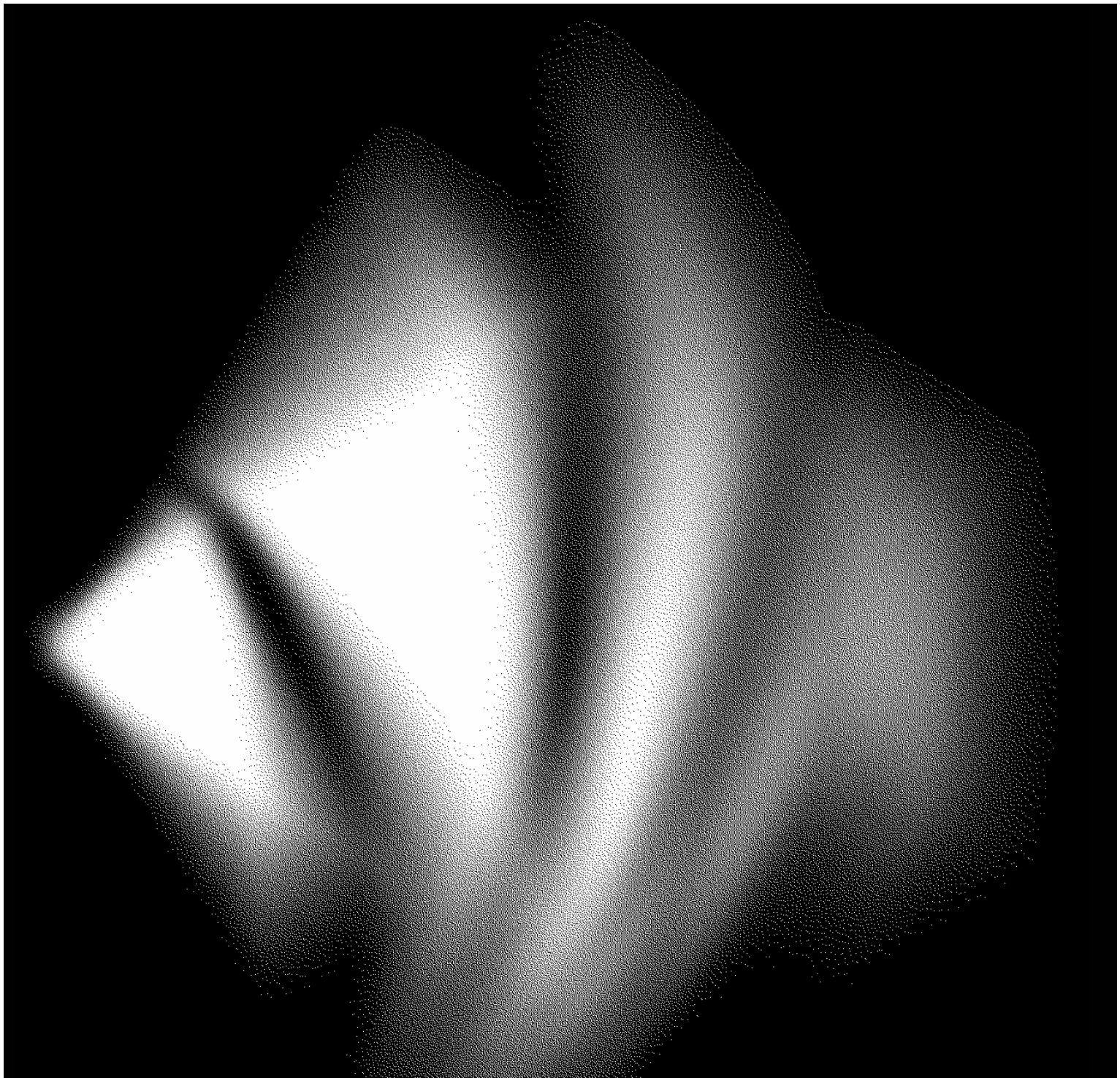




Australian Government  
Productivity Commission

# Trade & Assistance Review 2004-05

Productivity  
Commission  
*Annual Report Series*



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**The Productivity Commission**

The Productivity Commission, an independent agency, is the Australian Government's principal review and advisory body on microeconomic policy and regulation. It conducts public inquiries and research into a broad range of economic and social issues affecting the welfare of Australians.

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.

Information on the Productivity Commission, its publications and its current work program can be found on the World Wide Web at [www.pc.gov.au](http://www.pc.gov.au) or by contacting Media and Publications on (03) 9653 2244.

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# Foreword

The Productivity Commission is required to report annually on industry assistance and its effects on the economy. This review contains the Commission's latest quantitative estimates of Australian Government budgetary assistance to industry, as well as estimates of Australian Government and state and territory drought support. It also discusses recent developments in tariff, budgetary and other assistance in a range of sectors of the economy over the past year, and some recent international policy developments affecting Australia's trade.

*Trade & Assistance Review 2004-05* forms part of the Commission's annual report series. Its companion volumes are the Commission's *Annual Report 2004-05*, and *Regulation and its Review 2004-05*. While the review is normally released towards the end of each year, this edition has been delayed by data availability issues and the secondment of key staff to the secretariat of the Government's recent Regulation Taskforce.

In preparing this document, the Commission received helpful advice and feedback from officials from several Australian Government departments as well as from various state and territory rural assistance authorities. The Commission is grateful for their assistance.

Gary Banks  
Chairman

April 2006



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# Contents

<b>Key points</b>	x
<b>1 Introduction</b>	1.1
<b>2 Budgetary assistance estimates</b>	2.1
<b>3 Selected developments in assistance</b>	3.1
3.1 Reform of tariff arrangements	3.1
3.2 Selective investment incentives	3.3
3.3 Export marketing assistance	3.5
3.4 Assistance to tourism	3.6
3.5 Industry-specific assistance for primary producers	3.11
— sugar production	3.11
— rice growing	3.15
— pigmeat production	3.17
— commercial fishing	3.18
3.6 Drought relief	3.20
3.7 Anti-dumping arrangements	3.26
<b>4 Recent developments in trade policy</b>	4.1
4.1 Multilateral trade negotiations	4.1
4.2 Preferential trade agreements	4.5
4.3 National tariff reform	4.13
<b>A Detailed estimates of Australian Government budgetary assistance</b>	A.1
<b>B Anti-dumping and countervailing activity</b>	B.1
<b>References</b>	R.1

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# Abbreviations

ASEAN	Association of South East Asian Nations
ABARE	Australian Bureau of Agricultural and Resource Economics
ACIS	Automotive Competitiveness and Investment Scheme
AFFC	Australian Film Finance Corporation
AFMA	Australian Fisheries Management Authority
ANZCERTA	Australia New Zealand Closer Economic Relations Agreement
APEC	Asia-Pacific Economic Cooperation
CARIFORUM	Caribbean Forum of African, Caribbean and Pacific States
CEMAC	Economic and Monetary Community of Central Africa
CER	Australia New Zealand Closer Economic Relations Agreement
CIE	Centre for International Economics
COA	Commonwealth of Australia
CRC	cooperative research centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CTC	change of tariff classification
DFA	direct financial assistance
DSTO	Defence Science and Technology Organisation
EC	European Communities
EC	exceptional circumstances
ECOWAS	Economic Community Of West African States
EFTA	European Free Trade Association
EMDG	Export Market Development Grants
ESA	common market for Eastern and Southern Africa
FI	funding to institutions
FMD	Farm Management Deposits
GATT	General Agreement on Tariffs and Trade

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GCC	Gulf Cooperation Council
GDP	gross domestic product
HdH	Hawker de Havilland
IC	Industry Commission
IOG	Industry Oversight Group
MERCOSUR	Acuerdo Commercial–Mercado Común del Sur (Southern Common Market Agreement)
MFN	most favoured nation
MPA	Marine Protected Area
MVP	motor vehicles and parts
NCC	National Competition Council
NCP	National Competition Policy
NDP	National Drought Policy
NDRA	National Disaster Relief Arrangements
NTIS	National Tourism Investment Strategy
PACIFIC EPA	Pacific Economic Partnership Agreement
PC	Productivity Commission
PIIP	Pharmaceutical Industry Investment Program
PMV	passenger motor vehicles
PTA	preferential trading agreement
QSL	Queensland Sugar Limited
R&D	research and development
RAG	Regional Advisory Group
RoO	rules of origin
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARS	Severe Acute Respiratory Syndrome
SIC	Strategic Investment Coordination
SIP	Strategic Investment Program (TCF)
SIRP	Sugar Industry Reform Program
SME	small and medium enterprises

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TA	Tourism Australia
TCF	textiles, clothing and footwear
TE	tax expenditure
TES	Tax Expenditures Statement
TFES	Tasmanian Freight Equalisation Scheme
TRADEX	Trade and Export Concession Scheme
TSA	Tourism Satellite Account
UAE	United Arab Emirates
WTO	World Trade Organization