# 2 New programs

This chapter presents an overview of the new programs added to the Commission’s *Trade & Assistance Review 2012‑13*. These programs are ordered according to the department responsible for each program. Table 2.1 sets out the newly included measures in the Review.

### Australian wine industry support

In the 2012‑13 federal budget, the Australian Government announced it would provide Wine Australia with new funding of $2.1 million over two years to assist with marketing Australian wine (DAFF 2013, p. 56).

The value of administered expenses for 2012‑13 is $1.1 million (DAFF 2013, p. 152).

The program is assessed as initially benefiting firms engaged in grape growing and wine producing and has been allocated equally to the *horticulture and fruit growing* and *food, beverages and tobacco* industry groups.

### Wine Australia Corporation

The Wine Australia Corporation is the peak body representing the interests of the Australian wine industry. The Corporation’s stated primary objective is to enhance the operating environment for the benefit of the Australian wine and grape industry by providing the leading role in: market development; knowledge development; compliance; and trade of grape products (DAFF 2013). On 1 July 2014, Wine Australia Corporation and the Grape and Wine Research and Development Corporation were merged to form the Australian Grape and Wine Authority.

The value of administered expenses for 2012‑13 is $5.4 million (DAFF 2013, p. 146).

The program is assessed as initially benefiting firms engaged in wine producing and grape growing and has been allocated equally to the *horticulture and fruit growing* and *food, beverages and tobacco* industry groups.

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| Table 2.1 New budgetary assistance measures for  *Trade & Assistance Review 2012‑13* |
| |  |  |  |  | | --- | --- | --- | --- | | Program | Forma | Industry allocation | Funding 2012‑13 | |  |  |  | *$m* | | Australian Wine Industry support | BO | Horticulture and fruit growing; and Food, beverages and tobacco | 1.1 | | Wine Australia Corporation | BO | Horticulture and fruit growing; and Food, beverages and tobacco | 5.4 | | Tasmania Forests Agreement – Implementation Package | BO | Forestry and logging | 20.3 | | Indigenous Carbon Farming Fund | BO | Unallocated primary production | 0.9 | | Clean Technology Innovation Program | BO | Non-Metallic mineral products; Metal and fabricated metal products; Machinery and equipment manufacturing; Electricity, gas, water and waste services; Information, media and telecommunications; and Property, professional and administrative services | 2.4 | | Tourism Industry Regional Development | BO | Unallocated services | 7.0 | | Asia Marketing Fund | BO | Unallocated other | 8.5 | | Energy Efficiency Information Grants | BO | Unallocated other | 4.6 | | Coal Mining Abatement Support Package | BO | Mining | 1.0 | | Asia Pacific Partnership on Clean Development and Climate | BO | Unallocated other | 0.2 | | Automotive New Markets Initiative | BO | Motor vehicle and parts | 2.9 | | Energy Brix Australia Corporation | BO | Electricity, gas, water and waste services | 9.1 | | Australian Paper's Maryville Pulp & Paper | BO | Wood and paper products | 4.2 | | Vodafone Hutchison Australia - Tasmania Call Centre Expansion | BO | Information, media and telecommunications | 4.0 | | Manufacturing Technology Innovation Centre | BO | Unallocated manufacturing | 2.9 | | Premium Fresh Tasmania | BO | Horticulture and fruit growing | 0.5 | | Digital Enterprise Program | BO | Unallocated other | 1.9 | | Rebate for broadcasting licence fees | TE | Information, media and telecommunications | 155.0 | | Product Stewardship for Oil Program | BO | Petroleum, coal, chemical and rubber products | 33.4 | |
| a BO: budgetary assistance. TE: tax expenditures. |
| *Source*: Commission estimates. |
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### Tasmania Forests Agreement – Implementation Package

In May 2013, the Australian and Tasmanian Governments signed a new Tasmanian Forests Intergovernmental Agreement (TFIGA 2013). The new agreement sets out in detail the specific support that is to be provided as part of the Tasmanian Forests Intergovernmental Agreement signed in 2011,[[1]](#footnote-1) and the funding responsibilities of each government (DE 2014).

Key funding elements under the TFIGA 2013 include:

* $25 million toward sawmiller exit and structural adjustment packages;
* $20 million toward support for affected workers and contractors;
* $100 million for an Economic Diversification Package (this funding is now to be provided in the form of the Tasmanian Jobs and Growth Plan (section 5.5));
* $15.8 million toward Plantation Manufacturing Innovation and Investment;
* $13.5 million toward the investigation and implementation of sustainable solutions for forest residues;
* $7 million per annum, increasing to $9 million per annum, indexed, for reserve management; and
* up to $15 million to assist Forestry Tasmania with transitioning its operations (Department of the Environment, pers. comm., 30 May 2014; Tasmanian Government 2013).

The value of administered expenses for 2012‑13 is $20.3 million (DSEWPC 2013, p. 380).

The program is assessed as initially benefiting business primarily engaged in forest harvesting, haulage and saw milling and has been allocated to the *forestry and logging* industry grouping.

### Indigenous Carbon Farming Fund

The Indigenous Carbon Farming Fund is intended to support Indigenous Australians to participate in the Carbon Farming Initiative by assisting them to access carbon farming specialists, business development expertise and legal advice for their participation in carbon farming projects (DSEWPC 2013).

The value of administered expenses for 2012‑13 is $0.9 million (DSEWPC 2013, p. 380).

The program is assessed as initially benefiting primary production activities. 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.

### Clean Technology Innovation Program

The Clean Technology Innovation Program is a competitive, merit-based grants program intended to support applied research and development, proof of concept and early stage commercialisation activities that lead to the development of new clean technologies and associated services including low emission and energy efficient solutions. The program provides grants of between $50 000 and $5 million on a co-investment basis of one dollar of government funding for each dollar of the applicant's investment (Australian Government 2014b).

The value of administered expenses for 2012‑13 is $2.4 million (DIISR, pers. comm., December 2013).

Information provided by DIISR has been used to allocate funding across the Commission’s industry groupings. These industry groups include: *non-metallic mineral products*; *metal and fabricated metal products*; *machinery and equipment manufacturing*; *electricity, gas, water and waste services*; *information, media and telecommunications*; and *property, professional and administrative services*.

### Tourism Industry Regional Development

In June 2012, the Australian Government announced funding of $48.5 million over four years to establish the Tourism Industry Regional Development Fund (TIRF) grants program. The program is intended to increase the quality and range of visitor experiences in regional Australia. A major focus of the program is to improve the quality of accommodation and attractions in regional areas and encourage innovative projects to attract interstate and international visitors and extend their length of stay (DIRD 2014).

The TIRF provides grants of up to $250 000 on a dollar-for-dollar matched funding basis to support investment in tourism industry related accommodation, infrastructure, experiences and facilities.

The value of administered expenses for 2012‑13 is $7 million (DRET 2013, p. 197).

The program is assessed as initially benefiting businesses providing tourism services. However, information on the specific industry incidence of the program has not been readily available. Accordingly, the budgetary outlay and has been classified to the *unallocated services* industry grouping.

### Asia Marketing Fund

In May 2012, the Australian Government announced it would establish the Asia Marketing Fund, providing $61 million over four years. The Fund is primarily intended to promote Australia as a tourism destination to growing markets in Asia (DRET 2013, p. 65).

The value of administered expenses for 2012‑13 is $8.5 million (DRET 2013, p. 197).

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 industry classification.

### Energy Efficiency Information Grants

The Energy Efficiency Information Grants program is a $34 million merit-based, competitive grants program established by the Australian Government. The program is intended to assist industry associations and not-for-profit organisations to provide practical, tailored energy efficiency information to small-and-medium sized enterprises and community organisations (DI 2014a).

The value of administered expenses for 2012‑13 is $4.6 million (DRET 2013, p. 197).

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 industry classification.

### Coal Mining Abatement Technology Support Package

The Coal Mining Abatement Technology Support Package, providing $70 million over five years from 1 July 2012, was introduced by the Australian Government as part of the Clean Energy Future Plan. The Package is a technology development program intended to help maintain the viability and international competitiveness of the Australian coal mining industry under Australia’s carbon pricing scheme (DRET 2014).

The value of administered expenses for 2012‑13 is $1 million (DRET 2013, p. 196).

The program is assessed as initially benefiting businesses engaged in mining activities and has been allocated to the *mining* industry grouping.

### Asia Pacific Partnership on Clean Development and Climate

The Asia Pacific Partnership on Clean Development and Climate is an intergovernmental program intended to enhance partnerships between the public and private sectors, promote best practices and technologies across a range of key sectors, and deepen cooperation among its seven partner countries (Australia, Canada, China, India, Japan, South Korea and the United States) (APP 2014).

The value of administered expenses for 2012‑13 is $0.2 million (DRET 2013, p. 196).

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 industry classification.

### Automotive New Markets Initiative

In August 2012, the Australian, Victorian and South Australian Governments announced the introduction of the Automotive New Markets Initiative (ANMI). Commencing in 2012‑13 with funding of $47 million over four years, the initiative is intended to assist Australian automotive supply chain companies broaden their customer and product base, both domestically and internationally (DI 2014b).

The value of administered expenses for 2012‑13 is $2.9 million (DIISR, pers. comm., December 2013).

The program is assessed as initially benefiting firms in the automotive industry. While a substantial proportion of these firms are likely to be classified to the *motor vehicles and parts* industry grouping, firms may also be engaged in plastics, glass and fabric manufacturing and appropriately classified to other industry groupings. In the absence of detailed information on the specific industry incidence of the program, the budgetary outlay has been classified to the *motor vehicles and parts* industry grouping.

### Energy Brix Australia Corporation

In 2012, the Australian Government announced that it would provide a restructuring package for Energy Brix Australia Corporation intended to enable the company to maintain briquette production, at its Morwell facility in Victoria, for a period of up to two years (Ferguson, Combet and Crean 2012). The funding was intended to ensure that around 50 downstream businesses nationwide which rely on the briquettes have time to transition to alternative fuels or feedstock. Energy Brix Australia Corporation co-generates base-load electricity from its brown coal power station at Morwell in the Latrobe Valley, Victoria. Since the introduction of the carbon tax in July 2012, however, the plant has operated primarily to supply steam to the company’s integrated brown coal briquette manufacturing facility with electricity generated as a by-product (DIICCSRTE 2013).

The value of administered expenses for 2012‑13 is $9.1 million (DIISR, pers. comm., December 2013).

For *Trade & Assistance Review 2012‑13*, this program was originally allocated to the *electricity, gas, water and waste services* industry grouping. On review, the initial benefiting industry was revised to briquette manufacturing which is located in the *petroleum, coal, chemical and rubber products* industry grouping in the Commission’s ANZSIC-based classification. This change will be reflected in the upcoming 2013‑14 *Review*.

### Australian Paper’s Maryvale Pulp and Paper

In 2012, the Australian Government announced it would provide $9.5 million over three years to Australian Paper. The assistance is intended to establish a de-inked pulp facility at its pulp and paper mill in Maryvale, Victoria. The new facility will enable Australian Paper to produce its own de-inked pulp for use in the manufacture of printing and communications paper, in turn reducing the company’s reliance on native forest fibre (Australian Government 2012).

The value of administered expenses for 2012‑13 is $4.2 million (DIISR, pers. comm., December 2013).

The program is assessed as initially benefiting the manufacture of printing and communications paper and has been allocated to the *wood and paper products* industry grouping.

### Vodafone Hutchison Australia – Tasmania Call Centre Expansion

In 2012, the Australian Government announced that it would provide $4 million to Vodafone Hutchison Australia intended to help expand its call centre operations at Kingston in Tasmania (Australian Government 2013).

The value of administered expenses for 2012‑13 is $4 million (DIISR, pers. comm., December 2013).

The program is assessed as initially benefiting Vodafone Hutchison Australia, a telecommunications company, and has been allocated to the *information, media and telecommunications* industry grouping.

### Manufacturing Technology Innovation Centre

In the 2012‑13 federal budget, the Australian Government announced that it would provide $29.9 million to establish the Manufacturing Technology Innovation Centre. The Centre is intended to improve collaboration between academia and industry, and drive the development of innovative products and processes (MTAA 2012).

The value of administered expenses for 2012‑13 is $2.9 million (DIISR, pers. comm., December 2013).

The program is assessed as initially benefiting firms in the manufacturing 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 manufacturing* industry grouping.

### Premium Fresh Tasmania

In 2012, the Australian Government announced it would provide $0.5 million to Premium Fresh Tasmania intended to implement structural changes required to ensure its ongoing viability. Premium Fresh partners with over 80 landholders to grow, harvest, pack and ship a variety of vegetables for the Australian and international markets (Australian Government 2012).

The value of administered expenses for 2012‑13 is $0.5 million (DIISR, pers. comm., December 2013).

The program is assessed as initially benefiting firms engaged in vegetable growing and has been allocated to the *horticulture and fruit growing* industry grouping.

### Digital Enterprise Program

The Digital Enterprise Program is a $16.8 million grant program intended to provide free group training and face-to-face support for small-to-medium sized businesses and not-for-profit organisations to help improve the way they do business and deliver services online (DBCDE 2013).

The value of administered expenses for 2012‑13 is $1.9 million (DBCDE 2013, p. 24).

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 industry classification.

### Rebate for broadcasting licence fees

Free-to-air television broadcasters received licence fee rebates of 33 per cent in 2010 and 50 per cent from 1 January 2011 to 30 June 2012 (Australian Government 2014a), which were estimated by Treasury to have an impact on revenue forgone estimates from 2010‑11 to 2012‑13. The Treasury’s estimate of revenue foregone from the rebate is presented in table 2.2.

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| Table 2.2 Rebate for broadcasting licence fees, 2009‑10 to 2013‑14  $ million |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | 2009‑10 | 2010‑11 | 2011‑12 | 2012‑13 | 2013‑14 | | Rebate for broadcasting licence fees | – | 45.0 | 130.0 | 155.0 | – | |
| – Nil. |
| *Source*: Australian Government 2014a. |
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The value of administered expenses for 2012‑13 is $155 million (Australian Government 2014a, p. 152).

The program is assessed as initially benefiting firms providing free-to-air television broadcasting services and has been allocated to the *information, media and telecommunications* industry grouping.

### Product Stewardship for Oil Program

The Product Stewardship for Oil (PSO) Program was introduced by the Australian Government in 2001. The program, administered by the Department of the Environment, is intended to encourage the environmentally sustainable management and re-refining of used oil and its reuse. The program aims to achieve this outcome through the provision of financial incentives to increase the recycling of used oil (DE 2014).

The Product Stewardship (Oil) Act 2000 establishes the general framework and benefit entitlements of the program’s arrangements. These arrangements comprise a levy-benefit system, where a 5.449 cent per litre levy on manufacturers of relevant new mineral oils and recycled products (both domestic and imported) helps fund payments to used oil recyclers. While the levy is intended to offset the cost of the program, it is not hypothecated to payments made to oil recyclers. In 2012‑13, the dollar value of payments processed was $33.4 million while the dollar value of revenue collected was $21.6 million (table 2.3).

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| Table 2.3 Product stewardship for oil program, 2007‑08 to 2012‑13  $ million |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | |  | 2007‑08 | 2008‑09 | 2009‑10 | 2010‑11 | 2011‑12 | 2012‑13 | | Payments processed – subsidy | 36.0 | 40.5 | 33.0 | 35.0 | 36.0 | 33.4 | | Revenue collected – levy | 20.8 | 20.0 | 21.0 | 22.0 | 22.0 | 21.6 | | Shortfall | -15.2 | -20.5 | -12.0 | -13.0 | -14.0 | -11.8 | |
| *Source*: Commissioner of Taxation Annual Report (various years). |
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The value of administered expenses for 2012‑13 is $33.4 million (ATO 2013, p. 68).

The program is assessed as initially benefiting firms recycling used oil and has been allocated to the *petroleum, coal, chemical and rubber products* industry grouping.

1. In 2011, key industry, union, community and environmental groups developed an agreed position on the future of Tasmania’s forest industry and environment — the Tasmanian Forest Agreement 2011. The Agreement outlines requirements for industry and affected workers, contractors and communities, conservation, durability, engagement with indigenous communities, institutional arrangements and support by government. [↑](#footnote-ref-1)