

## REVIEW OF QUEENSLAND GOVERNMENT INDUSTRY ASSISTANCE

The Queensland Competition Authority has been asked to review the effectiveness of State Government assistance to industries.

In particular, we will advise government on the options to make assistance more effective in terms of productivity, economic growth and value for money for taxpayers.

### Background to the Review

In 2013, the Queensland Commission of Audit said that industry assistance programs should contribute to greater productivity in the economy. The Commission found that it is difficult to identify the full range of industry assistance measures, to accurately measure the costs to taxpayers and to determine the overall costs and benefits for Queensland.

To address these concerns, the Queensland Competition Authority (QCA) review will:

- identify industry assistance measures in place, including their objectives, administration and funding
- develop and apply a performance assessment framework to evaluate the effectiveness of assistance measures
- propose options to reform assistance measures.

The range of assistance measures covered by this inquiry will be broad: government subsidies, taxation revenues foregone, purchasing preference schemes, underpricing of access to government-owned assets or services, and regulations restricting competition or innovation.

The QCA will focus on assistance provided to specific businesses or industries. Less targeted measures which affect the general business climate will not be assessed.

### Why measure and evaluate industry assistance?

If industry assistance is to improve Queensland's economic performance, the benefits it generates must out-weigh all associated costs. Assistance should deliver a net benefit to the community, not just benefits to those receiving assistance.

Requiring a net public benefit is important for equity and efficiency reasons. Industry assistance may impose costs on other businesses and consumers. Distorting markets and investment decisions can, over time, lower economic growth.

On the other hand, improving the design and delivery of industry assistance may generate greater benefits to the community.

### Consultation and key dates

Throughout the inquiry we will be seeking public involvement, through written submissions and scheduled consultations.

An issues paper will be published shortly to assist public comment. The final report will be submitted to the State Government on 30 June 2015.

Task	Indicative Dates
● Review starts	4 April 2014
● Issues paper released	April 2014
● Submissions close	30 May 2014
● Interim report	29 August 2014
● Consultations and submissions	Mid-September 2014 to January 2015
● Final report to Government	30 June 2015

For more information and to register your interest in the review, log onto: [www.qca.org.au/Industry-Assistance](http://www.qca.org.au/Industry-Assistance)