anti-dumping and countervailing measures; * certain differential tax rates, including in relation to excises, the GST and superannuation; * State and Territory government support to industry, other than designated agricultural marketing arrangements and rural support programs; * government programs affecting a range of service industries, mainly relating to the provision of health, education, and community services; * government programs affecting national security and public safety, including police and defence programs; * government programs and taxation concessions affecting professional sport and the arts; * government programs affecting the labour market; and * resource access arrangements including to mining, forestry and fisheries. |
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The estimates reported in this chapter cover the years 2006‑07 to 2011‑12. The estimates presented this year mark the commencement of a new series and incorporate revisions in underlying data sources (box 2.2). As such, they differ from the estimates published in the previous edition of the *Trade & Assistance Review*, with the key differences being noted in the body of this chapter. Further information on the assistance estimation methodology, program coverage, industry allocation and implementation of the new input-output series is to be provided in a (forthcoming) Methodological Annex to this *Review*.

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| Box 2.2 The ‘new series’ of assistance estimates |
| *Updated input-output and import data used to estimate tariff assistance*  The Commission’s previous series of tariff assistance estimates (last published in *Trade & Assistance Review 2010‑11*) were benchmarked to the Australian Bureau of Statistics (ABS) input-output and import data for the year 2004‑05. For the new series, the Commission has re-benchmarked its estimates to ABS input-output and import data for the year 2008‑09 (ABS 2012a).  Because of structural changes in the economy between input-output years and data revisions, estimated tariff assistance to outputs and tax penalty to inputs varies between series. The main changes from the 2004‑05 benchmark to the 2008‑09 benchmark are:   * lower output in tariff assisted activities (mainly textiles, clothing and footwear and motor vehicles) lowering the level of output assistance; * higher activity levels of industries using tariff assisted products (including services) which act to raise the input penalty incurred; and * an apparent shift towards inputs with lower or zero tariffs (including services inputs) which acts to lower the input penalty incurred.   The net effect of the changes has been to lower the estimated input penalty of tariffs relative to output assistance, raising the estimated level of net tariff assistance (section 2.1, below).  *Latest ANZSIC industry classification*  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 this *Review*, 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 over time, as far as practicable, the ANZSIC 1993 industries adopted in the previous Reviews have been concorded with the 34 ANZSIC 2006-based industries in the updated classification.  *Effective rates of assistance*  The Commission’s previous estimates of the effective rate of assistance (published in *Trade & Assistance Review 2010‑11*) were calculated using 2004‑05 input-output data to determine the ‘value added’ for the primary, mining and manufacturing industries. For the new series, the Commission has used input-output data for 2008‑09 to determine value added by industry. Estimated effective rates for both the new and previous series are presented in this *Review* (section 2.4, below). Taking into account the impact of both tariff and budgetary assistance, the estimated effective rates of assistance and year-to-year changes provided for the two series broadly align (for the overlapping years). |
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## 2. Tariff assistance

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

* Tariffs on imported goods increase the price at which those goods are sold on the Australian market, and thus allow scope for domestic producers of competing products to increase their prices. These effects are captured by the Commission’s estimates of output assistance.
* On the other hand, tariffs also increase the price of local and imported goods that are used as inputs and thus penalise local user industries. This ‘penalty’ is reduced if tariff concessions are available to Australian producers. The penalties are reflected in the Commission’s estimates of input assistance.
* Net tariff assistance represents the ‘effective’ assistance provided through tariffs to industry, and is calculated as output tariff assistance less the input assistance, or input penalty, imposed by tariffs.

### Output assistance

Using the new 2008‑09 benchmarked series, the Commission estimates that the gross value of tariff assistance to domestic production was around $7.9 billion in 2011‑12 (table 2.1). The estimated declines in the years 2009‑10 and 2010‑11 mainly reflect reductions in assistance to passenger motor vehicles and parts, and textiles, clothing and footwear products in January 2010. The estimated decline in 2011‑12 reflects lower output levels in tariff assisted activities (mainly food, beverages and tobacco, wood and paper products, printing and recorded media, and non-metallic mineral products).

Reflecting lower levels of output in tariff assisted activities, as measured in the 2008‑09 benchmark series relative to the 2004‑05 series, the estimated level of output assistance is lower in the re-benchmarked series (in the overlapping years 2006‑07 to 2008‑09) than the previous series. (table 2.1). The direction of change in both series in the overlapping years is, nevertheless, the same. Changes reported over the period 2006‑07 to 2008‑09 reflect changes in industry activity levels and not changes in tariffs.

Table 2.1 Tariff assistance, 2006‑07 to 2011‑12a

$million (nominal)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2006‑07 | 2007‑08 | 2008‑09 | 2009‑10 | | 2010‑11 | | 2011‑12 | |
| *2008-09 series (preliminary)* | | | | | | | | | |
| Output assistance | *8472.0* | *9032.4* | 8936.3 | 8418.3 | | 8076.0 | | 7895.0 | |
| Input penalty | *-5983.6* | *-6443.0* | -6717.0 | -6620.1 | | -6652.5 | | -6813.8 | |
| Net tariff assistance | *2488.4* | *2589.4* | 2219.3 | 1798.2 | | 1423.5 | | 1081.2 | |
|  |  |  |  |  | |  | |  | |
| *2004-05 series*b | | | | | | | | | |
| Output assistance | 9215.3 | 9847.0 | 9591.9 |  |  | |  | |
| Input penalty | -7387.6 | -7963.4 | -8254.1 |  |  | |  | |
| Net tariff assistance | 1827.7 | 1883.7 | 1337.8 |  |  | |  | |
|  |  |  |  |  | |  | |  | |

a Nominal tariff assistance estimates are derived by re-indexing a reference series based on 2008‑09 (and 2004-05, as appropriate) ABS input-output data, using ABS Industry Gross Value Added at current prices data (ABS 2012b). This information is subject to periodic revision by the ABS. b Overlapping estimates shown for comparison of trends between the old (2004‑05-based) and new (2008‑09-based) series.

*Source*: Commission estimates.

### Input penalty

In the new — 2008‑09 — series, the estimated cost penalty on inputs to user industries (including primary, manufacturing and service industries) arising from tariffs was around $6.8 billion in 2011‑12. This compares with a penalty of around $6 billion in 2006‑07. Given the input-output structure of the 2008‑09 input-output tables, the estimated penalty has increased in nominal terms with the general growth in the economy and rising price levels. This increase was moderated in 2009‑10 and 2010‑11 by reductions in tariffs on passenger motor vehicles and parts, and textiles, clothing and footwear products in January 2010.

The changing structure of the economy, as reflected in ABS input-output tables, has been associated both with an increase in the size of non-tariff assisted activities and a shift towards the use of inputs that have lower or zero tariffs (including services). As noted (box 2.2), the first of these changes would raise the cost of the tariffs to local producers (as the demand for inputs expands) and is reflected in year-to-year estimated assistance. The second, however, would lower the cost of tariffs (as producers use of goods with low or zero tariffs and services, increase) and is captured with the re-benchmarking of assistance estimates. Overall, the cost lowering effect of structural changes between the input-output years appears to have exceeded the cost raising effects, so that the estimated level of input penalty is lower in the re-benchmarked series (in the overlapping years) than the previous series. (table 2.1).

### Net tariff assistance

After deducting the tariff input penalty from the output assistance, net tariff assistance (for the Australian economy) was estimated to be around $1.1 billion in 2011‑12, down from nearly $2.5 billion in 2006‑07. This reflects both high relative growth in the services sector (which incurs significant tariff penalties), especially relative to the manufacturing sector (a significant beneficiary of tariff assistance), together with some reductions in tariffs applied to manufactured products.

Reflecting structural changes between input-output years and data revisions, estimates of net tariff assistance vary between series in the years for which estimates overlap (figure 2.1). The difference between the 2004‑05 and the new 2008‑09 series is not large compared with the difference between the 2001‑02 and 2004‑05 series, or compared with the size of the economy in 2008‑09 (around $1.3 trillion). The main factor influencing this change is the evident shift in activity in favour of inputs with relatively low tariffs and services. Further, the last two series (2004‑05 and 2008‑09) are also consistent in revealing the broad downward path in net tariff assistance associated with tariff reductions and the growth in relative importance of the services sector (which is not tariff assisted).

Figure 2.1 Net tariff assistance, 2001‑02, 2004‑05 and 2008‑09 Series

$million (nominal)

|  |
| --- |
|  |

*Source*: Commission estimates.

In the Commission’s tariff assistance estimates, preferences granted under Australia’s preferential trading agreements are treated on the basis that domestic prices in Australia remain unchanged (box 2.3).

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| Box 2.3 Treatment of preferential tariffs in assistance estimates |
| The tariff preferences provided under Australia’s preferential trading agreements (PTAs) need not result in any change in prices in the domestic market and, thus, in assistance to Australian industry provided by the general (Most Favoured Nation (MFN)) tariff regime. This would be the case if producers in the partner country effectively ‘pocketed’ the tariff concessions, rather than reduced their prices below the prevailing (tariff-inflated) price of rival imports.  However, to the extent that tariff concessions provided by PTAs reduce the prices of imported products in the Australian market, assistance to the relevant industry’s outputs would be lower than that implied by the MFN rate. At the same time though, where the price of imported inputs falls as a result of PTA preferences, the penalties (or negative assistance) on the industry’s inputs will also be lower than implied by the MFN rate. Whether this leads to a net overstatement or understatement of assistance to the Australian industry in question would depend on trade patterns with the PTA partner countries, which products are subject to price reductions, and their relative magnitudes. |
| *Sources*: PC (2004a; 2004b; 2008). |
|  |
|  |

### Tariff assistance by industry grouping

Most tariff assistance on outputs is directed towards the manufacturing sector, and in particular the *Metal and fabricated metal products* ($1.8 billion), *Food, beverages and tobacco* ($1.7 billion), *Petroleum, coal, chemical and rubber products* ($1 billion), and *Motor vehicles and parts* ($0.8 billion) industry groups (table 2.2 left hand column).

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

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

Table 2.2 Tariff assistance by industry grouping, 2011‑12a,b

$million (nominal)

|  |  |  |  |
| --- | --- | --- | --- |
| Industry grouping | Output assistance | Input cost penalty | Net tariff assistance |
| **Primary production** | **209.5** | **-73.4** | **136.1** |
| Horticulture and fruit growing | 154.3 | -8.3 | 146.0 |
| Sheep, beef cattle and grain farming | 0.2 | -17.2 | -17.1 |
| Other crop growing | 2.0 | -3.8 | -1.8 |
| Dairy cattle farming | – | -2.8 | -2.8 |
| Other livestock farming | – | -4.0 | -4.0 |
| Aquaculture and fishing | 0.8 | -13.1 | -12.2 |
| Forestry and logging | 52.3 | -10.3 | 41.9 |
| Primary production support services | – | -13.8 | -13.8 |
| **Mining** | **1.0** | **-208.5** | **-207.5** |
| **Manufacturing** | **7684.5** | **-2083.9** | **5600.7** |
| Food, beverages and tobacco | 1698.5 | -486.4 | 1212.1 |
| Textile, leather, clothing and footwear | 295.6 | -60.4 | 235.3 |
| Wood and paper products | 720.6 | -145.8 | 574.8 |
| Printing and recorded media | 219.0 | -35.5 | 183.5 |
| Petroleum, coal, chemical & rubber products | 991.5 | -288.5 | 703.1 |
| Non-metallic mineral products | 246.3 | -42.2 | 204.0 |
| Metal and fabricated metal products | 1780.4 | -423.6 | 1356.8 |
| Motor vehicle and parts | 785.2 | -289.2 | 496.1 |
| Other transport equipment | 68.6 | -61.2 | 7.4 |
| Machinery and equipment manufacturing | 641.7 | -193.4 | 448.3 |
| Furniture and other manufacturing | 236.9 | -57.7 | 179.2 |
| **Services** | **0.0** | **-4448.1** | **-4448.1** |
| Electricity, gas, water and waste services | – | -77.6 | -77.6 |
| Construction | – | -1542.6 | -1542.6 |
| Wholesale trade | – | -267.7 | -267.7 |
| Retail trade | – | -179.3 | -179.3 |
| Accommodation and food services | – | -520.9 | -520.9 |
| Transport, postal and warehousing | – | -190.9 | -190.9 |
| Information, media and telecommunications | – | -144.3 | -144.3 |
| Financial and insurance services | – | -10.0 | -10.0 |
| Property, professional and admin. services | – | -596.4 | -596.4 |
| Public administration and safety | – | -203.4 | -203.4 |
| Education and training | – | -110.5 | -110.5 |
| Health care and social assistance | – | -256.2 | -256.2 |
| Arts and recreation services | – | -77.2 | -77.2 |
| Other services | – | -271.3 | -271.3 |
| **Total** | **7895.0** | **-6813.8** | **1081.2** |

– nil. a See footnote (a) in table 2.1. b Totals may not add due to rounding.

*Source*: Commission estimates.

Outside the manufacturing sector, the *Horticulture and fruit growing,* and *Forestry and logging* industries are also estimated to have received positive net tariff assistance in 2011‑12. Some imported products in these two particular industry groupings attract tariffs (for example, grapes and softwood conifers). The *Mining* and *Construction* industries, together with all other service industries (and most primary production industries), incurred negative net tariff assistance.

### Net tariff assistance by industry sector

In the new — 2008‑09 benchmarked — series, the estimated value of net tariff assistance for the manufacturing sector has decreased by around 8 per cent since 2006‑07, largely reflecting reductions in tariff assistance to the *Textiles, clothing, footwear and leather*, and *Motor vehicles and parts* industries in January 2010 (table 2.3). The year-to-year changes are also affected by activity levels in tariff-assisted activities. At the same time, the net tariff penalty on the service sector has increased by 24 per cent (to over $4.4 billion), reflecting growth of that sector. Similarly, the net tariff penalty on the mining sector has increased substantially over the period. The value of tariff assistance to primary production has varied from year-to-year with changes in the value of activity in the sector, including changes as a consequence of drought.

Table 2.3 Net tariff assistance by industry sector, 2006‑07 to 2011‑12a

$million (nominal)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2006‑07 | 2007‑08 | 2008‑09 | 2009‑10 | 2010‑11 | 2011‑12 |
| Primary production | 79.4 | 78.1 | 125.0 | 133.1 | 132.3 | 136.1 |
| Mining | -121.0 | -131.3 | -179.5 | -143.9 | -191.3 | -207.5 |
| Manufacturing | 6112.5 | 6521.4 | 6408.8 | 5997.6 | 5742.0 | 5600.7 |
| Services | -3582.5 | -3878.9 | -4135.1 | -4188.6 | -4259.6 | -4448.1 |
| **Total** | **2488.4** | **2589.4** | **2219.3** | **1798.2** | **1423.5** | **1081.2** |

a Nominal tariff assistance estimates are derived by re-indexing a reference series based on 2008‑09 ABS input-output data, using ABS Industry Gross Value Added at current prices data. This information is subject to periodic revision by the ABS.

*Source*: Commission estimates.

## 2. Australian Government budgetary assistance

Budgetary assistance includes actual payments (outlays) and tax concessions (figure 2.2). Some measures provide assistance directly to firms, such as the Automotive Transformation Scheme and taxation concessions on R&D expenditures, while other budgetary support measures deliver benefits indirectly to an industry via intermediate organisations such as the Rural Industries Research and Development Corporations and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

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

Figure 2.2 Forms of budgetary assistance

|  |
| --- |
| **Budgetary assistance**  Budgetary outlays   1. industry or sector specific   Tax concessions   1. industry or sector specific   Direct financial   1. bounties, grants, subsidies 2. interest rate subsidies 3. credits, loans 4. loan guarantees, insurance 5. equity injections   Funding to organisations which perform services of benefit to industry  Direct financial   1. exemptions 2. deductions 3. rebates 4. preferential tax rates 5. deferred tax |

#### Aggregate budgetary assistance

The estimated gross value of budgetary assistance to Australian industry was around $9.4 billion in 2011‑12, compared with $9.8 billion in 2010‑11 and $6.8 billion in 2006‑07 in nominal terms (figure 2.3). In real terms, this represents a decline of 5 per cent since 2010‑11, but an increase of 16 per cent since 2006‑07.

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

* a decrease of around $1.7 billion in temporary assistance afforded by the Small Business and General Business Tax Break introduced in the 2008‑09 financial year as part of the Nation Building and Jobs Plan — the concession amounted to $680 million in 2011‑12 compared with $2.4 billion in 2010‑11;
* decreases of around $215 million and $140 million in Exceptional Circumstances interest rate subsidies and drought relief payments, respectively;
* the cessation of the Automotive Competitiveness and Investment Scheme in December 2010, although this was largely offset by the introduction of the Automotive Transformation Scheme; and
* the cessation of a number of other programs that together afforded around $180 million in budgetary assistance in 2010‑11.

Figure 2.3 Budgetary assistance to industry, 2006‑07 to 2011‑12

$million (nominal)

|  |
| --- |
|  |

*Sources*: Commonwealth Budget and Budget related papers (various years); departmental annual reports (various years); Australian Government (2013a); Commission estimates.

On the other hand, there were some increases in budgetary assistance totalling around $2.7 billion in 2011‑12, including:

* $1 billion in transitional assistance under the Energy Security Fund;
* around $219 million and $164 million under the Coal Sector Jobs Package and Steel Transformation Plan, respectively;
* around $288 million under the Automotive Transformation Scheme;
* around $200 million under the Farm Management Deposits Scheme;
* around $130 million under the Sustainable Rural Water Use and Infrastructure Program; and
* increases of around $485 million in other on-going programs.

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

### Activities targeted

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

* *R&D* measures, including that undertaken by CSIRO, CRCs and rural R&D corporations, as well as R&D taxation concessions;
* *Export* measures, including through Export Market Development Grants, import duty drawback, TRADEX and Austrade;
* *Investment* measures, including development allowances and several former investment attraction packages;
* *Industry-specific* measures, including the Automotive Transformation Scheme, the Textiles, Clothing and Footwear Strategic Investment Program, film industry measures and the Offshore Banking Unit Taxation Concession;
* *Sector-wide* measures, such as ‘exceptional circumstances’ drought relief payments and the tax concessions under the Farm Management Deposits Scheme, in the case of the primary sector;
* *Small business* programs, such as the Small Business 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, including the Tasmanian Freight Equalisation Scheme, Regional Partnerships Program and various structural adjustment programs with a regional focus; and
* a residual ‘*other*’ category, including the Textiles, Leather, Clothing and Footwear Corporate Wear Program, the Pooled Development Funds initiative, and the Enterprise Connect Innovation Centres Initiative.

The majority of budgetary assistance in 2011‑12 was directed to specific industries (31 per cent); R&D (28 per cent), and small business (22 per cent) (figure 2.4, right hand panel). This division of budgetary assistance to industry in 2011‑12 is broadly similar to the division in 2006‑07 (figure 2.4, left hand panel) though there have been substantial variations in the intervening years. In particular, with the unwinding of the temporary tax breaks to small business introduced in 2008, the relative importance of assistance to small business is estimated to have declined from nearly 40 per cent of total budgetary assistance to industry in 2010‑11 (as reported in the 2010‑11 *Review*) to around one quarter reported for 2011‑12 (figure 2.4, right hand panel). The introduction of the Clean Energy Future Plan, which involves targeted assistance to qualifying activities and industries has seen the share of industry-specific assistance increased significantly from 15 per cent of budgetary assistance in 2010‑11 to over 30 per cent in 2011‑12.

A number of budgetary measures included in the estimates relate to carbon emissions reduction, renewable energy and energy goals. These measures support a range of activities that span R&D, industry-specific, sector-specific and other measures. The measures amounted to around $1.7 billion (18 per cent) of estimated budgetary assistance in 2011‑12, around $1.4 billion higher than in 2010‑11. The increase is largely on account of the Australian Government’s newly introduced Clean Energy Future Plan.

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

Figure 2.4 Budgetary assistance by category, 2006‑07 and 2011‑12

|  |  |
| --- | --- |
| *2006-07* | *2011-12* |
|  |  |

*Source*: Commission estimates.

### Sectoral and industry distribution

The Commission records the incidence of budgetary assistance by the initial benefiting industry, that is, the industry to which the assistance first accrues. Estimates are presented for 34 industry groupings, while four ‘unallocated’ categories are used for programs for which it has not been possible to confidently identify the initial benefiting industry or sector.

In 2011‑12, the services sector is estimated to have received around 45 per cent of estimated budgetary assistance; up from around 34 per cent in 2006‑07 (figure 2.5). The manufacturing and primary production sectors, which together contribute about 12 per cent of value added, received around one third of total estimated budgetary assistance in 2011‑12, while the mining sector received relatively little measured budgetary assistance. While it has been practicable to assign an initial benefiting industry to over 80 per cent of budgetary assistance, the proportion not assigned to a benefiting industry has increased.

Figure 2.5 Budgetary assistance by industry sector, 2006‑07 and 2011‑12

|  |  |
| --- | --- |
| *2006-07* | *2011-12* |
|  |  |

*Source*: Commission estimates.

In 2011‑12, most budgetary assistance was afforded through outlays for the primary production, mining and manufacturing sectors while for services, the majority of assistance was provided through tax concessions.

### Budgetary assistance by industry grouping

Six industry groups collectively accounted for around 50 per cent of estimated budgetary assistance to industry in 2011‑12 (table 2.4).

* Budgetary assistance was highest for the *Electricity, gas, water and waste services* industry ($1.1 billion), mainly in the form of transitional assistance provided under the Energy Security Fund.
* *Financial and insurance services* was the next highest recipient ($914.7 million), mainly in the form of the Concessional Rate of Withholding Tax concession, the Offshore Banking Unit Taxation Concession and Small Business Capital Gains Tax concession measures.[[1]](#footnote-1)
* *Mining* accounted for $700.4 million, mainly in the form of the Coal Sector Jobs Package and R&D tax concession programs.
* *Motor vehicles and parts* accounted for $620.7 million, mainly in the form of the Automotive Transformation Scheme, the Green Car Innovation Fund, Assistance to Ford Australia and the TRADEX scheme.
* *Property, professional and administrative services* accounted for $611.3 million, mainly in the form of R&D tax concession programs and Small Business Capital Gains Tax concession measures.
* *Sheep, beef cattle and grain farming* accounted for $567.9 million, mainly in the form of the Farm Management Deposits Scheme, Income Tax Averaging Provisions for Primary Producers, the Small Business Capital Gains Tax concession measures, and assistance to the Grains R&D Corporation.

Budgetary assistance not assigned to an industry sector is reported in the *Unallocated other* category. That assistance accounted for around 14 per cent of total estimated budgetary assistance in 2011‑12. The Small Business and General Business Tax Break ($680 million), for which Industry allocation data is currently not available through taxation statistics, accounts for around a half of the category. Other budgetary assistance not classified to industry included Tourism Australia, Austrade and the TCF Corporate Wear Program.

Table 2.4 Budgetary assistance by industry grouping, 2011‑12

$ million (nominal)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Outlays | Tax concessions | Total budgetary assistance |
| **Primary production** | **891.2** | **548.3** | **1439.5** |
| Horticulture and fruit growing | 83.4 | 55.6 | 139.0 |
| Sheep, beef cattle and grain farming | 212.9 | 355.0 | 567.9 |
| Other crop growing | 30.2 | 33.2 | 63.4 |
| Dairy cattle farming | 29.6 | 31.7 | 61.3 |
| Other livestock farming | 22.2 | 24.5 | 46.7 |
| Aquaculture and fishinga | 52.4 | 14.3 | 66.7 |
| Forestry and logging | 60.2 | 17.6 | 77.8 |
| Primary production support services | 4.6 | 14.6 | 19.2 |
| Unallocated primary productionb | 395.8 | 1.8 | 397.6 |
| **Mining** | **400.9** | **299.5** | **700.4** |
| **Manufacturing** | **1389.9** | **362.6** | **1752.6** |
| Food, beverages and tobacco | 44.6 | 61.3 | 105.8 |
| Textile, leather, clothing and footwear | 53.4 | 6.6 | 60.0 |
| Wood and paper products | 8.4 | 9.6 | 18.0 |
| Printing and recorded media | 8.4 | 4.3 | 12.7 |
| Petroleum, coal, chemical and rubber prod. | 177.7 | 46.1 | 223.8 |
| Non-metallic mineral products | 8.6 | 10.1 | 18.7 |
| Metal and fabricated metal products | 220.4 | 45.5 | 265.9 |
| Motor vehicle and parts | 579.9 | 40.9 | 620.7 |
| Other transport equipment | 21.5 | 7.9 | 29.3 |
| Machinery and equipment manufacturing | 120.2 | 62.4 | 182.6 |
| Furniture and other manufacturing | 20.7 | 5.6 | 26.3 |
| Unallocated manufacturingb | 126.2 | 62.5 | 188.7 |
| **Services** | **2091.1** | **2110.4** | **4201.5** |
| Electricity, gas, water and waste services | 1050.8 | 26.6 | 1077.4 |
| Construction | 24.2 | 107.5 | 131.7 |
| Wholesale trade | 63.0 | 162.5 | 225.4 |
| Retail trade | 39.2 | 91.8 | 130.9 |
| Accommodation and food services | 4.8 | 35.2 | 40.0 |
| Transport, postal and warehousing | 56.2 | 55.8 | 112.0 |
| Information, media and telecommunications | 105.8 | 40.3 | 146.1 |
| Financial and insurance services | 69.7 | 845.1 | 914.7 |
| Property, professional and admin. services | 193.7 | 417.6 | 611.3 |
| Public administration and safety | 30.9 | 2.5 | 33.4 |
| Education and training | 18.5 | 10.8 | 29.3 |
| Health care and social assistance | 111.6 | 51.7 | 163.3 |
| Arts and recreation services | 117.7 | 233.7 | 351.4 |
| Other services | 24.9 | 29.5 | 54.4 |
| Unallocated servicesb | 180.3 | – | 180.3 |
| Unallocated otherb | 355.6 | 970.4 | 1326.0 |
| **Total** | **5128.7** | **4291.2** | **9419.9** |

– Nil. a Aquaculture and fishing includes *Hunting & trapping*. b Unallocated includes programs for which details of the initial benefiting industry cannot be readily identified.

*Source*: Commission estimates.

## Combined assistance

This section presents the results for combined tariff, budgetary assistance, and agricultural pricing and regulatory assistance. Combined assistance is reported in terms of the net value of assistance and its components, and the effective rate of assistance (box 2.4).

|  |
| --- |
| Box 2.4 Summary measures of combined assistance |
| In reporting its estimates of net combined assistance, the Commission adopts two summary measures.   * First, it reports total net assistance (also referred to in assistance methodologies as the net subsidy equivalent (NSE)), which is the dollar value of net assistance to the land, labour and capital resources used in a particular industry or activity. It indicates the level of transfers of income to benefiting producers from consumers, taxpayers and other firms. NSE estimates are reported for the four sectors and 34 industry groupings. * The second summary measure is the effective rate of assistance (ERA). It measures the NSE of combined assistance to a particular industry in proportion to that industry’s unassisted net output (value added). It provides an indication of the extent to which assistance to an industry enables it to attract and hold economic resources relative to other sectors. That is, where there is some competition between industries for resources, those industries with relatively high effective rates of assistance are more likely, as a result of their assistance, to be able to attract resources away from those with lower rates of effective assistance. ERA estimates are reported for industries in the primary production, mining and manufacturing sectors. Effective rates of assistance are not published for the services sector. |
|  |
|  |

### Aggregate assistance

Total estimated gross combined assistance was $17.3 billion in 2011‑12, a decline of around $0.6 billion from 2010‑11 in nominal terms (table 2.5). This represents a decline of around 3 per cent in nominal terms and 5 per cent in real terms.

Table 2.5 Combined assistance, 2006‑07 to 2011‑12

$million (nominal)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2006‑07 | 2007‑08 | 2008‑09 | 2009‑10 | 2010‑11 | 2011‑12 |
| Tariff output assistance | 8472.0 | 9032.4 | 8936.3 | 8418.3 | 8076.0 | 7895.0 |
| Budgetary outlays | 3701.6 | 4411.1 | 3689.7 | 3802.3 | 3574.5 | 5128.7 |
| Tax concessions | 3103.6 | 3987.9 | 4607.1 | 5796.0 | 6230.9 | 4291.2 |
| Agricultural pricing assistance | 124.3 | 120.1 | 0.2 | – | – | – |
| **Gross combined assistance** | **15401.5** | **17551.5** | **17233.2** | **18016.6** | **17881.3** | **17314.9** |
| Tariff input assistance | -5983.6 | -6443.0 | -6717.0 | -6620.1 | -6652.5 | -6813.8 |
| **Net combined assistance**a | **9418.0** | **11108.5** | **10516.3** | **11396.5** | **11228.8** | **10501.1** |

– Nil. a Further information on the estimation and interpretation of net combined assistance is provided in the (forthcoming) methodological annex to this *Review*. Estimates prior to 2011‑12 differ from estimates published in earlier *Reviews*. Differences reflect the effects of re-benchmarking the estimates of tariff assistance and changes in source information. Further information on earlier estimates is provided in the methodological annex to *Trade & Assistance Review* *2008‑09*.

*Source*: Commission estimates.

After considering the negative effects of tariff assistance on industry inputs, total estimated net combined assistance amounted to around $10.5 billion in 2011‑12, a decrease of around $728 million (in nominal terms) from 2010‑11. Tariff and budgetary assistance declined by around $340 million and $385 million, respectively.

Over the six-year period 2006‑07 to 2011‑12, total estimated net combined assistance to industry has increased by around 12 per cent in nominal terms, but has decreased by around 7 per cent in real terms.

### Value of combined assistance by industry grouping

Table 2.6 summarises, at the industry level, tariff and budgetary assistance for 2011‑12. Reflecting the earlier discussion on individual elements, the manufacturing sector receives the highest level of net combined industry assistance because of the tariff assistance on its outputs. Although the services sector receives the most budgetary assistance (around $4.2 billion in identifiable support), such assistance is outweighed by the estimated input tariff penalty ($4.4 billion). The primary production sector received the majority of its assistance in the form of budgetary outlays, although some tariff protection continues to be afforded to a range of horticultural, crop and forestry products. A time series of net combined assistance (column 7) by industry grouping for the period 2006‑07 to 2011‑12 is presented in appendix A.

Table 2.6 Combined assistance by industry grouping, 2011‑12a

$million (nominal)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Industry grouping | Tariffs | |  | | Net tariff assistance | | Budgetary |  | Net combined assistance |
| Output | | Input penalty | | Outlays | Tax concess |
| **Primary production** | **209.5** | **-73.4** | | **136.1** | | **891.2** | | **548.3** | **1575.6** |
| Horticulture and fruit growing | 154.3 | -8.3 | | 146.0 | | 83.4 | | 55.6 | 284.9 |
| Sheep, cattle & grain farming | 0.2 | -17.2 | | -17.1 | | 212.9 | | 355.0 | 550.8 |
| Other crop growing | 2.0 | -3.8 | | -1.8 | | 30.2 | | 33.2 | 61.6 |
| Dairy cattle farming | – | -2.8 | | -2.8 | | 29.6 | | 31.7 | 58.4 |
| Other livestock farming | – | -4.0 | | -4.0 | | 22.2 | | 24.5 | 42.6 |
| Aquaculture and fishing | 0.8 | -13.1 | | -12.2 | | 52.4 | | 14.3 | 54.5 |
| Forestry and logging | 52.3 | -10.3 | | 41.9 | | 60.2 | | 17.6 | 119.7 |
| Primary production services | – | -13.8 | | -13.8 | | 4.6 | | 14.6 | 5.4 |
| Unallocated primary | – | – | | – | | 395.8 | | 1.8 | 397.6 |
| **Mining** | **1.0** | **-208.5** | | **-207.5** | | **400.9** | | **299.5** | **492.8** |
| **Manufacturing** | **7684.5** | **-2083.9** | | **5600.7** | | **1389.9** | | **362.6** | **7353.2** |
| Food, beverages and tobacco | 1698.5 | -486.4 | | 1212.1 | | 44.6 | | 61.3 | 1318.0 |
| Textile, clothing and footwear | 295.6 | -60.4 | | 235.3 | | 53.4 | | 6.6 | 295.3 |
| Wood and paper products | 720.6 | -145.8 | | 574.8 | | 8.4 | | 9.6 | 592.8 |
| Printing and recorded media | 219.0 | -35.5 | | 183.5 | | 8.4 | | 4.3 | 196.2 |
| Petroleum, coal and chemicals | 991.5 | -288.5 | | 703.1 | | 177.7 | | 46.1 | 926.9 |
| Non-metallic mineral products | 246.3 | -42.2 | | 204.0 | | 8.6 | | 10.1 | 222.7 |
| Metal and fabricated products | 1780.4 | -423.6 | | 1356.8 | | 220.4 | | 45.5 | 1622.7 |
| Motor vehicle and parts | 785.2 | -289.2 | | 496.1 | | 579.9 | | 40.9 | 1116.8 |
| Other transport equipment | 68.6 | -61.2 | | 7.4 | | 21.5 | | 7.9 | 36.8 |
| Machinery and equipment | 641.7 | -193.4 | | 448.3 | | 120.2 | | 62.4 | 630.9 |
| Furniture and other products | 236.9 | -57.7 | | 179.2 | | 20.7 | | 5.6 | 205.6 |
| Unallocated manufacturing | – | – | | – | | 126.2 | | 62.5 | 188.7 |
| **Services** | **0.0** | **-4448.1** | | **-4448.1** | | **2091.1** | | **2110.4** | **-246.6** |
| Electricity, gas, water and waste | – | -77.6 | | -77.6 | | 1050.8 | | 26.6 | 999.8 |
| Construction | – | -1542.6 | | -1542.6 | | 24.2 | | 107.5 | -1410.9 |
| Wholesale trade | – | -267.7 | | -267.7 | | 63.0 | | 162.5 | -42.3 |
| Retail trade | – | -179.3 | | -179.3 | | 39.2 | | 91.8 | -48.3 |
| Accommodation & food services | – | -520.9 | | -520.9 | | 4.8 | | 35.2 | -480.9 |
| Transport, postal & warehousing | – | -190.9 | | -190.9 | | 56.2 | | 55.8 | -79.0 |
| Information & telecommunications | – | -144.3 | | -144.3 | | 105.8 | | 40.3 | 1.8 |
| Financial and insurance services | – | -10.0 | | -10.0 | | 69.7 | | 845.1 | 904.8 |
| Property, professional and admin. | – | -596.4 | | -596.4 | | 193.7 | | 417.6 | 14.9 |
| Public administration and safety | – | -203.4 | | -203.4 | | 30.9 | | 2.5 | -170.1 |
| Education and training | – | -110.5 | | -110.5 | | 18.5 | | 10.8 | -81.2 |
| Health care and social assistance | – | -256.2 | | -256.2 | | 111.6 | | 51.7 | -92.9 |
| Arts and recreation services | – | -77.2 | | -77.2 | | 117.7 | | 233.7 | 274.2 |
| Other services | – | -271.3 | | -271.3 | | 24.9 | | 29.5 | -216.8 |
| Unallocated services | – | – | | – | | 180.3 | | – | 180.3 |
| Unallocated other | – | – | | – | | 355.6 | | 970.4 | 1326.0 |
| **Total** | **7895.0** | **-6813.8** | | **1081.2** | | **5128.7** | | **4291.2** | **10501.1** |

– Nil. a Read in conjunction with notes to tables 2.2 and 2.4.

*Source*: Commission estimates.

### Effective rates of (combined) assistance

#### Estimated effective rates of combined assistance by industry grouping

For the manufacturing sector, the estimated effective rate of assistance — that is, the value of assistance as a proportion of (unassisted) value added — was 4.1 per cent in 2011‑12, and in line with the estimate for previous years (table 2.7). The effective rate for the primary sector in 2011‑12 was 3.3 per cent. (It had reached 6.4 per cent in 2007‑08, reflecting assistance afforded the industry for drought relief). The estimated effective rate of assistance from tariff and budgetary assistance for mining is negligible.

Table 2.7 Effective rate of combined assistance by industry grouping, 2006‑07 to 2011‑12a

per cent

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2006‑07 | 2007‑08 | 2008‑09 | 2009‑10 | 2010‑11 | 2011‑12 |
| **Primary production**b | **5.9** | **6.4** | **4.7** | **4.4** | **3.4** | **3.3** |
| Horticulture and fruit growing | 4.1 | 4.2 | 4.4 | 4.0 | 3.7 | 3.5 |
| Sheep, beef cattle and grain | 5.7 | 6.3 | 6.3 | 5.2 | 3.4 | 2.7 |
| Other crop growing | 7.6 | 6.9 | 2.0 | 2.1 | 1.2 | 1.6 |
| Dairy cattle farming | 12.5 | 13.2 | 4.5 | 4.3 | 2.6 | 1.8 |
| Other livestock farming | 1.8 | 1.7 | 1.2 | 1.0 | 0.9 | 1.1 |
| Aquaculture and fishing | 12.0 | 6.9 | 3.5 | 3.8 | 3.9 | 3.3 |
| Forestry and logging | 6.9 | 6.8 | -1.3 | 4.5 | 5.5 | 7.2 |
| Primary production services | -0.1 | 0.2 | 0.3 | 0.1 | 0.1 | 0.1 |
| **Mining** | **0.2** | **0.3** | **0.2** | **0.3** | **0.2** | **0.3** |
| **Manufacturing**b | **4.4** | **4.4** | **4.6** | **4.3** | **4.0** | **4.1** |
| Food, beverages and tobacco | 3.2 | 3.2 | 3.4 | 3.3 | 3.3 | 3.3 |
| Textile, clothing and footwear | 12.4 | 12.2 | 13.8 | 11.0 | 9.0 | 7.3 |
| Wood and paper products | 4.8 | 4.9 | 5.2 | 4.6 | 4.6 | 4.6 |
| Printing and recorded media | 3.4 | 3.4 | 3.5 | 3.4 | 3.4 | 3.4 |
| Petroleum, coal & chemicals | 2.7 | 2.7 | 2.9 | 2.8 | 2.9 | 2.8 |
| Non-metallic mineral products | 2.9 | 3.0 | 2.9 | 2.9 | 2.8 | 2.8 |
| Metal and fabricated products | 4.6 | 4.4 | 4.5 | 4.3 | 4.3 | 4.7 |
| Motor vehicle and parts | 12.5 | 11.9 | 13.1 | 11.6 | 8.7 | 9.4 |
| Other transport equipment | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 |
| Machinery and equipment | 3.2 | 3.1 | 3.2 | 3.1 | 3.0 | 3.0 |
| Furniture and other products | 4.8 | 5.0 | 4.6 | 4.4 | 4.4 | 4.4 |

a ‘Combined assistance’ comprises budgetary, tariff and agricultural pricing and regulatory assistance. b Sectoral estimates include assistance to the sector that has not been allocated to specific industry groupings.

*Source*: Commission estimates.

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

The *Textiles, leather, clothing and footwear* and *Motor vehicle and parts* industry groupings continue to have higher effective rates of combined assistance than other manufacturing activities. While remaining relatively high, the estimated effective rates of assistance to both industry groups have declined significantly over recent decades following substantial reductions in tariff rates and the removal of import quotas. Effective rates of assistance for these industries have also declined significantly since 2008‑09, following the legislated tariff cuts in January 2010 and net reductions in budgetary assistance following the closure of ACIS and introduction of the new automotive assistance arrangements.

For *Motor vehicles and parts* industry in 2011‑12, however, the effective rate of assistance increased from 8.7 to 9.4 per cent following increases in budgetary assistance under the Green Car Innovation Fund and Assistance to Ford Australia.

##### Dairy cattle farming and Sheep, beef cattle and grain farming

The estimated effective rate of assistance for *Dairy cattle farming* declined markedly from 2007‑08 to 2011‑12 — from 13.2 per cent to 1.8 per cent. This reflects a decline in Exceptional Circumstances drought support and the cessation of payments under the Dairy Structural Adjustment Program in April 2008. Prior to the dairy industry’s deregulation in July 2000, the effective rate of combined assistance was estimated to exceed 30 per cent.

Reflecting lower claims for Exceptional Circumstances drought support, the effective rate of assistance for the *Sheep, beef cattle and grain farming* group declined from 6.3 per cent in 2008‑09 to 2.7 per cent in 2011‑12. Declines were also estimated for some other agricultural industry groupings because of lower claims for drought support.

##### Fisheries and Forestry and logging

The estimated effective assistance to *Aquaculture and fishing,* and *Forestry and logging* has changed markedly over recent years. A decline in annual expenditure under the Fisheries Structural Adjustment Program has seen the estimated effective rates for Fisheries decrease from a high of 12 per cent in 2006‑07 to 3.3 per cent in 2011‑12.

The change in effective assistance to *Forestry and logging* from 6.8 per cent in 2007‑08 to a negative 1.3 per cent for 2008‑09 and then back to 4.5 per cent in 2009‑10, as indicated above, reflects the impact of changes in the direction of accelerated write-offs on forestry-managed investments from positive assistance in 2007‑08 (the acceleration stage) to increased taxation in 2008‑09 (the pay-back stage). The Forestry Managed Investment Scheme was terminated on 30 June 2008.

Effective rates of assistance to *Forestry and logging* have increased further in more recent years — 5.5 per cent in 2010‑11 and 7.2 per cent in 2011‑12 — reflecting new structural adjustment packages for the Tasmanian forest industry.

## Effective rates of industry assistance since 1970

The Commission has estimated assistance to the manufacturing and agricultural sectors since the early 1970s. The estimates have been derived in several ‘series’, each spanning a number of consecutive years, with each series retaining a common methodology, coverage of measures and data sources across those years. While methodologies and data sources have changed between series, taken together, the series provide a broad indication of directions and trends in assistance at the sectoral level.

Figure 2.6 presents effective rate estimates from the different series from 1970‑71 to the present. Breaks in the series are represented by gaps in the chart, and overlaps are included to show the effects of the methodological and data changes made in moving between series. In figure 2.6, estimates of the effective rate of assistance for the previous 2004‑05 benchmarked series are reported for the years 2003‑04 to 2008‑09. Estimates for the new 2008‑09 benchmark series are reported for the years 2006‑07 to 2011‑12. The overlapping estimates are also shown in expanded form in an insert in the figure.

### Manufacturing

The estimates indicate a marked decline in measured assistance to the manufacturing sector particularly over the 23 year period from 1974‑75 to 1996‑97. The estimated effective rate of assistance for manufacturing as a whole (as calculated in the first series) was around 35 per cent in 1970‑71 when the estimates were first calculated, whereas since the late 1990s, the rate (as calculated in the new 2008‑09 series and previous 2004‑05 and 2001‑02 series) has been around 5 per cent or less.

Major influences on this decline in manufacturing assistance over the past four decades have been the 25 per cent across-the-board tariff cut of 1973, the abolition of (subsequent) tariff quotas and the broad programs of tariff reductions that commenced in the late 1980s. Recent declines have been mainly associated with reductions in tariff assistance to the TCF and passenger motor vehicle industries. A 5 per cent tariff, levied on over 50 per cent of manufactured items of merchandise trade, continues to provide assistance to a range of manufacturing activities, as well as an associated impost on consumers and industry and costs to government administration.

Figure 2.6 Effective rates of assistance to manufacturing and agriculturea, 1970‑71 to 2011‑12

per cent

|  |
| --- |
| Figure 2.6. Effective rates of assistance to manufacturing and agriculturea, 1970-71 to 2011-12. This figure is described in the surrounding text. |

a Refers to selected agriculture activities up to and including the year 2000‑01. From 2001-02, estimates refer to division A of the Australian and New Zealand Standard Industrial Classification which covers agriculture, forestry, fishing and hunting activities.

*Source*: Commission estimates.

### Agriculture (primary production)

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

The rise in the effective rate of assistance to agriculture in 2006‑07 and 2007‑08 reflects significant increases in Exceptional Circumstances drought relief payments and interest rate subsidies at the height of the drought through much of Australia. Such assistance has since declined significantly and the estimated assistance to the sector overall has declined to around 3 per cent.

1. Taxation concessions on retirement savings associated with Australia’s compulsory superannuation arrangements, while providing incidental benefits to the finance sector as the provider of financial services, are not included in the Commission’s assistance estimates. [↑](#footnote-ref-1)