

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Additional Estimates Hearing 2011-12
15 February 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: Trade and Assistance Review

REFERENCE: Written Question – Senator Bushby

QUESTION No.: AI-133

Senator Carr has said, on a number of occasions recently, that mining and agriculture receive more financial assistance from the Government than the car industry. Notwithstanding that, in doing that, he is comparing a single industry with whole sectors: does the Department share that view and therefore disagree with the figures calculated by the Productivity Commission in its annual Trade and Assistance Review? And, if so, on what basis?

ANSWER

The estimates of budgetary assistance published by the Productivity Commission in its Trade and Assistance Review reports do not cover all assistance arrangements. For example, and as reported in *Trade and Assistance Review 2009-10*, “Arrangements that may have assistance implications but are not part of the estimates include: ... certain differential tax arrangements, including in relation to excises”.

The exclusion of these may tend to lead to underestimates of industry assistance for some sectors. For example, the Australian Taxation Office, *Taxation Statistics 2008-09*, reports the mining industry received \$1.9 billion in fuel tax credits in 2009-10. It received a similar amount in 2008-09. In comparison, the motor vehicle and parts manufacturing sector received around \$1 million of fuel tax credits in both 2008-09 and 2009-10.