
H Tasmanian budgetary assistance estimates

For this year's *Trade & Assistance Review*, the Commission has developed estimates of the budgetary assistance to industry provided by the States and Territories for the years 2000-01 and 2001-02. The Commission's definitions, classifications and the methodology employed in compiling the estimates are set out in appendix B.

In this appendix, the Commission presents summary data on the budgetary assistance estimates for Tasmania, together with detailed tables on the budgetary outlay programs contained in the estimates. The estimates should be interpreted in conjunction with the information and explanations in appendix B.

H.1 Summary data

The estimates indicate that the Tasmanian Government outlaid \$116 million in 2000-01, and \$121 million in 2001-02, on programs that provide assistance to industry (table H.1). Some relatively minor tax concessions are included in these figures.

Of the \$121 million expended in 2001-02, at least \$104 million was directed to programs classified as having a general industry development objective (table H.1). The actual figure may be larger as some of the programs in the 'other and not classified' category may also have a general industry development objective (see appendix B).

There were no funding recorded as having a regional industry development objective. However, the way the regional industry development category has been defined, in conjunction with the way the Commission has classified various programs, means that some significant assistance programs that support regional industries, in particular primary production, have been excluded from this category (see appendix B). Were spending on primary production and mining by the Tasmanian Government to be included in this category, the total expenditure on regional industry development assistance would have amounted to some \$32 million in 2001-02.

Table H.1 Tasmanian Government budgetary assistance program outlays, by sectors and objectives, 2000-01 and 2001-02

\$ million

	2000-01	2001-02
Principal objective		
Industry development	101	104
Regional industry development	..	..
Other or not classified	15	17
Sector		
<i>Primary production</i>	32	32
– General industry development	32	31
– Regional industry development	..	..
– Other or not classified	0.4	0.4
<i>Mining</i>		
– General industry development	..	..
– Regional industry development	..	..
– Other or not classified	..	..
<i>Services</i>	37	39
– General industry development	24	24
– Regional industry development	..	..
– Other or not classified	13	15
<i>Manufacturing^a</i>	..	..
– General industry development	..	..
– Regional industry development	..	..
– Other or not classified	..	..
<i>Unallocated^a</i>	47	50
– General industry development	45	48
– Regional industry development	..	..
– Other or not classified	2	2
Total	116	121

.. Nil. Figures may not add up to total due to rounding. ^a The unallocated category contains programs for which the Commission could not obtain sufficient information on program beneficiaries to allocate the program to a particular sector. As noted in appendix B, the Commission considers that outlay programs in the unallocated category appear likely to predominantly assist the manufacturing sector.

Source: Commission estimates.

The estimates also include \$17 million of programs for which the principal objective of the program has not been classified, or which have ‘other’ objectives, such as environmental, cultural or equity goals, but provide incidental assistance to industry.

A further breakdown of the estimates, by both objective and sectoral incidence, is provided in table H.1.

In terms of the sectoral distribution, \$39 million was spent on programs that provide assistance to the services sector. Another \$32 million was allocated to programs that assist primary production. The table shows that no assistance programs have been recorded as assisting the manufacturing sector. However, as discussed in appendix B, the Commission considers that many of the programs in the unallocated category appear likely to predominantly assist manufacturing.

The Commission has estimated that the Tasmanian Government provided total payroll tax concessions in the order of \$81 million to non-social welfare related businesses in 2000-01. The Commission notes that some level of general concessions, based on payroll tax thresholds can be justified on tax-efficiency grounds, and that not all of the concessions can be counted as industry assistance (appendix B).

H.2 Detailed data

Table H.2 describes different aspects of the Tasmanian government programs included in the Commission's estimates. For each output, program or sub-program, the table provides information (where available) on:

- the government agency responsible for the program;
- the program's scope, mode of funding and other program details;
- the program's main objective as classified by the Commission;
- the sectoral incidence of assistance as determined by the Commission; and
- funding estimates.

Table H.2 Tasmanian Government budgetary assistance program outlays, 2000-01 and 2001-02

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
DEPARTMENT OF STATE DEVELOPMENT					
<i>Investment, Trade and Development</i>					
— Marketing and Export Support	Provision of training, management support, and market research and intelligence to targeted businesses and trade missions aimed at developing new domestic and overseas markets and investment opportunities.	Industry development	Unallocated	1.23	1.42
— Major Events	Financial assistance and maintenance of existing major events. Attraction of special events to Tasmania.	Other or not classified	Services	0.62	0.72
— Industrial Supplies Office	Targeted procurement services and maintenance of database to assist businesses sourcing their requirements from local producers that can provide goods, equipment and services competitively against imports.	Industry development	Unallocated	0.78	0.81
— Investment Attraction and Project Development	Facilitation services and specialist financial services to attract, promote and facilitate investment in Tasmania.	Industry development	Unallocated	4.96	5.81
— Property and Loan Portfolio Administration	Administration of industry development loan and property portfolios, and facilitation of private property development, particularly the development of call centres.	Industry development	Unallocated	0.04	0.04
<i>State Industries</i>					
— Enterprise Improvement Services	Extension services targeting small and medium-sized enterprises.	Industry development	Unallocated	1.41	1.46

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Small Business Services	Extension services targeting existing and new small businesses.	Industry development	Unallocated	1.31	1.37
— Enterprise Centres and Employment Initiatives	Support for community-based Enterprise Centres delivering business management skills. Funding also provides for administration of Enterprise Centres and Tasmanian Traineeship and Apprenticeship Scheme employment programs.	Other or not classified	Unallocated	0.31	0.32
— Antarctic Industry Support	Promotion of Tasmania's international profile as a centre for Antarctic and Sub-Antarctic activity and attraction of expenditure in Tasmania by Antarctic related enterprises.	Industry development	Services	0.55	0.62
— Innovation and Technology Support Services	Delivery of the Intelligent Island Program and the Tasmanian Innovations Program to assist the Tasmanian IT Industry.	Industry development	Services	0.67	0.70
— Industry Council Support	Provision of secretarial, administrative and other support services to assist operation of Industry Councils.	Industry development	Unallocated	0.44	0.46
— Film, Television and Multimedia Support	Funding of Screen Tasmania to develop and assist the film, television and multimedia industries.	Other or not classified	Services	0.25	0.26
<i>Centre for Research, Industry and Strategic Planning</i>					
— Industry Planning and Policy	Development of industry development plans and provision of support to Industry Councils with information and advice, including uptake of Commonwealth assistance.	Industry development	Unallocated	0.80	0.86

Table H.2 Tasmania (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Industry Research Services	Research and training services for the development of industry plans and delivery of assistance programs.	Industry development	Unallocated	1.01	1.05
<i>Tourism Marketing and Development</i>					
— Tourism Marketing	Interstate and international marketing activities to attract tourists to Tasmania.	Industry development	Services	14.01	14.13
— Tourism Development	Provision of consultancy services, facilitation services, infrastructure development, industry training and advice to develop tourism industry.	Industry development	Services	3.39	3.46
— Tourism Retail Travel Services	Development of consumer sales and information on Tasmanian travel products.	Industry development	Services	2.21	2.28
— Tourism Wholesale Travel Services	Electronic distribution services and marketing of Tasmanian travel operators interstate.	Industry development	Services	1.11	1.16
<i>Culture, Heritage and Recreation Industry Development</i>					
— Tasmanian Museum and Art Gallery	Funding of the Museum's arts collections and marketing of the collections to the Tasmanian community and visitors as a premier visitor destination.	Other or not classified	Services	3.37	3.98
— Arts Industry Development	Provision of financial assistance and industry development services to the arts through Arts Tasmania.	Other or not classified	Services	0.58	0.61

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
<i>Subsidy payments administered by the Department</i>					
— Industry Development Grants and Subsidies	Grants, subsidies and development support projects primarily to assist business development.	Industry development	Unallocated	20.96	22.65
— Interest subsidy	Non-discretionary funding for interest costs arising from the Department's industry development capital portfolio.	Industry development	Unallocated	8.05	7.65
— Client Advances	Loan advances and equity investments for industry development purposes.	Industry development	Unallocated	..	..
— Debt Repayment	Borrowings undertaken to finance industry development lending activities are progressively repaid as client capital repayments are received.	Industry development	Unallocated	..	..
— Employment Assistance Grants	These payments are primarily comprised of grants to small businesses and are aimed at encouraging the employment of new apprentices.	Other or not classified	Unallocated	0.79	0.79
— Local Employment Initiatives	Through a network of enterprise centres, the program seeks to encourage local communities to undertake activities with the aim of creating long-term employment in Tasmania.	Other or not classified	Unallocated	0.60	0.60
— Major Events Grants and Assistance	Funding is provided to assist with the promotion and conduct of major events to further develop tourism related industries within the State.	Other or not classified	Services	0.75	0.96

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Meet in Tasmania Incentive	Grant to the Tasmanian Convention Bureau to attract conferences, conventions and meetings to Tasmania during the winter season.	Industry development	Services	0.20	0.20
— Tasmanian Convention Bureau	Funding to support the marketing capability of the Tasmanian Convention Bureau to encourage conventions during winter.	Industry development	Services	0.48	0.48
— Regional Gateway Marketing Groups	Grants to the three Regional Gateway Marketing Groups to assist in the intrastate marketing of Tasmania.	Industry development	Services	0.33	0.33
— Retail and Wholesale Direct Cost of Sales	Payments are provided to suppliers of travel services for bookings made through mainland travel centres, the Customer Service Centre and Tasmania's Temptations Holidays.	Industry development	Services	..	..
— Tasmanian Travel Centres	Payments for the Hobart, Launceston, Devonport and Burnie travel centres for providing information to visitors.	Industry development	Services	0.38	0.38
— Tasmanian Visitor Information Network	Grants for administration of the Tasmanian Visitor Information Network (visitor centres), promotion, training, inspection and general administration.	Industry development	Services	0.15	0.15
— Tourism Development Grants	Grants for the development of tourism infrastructure, products and regional planning.	Industry development	Services	0.05	0.05

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Tasmanian Icon Program	Funding of the State's icons to promote the State both nationally and internationally, including the Tasmanian Symphony Orchestra, the State cricket team, the Tassie Tigers, and the Menzies Centre for Population Health Research.	Other or not classified	Services	1.00	1.50
— Tasmanian International Velodrome	Grant for the operating deficit of the Tasmanian International Velodrome.	Other or not classified	Services	0.19	0.19
— Sports Scholarships	Funding of scholarships for individual athletes and team squads. Individuals may use their scholarships to meet performance related costs, including travel to competitions, equipment purchases, venue for training purposes, sports science, sports medicine and nutrition costs. Team scholarships may also be used for bringing elite and national coaches to Tasmania.	Other or not classified	Services	0.29	0.29
— Tasmanian Film Corporation	Payment of the loan instalments for the Tasmanian Film Corporation.	Other or not classified	Services	0.01	..
— Sundry Arts Grants and Loans	Grants to major arts organisations and individual artists to develop arts infrastructure on a statewide basis.	Other or not classified	Services	2.11	2.11
— Government Contribution to Tasmanian Symphony Orchestra	Government payment to the maintenance of the Tasmanian Symphony Orchestra.	Other or not classified	Services	0.15	0.15
— Museum and Art Gallery Grants	Grants for operational expenses of regional museums and art galleries, for miscellaneous museum costs and for funding to two art foundations.	Other or not classified	Services	1.17	1.17

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Theatre Royal Grant	Funding is provided to cover the insurance of the Theatre Royal.	Other or not classified	Services	0.06	0.06
Sub-total for Department of State Development					
DEPARTMENT OF PRIMARY INDUSTRIES, WATER AND ENVIRONMENT					
<i>Food, Agriculture and Fisheries</i>					
— Agriculture Industry Development Services	Provision of services, such as farm business skills, to assist the development of Tasmania's agriculture industries.	Industry development	Primary production	7.13	6.90
— Food Quality and Quarantine Services	Provision of quarantine services to protect rural industries against exotic pests and diseases. Assistance is also provided to rural industries to improve overseas market access.	Industry development	Primary production	5.45	5.50
— Marine Farming and Wild Fisheries Management	Funding of the Fisheries Research and Development Corporation and development services relating to fisheries.	Industry development	Primary production	4.99	4.39
— Diagnostic Services	Diagnostic investigations and laboratory services to protect plant and animal health.	Industry development	Primary production	3.27	3.59
<i>Other schemes administered by the Department</i>					
— Construction of Irrigation Schemes: Loan Charges Contribution	Capital contribution to the Rivers and Water Supply Commission to meet loan charges on borrowings for the construction of irrigation schemes, provided as infrastructure assistance to food, agriculture and fisheries.	Industry development	Primary production	2.76	2.76

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Tasmanian Aquaculture and Fisheries Institute	Annual grant for fisheries research.	Industry development	Primary production	2.43	2.43
— Tasmanian Institute of Agricultural Research	Annual grant for agricultural research.	Industry development	Primary production	1.82	1.82
— Rural Support Tasmania	Rural Support Tasmania receives funding to provide rural counselling services for farmers and rural families experiencing difficulties because of drought and downturns in prices received for produce.	Other or not classified	Primary production	0.03	0.03
— Coal Mines Historic Site	This project provides for the conservation of the Coal Mines Historic Site and the construction of visitor infrastructure to transform the site into an important tourism location while retaining its heritage values.	Other or not classified	Services	0.21	0.35
Sub-total for Department of Primary Industries, Water and Environment				28.08	27.76
DEPARTMENT OF TREASURY AND FINANCE – FINANCE-GENERAL DIVISION					
— Payroll Tax Assistance	Estimates of payroll tax concessions to specific businesses in Tasmania. These are identified as financial grants in the Budget.	Industry development	Unallocated	4.37	4.84
— Exemption of Stamp Duty on the Conveyance of Real Property used for Primary Production to a Relative	This exemption applies to the conveyance of real property, used mainly as a primary production business, from a person to a relative, including trustees of a trust of which all the beneficiaries are relatives of the person.	Other or not classified	Primary production	0.35	0.37

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Land Tax Primary Production Concession	Land that is used for primary production with a reasonable expectation of profit does not attract land tax. Examples of primary production include agriculture, aquaculture, fishing, horse breeding, forestry plantations or dairy farming. Land tax concessions are assessed on the basis of applications forwarded by individual landowners.	Industry development	Primary production	2.99	3.07
Sub-total for Department of Treasury and Finance – Finance-General Division				7.70	8.27
DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES					
— Support for the Racing Industry	Development of vocational training for racing industry personnel. Streamlining of procedures for licensing and registration of raceclubs and racecourses. Maintenance of integrity control in racing industry.	Other or not classified	Services	1.39	1.42
— Tasmanian Racing Assistance	Payment directed towards the stakes for thoroughbred, harness and greyhound racing.	Other or not classified	Services	1.06	1.06
— Totalizator Agency Board: Interdominion Grant	Funding of eight annual grants of \$25 000 to the racing industry to support the return of the Interdominion Pacing Championship to Tasmania in 2006.	Other or not classified	Services	0.03	0.03
— Private Forests Tasmania	Government contribution to Private Forests Tasmania (PFT). PFT's objective is to facilitate and expand the development of the private forest resource in Tasmania in a manner that is consistent with sound forest land management practice.	Industry development	Primary production	0.99	0.99
Sub-total for Department of Infrastructure, Energy and Resources				3.46	3.50

Table H.2 **Tasmania** (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
TOTAL BUDGETARY OUTLAY ASSISTANCE^d				115.99	120.77

.. Nil; na not available. Figures for individual programs may not add up to total due to rounding.

a Funding estimates were derived as follows.

- The estimates are compiled for 2000-01 and 2001-02 only, using the *Operations of Government Departments 2000-01 and 2001-02* (Parliament of Tasmania 2000 and 2001) and information provided by Tasmanian Department of Treasury. This is to facilitate comparison across States and Territories on the same reporting period.
- The figures are indicative only and are likely to be revised.

- The estimates for 2000-01 and 2001-02 represent the 'consolidated fund' appropriations for program costs as identified in the *Operations of Government Departments 2000-01 and 2001-02* (Parliament of Tasmania 2000 and 2001). This excludes user charges, industry contributions and Commonwealth grants.

b Program objectives are classified according to whether the main aim of the program is to promote:

- general industry development;
- regional industry development;
- other objectives — such as cultural objectives for funding of the arts; or
- not classified — programs which are difficult to allocate into one of the above categories.

c To give some indication of the incidence of assistance based on the information available, the Commission has classified the programs according to the broad sectors to which they primarily benefit. These sectoral classifications include:

- primary production — agriculture, forestry and fishing;
- manufacturing;
- mining;
- services; and
- unallocated — information is not available to determine the incidence of assistance.

d The outlay data includes some minor tax concessions that are included, but not separately costed, in state budget papers as part of the overall expenditure for an agency or investment incentive program.

Sources:

- Industry Commission 1996, *States, Territory and Local Government Assistance to Industry*, Report No. 55, AGPS, Canberra, October.
- Parliament of Tasmania 2001, *Operations of Government Departments 2001-02*, Budget Paper No. 2, Vols. 1 and 2, Government Printer, Tasmania.
- Parliament of Tasmania 2000, *Operations of Government Departments 2000-01*, Budget Paper No. 2, Vols. 1 and 2, Government Printer, Tasmania.