



Australian Government
Productivity Commission

Trade & Assistance
Review 2008-09

Productivity Commission
Annual Report Series



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ISBN 978-1-74037-318-0

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An appropriate citation for this paper is:

Productivity Commission 2010, *Trade & Assistance Review 2008-09*, Annual Report Series, Productivity Commission, Canberra, June.

The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au) or by contacting Media and Publications on (03) 9653 2244 or email: maps@pc.gov.au

Foreword

The Productivity Commission is required under its Act to report annually on industry assistance and its effects on the economy. *Trade & Assistance Review 2008-09* contains the Commission's latest quantitative estimates of Australian Government assistance to industry. It also identifies recent developments in assistance for various industries and sectors of the economy, and looks at selected developments in international trade policy.

In response to the global financial crisis, the Australian Government implemented a number of measures aimed at maintaining liquidity in the financial system. Although temporary, these measures are likely to have some enduring effects on the finance sector. The sector also benefits from a range of taxation concessions conferred on its activities and funds under management. Chapter 4 of this *Review* reports on the measures introduced and brings together the range of budgetary and other assistance relating to the finance sector.

In preparing this document, the Commission has received helpful advice and feedback from a number of officials in Australian Government agencies. The Commission is grateful for their assistance.

Gary Banks AO
Chairman
June 2010

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Abbreviations

ADI	authorised deposit-taking institution
ANZSIC	Australia and New Zealand Standard Industrial Classification
AOFM	Australian Office of Financial Management
APRA	Australian Prudential Regulatory Authority
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CGT	capital gains tax
COAG	Council of Australian Governments
DAFF	Department of Agriculture, Forestry and Fisheries
DBCDE	Department of Broadband, Communications and the Digital Economy
DEWHA	Department of Environment, Water, Heritage and the Arts
DFAT	Department of Foreign Affairs and Trade
DIISR	Department of Innovation, Industry, Science and Research
DITR	Department of Industry, Tourism and Resources
DITRDLG	Department of Infrastructure, Transport, Regional Development and Local Government
DTRS	Department of Transport and Regional Services
ERA	effective rate of assistance
GFC	global financial crisis
GST	goods and services tax
MFN	most favoured nation
NRA	National Reform Agenda
OBU	offshore banking unit
RMBS	Residential Mortgage Backed Securities
TAR	Trade & Assistance Review
TES	Tax Expenditures Statement
WTO	World Trade Organization