

EPBS Report Findings

February 2011

pwc

*What would
you like to grow?*

EPBS Report Findings

Access Economics concludes its report on the Enhanced Project By-law Scheme (EPBS) and releases its findings to AusIndustry

The release of a report by Access Economics detailing its findings following a 6 months review of the EPBS has marked the completion of the exercise.

The EPBS is a federal government incentive scheme which encourages major project proponents to consider Australian suppliers in exchange for duty concessions on imported capital equipment.

Access Economics was asked by the Department of Innovation, Industry, Science and Research to undertake an evaluation of the operation and effectiveness of the EPBS.

Following the consultation period, Access Economics has delivered the following key findings:

- The scheme has broader benefits which include the promotion of relationships amongst stakeholders (however, it was also recognised that these relationships can be jeopardised should the scheme become too administratively complex)
- The scheme should be positioned as “the scheme of choice” for major projects, against the other available mechanisms including the Tariff Concession system
- A number of pressure points have been identified of which the following reform options were presented:
 - A more flexible approach towards Australian Industry Participation (AIP) lodgement should be adopted (on a project by project basis, where milestones are agreed up front)
 - Pre qualification of AIP credentials should be considered (i.e. to cover numerous projects)

- A formal case manager to guide users through the process should be provided
- A “dual-stream” approach to fast track smaller projects in order to reduce costs and provide more attractiveness to the scheme should be introduced
- A new functional unit guide to reduce uncertainty on parameters should be prioritised, and
- A regular user group should be introduced to discuss issues within aligned sectors.
- Long term improvements will be achieved by:
 - Reducing the complexity of the scheme
 - Streamlining the process for its users, and
 - Enhancing stakeholder relationships.

Access Economics considers that EPBS forms an important part of the Government’s tariff policy framework, and there would be benefits in ensuring the scheme’s core policy compliments that of Australia’s trade policy agenda and does not work against it.

The release of this report has triggered a response from the Minister’s office stating that the findings will be reviewed and assessed over the next 12 months. Implementation therefore may be seen in 2012 and its effect will depend on the level of ‘streamlining’ introduced.

Should AusIndustry accept the general position taken by Access Economics, applicants could benefit from a less administratively burdensome scheme where the benefits to participants remain high.

PwC will continue to monitor developments following the release of this report and will provide updates as they occur.

Further information:

To have a deeper discussion about what the above means for your business, please contact your usual PwC contact or:

WA/SA	Darryl Daisley	08 9238 3341
QLD/NT	Gary Dutton	07 3257 8783
VIC	Bill Cole	03 8603 6043
NSW	Russell Wilkinson	02 8266 2168