

17/18.
Budget

Mining, manufacturing and construction

The mining, manufacturing and construction function includes expenses for programs designed to promote the efficiency and competitiveness of Australian industries. The major components include the Research and Development Tax Incentive and industry assistance programs.

Table 14: Summary of expenses — mining, manufacturing and construction

Sub-function	Estimates			Projections	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Mining, manufacturing and construction	3,559	3,825	4,188	4,425	4,583
Total mining, manufacturing and construction	3,559	3,825	4,188	4,425	4,583

Total expenses under the mining, manufacturing and construction function are expected to increase by 5.4 per cent in real terms from 2016-17 to 2017-18, and increase by 12.0 per cent in real terms from 2017-18 to 2020-21.

Table 14.1 provides further details of the major components of the mining, manufacturing and construction sub-function.

Table 14.1: Trends in major components of mining, manufacturing and construction sub-function expenses

Component(a)	Estimates			Projections	
	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m
Research and Development Tax Incentive	2,874	3,003	3,219	3,461	3,737
Growing Business Investment	485	400	297	252	208
Northern Australia Infrastructure Facility	6	222	471	521	471
Other	194	199	201	192	167
Total	3,559	3,825	4,188	4,425	4,583

(a) The entry for each component includes eliminations for inter-agency transactions within that component.

The increase in expenses for the Research and Development Tax Incentive, administered by the Australian Taxation Office, reflects changes in the number and size of expected claims from eligible companies with an annual turnover of less than \$20 million.

Expenses under the 'Growing Business Investment' component of this function are expected to decrease over the forward estimates reflecting the reduced demand for assistance under the Automotive Transformation Scheme associated with the closure of vehicle manufacturing firms by the end of 2017, and reduced expenditure in Industry Growth Centres, following their establishment over the period 2015-16 to 2016-17.