# 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 industry assistance and can enable governments to make better informed policy decisions, potentially leading to improvements in 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 Commission’s estimates focus on the main forms of support — tariffs, budgetary outlays and tax concessions — that *selectively* assist firms, activities or industries and that can be quantified on an annual basis given practical constraints in measurement and data availability.

This annex reports on changes made to the Commission’s assistance estimates for *Trade & Assistance Review 2013‑14*. These changes comprise:

* programs added to the estimates for 2013‑14 (chapter 2);
* programs for which funding ceased in 2013‑14 (chapter 3); and
* methodological changes to the assistance estimates for the Small Business simplified depreciation rules, the Export Finance Insurance Corporation’s national interest business, the income tax averaging provision for primary producers, and the R&D Tax Incentive (chapter 4).

This annex also details the methodology used to summarise the ‘rules of origin’ for the Japan–Australia trade agreement, as reported in the *Trade & Assistance Review 2013‑14* (chapter 4).

This annex is the latest in a series that provides detailed information and updates on the Commission’s assistance estimates and methodologies. Other relevant annexes, published since 2000, are listed in table 1.1. The Methodological Annex to the *Trade & Assistance Review 2011‑12*, *Estimation Framework, Coverage and Re-benchmarking of Estimates*, contains a comprehensive benchmark listing of budgetary items included in assistance estimates. Updates to that list are notified in each subsequent annex.

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| 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 | | February 2014 | Estimation Framework, Coverage and Re-benchmarking of Estimates | Methodological Annex:  Trade & Assistance Review 2011‑12 | | October 2014 | Changes to the Commission’s Assistance Estimates | Methodological Annex:  Trade & Assistance Review 2012‑13 | |
| *Source*: www.pc.gov.au/research/ongoing/trade-assistance. |
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A full list of the Commission’s *Trade & Assistance Reviews* can be found at http://www.pc.gov.au/research/ongoing/trade-assistance.