
E Queensland 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 Queensland, 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.

E.1 Summary data

The estimates indicate that the Queensland Government outlaid \$624 million in 2000-01, and \$732 million in 2001-02, on programs that provide assistance to industry (table E.1). Some relatively minor tax concessions are included in these figures.

Of the \$732 million expended in 2001-02, at least \$502 million was directed to programs classified as having a general industry development objective (table E.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).

A further \$43 million was directed to programs classified as having a regional industry development objective. Again, this estimate should be considered to be a lower bound. This is mainly because of the way the regional industry development category has been defined, in conjunction with the way the Commission has classified various programs. These have resulted in some significant assistance programs that support regional industries, in particular primary production, being excluded from the category (see appendix B). Were spending on primary production and mining by the Queensland Government to be included in this category, the total

expenditure on regional industry development assistance would have amounted to some \$317 million in 2001-02.

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

\$ million

	2000-01	2001-02
Principal objective		
Industry development	471	502
Regional industry development	41	43
Other or not classified	112	187
Sector		
<i>Primary production</i>	233	219
– General industry development	233	219
– Regional industry development	..	..
– Other or not classified	..	..
<i>Mining</i>	51	55
– General industry development	34	37
– Regional industry development	..	..
– Other or not classified	17	18
<i>Services</i>	175	267
– General industry development	81	98
– Regional industry development	..	..
– Other or not classified	94	169
<i>Manufacturing^a</i>	16	25
– General industry development	16	25
– Regional industry development	..	..
– Other or not classified	..	..
<i>Unallocated^a</i>	149	165
– General industry development	108	122
– Regional industry development	41	43
– Other or not classified	..	..
Total	624	732

.. 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 \$187 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 E.1.

In terms of the sectoral distribution, \$267 million was spent on programs that provide assistance to the services sector, although the majority of this — spending on the arts and professional sports — has not been classified as having industry development as the principal objective. Another \$219 million was allocated to programs which assist the primary production sector. The table also shows that \$25 million has 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 Queensland Government provided total payroll tax concessions in the order of \$0.8 billion 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).

E.2 Detailed data

Table E.2 describes different aspects of the Queensland 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 E.2 Queensland 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					
Departmental structure for 2001-02					
<i>Business and Market Development Services</i>	Provision of investment incentives, financial assistance, information and services to assist industry development.	Industry development	Unallocated		143.01
<i>Infrastructure and Project Facilitation</i>	Facilitation and coordination of major resource and manufacturing projects. Provision of lands for firms locating or expanding in Queensland. Planning and development of public infrastructure.	Industry development	Unallocated		25.21
<i>International Trade Development</i>	Provision of market information and advice and support services to potential and existing exporters as well as international buyers.	Industry development	Unallocated		22.24
Departmental structure for 2000-01					
<i>Investment Attraction and Support</i>	Provision of financial incentives, information and facilitation services to attract investment and 'footloose' industries. Facilitation services are also provided for re-investment by existing companies through an 'after care' service, after the initial investment.	Industry development	Unallocated	31.38	

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Queensland Investment Incentive Scheme ^d	A range of financial incentives to attract investment, including: payroll tax and land tax refunds; stamp duty refund; and establishment grants. Eligibility is assessed on a case-by-case basis.	Industry development	Unallocated	na	na
— Marketing and Information ^d	Participation in marketing campaigns and provision of information and market intelligence to potential investors.	Industry development	Unallocated	na	na
— Business Migrant Services ^d	Services are provided to attract business migrants as a source of capital and skill transfer.	Industry development	Unallocated	na	na
<i>Major Projects Development and Facilitation</i>	Facilitation and coordination of major projects. Projects may be facilitated where they are deemed to involve significant employment opportunities or investment greater than \$50 million; where there is strategic industry or regional development significance; where multi-departmental and inter-governmental issues exist; or when complex or sensitive approvals are required.	Industry development	Unallocated	15.95	
<i>International Trade Development</i>	Targeted market intelligence and advice to Queensland companies to develop export markets, through a network of domestic and international trade offices.	Industry development	Unallocated	20.71	
<i>Business Development, Information, Regulation Reform and Advice</i>	Several financial assistance schemes and business development services to Queensland businesses.	Industry development	Unallocated	18.11	
— Retail Skills Development Program ^d	Delivery of management skills training to retail firms.	Industry development	Services	na	na

Table E.2 Queensland (continued)

<i>Agency Output Program</i>	<i>Description</i>	<i>Objectives^b</i>	<i>Sector^c</i>	<i>Funding (\$ million)^a</i>	
				<i>2000-01</i>	<i>2001-02</i>
— Life in the Suburbs Scheme ^d	Funding to the Brisbane City Council for the provision of services to 700 Brisbane business clients.	Industry development	Unallocated	na	na
— Tourism Enterprise Pilot Project ^d	Delivery of tourism management modules and services in regional Queensland.	Regional industry development	Services	na	na
— Management Skills Development Program ^d	Delivery of workshops and training on management skills.	Industry development	Unallocated	na	na
— Queensland Small Business Advisory Council ^d	Development of assistance policies for small business, including the E-Commerce and Franchising Strategies.	Industry development	Unallocated	na	na
— International Women's Day Business Grant Scheme ^d	Grants to businesswomen to improve their business management skills with particular emphasis on rural and regional areas.	Other or not classified	Unallocated	na	na
— Leadership and Management Program ^d	Financial assistance to Queensland-based business, industry groups and franchisors to develop leadership and management skills of their members.	Industry development	Unallocated	na	na
— Indigenous Business Intender Product and Indigenous Business Development Grants ^d	Grants to indigenous businesses to improve their business development.	Other or not classified	Unallocated	na	na
— Enterprise Education Programs ^d	Financial and planning support to projects to develop business entrepreneurship skills for young people.	Industry development	Unallocated	na	na

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Computer Applications for Small Enterprises Project ^d	Provision of information, workshops and seminars for the uptake of e-commerce by small firms.	Industry development	Unallocated	na	na
— QeNET Project ^d	Delivery of e-commerce programs in 20 regional locations.	Regional industry development	Unallocated	na	na
— E-Commerce Grants Scheme ^d	Grants target small firms and supply chains for adoption of e-commerce solutions to business problems.	Industry development	Unallocated	na	na
— Queensland Business Licence Information Centre ^d	Licence processing, referral and advice.	Industry development	Unallocated	na	na
— Projects and Events ^d	Provision of information and matching services to business to access contracts relating Olympic Games and major events.	Industry development	Unallocated	na	na
— Australian Industry Defence Network ^d	Development of a network of companies to access defence procurement contracts.	Industry development	Unallocated	na	na
<i>Industries Opportunities and Development</i>	Assistance programs include direct facilitation of infrastructure projects, a targeted industry grants program, structural and enterprise adjustment and the administration of State and Commonwealth grants.	Industry development	Unallocated	29.65	
— Queensland Manufacturing Institute ^d	Funding to deliver technology diffusion services and establishment of an Advanced Visualisation Facility.	Industry development	Manufacturing	na	na

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Collaborative Industry Venture ^d	Grants to establish Centres of Excellence in Composite Fibre Technology, Soft Shell Crabs and Intellectual Property.	Industry development	Unallocated	na	na
— Queensland Parallel Supercomputing Foundation ^d	Support for establishment of a supercomputing infrastructure facility.	Industry development	Unallocated	na	na
— Aquaculture industry ^d	Streamlining of approval processes, development of best practice in sustainable operations, and investment attraction to priority regions.	Industry development	Primary production	na	na
— Sugar Research Institute ^d	Grants of \$4.56 million for sugar renewable energy research and demonstration projects.	Industry development	Primary production	na	na
— Sustainable Minerals Institute ^d	Funding of \$10 million over three years to establish the research institute as a partnership between the Government, industry and academic researchers.	Industry development	Mining	na	na
— Local Industry Policy ^d	Several measures designed to give firms access to government infrastructure and projects, including: <ul style="list-style-type: none"> • A requirement that public projects of greater than \$5 million have an Industry Participation Plan when proposals are submitted to Cabinet for approval; • Government-owned corporations must report annually on the level of local industry involved in projects over \$5 millions or prepare an Industry Participation Plan; 	Industry development	Unallocated	na	na

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
	<ul style="list-style-type: none"> • Assistance to the (Queensland) Industry Office Supplies; • Establishment of the Local Industry Taskforce and Committee to oversight and implement the policy. 				
— Targeted Industry Grants program and Queensland Industry Development Grants Scheme (QIDS) ^d	As part of the Target Industry Grants program, the QIDS assists firms and industries deemed to have the potential to increase employment, sales, investment, profitability and R&D. Subsidies are provided on a dollar-for-dollar basis up to 50 per cent of eligible costs. Assistance above \$50 000 is assessed on a case-by-case basis. Total funding of the program is \$8.5 million per year over 3 years.	Industry development	Unallocated	na	
<i>Regional Development</i>	Financial assistance and services to support regional development corporations, programs and strategies, provision and distribution of commercial intelligence on regional issues and regional economic trends.	Regional industry development	Unallocated	41.17	
— Regional Business Development Scheme ^d	Assistance to companies and regional groups to identify opportunities for economic development. Projects funded include identification of industry development opportunities, institutional strengthening and capacity building, and strategic land use planning for business, industry and tourism.	Regional industry development	Unallocated	na	
— Workcover Assistance Scheme ^d	Assistance to meat processors in Queensland.	Industry development	Manufacturing	na	

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— South East Queensland Hardwood Timber Industry Growth and Development Assistance Scheme ^d	The assistance is part of the implementation of the South East Queensland Forests Agreement, which transferred the Boral Timber's Nandroya Sawmill and Cooroy Board Plant into Queensland Government ownership.	Industry development	Primary production	na	
— Boral Timber Worker Support Package ^d	The assistance is part of the implementation of the South East Queensland Forests Agreement (see above).	Industry development	Primary production	na	
State Infrastructure Planning and Coordination	Research, planning and coordination services to provide appropriate land and infrastructure for significant economic development opportunities. Development of policies and implementation of strategies to encourage private sector provision of infrastructure.	Industry development	Unallocated	8.47	
Property Services Group (PSG) and Industry Location Scheme	The PSG operates as a 'commercialised business unit' to deliver a range of property services under the <i>Industry Location Scheme</i> . The PSG holds land to ensure that business has access to suitable sites. Its activities include industrial land acquisitions, sales, maintenance, lease management and development and buildings construction. Funding is drawn from the Estates Construction Fund which includes property-related and direct assistance mechanisms.	Industry development	Unallocated	na	
Sub-total for Department of State Development				165.43	190.46

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
DEPARTMENT OF TOURISM, RACING AND FAIR TRADING					
<i>Olympic 2000 Opportunities for Queensland</i>	Attraction of Olympic Games-related business to Queensland. Marketing of Queensland's international standard sporting facilities and tourism attractions.	Industry development	Services	0.08	..
Sub-total for Department of Tourism, Racing and Fair Trading					
TOURISM QUEENSLAND					
<i>Tourism Policy, Destination Development and Marketing</i>	Marketing of tourism and regional tourism development and policy development, including funding of a network of 14 regional tourism organisations.	Industry development	Services	42.91	45.4
Sub-total for Tourism Queensland					
QUEENSLAND EVENTS CORPORATION					
<i>Major Event Securement and Support</i>	Attraction and development of major events in low season with the aim of creating stability and certainty of employment. Assistance to tourist operators with budget planning and forecasting.	Other or not classified	Services	6.73	7.40
<i>Queensland Events Regional Development Program</i>	Attraction of major events to regional Queensland.	Other or not classified	Services	..	1.00
Sub-total for Queensland Events Corporation					

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
DEPARTMENT OF INNOVATION AND INFORMATION ECONOMY, SPORT AND RECREATION					
<i>Minor Grants and Subsidies</i>	Development of policies on R&D, innovation and information technology. Delivery of a range of assistance programs.	Other or not classified	Services	6.03	5.46
<i>Sport and Recreation</i>	Funding of sports infrastructure and programs, and staging of sports tournaments, including: the Olympic Football Tournament; redevelopment of the Suncorp Metway Stadium to attract major sport events.	Other or not classified	Services	16.51	22.12
Major grants and subsidies: ^e					
— Innovation Start-up Scheme	Subsidies of up to \$75 000 are available to assist companies to commercialise technologies. Assistance includes business feasibility workshop and tailored assistance for business development.	Industry development	Unallocated	0.59	0.76
— Institute of Molecular Bioscience Construction	Funding for construction cost of the Institute.	Industry development	Unallocated	1.55	9.09
— Institute of Molecular Bioscience Operational	Funding of the operating cost of the Institute for research and development and bioindustries.	Industry development	Unallocated	5.5	5
— iLab Pty Ltd	Operates as a technology incubator to provide start-up firms with support, mentoring, venture capital and shared accommodation and facilities.	Industry development	Unallocated	na	0.94
— Queensland Parallel Supercomputing Foundation	Grants and subsidies to upgrade infrastructure.	Industry development	Unallocated	2.50	5.5

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
— Cooperative Research Centre for Enterprise Distributor System Technology	Grants to research and development.	Industry development	Unallocated	1.00	1.00
— Cooperative Research Centre for Satellite Systems	Grants to research and development.	Industry development	Unallocated	0.36	0.36
— Cooperative Research Centre for Diagnostics	Grants to research and development.	Industry development	Unallocated	-	0.10
— Cooperative Research Centre for Vaccine Technology	Grants to research and development.	Industry development	Unallocated	0.03	0.10
— BioStart Pty Ltd	Funding to assist high potential technology research at "proof of concept" stage.	Industry development	Unallocated	-	2.07
— Centre for Biomolecular Science and Drug Discovery	Funding towards construction costs of the centre.	Industry development	Unallocated	4.50	3.50
— National Standards Sport Facilities	Grants and subsidies to sports facilities.	Other or not classified	Services	9.69	7.76
— State Sport and Recreation Development	Grants and subsidies to sports programs.	Other or not classified	Services	5.79	11.45
Sub-total for Department of Innovation and Information Economy, Sport and Recreation				54.05	75.21

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
GOLD COAST EVENT COMPANY					
— Indy Car Event	Grant to race organisers to assist with the cost of staging the 2002 Indy Car event in Gold Coast.	Other or not classified	Services	10.70	10.95
Sub-total for Gold Coast Events Company				10.70	10.95
DEPARTMENT OF EMPLOYMENT AND TRAINING					
— Aviation Centre of Excellence	As part of the recent attraction of aviation and aerospace industries to Queensland, the Government provides funding of \$10 million to establish the Centre to provide vocational training and higher education on aviation maintenance and training skills.	Other or not classified	Services	na	2.59
— Building and Construction Industry Training Fund	A training fund for employers to engage apprentices in skill shortage areas of the building and construction industries.	Other or not classified	Services	na	6.03
— Private Sector Employment Initiative	Assistance to private sector employers and group training organisations to employ additional apprentices or trainees in targeted skill shortages industries.	Other or not classified	Unallocated	na	na
Sub-total for Department of Employment and Training				na	8.62
ARTS PORTFOLIO AGENCIES					
Arts Queensland					

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
<i>Assistance to the Arts</i>	Delivery of arts funding programs; development of arts infrastructure; partnership with industry; and policy development for arts and cultural industries. Under Arts Queensland, the new Millennium Arts Program provides significant funding to assist the arts industries, including funding for a range of arts and cultural facilities and projects.	Other or not classified	Services	24.69	82.20
Queensland Art Gallery					
<i>Access to Visual Arts</i>	Exhibitions and presentations of arts works. Assistance to artists.	Other or not classified	Services	9.79	10.82
Queensland Museum					
<i>Museum Services</i>	Exhibitions and presentations of cultural and arts works.	Other or not classified	Services	14.73	14.96
Queensland Performing Arts Trust					
<i>Venue Management, Theatrical Productions, and Performing Arts Development</i>	Management of performing arts venues, production of arts festivals, and dance, theatrical and musical performances, and partnership with arts companies.	Other or not classified	Services	8.62	7.66
Queensland Theatre Company					
<i>Theatre Production</i>	Production and presentation of plays and theatrical works.	Other or not classified	Services	2.71	2.91

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
DEPARTMENT OF NATURAL RESOURCES AND MINES					
<i>Mineral and Petroleum Exploration and Development</i>	Provision of services, information and advice to facilitate mining explorations and development of mineral and petroleum industries.	Industry development	Mining	33.71	36.95
<i>Mining Safety and Health</i>	Funding of audit and inspection services, education programs and an emergency response capability to provide health and safety protection involved in mining, quarrying, explosives, petroleum and gas industries. Research services are also undertaken to facilitate safe mining industry practices.	Other or not classified	Mining	17.18	18.18
Sub-total for Department of Natural Resources and Mines				50.89	55.13
DEPARTMENT OF PRIMARY INDUSTRIES					
<i>Food and Fibre Science and Innovation</i>	Provision of research and development and extension services to the food and fibre industries.	Industry development	Primary production	98.80	96.82
<i>Market Access and Development</i>	Provision of services and information to develop export markets for the agricultural sector. Assistance includes development of food-chain alliances, provision market intelligence, effective pest and disease surveillance and response and management systems.	Industry development	Primary production	36.99	44.18
<i>Rural Community Development</i>	Provision of training subsidies, information, skill development, and increased access to government services to facilitate the management of economic, social and natural resource issues in the farm sector.	Industry development	Primary production	25.35	33.11

Table E.2 Queensland (continued)

Agency Output Program	Description	Objectives ^b	Sector ^c	Funding (\$ million) ^a	
				2000-01	2001-02
Fisheries	Promotion of sustainable development and competitiveness of Queensland commercial and recreational fishing and aquaculture industries and protection of the environment on which these industries depend through the provision of development and management services.	Industry development	Primary production	42.08	30.19
Sub-total for Department of Primary Industries				203.22	204.30
QUEENSLAND RURAL ADJUSTMENT AUTHORITY					
Government Rural Assistance Administration	Several State financial assistance schemes to rural industries, including: FarmBis, Rural Adjustment Scheme Regional Programs, Tobacco Assistance Package, East Coast Trawl Adjustment, and the Development Infrastructure Scheme.	Regional industry development	Primary production	29.71	14.79
Sub-total for Queensland Rural Adjustment Authority				29.71	14.79
TOTAL BUDGETARY OUTLAY ASSISTANCE⁹				624.26	731.81

.. 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, using the *Ministerial Portfolio Statements 2001-02* (Queensland Government 2001a) and information provided by Queensland Treasury.
- The estimates represent the 'State contribution' of funding to total output (or program) costs as shown in the *Ministerial Portfolio Statements 2001-02* (Queensland Government 2001a). This excludes user charges, industry contributions and Commonwealth grants.

- The figures are indicative only and are likely to be revised by the Queensland Government.
 - The assistance sub-total for each agency is computed as the sum of individual output funding (in italics). Where information is available, funding figures for individual programs, sub-programs or grants and subsidies are also shown, but are not included in the calculation of the sub-total.
- 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** These information are drawn from Department of State Development (2001), Department of Industry, Science and Resources (Commonwealth) (2001) and Department of Industry, Tourism and Resources (Commonwealth) (2002).
- e** These information are drawn from Department of Innovation and Information Economy, Sport and Recreation (2001).
- f** The funding figures are drawn from Queensland Rural Adjustment Authority (2002).
- g** 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:

- Department of State Development (Queensland) 2001, *Annual Report 2000-01*, Brisbane.
- Department of Innovation and Information Economy, Sport and Recreation (Queensland) 2001, *Annual Report 2000-01*, Brisbane.
- Industry Commission 1996, *States, Territory and Local Government Assistance to Industry*, Report No. 55, AGPS, Canberra, October.
- Queensland Government 2001a, *Ministerial Portfolio Statements, 2001-02 State Budget*, Brisbane.
- Queensland Government 2001b, *Capital Statement, 2001-02 State Budget*, Budget Paper No. 4, Brisbane.
- Queensland Rural Adjustment Authority 2002, *Annual Report 2001-02*, Brisbane.